

The applicant requests authorization to take (capture and band) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in South Carolina for the purpose of enhancement of survival of the species.

*Applicant:* Dr. Barry J. Wicklow, Saint Anselm College, Manchester, New Hampshire, TE006986-0

The applicant requests authorization to take (capture and temporarily retain) the endangered dwarf wedge mussel, *Alasmidonta heterodon*, throughout the species range in North Carolina, for the purpose of enhancement of survival of the species.

*Applicant:* Forest Supervisor, National Forests in Alabama, Montgomery, Alabama, TE007744-0

The applicant requests authorization to take (capture, band, translocate, and harass during nest monitoring and augmentation) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in Alabama, for the purpose of enhancement of survival of the species.

*Applicant:* Forest Supervisor, Daniel Boone National Forest, Winchester, Kentucky, TE007745-0

The applicant requests authorization to take (capture, band, translocate, and harass during nest monitoring and augmentation) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in Kentucky, for the purpose of enhancement of survival of the species.

*Applicant:* Forest Supervisor, National Forests in Florida, Tallahassee, Florida, TE007747-0

The applicant requests authorization to take (capture, band, translocate, and harass during nest monitoring and augmentation) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in Florida, for the purpose of enhancement of survival of the species.

*Applicant:* Forest Supervisor, Kisatchie National Forest, Pineville, Louisiana, TE007748-0

The applicant requests authorization to take (capture, band, translocate, and harass during nest monitoring and augmentation) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in Louisiana, for the purpose of enhancement of survival of the species.

*Applicant:* Forest Supervisor, Francis Marion National Forest, South Carolina, TE007741-0

The applicant requests authorization to take (capture, band, translocate, and

harass during nest monitoring and augmentation) the endangered red-cockaded woodpecker, *Picoides borealis*, throughout the species range in South Carolina, for the purpose of enhancement of survival of the species.

Dated: February 16, 1999.

**Sam D. Hamilton,**  
*Regional Director.*

[FR Doc. 99-4385 Filed 2-22-99; 8:45 am]

BILLING CODE 4310-55-P

## DEPARTMENT OF THE INTERIOR

### Fish and Wildlife Service

#### Klamath Fishery Management Council; Meeting

**AGENCY:** Fish and Wildlife Service, Interior.

**ACTION:** Notice of meeting.

**SUMMARY:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App. I), this notice announces a meeting of the Klamath Fishery Management Council, established under the authority of the Klamath River Basin Fishery Resources Restoration Act (16 U.S.C. 460ss *et seq.*). The Klamath Fishery Management Council makes recommendations to agencies that regulate harvest of anadromous fish in the Klamath River Basin. The objective of this meeting is to develop 1999 Klamath fall chinook salmon harvest management options, for recommendation to the Pacific Fishery Management Council and other agencies. The meeting is open to the public.

**DATES:** The Klamath Fishery Management Council will meet from 2:00 pm to 6:00 pm. on Sunday, March 7, 1999.

**PLACE:** The meeting will be held at the Oxford Suites Hotel, 12226 North Jantzen Drive, Portland, Oregon.

**FOR FURTHER INFORMATION CONTACT:** Dr. Ronald A. Iverson, Project Leader, U.S. Fish and Wildlife Service, P.O. Box 1006 (1215 South Main), Yreka, California 96097-1006, telephone (530) 842-5763.

**SUPPLEMENTARY INFORMATION:** At the March 7, 1999 meeting, the Klamath Fishery Management Council may schedule short follow-up meetings to be held between March 8, 1999 and March 11, 1999 at the Columbia River DoubleTree Hotel, 1401 North Hayden Island Drive, Portland, Oregon, where the Pacific Fishery Management Council will be meeting.

For background information of the Klamath Council, please refer to the

notice of their initial meeting that appeared in the **Federal Register** on July 8, 1987 (52 FR 25639).

Dated: February 17, 1999.

**Elizabeth H. Stevens,**

*Manager, California/Nevada Operations Office.*

[FR Doc. 99-4384 Filed 2-22-99; 8:45 am]

BILLING CODE 4310-55-M

## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### Agency Information Collection Activities: Submitted for Office of Management and Budget Review; Comment Request

**AGENCY:** Minerals Management Service, DOI.

**ACTION:** Notice of information collection solicitation and public meetings.

**SUMMARY:** Under the Paperwork Reduction Act of 1995, the Minerals Management Service (MMS) is soliciting comments on revising an existing information collection, Report of Sales and Royalty Remittance, the Office of Management and Budget (OMB) Control Number 1010-0022, which expires on August 31, 2001.

**FORM:** MMS-2014.

**DATES:** Written comments should be received on or before April 26, 1999. MMS will hold two public meetings about the proposed royalty reporting changes on March 11, 1999, in Houston, Texas, and on March 17, 1999, in Lakewood, Colorado.

**ADDRESSES:** Comments sent via the U.S. Postal Service should be sent to Minerals Management Service, Royalty Management Program, Rules and Publications Staff, P.O. Box 25165, MS 3021, Denver, Colorado 80225-0165; courier address is Building 85, Room A613, Denver Federal Center, Denver, Colorado 80225; e-mail address is RMP.comments@mms.gov. The time and location for each public meeting is:

Houston—March 11, 1999, 8:30-11:30 a.m. Central Standard Time, Houston Compliance Division Office, 4141 North Sam Houston Parkway East, Houston, Texas 77032, Telephone Number (281) 987-6802

Denver—March 17, 1999, 8:30-11:30 a.m. Mountain Standard Time, Minerals Management Service, Denver Federal Center, Building 85, West 6th Avenue and Kipling Street, Lakewood, Colorado 80215, Telephone Number (303) 231-3585

(Access to the Denver Federal Center will require the presentation of a picture identification.)

**FOR FURTHER INFORMATION CONTACT:** Paula Neuroth, Reports Branch, at phone number (303) 231-3287, FAX number (303) 231-3700, or e-mail at Paula.Neuroth@mms.gov.

**SUPPLEMENTARY INFORMATION:** We are seeking your comments, both positive and negative, on our proposed changes to Form MMS-2014. Do you have, or are you able to obtain access to, the information needed to report the data element (all data elements are described below)? If not, from what other source could the Royalty Management Program (RMP) obtain the data? Is it appropriate to collect the proposed data via the revised Form MMS-2014, or should we collect by other means (realizing that this may mean a new information collection)? Are there other data elements that RMP should collect in lieu of the proposed data elements? Will collecting other data elements better enable us to meet our three goals stated in this Notice? Is this information collection necessary for us to properly do our job? Can we enhance the quality, utility, and clarity of the information we collect? Can we lessen the information collection burden on the respondents by using automated collection techniques or other forms of information technology?

The public meetings will be open to the public to discuss the proposed reporting changes. We encourage members of the public to attend these meetings. Those wishing to make formal presentations should sign up upon arrival. The sign-up sheet will determine the order of speakers. For building security measures, each person will be required to sign in and may be required to present a picture identification.

Comments, including names and home addresses of respondents, are available for public review during regular business hours and are placed on our web site at <http://www.rmp.mms.gov/library/readroom/readrm.htm>. Individual respondents may request that we withhold their home address from the rulemaking record, which we will honor to the extent allowable by law. There may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by the law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from

organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

In April 1996, RMP undertook a compliance reengineering initiative to examine the current compliance strategy and determine the best approach for accomplishing future goals and objectives. The principal reengineering objective was to define and implement a new compliance strategy that satisfied, in the most cost-effective manner possible, the compliance program's primary purpose of ensuring that Federal and Indian mineral lease revenues were accurately and timely paid.

The Royalty Policy Committee (RPC), which includes representatives from industry, States, Indian Tribal and allottee groups, and MMS, issued recommendations in June 1996 to streamline both royalty and production reporting. An action plan was developed to implement many of the recommendations; however, in August 1996, the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA), was enacted into law. RSFA significantly changed many of RMP's historical operating assumptions as well as some fundamental Federal oil and gas mineral revenue financial activities. Although near-term changes in processes and systems were made to implement the law, long-term strategies, business processes and aging systems needed to be addressed for RMP to be cost-effective and responsive to customer needs. The decision was made April 1, 1997, to expand reengineering to all RMP core business processes. This is the most comprehensive review of the RMP's business processes and organization since its creation in 1982. As part of its reengineering effort, RMP analyzed current information collection requirements of the Form MMS-2014, and built upon the RPC's earlier recommendations. Is the information we collect necessary and how do we use it? Will it support reengineered business processes? Can we obtain or utilize the information we collect more efficiently? Are changes necessary to better support reengineered business processes?

There are several reasons why we conduct information collections:

- To fulfill our obligation of disbursement and distribution of funds to the ultimate recipients as quickly as possible;
- To comply with FOGRMA, Explanation of Payments (EOP) requirements. FOGRMA, Section 105(a) requires RMP to provide to revenue recipients along with payments: a description of the type of payment being made, the period covered by such payment,

the source of such payment, production amounts, the royalty rate, unit value and such other information as may be agreed upon by the Secretary and the recipient State, Indian tribe, or Indian allottee. The Form MMS-2014 is the source of the information; and

- To collect sufficient and appropriate information to assist RMP in the compliance and asset management process which is dependent upon the accuracy and usefulness of the Form MMS-2014 data. The compliance and asset management process will ensure that all revenues, whether they are received through in-kind or in-value royalties, are accurately reported and paid and that the compliance status of all leases is known within a reasonable time.

As a result of our analysis, we developed and incorporated revised reporting requirements in the proposed Form MMS-2014 which will reduce the volume of lines reported and processed, minimize errors and related error correction workloads, simplify reporting and lower costs for both industry and RMP. The proposal incorporates RPC recommendations, and input received from States, Indian Tribes, and other industry groups. We plan to implement this proposal, or, a modified proposal based upon your comments, by September 2001.

We are seeking your comments on the proposed revisions presented and described below related to reporting for Federal and Indian oil, gas, and geothermal leases. These include revisions to reporting concepts, specific proposed Form MMS-2014 data elements, agreement level reporting, report format and presentation, paperless reporting, and reporting burden.

### Reporting Concepts

#### 1. Elimination of the Form MMS-4025, Payor Information Form (PIF), OMB Control Number 1010-0033

The RPC recommended that RMP simplify the current form, reduce the frequency of submissions, and explore alternatives to the PIF. RMP has performed extensive analysis of the alternatives and believes that in a reengineered system the PIF can be eliminated.

Each year, industry prepares and submits over 23,000 PIF's which identify the type of payment to be reported (rent, minimum royalty, royalty, etc.) and establish the specific lease, revenue source, product(s), and selling arrangements a payor will report on the Form MMS-2014.

PIFs are frequently not submitted timely or are prepared incorrectly. Additionally, the data actually reported on the Form MMS-2014 does not always correspond to the PIF

information, causing lines to reject. In fact, this is the principal reason for rejected Form MMS-2014 lines. Industry and RMP personnel spend many hours researching and correcting these rejected lines.

RMP is proposing that in lieu of the PIF, payors report the MMS converted lease and agreement number on the Form MMS-2014. The MMS has an existing unique numbering system to accommodate the Bureau of Land Management (BLM) and the Bureau of Indian Affairs (BIA) assigned numbers. Reporting of the MMS lease and agreement number eliminates the need for a PIF to establish the relationship of the payor to a revenue source. Payors will obtain the converted lease and agreement numbers via the Internet or by contacting RMP.

All other data that was established via the PIF, including product code(s), start and end dates, and rent and minimum royalty responsibility will now be established via the Form MMS-2014. RMP will use the reported sales month, payment type (royalty, rent, minimum royalty, etc), and product code to populate our data base.

This change allows RMP to eliminate a major industry reporting burden, reduces costs for RMP and industry, and significantly reduces the number of rejected Form MMS-2014 lines while enabling RMP to disburse and distribute funds to the recipients more efficiently.

## 2. Product Valuation

RMP believes automating product valuation monitoring, i.e., identifying reporting that appears to be outside RMP established tolerances, is the best way to efficiently and effectively improve the compliance and asset management process. We need sales data reported at a level of detail that does not mix volumes and values to mask true exceptions or generate erroneous exceptions. All MMS valuation regulations are based on the principle that arm's-length sales represent value. Arm's length is defined in 30 CFR 201.101 and 30 CFR 206.151 as a contract or agreement that has been arrived at in the market place between independent, nonaffiliated persons with opposing economic interests regarding that contract. Therefore, RMP must be able, at a minimum, to distinguish arm's-length sales from sales that are not arm's length.

Additionally, combining different types of contracts, such as percentage-of-proceeds, with other sales occurring during the month would skew the product value. Therefore, RMP will require payors to report separate lines of royalty detail based upon the nature of

the sale (arm's length/non-arm's length) and the contract type. RMP will establish a code for each criteria. We will publish these codes in the appropriate payor handbooks. Multiple sales occurring during a month, but within a single criteria, will be reported as one line on the Form MMS-2014. We do not believe this requirement will increase the number of lines a payors must report. Most payors will not have sales from more than one contract type occurring in the same sales month on a lease. The proposed criteria are:

- Arm's-length spot contract
- Non-arm's-length spot contract

RMP defines a spot contract as a contract where the price under the contract is tied to a 30 day spot market price such as a bid-week index price, bid-week spot price or an after bid-week (after market) spot price. Normally, a spot contract is for a period of 30 days or less.

- Arm's-length long term contract
- Non-arm's-length long term contract

RMP defines a long term contract as a contract where the price under the contract is tied to something other than a 30-day spot market price or a negotiated fixed price such as a NYMEX futures forward month price. Normally, a long term contract is for a period greater than 30 days.

- Arm's-length percentage-of-proceeds (POP) contract
- Non arm's-length percentage-of-proceeds contract

RMP defines a POP contract as a contract for the sales of gas prior to processing in which the value of the wet, unprocessed gas is based on a percentage of the proceeds the purchaser receives for the sale of residue gas and gas plant products attributable to processing the lessee's gas.

Obtaining data at this level of detail will enable RMP to focus our efforts on true valuation problems and avoid unnecessary requests to industry for additional data.

## 3. Reporting Adjustments.

Between 40 and 60 percent of the total monthly lines reported by industry are adjustments to previously reported data. Currently, when a payor submits amended data, they must reverse the entire original line and report a new line incorporating the amended data. This practice requires both RMP and industry to maintain detail monitoring of the "last line" reported and accounts for a large number of the lines reported by industry and processed by RMP.

As recommended by RPC, RMP is proposing that the reporting of prior period adjustments be on a "net" basis. Net basis is defined as the incremental positive or negative volume/value change for a line of reporting. The original line would not be reversed. Only a single line entry to report the change in volume/value would be

required. However, a two-line adjustment would be required if any of the original key data elements such as lease number, agreement number, product code, or sales month were incorrect. RMP estimates that this change will reduce the number of Form MMS-2014 lines by 700,000 to 1.0 million lines annually.

## 4. Transportation and Processing Allowance Deductions

The current process requires reporting of volumes and values on one line, transportation allowance deductions on a second line, and processing allowance deductions on a third line of the Form MMS-2014. This doubles and triples reporting of key data elements.

As recommended by the RPC, RMP is proposing that transportation and processing allowance deductions be reported on the same line as volumes and values. Reporting of key data elements only once for all related transactions can be accomplished by adding fields to the Form MMS-2014. RMP anticipates that this will reduce the number of Form MMS-2014 lines reported, processed, and verified by approximately 875,000 a year. It will also streamline and improve the accuracy of the payor's initial reporting of allowances by automatically assigning the deductions to the associated royalty value.

## Form MMS-2014 Data Elements

RMP is seeking your comments on the proposed Form MMS-2014 data elements. Each of the proposed Form MMS-2014 data elements is explained below and is identified as required or not required. A brief explanation of the data and how it will be used is also provided.

### 1. Payor Name

Required. This identifies company/individual submitting the report. MMS uses the payor name to match to an existing payor code or to contact the company if the payor code is blank or invalid.

### 2. Payor Code

Required. This uniquely identifies the entity submitting the report. It also links to the payor address and company contact information in RMP's system.

### 3. Indian Report Indicator

Required. Is used to indicate that all lines on the report are for Indian leases. If not checked, report is assumed to be Federal. Indian and Federal leases cannot be reported on the same Form MMS-2014.

**4. Payor Assigned Document Number**

Required. A unique identifier assigned by the payor to both the report and the associated payment. Used by RMP system to automatically match a receivable (Form MMS-2014 or Bill/Order) to the associated payment. This data element has been expanded to an 8 place alpha/numeric field (no slashes, dashes, or special characters).

**5. Line Number**

Required. Used to sequentially number each line on the report.

**6. Reserved for Payor's Use**

Not Required. Can be used by the payor to enter their property identifier. RMP will process this data and store it in our system as part of the royalty line. It serves as a communication tool with the payor.

**7. MMS Lease Number**

Required. This is the MMS-assigned lease number, not the Agency Assigned (BLM, BIA, MMS's Offshore Minerals Management) lease number. RMP is required by FOGRMA to display the "source of the payment" (lease number) on the EOP which is provided to States and Indians. The lease number will be used in conjunction with the agreement number in Column 9 as a replacement for the current revenue source code. The lease number also drives the disbursement process.

**8. API Well Number**

Not Required. RMP is not requiring monthly well level reporting. The API well number will only be reported in two specific cases, but only if MMS instructs the payor to do so. These cases are:

- When Indian Tribes elect to opt out of an index zone as proposed in the new Indian gas valuation rule; and
- When certain Outer Continental Shelf royalty rate relief initiatives are implemented.

**9. MMS Agreement Number**

Required in those cases where royalties are being reported for sales attributable to unit or communitization agreement production. Must be blank if sales are being reported for lease level production. This eliminates the need to report a revenue source code. Instead, RMP will use the reported lease or lease and agreement number to compare sales volumes reported on the Form MMS-2014 to sold or transferred volumes reported on the monthly Oil and Gas Operations Report (OGOR).

**10. Product Code**

Required. Identifies the product on which royalties are calculated. RMP is required to provide this on the EOP. This information is used in many aspects of the royalty management process. RMP anticipates adding new product codes for the following:

- Geothermal—electrical generation, kilowatthours
- Geothermal—electrical generation, thousands of pounds
- Geothermal—electrical generation, millions of Btu's
- Geothermal—electrical generation, other
- Geothermal—direct utilization, millions of Btu's
- Geothermal—direct utilization, hundreds of gallons
- Geothermal—direct utilization, other
- Coalbed methane

**11. API Gravity**

Required if reported product code is 01-oil; 02-condensate; 13-fuel oil; 14-oil lost. Used in valuation monitoring.

**12. Valuation Code**

Required. This data field will be used to identify contract type and nature of disposition (arm's-length or non arm's-length) for Federal and Indian oil, gas, and geothermal leases. RMP has determined that this information is needed to effectively and timely identify and resolve product valuation issues. Payors will be able to roll up sales within each Valuation Code criteria on a lease and report a single line. Sales occurring across criteria will require separate lines of reporting.

**13. Sales Month/Year**

Required. RMP must collect this information for the EOP and it is used in all RMP downstream verification processes.

**14. Transaction Code**

Required. RMP must collect this information for use on the EOP. It is a key element in the royalty edit process, identifying for the MMS system what data elements and relationships to expect on the line and what activity is being reported (rent/ royalty/ recoupment/ etc.).

**15. Adjustment Reason Code**

Used to report a variety of adjustments and, in some cases, original line entries. Required field if:

- A line is an adjustment to data previously reported or,
- A line is a RSFA marginal property "true-up" line or,
- The payor is self-reporting interest or,
- The payor is reporting Indian major portion.

It also is used in the calculation of interest as it relates to the above items. RMP will reduce the number of adjustment reason codes, but has determined that maintaining a separate adjustment reason code provides needed functionality and flexibility.

**16. Sales Volume**

Required. The volume reported in this field is the MCF, barrels, gallons, long tons, kilowatt-hours, thousands of pounds, and hundreds of gallons on which the Indian/Federal royalty is calculated. Gas sales are reported at a standard temperature of 60 degrees Fahrenheit and 14.73 psia. Calculation of Sales Volume will be determined differently for entitlement versus takes reporting and for sales attributable to agreement production versus sales attributable to lease level production. RSFA provides the foundation for entitlements and takes requirements.

**Entitlement Calculation**

Sales attributable to agreement production:

Total agreement sales volume × Lease allocation percentage × Lease Federal or Indian mineral interest × Working interest owner percentage × Indian direct pay percentage (if applicable).

Sales attributable to lease production:

Lease sales × Lease Federal or Indian mineral interest × Working interest owner percentage × Indian direct pay percentage (if applicable).

**Takes Calculation**

Calculation for takes reporting will be defined by RMP through reporting instruction.

RMP must collect this information for use on the EOP. RMP will use this field to compare sales volumes reported on the Form MMS-2014 to sold or transferred volumes reported on the OGOR. It will also be used in conjunction with column 17 to calculate the Btu content for gas products.

**17. Gas MMBtu Sales Volume**

Required if the reported product code is:

- 03—processed (residue) gas,
- 04—unprocessed (wet) gas,
- 12—flash gas,
- 15—fuel gas, or
- 16—gas lost (flared or vented).

The MMBtu sales volume is calculated using the same formula as Column 16. RMP will use columns 16 and 17 to calculate the Btu content on gas products.  $MMBtu \div (MCF \times 1000) = Btu/cf$ .

### 18. Royalty Rate

Required. Payors will report the royalty rate they used to calculate the Federal/Indian royalty due. RMP must collect this information for use on the EOP.

### 19. Unit Price

Required. This is the sales value divided by sales volume (MCF or MMBtu depending on the terms of the sales contract, tons, barrels, gallons, pounds, or kilowatt-hours). RMP must collect this information for use on the EOP. The MMS understands that this price will not directly relate to a specific contract because in most cases it will represent a weighted average price of many sales occurring during the sales month. Additionally, MMS has no plans or legal authority to force arm's-length payors with lower reported unit prices, paying on Federal leases to "true-up" to higher reported unit prices by other lessees in the field or area.

### 20. Royalty Value Prior to Allowances

Required. This is the royalty amount due prior to any allowable deductions for transportation or processing. Depending on the product reported, this value will be calculated using the following formula.

Oil, condensate, CO<sub>2</sub>, gas plant products, helium, sulfur, nitrogen, and geothermal products:

$$\text{Column 16} \times \text{Column 18} \times \text{Column 19} \\ = \text{Column 20}$$

Processed gas, unprocessed gas, flash gas, fuel gas, gas lost:

$$\text{Column 17} \times \text{Column 18} \times \text{Column 19} \\ = \text{Column 20}$$

Column 20 will be in \$/Mcf of \$/MMBtu depending on whether column 16 or 17 is used.

### 21. Transportation Deduction

Required if the payor is reducing the Royalty Value Prior to Allowances for the actual costs of transporting the product from the lease to a sales point or processing plant off the lease. This amount is deducted from Column 20 to determine the Royalty Value Less Allowances due on the line.

### 22. Processing Deduction

Required if the payor is reducing the Royalty Value Prior to Allowances for the actual costs of processing the product. This is the amount claimed for processing gas prior to the royalty sales point. This amount is deducted from Column 20 to determine the Royalty Value Less Allowances due on the line.

### 23. Royalty Value Less Allowances

Required. This is the net payment applicable to the line. Royalty Value Prior to Allowances (Column 20) less amounts deducted for transportation (Column 21) and processing (Column 22), if any, equals Royalty Value Less Allowances.

### 24. Payment Method

Required. A unique payment method will identify royalty-in-kind transactions, as well as payments made directly to an Indian allottee, Indian lockbox, or MMS.

### Report Control Block

This block is used to identify the payor's net payment. The payor will show the report total less Royalty In-Kind, Indian Direct Pay, and Indian Lockbox amounts. If applicable, the payor will also be able to identify and use credits that reside in RMP's system to offset the payment amount due on the current Form MMS-2014. Credits are created in RMP's system through a variety of actions such as interest exception processing which calculates interest owed to a payor. RMP has determined that it is more efficient to authorize the use of these credits to pay current obligations than to process refunds to the payor.

### Agreement Level Reporting

Is it advantageous to require royalty reporting at the communitization or unitization participating area (agreement) level? Payors would report one line for the agreement showing total volumes, allowances and values applicable to the Federal/Indian leases. RMP would allocate each payor's reported volumes, allowances, and values to all leases in the agreement based on the allocation schedule in our system. Agreement level reporting:

- Results in fewer reporting lines from industry,
- Eliminates the need for RMP to roll-up Form MMS-2014 reported volumes for comparison to sold/transferred volumes reported on the Oil and Gas Operations Report,
- Supports and simplifies marginal property RSFA requirements,
- Requires RMP to roll-down reported information to the lease for distribution to the States and Indians,
- Results in RMP allocating each payor's volumes, allowances, and values to all leases in the agreement even though the payor may not have an interest in all leases in the agreement,
- Does not support designee/designor requirements of RSFA,
- Eliminates lease level sales and allowance detail information that might be useful in the compliance verification processes,

- Requires RMP to maintain and store data at the original Form MMS-2014 agreement level and at the lease level,
- Complicates monitoring of Indian overpayments and recoupments (recoupments can only be taken against the specific Indian lease where the overpayment occurred).

### Report Format and Presentation

Included in this Notice are two proposed Form MMS-2014 formats. Attachment A is an 8½ × 11 inch portrait form. Attachment B is an 8½ × 14 inch landscape form. The data elements on both versions are the same. We are seeking your comments on which version you prefer and why.

### Paperless Reporting

To assist industry in reporting, RMP offers a wide range of electronic reporting options including: Electronic Data Interchange (EDI) (ANSIX12) Form MMS-2014 Template Software Comma Separated Values (CSV) ASCII

The reports can be transmitted using EDI, e-Mail, tape or diskette. Specifics including edit specifications, template software, record layouts, and implementation information are all provided at no cost to industry. The time required for a company to draw data from its own files, enter a line of data, and generate the electronic report is significantly less than the time needed for a company to manually complete the line on a paper Form MMS-2014. Additionally the report does not require re-keying when received by RMP. We require most payors to report electronically.

### Reporting Burden

RMP believes the overall reporting burden will be decreased by these proposed reporting changes, and we specifically invite your comments regarding this expected decrease in reporting burden. The current estimated time to manually complete one line on the Form MMS-2014 is 7 minutes. This time includes data assembly, value and royalty calculations, entering data on the form, and mailing. The total time involved varies considerably from a small company reporting only one or two leases to a large company reporting many leases. For those companies who report electronically, the time to generate and submit the data is estimated to be 2 minutes per line. MMS estimates that the proposed changes in reporting requirements will reduce the total number of lines currently reported on the Form MMS-2014, however, the reporting burden per line, either manually or electronically reported,

may increase. Furthermore, elimination of the PIF eliminates industry's burden for preparing this form which is

currently estimated at 50 minutes per submission for approximately 23,000 submissions a year.

Dated: February 12, 1999.

**Lucy Querques Denett,**  
*Associate Director for Royalty Management.*

BILLING CODE 4310-MR-P





