



[4310-T2]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue 30 CFR Part 1290

Office of Hearings and Appeals

43 CFR Part 4

[Docket No. ONRR-2011-0017; DS63610000 DR2PS0000.CH7000 145D0102R2]

RIN 1012-AA08

Clarification of Appeal Procedures

AGENCY: Office of Natural Resources Revenue and Office of Hearings and Appeals, Interior.

ACTION: Final rule.

SUMMARY: The Office of Natural Resources Revenue (ONRR) and Office of Hearing and Appeals (OHA) are amending and clarifying regulations concerning certain aspects of appeals of ONRR correspondence and clarifying the final administrative nature of ONRR orders that are not paid or appealed.

DATES: *Effective Date:* [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: For questions on technical issues, contact Bonnie Robson, Office of Enforcement and Appeals, ONRR, telephone (303) 231-3729, or email bonnie.robson@onrr.gov. For other questions, contact Armand Southall, Regulatory Specialist, ONRR, telephone (303) 231-3221, or email armand.southall@onrr.gov.

SUPPLEMENTARY INFORMATION:

I. Background

ONRR is amending its appeal regulations. On May 13, 1999, the Department of the Interior (Department) published in the *Federal Register* (64 FR 26240) a final rule governing the appeal of the former Minerals Management Service's (MMS) Minerals Revenue Management (MRM) orders. In this rule, ONRR clarifies the appeal regulations by removing ambiguity regarding the ONRR definition of an *Order*, the timing of appeals of orders to perform restructured accounting, and the orders that have become final for the Department that the recipient has not paid or appealed.

II. Reorganization of Title 30 CFR

On May 19, 2010, the Secretary of the Interior (Secretary) separated the responsibilities previously performed by the former MMS and reassigned those responsibilities to three separate organizations. As part of this reorganization, the Secretary renamed MMS's MRM the Office of Natural Resources Revenue and directed that ONRR transition from the Office of the Assistant Secretary for Land and Minerals Management to the Office of the Assistant Secretary for Policy, Management and Budget (PMB). This change required the reorganization of title 30, *Code of Federal Regulations* (30 CFR). In response, ONRR published a direct final rule on October 4, 2010 (75 FR 61051), to establish a new chapter XII in 30 CFR; to remove certain regulations from chapter II; and to recodify these regulations in the new chapter XII. Therefore, all references to ONRR in this rule include its predecessor MRM, and all references to 30 CFR part 1290 in this rule include former 30 CFR part 290, subpart B.

III. Comments on the Proposed Amendments

ONRR published the proposed rule on July 22, 2013 (78 FR 43843). We received comments on the proposed rule from 1 oil and gas producer, 1 Indian Tribe, and 1 trade association. We have analyzed these comments, which are discussed below:

A. 30 CFR Part 1290—Appeals

1. §1290.102 Definition of “order.”

Public Comments: Both the company and trade association expressed concern over the definition of an “order.” Specifically, they believe that paragraph 2(vi) which states that “[a]ny correspondence that does not include the right to appeal in writing” is not an “order,” is too broad, confusing, and unnecessary. Their primary concern is that correspondence that contains a requirement to pay or other “substantive obligation to perform,” but does not set out the right to appeal, forces the recipient to either (1) comply with the correspondence “but have no right to appeal” or (2) call ONRR to find out if ONRR intentionally left out the appeals language. The trade association thus suggests that we delete paragraph 2(vi) in the final rule or add language to paragraph 2(vi) that correspondence “without express appeal language has no immediate legal effect on the recipient.” The company suggests that ONRR correspondence state whether it is appealable or not instead of stating in the rule that correspondence is not appealable if it does not contain appeal rights.

ONRR Response: In the proposed rule we explained that “the rule proposes to amend existing appeal regulations in titles 30 and 43 to clarify which ONRR correspondence are appealable orders . . . [because] ONRR has received appeals filed in response to “Dear Payor,” “Dear Operator,” and “Dear Reporter” letters. These letters contain policy and guidance that do not contain mandatory or ordering language, and, thus, are not ONRR

orders.” In addition to clarifying that such correspondence are not appealable “orders,” we also proposed to add new language stating that any ONRR correspondence that does not set out the right to appeal in writing is not an appealable “order” consistent with the Interior Board of Land Appeals (IBLA) decision in *Xanadu Exploration Company*, 157 IBLA 183, 186 (2002).

With respect to our proposal to add a new paragraph 2(vi) that provides an order does not include “[a]ny correspondence that does not include the right to appeal in writing” we disagree with removing paragraph 2(vi) in the final rule for a several reasons.

First, the concern that a company could receive correspondence that actually was an “order” with a “substantive obligation to perform,” but would have no right to appeal is unfounded. If you receive correspondence from ONRR that does not contain the right to appeal, then by definition under paragraph 2(vi) of §1290.102 it is **not** an “order” and, thus, the company need not comply. Simply stated, if you received a document from ONRR that tells you to take some action, but does not contain appeal rights, you have no obligation to comply with that correspondence and may not appeal that correspondence because under new paragraph 2(iv), it is not an “order.” However, if you received a document from ONRR that tells you to take some action and sets out the right to appeal, you have an obligation to comply with that correspondence and may appeal that “order.”

Second, we do not believe we need to add language to paragraph 2(vi) to state that correspondence without appeal rights has no legal effect. By definition, as explained above, such correspondence is not an “order,” and, thus, has no legal effect. We also do not agree that adding language to the final rule that documents without express appeal language have no legal effect would clarify the definition of what constitutes an “order”.

We agree that ONRR correspondence should state whether it is appealable or not—and often does. For example, Preliminary Determination Letters—so-called “Issue Letters”—that ONRR, States, and Tribes send to companies prior to an order do not state they are appealable—because they are not. On the other hand, Dear Payor Letters that merely provide guidance state they are not appealable. Finally, some ONRR correspondence such as orders to pay or report or interest bills, do state that they are appealable, and thus are appealable “orders.” Nevertheless, we decline to codify that all ONRR correspondence must state whether it is appealable or not because if a company received correspondence that was silent on the right to appeal, it would create the same problem this rule is remedying – the company would be forced to appeal the correspondence in case ONRR merely omitted language providing a right to appeal. Whereas, under this rule, if the correspondence does not set out the right to appeal, as stated above, the recipient is not legally required to comply with the correspondence because, under this final rule the correspondence is not an “order.” Therefore, we are retaining paragraph 2(vi) in the final rule.

Public Comments: The trade association suggests that we also clarify the portion of the definition of an order that states an order “means any document issued by the ONRR Director or a delegated state” Specifically, it recommends removing the word “Director” from the quoted portion of the definition because it allows an appeal of a Director’s Order to the Director. The trade association believes this language conflicts with §1290.110(b)(1) which states an appellant does not have to exhaust administrative remedies (*i.e.* appeal to the IBLA) if an order was made effective by the Director.

ONRR Response: We agree that inclusion of the word “Director” in the definition of “order” is confusing and are removing it in the final rule. An order or decision the ONRR Director issues is appealable to the IBLA, not the Director. Therefore, we are making that clear in the final rule. Also, we are making a corresponding change to §1290.110(b) which states appellants do not have to exhaust administrative remedies if an order was made effective by the Director. Appellants do have to exhaust administrative remedies if an order is made effective by the Director. The ONRR Director and the BIA Director are not delegated authority to issue orders or decisions that are final for the Department and nonappealable. Paragraph (b)(1) conflicts with the requirement to appeal orders to perform a restructured accounting the Director issues to the IBLA under 1290.105(a)(2) and orders and decisions the ONRR Director issues to the IBLA under §1290.108. Accordingly, we are removing paragraph (b)(1) in this final rule.

2. 1290.105(a)(1)(i) How do I appeal an order?

Upon reviewing revised 30 CFR 1290.105(a)(1)(i), we determined we inadvertently omitted the phrase “Indian mineral leases” from the portion of this subparagraph pertaining to appeals of Orders to Perform Restructured Accounting. We have added this phrase to clarify that the 30-day appeal period applies to Orders to Perform Restructured Accounting involving Indian mineral leases.

3. §1290.108 How do I appeal to the IBLA?

Public Comments: The trade association suggests that we also clarify proposed 30 CFR 1290.108(a) covering appeals to the IBLA. Specifically, it recommends removing the statement that a party may appeal “a final decision of the ONRR Director or the

Director, Bureau of Indian Affairs” to the IBLA and instead state that a party may appeal “an order issued or made effective by the Director.” The trade association believes that the term “final decision” should be reserved for decisions that are final for the Department—such as IBLA and Assistant Secretary’s decisions.

Both the company and trade association disagree with our proposal to extend the period for ONRR to file an answer in an appeal to the IBLA in proposed 1290.108(b). The trade association believes ONRR’s stated premise for the change “to allow ONRR to assemble the administrative record in royalty appeals” is flawed because it believes “ONRR should have already prepared and submitted the administrative record in support of its order prior to the due date for the appellant’s Statement of Reasons.” It also is concerned that allowing ONRR more time to assemble the administrative record could “impair” an appellant’s access to the administrative record. The company believes that ONRR should already have all of the information so no time is necessary to assemble the administrative record.

ONRR Response: We agree that ONRR and BIA Director’s decisions and orders are not “final for the Department”—which, as discussed above, is why we are removing §1290.110(b)(1) in this final rule. Therefore, in the final rule, we are also revising section 1290.108(a) to state that a party may appeal to the IBLA “an order the ONRR Director issues or a decision the ONRR Director or Director, Bureau of Indian Affairs issues under this part.”

With respect to 1290.108(b), ONRR will retain the extended period for it to file its answer in the final rule for two reasons. First, any assumption that ONRR has all of the records already in its possession, and the administrative record is already assembled, is

incorrect. When a party appeals an order to the Director, the Director's decision is based on the order, issue letter, responses to the issue letter, appellant's statement of reasons, field reports if requested, and additional information either the appellant or office that issued the order provides. Also, the Director's decision is limited to only the issues the appellant raises on appeal. However, appellants often raise new issues or arguments on appeal to the IBLA. In order to ensure we provide a complete record to the IBLA and appellant, the Office of Enforcement and Appeal's Litigation Support Branch (LSB) asks the office that issued the order to send the LSB all audit and compliance review records, even if portions of those audits or compliance reviews were not at issue in the appeal to the Director (for example, schedules not at issue in the appeal). Because an order may be issued by ONRR satellite offices, a delegated State, or by ONRR based on a delegated State or Tribal audit, it takes time for LSB to gather all of the documents to include in the record. LSB then organizes, indexes, and bates stamps the record—a service that benefits not only ONRR, but also the appellant and IBLA.

Second, we believe the concern that allowing ONRR more time to assemble the administrative record could somehow “impair” an appellant's access to the administrative record is unwarranted. As stated above, ONRR's goal is to provide the most complete, well-organized record possible. Moreover, the appellant should already have most of the documents necessary to prepare its statement of reasons. And, to the extent the administrative record contains information the appellant did not have prior to filing its statement of reasons, which is not likely, the appellant may file a reply brief within 15 days of ONRR filing an answer. 43 CFR 4.412(d).

4. *§1290.111 What happens if I do not pay or appeal an order?*

Public Comments: The Tribe submitted a comment in support of proposed §1290.111. Section 1290.111 makes clear that, if you receive an ONRR order and you neither pay nor appeal that order under 30 CFR part 1290, the order is the final decision of the Department, and you may not contest the merits of that order in any subsequent proceeding seeking to enforce the order under 30 CFR part 1241. For example, if ONRR issued a Notice of Noncompliance (NONC) under 30 CFR part 1241 to enforce an order you did not pay or appeal, you may not contest your liability under the order in a hearing on the NONC. However, if you did not comply with the NONC enforcing the order, and ONRR assessed civil penalties for your failure to comply with the NONC, you could contest the amount of the penalty assessment.

ONRR Response: ONRR appreciates the Tribe's support and will retain §1290.111 in the final rule.

43 CFR Part 4 Subpart J—Special Rules Applicable to Appeals Concerning Federal Oil and Gas Royalties and Related Matters

5. §43 CFR 4.903 Definition of “order.”

Public Comments: The trade association and company made the same comments to the definition of “order” in section 4.903 as those they made for 30 CFR 1290.102.

Definition of “order” discussed above.

ONRR Response: See our response to the comments to 30 CFR 1290.102 above.

IV. Procedural Matters

1. Regulatory Planning and Review (Executive Orders 12866 and 13563)

Executive Order (E.O.) 12866 provides that the Office of Information and Regulatory Affairs (OIRA) of the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant.

Executive Order 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The executive order directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

2. Regulatory Flexibility Act

The Department certifies that this rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

This rule will affect lessees under Federal and Indian mineral leases and other recipients of ONRR orders or other official correspondence. Lessees of Federal and Indian mineral leases are generally companies classified under the North American Industry Classification System (NAICS) Code 211111, which includes companies that extract crude petroleum and natural gas. For this NAICS code classification, a small company is one with fewer than 500 employees. Because this rule applies to all mineral

leases, even though the NAICS classification only applies to oil and gas leases, we are using the same classification system for all mineral leases. The Department believes that a meaningful number of businesses affected by this rule will be small businesses.

This rule will have no economic effect on small businesses. Businesses will not lose any opportunity to appeal any orders which may have an economic effect. This rule only will serve to clarify the proper forum for certain appeals, conform with other regulations, and codify previously enacted Federal law. A Regulatory Flexibility Analysis will not be required. Accordingly, a Small Entity Compliance Guide will not be required.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and ten Regional Fairness Boards receive comments from small businesses about Federal agency enforcement actions. The Ombudsman annually evaluates the enforcement activities and rates each agency's responsiveness to small business. If you wish to comment on the actions of ONRR, call 1-888-734-3247. You may comment to the Small Business Administration without fear of retaliation. Allegations of discrimination/retaliation filed with the Small Business Administration will be investigated for appropriate action.

3. Small Business Regulatory Enforcement Fairness Act

This rule is not a major rule under 5 U.S.C. 804(2) of the Small Business Regulatory Enforcement Fairness Act (5 U.S.C. 801 *et seq.*). This rule:

- (a) Does not have an annual effect on the economy of \$100 million or more.
- (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

(c) Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

4. Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments, or the private sector of more than \$100 million per year. This rule will not have a significant or unique effect on State, local, or Tribal governments, or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*) is not required.

5. Takings (E.O. 12630)

Under the criteria in section 2 of E.O. 12630, this rule does not have any significant takings implications. This rule is not a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment is not required.

6. Federalism (E.O. 13132)

Under the criteria in section 1 of E.O. 13132, this rule does not have sufficient federalism implications to warrant the preparation of a Federalism summary impact statement. This rule does not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in Outer Continental Shelf (OCS) activities, this rule does not affect that role. A Federalism summary impact statement is not required.

7. Civil Justice Reform (E.O. 12988)

This rule complies with the requirements of E.O. 12988. Specifically, this rule:

- a. Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
- b. Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

8. *Consultation with Indian Tribes (E.O. 13175)*

The Department of the Interior strives to strengthen its government-to-government relationship with Indian Tribes through a commitment to consultation with Indian Tribes and recognition of their right to self-governance and tribal sovereignty. Under the Department's consultation policy and the criteria in E.O. 13175, we evaluated this rule and determined that it will have no substantial direct effects on federally recognized Indian Tribes. Indian Tribes will be unaffected by clarifications to this appeals rule because the changes would affect the procedures for appeal by lessees, but not the rights of lessors, such as individual Indian mineral owners and Tribes.

9. *Paperwork Reduction Act*

This rule does not contain information collection requirements, and a submission to OMB is not required under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

10. *National Environmental Policy Act*

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. We are not required to provide a detailed statement under the National Environmental Policy Act of 1969 (NEPA) because this rule qualifies for categorical exclusion under 43 CFR 46.210(c) and (i) and the DOI Departmental Manual, part 516, section 15.4.D: “(c) *Routine financial transactions including such things*

as...audits, fees, bonds, and royalties...(i) Policies, directives, regulations, and guidelines: that are of an administrative, financial, legal, technical, or procedural nature.” See 43 CFR 46.210(i) and the DOI Departmental Manual, part 516, section 15.4.D (2004). We have also determined that this rule is not involve in any of the extraordinary circumstances listed in 43 CFR 46.215 that requires further analysis under NEPA. The procedural changes resulting from these amendments have no consequences with respect to the physical environment. This rule will not alter, in any material way, natural resource exploration, production, or transportation.

11. Effects on the Energy Supply (E.O. 13211)

This rule is not a significant energy action under the definition in E.O. 13211. A Statement of Energy Effects is not required.

List of Subjects

30 CFR Part 1290

Administrative practice and procedure.

43 CFR Part 4

Administrative practice and procedure, Civil rights, Claim, Equal access to justice, Estates, Government contracts, Grazing lands, Indians, Lawyers, Mines, Penalties, Public lands, Surface mining, Whistleblowing.

Dated: October 2, 2014.

Rhea Suh,

*Assistant Secretary for
Policy, Management and Budget.*

Authority and Issuance

For the reasons stated in the preamble, the Department of the Interior amends 30 CFR part 1290 and 43 CFR part 4, subpart J, as follows:

TITLE 30—MINERAL RESOURCES

CHAPTER XII—OFFICE OF NATURAL RESOURCES REVENUE,

DEPARTMENT OF THE INTERIOR

Subchapter B—Appeals

PART 1290—APPEAL PROCEDURES

1. The authority citation for part 1290 continues to read as follows:

Authority: 5 U.S.C. 301 *et seq.*; 43 U.S.C. 1331.

2. Amend the definition of *Order* in §1290.102 by revising the introductory text and paragraphs (1)(i), (1)(ii), (2)(iii), and (2)(iv) and adding paragraphs (2)(v) and (2)(vi) to read as follows:

§1290.102 What definitions apply to this part?

* * * * *

Order, for purposes of this part only, means any document issued by ONRR or a delegated State that contains mandatory or ordering language that requires the recipient to do any of the following for any lease subject to this part: report, compute, or pay royalties or other obligations, report production, or provide other information.

(1) * * *

(i) An order to pay (Order to Pay) or to compute and pay (Order to Perform a Restructured Accounting); and

(ii) An ONRR or delegated State decision to deny a lessee's, designee's, or payor's written request that asserts an obligation due the lessee, designee, or payor (Denial).

(2) * * *

(iii) An order to pay that ONRR issues to a refiner or other person involved in disposition of royalty taken in kind;

(iv) A Notice of Noncompliance or a Notice of Civil Penalty issued under 30 U.S.C. 1719 and 30 CFR 1241, or a decision of an administrative law judge or of the IBLA following a hearing on the record on a Notice of Noncompliance or Notice of Civil Penalty;

(v) A “Dear Payor,” “Dear Operator,” or “Dear Reporter” letter unless it explicitly includes the right to appeal in writing; or

(vi) Any correspondence that does not include the right to appeal in writing.

* * * * *

3. Amend §1290.105 by revising paragraph (a) to read as follows:

§1290.105 How do I appeal an order?

(a)(1) You may appeal to the Director, Office of Natural Resources Revenue (ONRR Director), by filing a Notice of Appeal in the office of the official issuing the Order:

(i) Within 30 days from service of an Order to Pay or a Denial involving Federal or Indian mineral leases, or an Order to Perform a Restructured Accounting involving Indian mineral leases or Federal solid mineral or geothermal leases; or

(ii) Within 60 days from service of an Order to Perform a Restructured Accounting involving Federal oil and gas leases if a delegated State issued the Order to Perform a Restructured Accounting.

(2) If the ONRR Director, or other most senior career professional responsible for the ONRR royalty management program, issued the Order to Perform a Restructured

Accounting for a Federal oil and gas lease, then you may appeal that order to the IBLA within 60 days under §1290.108.

(3) For appeals to the ONRR Director under paragraph (a)(1) of this section, within the same 30-day or 60-day period, whichever is applicable, you must file in the office of the official issuing the Order to Pay, Order to Perform a Restructured Accounting, or Denial, a statement of reasons, or written arguments, or brief that includes the arguments on the facts or law that you believe justify reversal or modification of the Order to Pay, Order to Perform a Restructured Accounting, or Denial.

(4) If you are a designee, when you file your Notice of Appeal, you must concurrently serve your Notice of Appeal on the lessees for the leases in the Order to Pay, Order to Perform a Restructured Accounting, or Denial you appealed.

* * * * *

4. Revise §1290.108 to read as follows:

§1290.108 How do I appeal to the IBLA?

(a) Any party to a case adversely affected by an order the ONRR Director issues or a decision the ONRR Director or Director, Bureau of Indian Affairs issues under this part shall have a right of appeal to the IBLA under the procedures provided in 43 CFR part 4, subpart E.

(b) Notwithstanding 43 CFR 4.414(a), a party shall file an answer or appropriate motion within 60 days after service of the statement of reasons for appeal unless an extension of time is requested and granted.

5. Amend §1290.110 by revising paragraphs (b)(1), (b)(2), and (b)(3) to read as follows:

§1290.110 How do I exhaust administrative remedies?

* * * * *

(b) * * *

(1) The Assistant Secretary for Policy, Management and Budget;

(2) The Assistant Secretary for Indian Affairs; or

(3) The Interior Board of Land Appeals under 43 CFR part 4.

* * * * *

6. Add new §1290.111 to read as follows:

§1290.111 What happens if I do not pay or appeal an order?

If you neither pay nor appeal an order under this part, that order is the final decision of the Department, you have failed to exhaust administrative remedies as required under §1290.110(a), and you may not contest the validity or merits of that order in any subsequent proceeding to enforce that order under 30 U.S.C. 1719 and part 1241 of this chapter.

TITLE 43—PUBLIC LANDS: INTERIOR

SUBTITLE A—Office of the Secretary of the Interior

PART 4—DEPARTMENT HEARINGS AND APPEALS PROCEDURES

Subpart J—Special Rules Applicable to Appeals Concerning Federal Oil and Gas

Royalties and Related Matters

7. The authority citation for subpart J continues to read as follows:

Authority: 5 U.S.C. 301 *et seq.* ; 25 U.S.C. 396 *et seq.*, 396a *et seq.*, 2101 *et seq.* ; 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1001 *et seq.*, 1701 *et seq.* ; 31 U.S.C. 9701; 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, and 1801 *et seq.*

8. Amend the sections in part 4 indicated in the left column of the table by removing the text in the center column and adding in its place the text in the right column.

§§4.902, 4.903, 4.906, 4.907, and 4.908 [Amended]

AMENDMENT TABLE FOR PART 4

Amend	By removing the reference to:	And adding in its place:
§4.902(a)	30 CFR part 290 in effect prior to May 13, 1999 and contained in the 30 CFR, parts 200 to 699, edition revised as of July 1, 1998, 30 CFR part 290 subpart B	30 CFR part 1290
§4.902(a).....	Minerals Management Service (MMS)	Office of Natural Resources Revenue (ONRR)
§4.903, definition of <i>Delegated State</i>	MMS.....	ONRR
§4.903, definition of <i>Delegated State</i>	30 CFR part 227.....	30 CFR part 1227
§4.903, definition of <i>Designee</i>	30 CFR 218.52.....	30 CFR 1218.52
§4.903, definition of <i>Monetary obligation</i>	MMS.....	ONRR
§4.903, definition of <i>Notice of Order</i> (two times).....	MMS.....	ONRR
§4.903, definition of <i>Party</i>	MMS.....	ONRR
§4.903, definition of <i>Party</i> (two times).....	30 CFR part 290 subpart B	30 CFR part 1290.
§4.906(b)(1).....	MMS.....	ONRR
§4.906(b)(2).....	MMS.....	ONRR
§4.906(d) (three times).....	MMS.....	ONRR
§4.907 (table of contents and section heading).....	MMS.....	ONRR
§4.907(a) (two times).....	MMS.....	ONRR
§4.907(b).....	MMS.....	ONRR
§4.907(c).....	MMS's.....	ONRR's
§4.908(a).....	MMS.....	ONRR
§4.908(b).....	MMS.....	ONRR
§4.908(c).....	MMS.....	ONRR

9. Revise the definitions of *Order* and *Payor* in §4.903 to read as follows:

§4.903 What definitions apply to this subpart?

* * * * *

Order means any document or portion of a document issued by ONRR or a delegated State that contains mandatory or ordering language regarding any monetary or nonmonetary obligation under any Federal oil and gas lease or leases.

(1) Order includes:

(i) An order to pay (Order to Pay) or to compute and pay (Order to Perform a

Restructured Accounting); and

(ii) An ONRR or delegated State decision to deny a lessee's, designee's, or payor's written request that asserts an obligation due the lessee, designee, or payor.

(2) Order does not include:

(i) A non-binding request, information, or guidance, such as:

(A) Advice or guidance on how to report or pay, including valuation determination, unless it contains mandatory or ordering language; and

(B) A policy determination;

(ii) A subpoena;

(iii) An order to pay that ONRR issues to a refiner or other person involved in disposition of royalty taken in kind; or

(iv) A Notice of Noncompliance or a Notice of Civil Penalty issued under 30 U.S.C. 1719 and 30 CFR part 1241, or a decision of an administrative law judge or of the IBLA following a hearing on the record on a Notice of Noncompliance or Notice of Civil Penalty.

(v) A "Dear Payor," "Dear Operator," or "Dear Reporter" letter unless it explicitly includes the right to appeal in writing; or

(vi) Any correspondence that does not include the right to appeal in writing.

* * * * *

Payor means any person responsible for reporting and paying royalties for Federal oil and gas leases.

10. Revise §4.904 to read as follows:

§4.904 When does my appeal commence and end?

For purposes of the period in which the Department must issue a final decision in your appeal under §4.906:

(a) Your appeal commences on the date ONRR receives your Notice of Appeal.

(b) Your appeal ends on the same day of the 33rd calendar month after your appeal commenced under paragraph (a) of this section, plus the number of days of any applicable time extensions under §4.909 or 30 CFR 1290.109. If the 33rd calendar month after your appeal commenced does not have the same day of the month as the day of the month your appeal commenced, then the initial 33-month period ends on the last day of the 33rd calendar month.

11. Amend §4.906 by revising paragraph (b)(3) to read as follows:

§4.906 What if the Department does not issue a decision by the date my appeal ends?

* * * * *

(b) * * *

(3) If the ONRR Director issues an order or a decision in your appeal, and if you do not appeal the Director's order or decision to IBLA within the time required under 30 CFR part 1290, then the ONRR Director's order or decision is the final decision of the Department and 30 U.S.C. 1724(h)(2) has no application.

* * * * *