



[4335-30]

**DEPARTMENT OF THE INTERIOR**

**Office of Natural Resources Revenue**

**30 CFR Parts 1202 and 1206**

**[Docket No. ONRR-2012-0004; DS63610000 DR2PS0000.CH7000**

**156D0102R2]**

**RIN 1012-AA13**

**Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform**

**AGENCY:** Office of Natural Resources Revenue, Interior.

**ACTION:** Proposed rule; notice of extension of comment period.

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**SUMMARY:** The Office of Natural Resources Revenue (ONRR) published a notice of proposed rulemaking in the **Federal Register** on January 6, 2015, (80 FR 608). ONRR invited the public to submit written comments by March 9, 2015. ONRR is granting a 60-day extension to the comment period in response to stakeholder requests.

**DATE:** You must submit comments on or before May 8, 2015.

**ADDRESSES:** You may submit comments to ONRR on the proposed rulemaking, as follows: (1) Electronically go to *www.regulations.gov* and enter “ONRR-2012-0004” in “Enter Keyword or ID,” then click “Search;” (2) mail comments to Armand Southall, Regulatory Specialist, P.O. Box 25165, MS 61030A, Denver, Colorado 80225; or (3) hand-carry comments, or use an overnight courier service, to ONRR, Building 85, Room A-614, Denver Federal Center, West 6<sup>th</sup> Ave. and Kipling St., Denver, Colorado 80225. Please refer to the Regulation Identifier Number (RIN) 1012-AA13 in your

comments. ONRR will post all comments.

**FOR FURTHER INFORMATION CONTACT:** Armand Southall, ONRR, telephone (303) 231-3221 or email *armand.southall@onrr.gov*.

**SUPPLEMENTARY INFORMATION:**

The current Federal oil valuation regulations have been in effect since 2000, with a subsequent amendment relating, primarily, to the use of index pricing in some circumstances. The current Federal gas valuation regulations have been in effect since March 1, 1988, with various subsequent amendments relating, primarily, to the transportation allowance provisions. The current Federal and Indian coal valuation regulations have been in effect since March 1, 1989, with minor subsequent amendments relating, primarily, to the Federal black lung excise taxes, abandoned mine lands fees, State and local severance taxes, and washing and transportation allowance provisions. In the years since we wrote these regulations, the Secretary of the Interior's (Secretary) responsibility to determine the royalty value of minerals produced has not changed, but the industry and marketplace have changed dramatically. ONRR proposes these amendments to our valuation regulations to permit the Secretary to discharge the Department of the Interior's (Department) royalty valuation responsibility in an environment of continuing and accelerating change in the industry and in the marketplace. The Secretary's responsibilities regarding oil and gas production from Federal leases and coal production from Federal and Indian leases require the development of flexible valuation methodologies that lessees can accurately comply with in a timely manner.

To increase the effectiveness and efficiency of our rules, ONRR is proposing

proactive and innovative changes. We intend for this proposed rulemaking to provide regulations that (1) offer greater simplicity, certainty, clarity, and consistency in product valuation for mineral lessees and mineral revenue recipients; (2) are more understandable; (3) decrease industry's cost of compliance and ONRR's cost to ensure industry compliance; and (4) provide early certainty to industry and to ONRR that companies have paid every dollar due. Therefore, ONRR proposes to amend the current regulations at 30 CFR part 1202, subpart F, and part 1206, subparts C, D, F, and J, governing the valuation, for royalty purposes, of oil, gas, and coal produced from Federal leases and coal produced from Indian leases.

ONRR received requests for an extension to the comment deadline for this proposed rule. This action extends the comment period until May 8, 2015. ONRR believes that this extension allows adequate time for interested parties to submit comments. ONRR will review and carefully consider all comments that we receive on the proposed rule.

Dated: February 6, 2015.

**Gregory J. Gould,**  
*Director, Office of Natural Resources Revenue.*

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