



[4335-30]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0018; DS63610000 DR2PS0000.CH7000 167D0102R2]

Notice of Proposed Audit Delegation Renewal for the States of Alaska, California, Colorado, North Dakota, Texas, Utah, and Wyoming

AGENCY: Office of the Secretary, Office of Natural Resources Revenue (ONRR),
Interior

ACTION: Notice.

SUMMARY: The States of Alaska, California, Colorado, North Dakota, Texas, Utah, and Wyoming are requesting that ONRR renew current delegations of audit and investigation authority. This notice gives members of the public an opportunity to review and comment on the States' proposals.

DATES: Submit written comments on or before **(INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*).**

ADDRESSES: You may submit comments on this notice by any of the following methods:

- Electronically go to <http://www.regulations.gov>. In the entry titled "Enter Keyword or ID," enter ONRR-2011-0018, and then click search. Follow the instructions to submit public comments. ONRR will post all comments.

- Email comments to Luis Aguilar, Regulatory Specialist, at *Luis.Aguilar@onrr.gov*. Please reference the Docket No. ONRR-2011-0018 in your comments.
- Hand-carry comments or use an overnight courier service. Our courier address is Building 85, Room A-614, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225. Please reference the Docket No. ONRR-2011-0018 in your comments.

FOR FURTHER INFORMATION CONTACT: Ms. Heidi Badaracco, State and Tribal Support, State and Indian Coordination, ONRR; telephone (303) 231-3434; or by email at *Heidi.Badaracco@onrr.gov*

SUPPLEMENTARY INFORMATION: The following officials are the State contacts for their respective proposals:

State	Department	Contact Information
Alaska	Division of Oil and Gas	Monica French 550 West 7 th Avenue, Suite 800 Anchorage, AK 99501-5313
California	State Controller's Office	Elizabeth Gonzalez 300 Capitol Mall, Suite 518 Sacramento, CO 94250-5874
Colorado	Colorado Department of Revenue Mineral Audit Section	Brenda Petersen 720 S. Colorado Blvd., Suite 400N Denver, CO 80246-1968
North Dakota	State Auditor's Office Royalty Audit Section	Dennis Roller 425 North 5 th Street – 3 rd Floor Bismarck, ND 58501-4033
Texas	Texas General Land Office	Luke Decker 1700 N. Congress Ave., Suite 640 Austin, TX 78701-1436
Utah	Utah State Tax Commission	Jennifer Casady 210 North 1950 West Salt Lake City, Utah 64134-9000
Wyoming	WY Dept. of Audit, Mineral Audit Division	Steve Dilsaver 122 West 25 th Street Cheyenne, WY 82001-3004

The States' new agreement application, including proposed budget and work plan, are due April 1, 2016. In accordance with 30 CFR 1227.101(b)(1), the States request that ONRR delegate the royalty management functions of conducting audits and investigations. The States request delegation of these functions for producing Federal oil and gas leases within the State boundaries, as applicable. This is for producing Federal oil and gas leases in the Outer Continental Shelf, subject to revenue sharing under 8(g) of the Outer Continental Shelf Lands Act, 43 U.S.C. 1337(g); and for other producing solid mineral or geothermal Federal leases within the State. The States do not request delegation of royalty and production reporting functions. In addition to audit and investigation authority, the State of Wyoming also requests to renew its authority under 30 C.F.R. § 1227.101(b)(2) to issue Orders to Pay, Orders to Perform, and tolling

agreements as a result of an audit or compliance review; it also requests to renew its subpoena authority under the Royalty Simplification and Fairness Act related to oil and gas revenues owed to the United States and shared with the State, which are attributable to leased Federal onshore property within the State.

The States have asked ONRR to renew the delegations within the time required by 30 C.F.R. § 1227.110(b). The States of Alaska, California, and Utah request 100-percent funding of the delegated functions for a 3-year period beginning July 1, 2016, with the opportunity to extend for an additional 3-year period. The States of Colorado, North Dakota, Texas, and Wyoming request 100-percent funding of the delegated functions for a 3-year period beginning October 1, 2016, with the opportunity to extend for an additional 3-year period. The States have a current audit delegation agreement with ONRR, as shown in the table below:

State	Agreement Numbers	Term
Alaska	D12AC70003	7/01/2010 – 6/30/2013 7/01/2013 – 6/30/2016
California	D12AC70004	7/01/2010 – 6/30/2013 7/01/2013 – 6/30/2016
Colorado	D12AC70005	10/01/2010 – 9/30/2013 10/01/2013 – 9/30/2016
North Dakota	D12AC70007	10/01/2010 – 9/30/2013 10/01/2013 – 9/30/2016
Texas	D12AC70009	10/01/2010 – 9/30/2013 10/01/2013 – 9/30/2016
Utah	D12AC70010	7/01/2010 – 6/30/2013 7/01/2013 – 6/30/2016
Wyoming	D12AC70012	10/01/2010 – 9/30/2013 10/01/2013 – 9/30/2016

Therefore, ONRR has determined that we will not hold a formal hearing for comments under 30 CFR 1227.105.

Dated: April 6, 2016.

Gregory J. Gould

Director,

Office of Natural Resources Revenue

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