



[4335-30]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0019; DS63644000 DR2000000.CH7000 189D0102R2,

OMB Control Number 1012-0001]

Agency Information Collection Activities: Accounts Receivable Confirmations Reporting

AGENCY: Office of the Secretary, Office of Natural Resources Revenue, Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the Office of Natural Resources Revenue (ONRR) are proposing to renew an information collection.

DATES: Interested persons are invited to submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION DATE IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments on this information collection request (ICR) to ONRR by using one of the following three methods. Please reference “ICR 1012-0001” in your comments.

- Electronically go to <http://www.regulations.gov>. In the entry titled “Enter Keyword or ID,” enter “ONRR-2011-0019,” then click “Search.” Follow the instructions to submit public comments. ONRR will post all comments.

- Email comments to Mr. Luis Aguilar, Regulatory Specialist, at Luis.Aguilar@onrr.gov.

- Hand-carry or mail comments, using an overnight courier service, to ONRR. Our courier address is Building 85, Entrance N-1, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: For questions on technical issues, contact Mr. Hans Meingast, Financial Services, Financial Management, ONRR, at (303) 231-3382 or email to *Hans.Meingast@onrr.gov*. For other questions, contact Mr. Luis Aguilar at (303) 231-3418, or email to *Luis.Aguilar@onrr.gov*. You may also contact Mr. Aguilar to obtain copies (free of charge) of (1) the ICR, (2) any associated form(s), and (3) the regulations that require us to collect the information. You may also review the information collection request online at <http://www.reginfo.gov/public/do/PRAMain>.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format. We are soliciting comments on the proposed ICR that is described below. We are especially interested in public comment addressing the following issues: (1) is the collection necessary to the proper functions of the ONRR; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the ONRR enhance the quality, utility, and clarity of the information to be collected; and (5) how might the ONRR minimize the burden of this collection on the

respondents, including through the use of information technology. Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment - including your personal identifying information - may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The Secretary of the United States Department of the Interior is responsible for collecting royalties from lessees who produce minerals from Federal and Indian lands and the Outer-Continental Shelf (OCS). Under various laws, the Secretary is responsible to manage mineral resources from Federal and Indian lands and the OCS. One of the mineral responsibilities that ONRR performs on behalf of the Secretary is to collect the royalties and other mineral revenues due, which obligations are accounted for as accounts receivables with ONRR's Financial Management group. We have posted those laws pertaining to mineral leases on Federal and Indian lands and the OCS at http://www.onrr.gov/Laws_R_D/PubLaws/default.htm.

General Information

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal and Indian lands and the OCS, that company or individual agrees to pay the lessor a share in an amount or value of production from the leased lands. For oil, gas, and solid minerals, the lessee is required to report various types

of information to ONRR relative to the disposition of the leased minerals. Specifically, companies submit financial information to ONRR on a monthly basis by submitting form ONRR-2014 [Report of Sales and Royalty Remittance for oil and gas reported in OMB Control Number 1012-0004], and form ONRR-4430 [Solid Minerals Production and Royalty Report reported in OMB Control Number 1012-0010]. These royalty reports result in accounts receivables and capture the vast majority of the mineral revenue collected by ONRR.

The basis for the data that companies submit on forms ONRR-2014 and ONRR-4430 is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling such minerals. The information that we collect under the ICR includes data necessary to ensure that ONRR's accounts receivables are accurately based on the value of the mineral production, as reported to ONRR on forms ONRR-2014 and ONRR-4430.

Information Collections

Every year, the Chief Financial Officer (CFO) under Chief Financial Officers Act of 1990, the Office of Inspector General, or its agent (agent), audits the accounts receivable portions of the Department's financial statements, which are based on ONRR forms ONRR-2014 and ONRR-4430. Accounts receivable confirmations are a common practice in the audit business. Due to a continuous increase in scrutiny of financial audits, a third-party confirmation of the validity of ONRR's financial records is necessary.

As part of the CFO audit, the agent selects a sample of accounts receivable items based on forms ONRR-2014 and ONRR-4430, and provides the sample items to ONRR.

ONRR then identifies the company names and addresses for the sample items selected and creates accounts receivable confirmation letters. In order to meet the CFO requirements, the letters must be on ONRR letterhead and the Deputy Director for ONRR, or his or her designee, must sign the letters. The letter requests third-party confirmation responses by a specified date on whether or not ONRR's accounts receivable records agree with royalty payor records for the following items: (1) customer identification; (2) royalty invoice number; (3) payor assigned document number; (4) date of ONRR receipt; (5) original amount the payor reported; and (6) remaining balance due to ONRR. The agent mails the letters to the payors, instructing them to respond directly to the agent to confirm the accuracy and validity of selected royalty receivable items and amounts. In turn, it is the responsibility of the payors to verify, research, and analyze the amounts and balances reported on their respective forms ONRR-2014 and ONRR-4430.

OMB Approval

We will request OMB approval to continue to collect this information. Not collecting this information would limit the Secretary's ability to discharge the duties of the office, could result in a violation of the Chief Financial Officers Act of 1990, and may also result in the inability to confirm the accuracy of ONRR's accounts receivables which are based on the accurate reporting of forms ONRR-2014 and ONRR-4430. ONRR protects the proprietary information received and does not collect items of a sensitive nature.

Title of Collections: Accounts Receivable Confirmations.

OMB Control Number: 1012-0001.

Form(s) Number: None.

Type of Review: Extension of a currently approved collection.

Respondent/Affected Public: Businesses.

Total Estimated Number of Annual Respondents: 24 randomly-selected mineral payors from Federal and Indian lands and the OCS.

Total Estimated Number of Annual Responses: 24.

Estimated Completion Time per Response: We estimate that each response will take 15 minutes for payors to complete.

Total Estimated Number of Annual Burden Hours: 6 hours.

Respondent's Obligation: Voluntary.

Frequency of Collection: Annual.

Total Estimated Annual Nonhour Burden Cost: We have identified no “non-hour cost” burden associated with this collection of information.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq*).

Gregory J. Gould,

Director for Office of Natural Resources Revenue.

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