Appendix D
Sales Type Codes

Use these sales type codes (STC) when completing field 11 of Form ONRR-2014 and Form CMP-2014. Basic reporting guidance is provided below. If you have questions, see Appendix A for contact information.

Sales type code	Sales type name	Description
APOP	Percentage of proceeds — Arm's-length	POP contracts are defined as sales of gas prior to processing in which the value of the 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. The APOP STC is no longer applicable to Federal gas effective January 1, 2017.
ARMS	Arm's-length	A contract or agreement between independent, **nonaffiliated** parties with opposing economic interests regarding that contract; not involving any consideration other than the sale and transportation of mineral resources. See 30 CFR, Part 1206 for further definition of an arm's-length contract.
NARM	Non-arm's-length	Companies are **affiliated**, defined by degree of control. Affiliation exists if an entity controls, is controlled by, or is under common control with another entity. See 30 CFR, Part 1206 for further definition (see arm's-length contract).

Sales type code	Sales type name	Description
NPOP	Percentage of proceeds — Non-arm's-length	POP contracts are defined as sales of gas prior to processing in which the value of the 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. The NPOP STC is no longer applicable to Federal gas effective January 1, 2017.
OINX	Index	Use OINX to report Federal oil production that is valued based on index. Use OINX to report Indian gas production that is valued based on index regardless of contract type (POP, NARM, etc.). Use OINX for Federal gas production that is valued under the index-based option.
POOL	Pooled sales —	Some companies aggregate their production from multiple properties and then sell or exchange their production under multiple contracts. In a pooling situation, you will determine value by computing a weighted average price for all arm's-length sales at all downstream sales outlets. For certain federal gas situations, the weighted average price should include your affiliate's arm's-length sales. For certain Indian gas situations, the weighted average price should include certain non-arm's-length sales. Do not use Sales Type Code POOL when: • valuing your production under an index-based method • reporting Indian oil

NOTE

Indian Leases:
For gas production sold under a POP contract and produced from Indian leases located in an index zone, use STC OINX.

Indian Leases:
On August 10, 1999, ONRR published the new Indian Gas Valuation Rule and amended the regulations governing the valuation of natural gas produced from Indian leases. Under the amended gas regulations, effective January 2000, you will report gas sold under POP contracts in non-index zones as a sale of processed gas under both arm's-length and non-arm's-length conditions. Reporting requirements for POP contracts depend on whether you elect actual or alternative dual accounting. For detailed information, refer to the September 22, 2004, Dear Payor letter that addresses the new reporting requirements for natural gas produced from Indian properties and sold under a POP contract.

Sales type code	Sales type name	Description
RIKD	Royalty in Kind	
A01 - A25	Code assigned as future valuation agreements are established	For example, negotiated valuation formula.
Z700	Historical POP conversion	Use only for Sales Months prior to October 2001.
Z999	Historical conversion	Use only for Sales Months prior to October 2001.
GNST	Geothermal no sales transaction	Where geothermal resource is directly utilized.