

Chapter 6 Value Adjustment

The P&R Value Adjustment Summary page gives you the ability to adjust dollar values on any previously submitted P&R report. The page displays a table to show a summary of all adjustments made in the current session, along with the corresponding net payment amount required because of this adjustment. The payment amount also serves as a link to the Value Adjustment Detail page for that particular adjustment.

If you click on the **Create New Value Adjustment** button, a table appears on the bottom of the screen. Enter information in this table to specify the Sales Month, Sales Point and Product for which to create a value adjustment.

The **Populate Value Adjustment Page** button opens the Value Adjustment Detail page for the selected Sales Month, Sales Point and Product. If no P&R formatted data exists for the specified criteria, the Value Adjustment Summary page reloads with a warning message indicating this error. You cannot create volume adjustments from this page.

Use this page to adjust dollar *values* for any previously submitted P&R. You *cannot* make volume adjustments on the Value Adjustment page. You must make volume adjustments on the independent Volume/Value Adjustment Report that is detailed in a later chapter.

The Value Adjustment Summary page displays a summary table of all adjustments made during the current adjustment session. The total royalty payment will be the *net* total payment, which could be negative.

The automated allocation tool is available for your use and will be detailed in a later chapter.

NOTE

If you attempt to enter a sales value adjustment for a lease/royalty rate combination that does not have sales volume associated to it, you will be required to submit a volume/value adjustment rather than a value adjustment.

6.1 Value Adjustment Steps

Follow the steps below to submit a Value Adjustment:

6 Value Adjustment

- After entering the Original P&R/Other Obligation/P&R Value Adjustment report type from the Mine Selection page, click on the Value adjustment tab.
- Select the month and year of the adjustment.
- Select the Sales Point, if there is more than one.
- Select the product, if there is more than one.
- Click on the **Create New Value Adjustment** button to go to the Value Adjustment Detail page.

Solids P&R

OMB Control Number 1015-0126, Expiration Date: 12/31/2018
Log Out of P&R Help

Main Payment Original P&R **Value Adjustment** Other Obligation

Mine Name: BIG SKY Business Unit: Federal/State/Fee

P & R Adjustment Summary

Population Information

Sales Month/Year: August 2001

Sales Point: Mine

Product: Coal

Create New Value Adjustment

Disclaimer:
The Paperwork Reduction Act of 1996 requires us to inform you that this information is being collected by the Minerals Management Service from all Federal and Indian solid mineral lessees. We estimate the burden to average 20 minutes per report per month reporting electronically. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, D.C. 20240. Information that lessees claim is proprietary may be protected by the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Trade Secrets Act (18 U.S.C. 1832), and Department regulations (43 CFR part 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current valid OMB control number.

6.2 Value Adjustment Detail Page

The bottom set of rows is the lease level data and is repeated for each lease associated with the mine being reported (see example below).

The Current Values are the net values of the original and any adjustments currently on the system for this lease. These could be positive or negative entries.

- Enter either the Allocation value differences or the Lease Level Value differences. Notice they are net differences (+/-).
- If these adjustments are required due to an ONRR or STRAC identified audit or compliance issue, change the Initiated default button from **Customer** to **ONRR**.
- Enter lease-level comments.
- Click on the **Calculate Royalty Due** button to determine the net Royalty Payment due for each lease.
- Click on the **Save Before Submitting** button to return to the Value Adjustment Summary page.

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Solids P&R

OMB Control Number 1018-0126, Expiration Date: 12/31/2016
Log Out of P&R Help

Mine Name: BIG SKY	Business Unit: Federal/State/Fee	Sales Month/Year: August 2001	Sales Point: Mine	Product: Coal
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P & R Adjustment

Interest:
 Interest Bearing Indicator: Yes No
 Interest From Date:
 Initiated By: MMS Customer

Allocate New Values

Allocation Tool:
 Total Gross Proceeds Difference: \$0
 Total Allowed Processing Cost Difference: \$0

Detail Lines

Lease Number: FEE: BN-1 Land Class: FEE	Current Values	Royalty Rate/Fixed Rate: 0%	Value Differences
Gross Proceeds:	\$1,757,103.84	Gross Proceeds Difference:	\$0.00
Allowed Transportation Cost:	\$0.00	Allowed Transportation Cost Difference:	\$0.00
Allowed Processing Cost:	\$0.00	Allowed Processing Cost Difference:	\$0.00
			Royalty Payment: \$0.00
Enter your comments here for the above lease: <input style="width: 100%;" type="text"/>			

Lease Number: MTM15965 Land Class: FED	Current Values	Royalty Rate/Fixed Rate: 12.5%	Value Differences
Gross Proceeds:	\$426,231.84	Gross Proceeds Difference:	\$0.00
Allowed Transportation Cost:	\$0.00	Allowed Transportation Cost Difference:	\$0.00
Allowed Processing Cost:	\$0.00	Allowed Processing Cost Difference:	\$0.00
			Royalty Payment: \$0.00
Enter your comments here for the above lease: <input style="width: 100%;" type="text"/>			

NOTES

Here you can check the summary of any adjustments you have made during this session. If you want revise an adjustment to any previous adjustment available on the summary, select the same Sales Month/Year, Sales Point and Product combination, and click on the **Create New Value Adjustment** button.

If you want to make additional adjustments to other months, select a new Sales Month/Year, Sales Point and Product combination, and click on the **Create New Value Adjustment** button.

EXAMPLE

Value Adjustment. This example shows how to report and pay royalties for a value adjustment.

Assumptions:

- You had a gross proceeds difference of negative \$2,000.00.
- You had an allowed transportation cost difference of negative \$100.00.
- You had an allowed processing cost difference of a positive \$200.00.
- This is customer initiated.

The screen print below shows a value adjustment data input example.

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Solids P&R

OMB Control Number 1010-0126, Expiration Date: 12/31/2019
 Log Out of P&R Help

Mine Name: FISHING CREEK AMETHYST MINE Business Unit: Federal/State/Fee Sales Month/Year: May 2020 Sales Point: Mine Product: Amethyst

P & R Adjustment

Interest

Interest Bearing Indicator: Yes No
 Interest From Date: 8/31/2001
 Initiated By: MMS Customer

Calculate Royalty Due Save Before Submitting Clear

Allocate New Values

Allocation Tool

Total Gross Proceeds Difference: \$ 0 Total Allowed Transportation Cost Difference: \$ 0 Allocate Value
 Total Allowed Processing Cost Difference: \$ 0

Detail Lines

Lease Number: GAES31311 Land Class: FED	Current Values	Royalty Rate/Fixed Rate: 6%	Value Differences
Gross Proceeds:	\$12,500.00	Gross Proceeds Difference:	\$ -2,000.00
Allowed Transportation Cost:	\$2,000.00	Allowed Transportation Cost Difference:	\$ 100.00
Allowed Processing Cost:	\$3,000.00	Allowed Processing Cost Difference:	\$ 200.00
			Royalty Payment: (\$115.00)

Enter your comments here for the above lease:

Calculate Royalty Due Save Before Submitting Clear

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 Pub. Trade, Statute, 501 (18 U.S.C. 1873), and Department regulations (33 CFR part 3). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current valid OMB control number.

Once you have entered all required value adjustments, from the Value Adjustment Summary page, navigate to the Main Payment page to save, submit, or cancel your submission. (See Main Payment Page section of chapter 5 for more information.)