



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program  
P.O. Box 25165  
Denver, Colorado 80225-0165

IN REPLY REFER TO

SEP 19 2000

ARD/RB  
Mail Stop 3132

Dear Reporter:

Subject: Royalty Reporting Changes Effective October 1, 2001

Effective **October 1, 2001**, Minerals Management Service (MMS) will implement a new financial system. In conjunction with this implementation, MMS has modified and streamlined the Report of Sales and Royalty Remittance, Form MMS-2014 (2014), reference data, and royalty reporting processes. This letter is the first step in providing you with information on the reporting and systems modifications so you can begin to prepare for the changes.

The MMS proposed these changes in February 1999 (see *Federal Register* Notice, (64 FR 8835--February 23, 1999, at <http://www.rmp.mms.gov/>, select Laws & Regulations, and then select Archives RMP FR 1999). After compiling and incorporating suggestions from industry and public meetings regarding changes, we submitted an Information Collection Request to the Office of Management and Budget (OMB) in May 2000. On August 1, 2000, OMB approved the modified form (see Enclosure 1). The major changes to the form and processes are outlined below.

#### **Streamlined Reference Data Process**

- Form MMS-4025, the Payor Information Form (PIF), will be eliminated. MMS will obtain its reference data directly from the information the reporter provides on the 2014, including product codes, start dates, and rent and minimum royalty responsibility.

**2014 Modifications** - Do not report on the new 2014 **before** October 1, 2001. September 30, 2001, falls on a Sunday. Therefore, September reports will be due Monday, October 1, 2001. You may submit your September report in either the old or new format.

- The following 2014 fields will be eliminated:
  - Report Month/Year (our system will assign this value)
  - Revenue Source
  - Regulated Price Code
  - Selling Arrangement
  - Quality Measurement
  - Calculation Method
  - Royalty Quantity

- Every 2014 report line must include the MMS converted lease number. When reporting sales related to a lease's allocated production from an agreement, you must report the MMS Agreement Number in addition to the lease number. If the lease participates in more than one agreement, each agreement number must be reported on a separate report line. We will post the MMS converted lease and agreement numbers on our web site shortly before the October 2001 implementation. Reporters who do not use the Internet may contact us directly for the MMS converted lease and agreement numbers.
- We added a new field for Sales Type Code. The code values are:
  - Arm's-length sales
  - Non-arm's-length sales
  - Pooled sales (including both arm's-length and non-arm's-length sales)
  - Arm's-length percentage of proceeds sales
  - Non-arm's-length percentage of proceeds sales
  - Geothermal No Sales Transaction
- We added a new field for Gas MMBtu. This field will be required for several gas product codes.
- We eliminated the proposed Royalty Rate and Unit Price fields and will instead retain Sales Value.
- We added a new field for the API Well Number. This field will be reported only if required by MMS on certain Indian lands and offshore deep water wells under royalty relief.
- Transportation and Processing Allowances: MMS expects allowances to be reported as part of the related royalty due, Transaction Code (TC) 01 line. However, in specific situations, such as royalty in kind (RIK), you are allowed to report a separate transportation allowance line (using TC 11) without an associated TC 01 line. This occurs when MMS designates a lease as RIK and is receiving payment from another source, but the producer is incurring the costs of transporting the product from the lease to the delivery point.
- Payment Information: Credits available by Payor Code are created in our financial system for a variety of reasons including interest that we owe you, a bill you paid and we credited, or an overpaid 2014. These credits are identified in our system by a unique Document Identification and can be used to pay a current 2014. MMS will continue to notify you of these credits, via phone and/or FAX, which you can then identify and apply on your 2014. The 2014 allows you to use a maximum of three credits.

## **Reporting Adjustments**

- Beginning October 1, 2001, you must report adjustments to previously reported data using the new 2014 format. Please see the section titled "Conversion of Historical Data" for additional information that will assist you in submitting adjustment lines.

- Both industry and MMS showed interest in implementing a reporting process for net adjustments (versus reversing and correcting lines). After extensive analysis and outreach with industry, we believe the complexities of implementation and impacts on our Explanation of Payments to revenue recipients make net adjustment reporting inadvisable at this time. However, MMS remains committed to finding an efficient and effective approach to net adjustment reporting at a future date.

### **Industry Reporting Assistance**

Our revised handbook will provide detailed instructions and examples on completing the new 2014. We will distribute the handbook in May 2001 via CD-ROM. The handbook will also be available on our web site. Paper copies will be distributed only upon request.

We will provide training at various locations beginning in July 2001. These sessions will further explain the new reporting requirements and provide one-on-one assistance if needed. We will notify you of the locations and dates.

### **Electronic Reporting Requirements**

We published regulations in July 1999 that require most reporters to submit their data electronically (see Electronic Reporting, Final Rule, 64 FR 38116--July 15, 1999, at <http://www.rmp.mms.gov/>, click on Laws & Regulations, and then Archives RMP FR 1999). The electronic reporting rule became effective November 1, 1999. The rule also includes exceptions designed to minimize the impact that electronic reporting might have on small businesses.

If you are currently a paper 2014 reporter, you are required to convert to electronic reporting within 90 days after being contacted by our electronic reporting vendor, Harbinger Corporation (Harbinger), unless you are granted an exception as identified in the rule. Once converted, you will be required to report using the new 2014 format beginning October 1, 2001. You will receive an updated Harbinger software package for reporting the new 2014 format prior to the October 1, 2001, conversion date.

The following electronic reporting options are available to you and will be explained in detail by the Harbinger representative who contacts you.

Option 1: Complete the 2014 on Harbinger's secure World Wide Web site at no cost to you. To use this option, you must have a Pentium 100MHz processor or higher, with at least the following specifications:

- Windows 95, 98, or NT 4.0
- 16 MB RAM or higher preferred
- Direct Internet connection at 28,800 BPS or higher
- Standard browser such as Netscape Navigator 4.0, or Internet Explorer 4.0 or higher, and Internet access

Option 2: Report using free software provided by Harbinger that enables you to export Comma Delimited (CSV) or ASCII report files to the Harbinger site. This software must

be installed on a Pentium 166MHz processor or higher, with the following minimum requirements:

- Windows 95, 98, or NT 4.0
- 16 MB RAM or higher preferred
- 30 MB of free disk space
- Direct Internet connection at 28,800 BPS or higher
- Standard browser such as Netscape Navigator 4.0, or Internet Explorer 4.0 or higher, and Internet access

Option 3: You may send ANSI ASC X12 EDI files through Harbinger or send them directly to MMS through the various Value Added Network systems available for transmitting and receiving X12 data.

If you have electronic reporting questions, please contact Ms. Georgia DeLong at (303) 231-3687 or (800) 525-0309, extension 3687.

### **System Modifications**

We are providing the following enclosures for your use in modifying your automated systems to report using the new 2014 format:

- Enclosure 2 – Comparison of Current and New Form MMS-2014. Additional information on the relationships of the fields will be provided at a later date.
- Enclosure 3 – Form MMS-2014 Codes. There will be additions to/deletions from these codes as we proceed with detailed design of our financial system. You will be advised of any future changes to the enclosed code list, and they will be posted on our web site.
- Enclosure 4 – Form MMS-2014 Requirements – CSV Format.
- Enclosure 5 – Form MMS-2014 Reporting Instructions –American Standard Code for Information Interchange (ASCII) Format.
- Enclosure 6 – Reengineering Changes, *Electronic Data Interchange Reporter Handbook*, Release 2.0. Discussion of changes to the American National Standards Institute (ANSI), Accredited Standards Committee (ASC) X12, Electronic Data Interchange (EDI) transaction set 867. Please note that we will be modifying the EDI record layout through the American Petroleum Institute's Petroleum Industry Data Exchange group, and the record will be mapped to ANSI ASC X12 transaction set 867 using version 4030, but not before November 2000. Release 1.0 of the EDI Handbook is on our web site: <http://www.rmp.mms.gov/reportingservices/elecreepting/elecreept.htm>. From this address, select Electronic Data Interchange Handbook.

### **Conversion of Historical Data**

MMS will convert your previously submitted data to the new 2014 format and make it available to you. We are currently working with our system developer to define how and when to convert

and distribute these historical data to you. We will provide more information on this issue at a later date.


### **OMB Information Collection Statement**

This information is collected under an information collection approved by the Office of Management and Budget titled Report of Sales and Royalty Remittance (OMB 1010-0140, expires August 31, 2003). These data provide us with ongoing information related to royalty accounting; monthly distribution of mineral revenues to State, Indian and U.S. Treasury accounts; and statistical reporting. Collected data are used as a method of cross checking reported production with reported sales. Failure to collect all of this information will prevent us from ensuring that all royalties owed on lease production are paid. We estimate the burden for reporting one line on the 2014 is 3 minutes electronically and 7 minutes manually.

Comments on the accuracy of this estimate or suggestions for reducing this burden should be directed to the Information Collection Clearance Officer, Minerals Management Service, 1849 C Street, NW, MS 4230, Washington, DC 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b), (4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it is controlled by strict security measures. 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.

If you have any questions concerning the transition to the new 2014, please contact Mr. Hans Meingast at (303) 231-3382 or toll free at (800) 525-0309, extension 3382.

Sincerely,

  
Michael A. Miller, Chief  
Accounting and Reports Division

Enclosures (6)

Form MMS-2014 (Effective 10/01/2014)  
OMB 1010-0140  
Expires 08/31/2003

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service - Royalty Management Program

**REPORT OF SALES AND ROYALTY REMITTANCE  
FORM MMS-2014**

1 PAYOR NAME: \_\_\_\_\_

3 FEDERAL/INDIAN REPORT INDICATOR  (F or I)

2 PAYOR CODE: \_\_\_\_\_

4 PAYOR-ASSIGNED DOCUMENT NUMBER \_\_\_\_\_



For  
MMS  
Use  
Only

PAGE \_\_\_\_ OF \_\_\_\_

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE	7 MMS LEASE NUMBER	10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES INDICATOR	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15	16	17	18	23 PAYMENT METHOD CODE		
								19 SALES VOLUME (mcf/bbl/gal/long tons)	20 GAS MMBU	21 SALES VALUE \$	22 INTENTIONALLY LEFT BLANK			
		9 MMS AGREEMENT NUMBER							19 ROYALTY VALUE PRIOR TO ALLOWANCES \$	20 TRANSPORTATION ALLOWANCE DEDUCTION \$	21 PROCESSING ALLOWANCE DEDUCTION \$	22 ROYALTY VALUE LESS ALLOWANCES \$		
1														
2														
3														
4														

I have read and examined the statements in this report and agree they are accurate and complete.

Authorized Name (print) and Signature \_\_\_\_\_ Date \_\_\_\_\_

If company contact information has changed, please indicate below. (Please print)

Contacts Name \_\_\_\_\_ Phone Number \_\_\_\_\_

Street \_\_\_\_\_ P.O. Box \_\_\_\_\_ Suite or other Identifier \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

FAX Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

**PAYMENT INFORMATION**

Checks To MMS (PM1)	+	_____
*Indian Direct Pay (PM2)	+	_____
EFT Payments (PM3)	+	_____
*Royalty-In-Kind (PM4)	+	_____
Checks To MMS For BIA (PM5)	+	_____
Other (For Future Use)(PM6)	+	_____
*Indian Lockbox (PM7)	+	_____
Total All Payments:	=	_____
Less Available Credits: (*Credits may not be applied to PM2, PM4, PM7):	-	_____
Doc. ID: _____	-	_____
Doc. ID: _____	-	_____
Doc. ID: _____	-	_____
Net Payment for this Report:	= \$	_____

PAGE TOTAL \_\_\_\_\_  
REPORT TOTAL \_\_\_\_\_

## COMPARISON OF CURRENT AND NEW FORM MMS-2014

BLOCK	FIELD NAME*	FIELD DESCRIPTION	CURRENT 2014	NEW 2014
1	PAYOR NAME	Company name	30 digits	No change
2	PAYOR CODE*	MMS assigned reporter number	5 digits	No change
3	FEDERAL/ INDIAN REPORT INDICATOR*	Indicates whether the report is for Federal or Indian leases. Cannot report Federal and Indian leases on the same 2014.	F = Federal I = Indian	No change
4	PAYOR ASSIGNED DOCUMENT NUMBER*	Identifying number assigned by the reporter. Must be unique and also reported on the corresponding payment document (check, EFT, etc).	6 digits	8 digits
	PAGE NUMBER	Number each page consecutively; e.g. Page 1 of 2.		
5	PAYOR LINE NUM*	Must be numeric, consecutive, and greater than zero. No duplicate line numbers are allowed.	6 digits	No change
6	RESERVED FOR PREPARER'S USE	Reporters' alpha/numeric property identification information. If provided, the data will be stored as part of the record.	Not retained in MMS System	20 digits
7	MMS LEASE NUMBER*	MMS assigned alpha/numeric lease number. Must be valid MMS lease number. MMS converted lease numbers will be on our web site.	Part of Accounting Identification (AID) Number	11 digits
8	MMS AGREEMENT NUMBER	MMS assigned alpha/numeric agreement number. Required on those lines where royalties are reported for sales attributable to allocated production from an agreement. Must be blank if sales are reported for lease basis production. MMS converted agreement numbers will be posted on our web site.	Not on form	11 digits New field
9	API WELL NO.	API assigned alpha/numeric well number. Consists of 12 digit API number and 3 digit producing interval; e.g. 490051234500S01. Reported only if required by MMS on certain Indian properties and offshore deep water wells under royalty relief.	Not on form	15 digits New field
10	PRODUCT CODE	Alpha/numeric product code. Identifies the product reported.	2 digits	No change
11	SALES TYPE CODE	MMS requires separate lines of royalty detail based upon the nature of the sale. Payors will report the disposition of their production, including the distinction between arm's-length and non-arm's-length contracts, as well as contract type. A distinct sales type code allows reporting of all pooled sales, including both arm's-length and non-arm's-length sales, under a single code.	Not on form	4 digits New field
12	SALES MO/YR*	Due date of the transaction reported. Must be completed as a valid month (01-12) and a 4-digit year.	4 digits MMYY	6 digits MMCCYY

13	TRANSACTION CODE*	Numeric code identifying the purpose of the reported line.	2 digits	No change
14	ADJUSTMENT REASON CODE	Numeric code used to identify the reason for reporting/adjusting the line of data. Same code must appear on the reversing and associated correcting line.	2 digits	No change
15	SALES VOLUME	Volume of Mcf/bbls/gals/long tons removed or sold. If not spaces, must be numeric and contain a decimal. Sales Volume must be positive if the Royalty Value Prior to Allowances is positive. Sales Volume must be negative if the Royalty Value Prior to Allowances is negative.	Replaced Sales Quantity	-9(9).99
16	GAS MMBtu	MMBtu's contained in the gas stream either sold or removed from the lease. If not spaces, must be numeric and contain a decimal. Gas MMBtu must be positive if the Royalty Value Prior to Allowances is positive. Gas MMBtu must be negative if the Royalty Value Prior to Allowances is negative. If reported product code is 03, 04, 12, 15, or 16, then both Sales Volume and Gas MMBtu must be reported.	Not on form	-9(9).99 New Field
17	SALES VALUE	Reported result of either [Sales Volume x price] or if reported Product Code is 03, 04, 12, 15, 16, then [ Gas MMBtu x price]. If not spaces, must be numeric and contain a decimal.	-9(9).99	No Change
19	ROYALTY VALUE PRIOR TO ALLOWANCES	Reported result of (Sales Value x royalty rate). If not spaces, must be numeric and contain a decimal. NOTE: A separate line of reporting is required for each royalty rate in effect on the lease.	Not on form	-9(9).99 New Field
20	TRANSPORTATION ALLOWANCE DEDUCTION	Deduction from royalty due for the reasonable actual costs of transporting production from the lease to a sales point or point of value determination off the lease. If not spaces, must be numeric and contain a decimal.	Not on form	-9(9).99 New Field
21	PROCESSING ALLOWANCE DEDUCTION	Deduction from royalty due for the reasonable actual costs of extracting and recovering gas plant products from a gas stream. If not spaces, must be numeric and contain a decimal.	Not on form	-9(9).99 New Field
22	ROYALTY VALUE LESS ALLOWANCES*	Result of (Royalty Value Prior to Allowances minus Transportation Allowance Deduction minus Processing Allowance Deduction). If not spaces, must be numeric and contain a decimal.	Replaced Royalty Value	-9(9).99
23	PAYMENT METHOD CODE*	Numeric code indicating the method of payment: check, EFT, lockbox, etc. If F/I indicator is I, then only payment methods 2,3,4,5,6,7 are valid. If F/I indicator is F, then only payment methods 1, 3, 4, 6 are valid.	2 digits	1 digit



	PAGE TOTAL	Total of amounts reported in Block 22, Royalty Value Less Allowances, for each page.	-9(9).99	-9(11).99
	REPORT TOTAL*	Total of all Royalty Value Less Allowance amounts. Must be numeric and contain a decimal. The Report Total must equal the payment method totals reported in the Payment Information Block. Required on first page only.	-9(9).99	-9(11).99
<b>PAYMENT INFORMATION (Completed on first page of report only)</b>				
	CHECKS TO MMS (PM1)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 1. If not blank, must be numeric and contain a decimal.	-9(9).99	-9(11).99
	INDIAN DIRECT PAY (PM2)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 2. If not blank, must be numeric and contain a decimal.	Replaced Payments to Others	-9(11).99
	EFT PAYMENTS (PM3)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 3. If not blank, must be numeric and contain a decimal.	-9(9).99	-9(11).99
	ROYALTY-IN-KIND (PM4)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 4. If not blank, must be numeric and contain a decimal.	-9(9).99	-9(11).99
	CHECKS TO MMS FOR BIA (PM5)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 5. If not blank, must be numeric and contain a decimal.	-9(9).99	-9(11).99
	OTHER (FOR FUTURE USE) (PM6)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 6. If not blank, must be numeric and contain a decimal.	Replaced BIA EFT	9(11).99
	INDIAN LOCKBOX (PM7)	CALCULATION: Sum of all Royalty Value Less Allowance amounts where the Payment Method Code = 7. If not blank, must be numeric and contain a decimal.	Replaced Payments to Lockboxes	-9(11).99
	TOTAL ALL PAYMENTS	CALCULATION: Total of PM1, PM2, PM3, PM4, PM5, PM6, and PM7 amounts. Must be numeric and contain a decimal.	Replaces Total of Items 22-28 -9(9).99	-9(11).99
	DOC ID 1	Document Identification of credit used to pay 2014. Alpha/numeric field. Credit is allowed only if one or more of the following Payment Methods are completed: PM 1, 3, 5, or 6.	Not on form	22 Digits New Field
	DOC ID AMOUNT 1	Dollar amount of the credit used to pay 2014. Must be numeric. Credit is allowed only if one or more of the following payment methods are completed: PM 1, 3, 5, or 6.	Not on form	-9(11).99 New Field
	DOC ID 2	Document Identification of credit used to pay 2014. Alpha/numeric field. Credit is allowed only if one or more of the following payment methods are reported: PM 1, 3, 5, or 6	Not on form	22 Digits New Field
	DOC ID AMOUNT 2	Dollar amount of credit used to pay 2014. Must be numeric. Credit is allowed only if one or more of the following payment methods are reported: PM 1, 3, 5, or 6.	Not on form	-9(11).99 New Field

	DOC ID 3	Document Identification of credit used to pay 2014. Alpha/numeric field. Credit is only allowed if one or more of the following payment methods are reported: PM 1, 3, 5, or 6.	Not on form	22 Digits New Field
	DOC ID AMOUNT 3	Dollar amount of credit used to pay 2014. Must be numeric. Credit is allowed only if one or more of the following payment methods are completed: PM 1, 3, 5, or 6.	Not on form	-9(11).99 New Field
	NET PAYMENT FOR THIS REPORT*	CALCULATION: Sum of all payments minus all available credits = Net Payment for this Report. Must be numeric and contain a decimal.	Not on form	-9(11).99 New Field
	AUTHORIZED NAME*	Name of the person authorizing submission of the report to MMS.	Block 30	30 digits New Field
	DATE*	Date the report was authorized.	Not on form	8 digits New Field
<b>Below fields will be completed only if information changes.</b>				
	CONTACT NAME	Individual that MMS will contact if there are questions about report.	Not on form	30 Digits New Field
	PHONE NUMBER	Area code plus 7 digit number and extension.	Not on form	15 Digits New Field
	STREET	Physical address (Not a PO Box).	Not on form	25 Digits New Field
	PO BOX	Official Post Office Box Number.	Not on form	25 Digits New Field
	SUITE OR OTHER IDENTIFIER	Continuation of physical address; i.e. suite, building, etc.	Not on form	25 Digits New Field
	CITY	Self Explanatory.	Not on form	15 Digits New Field
	STATE	State code.	Not on form	2 Digits New Field
	ZIP CODE	5 digit ZIP code with 4 digit suffix.	Not on form	9 Digits New Field
	FAX NUMBER	Area code plus 7 digit number.	Not on form	15 Digits New Field
	E-MAIL ADDRESS	Reporter's internet address.	Not on form	Up to 30 Digits New Field

\* Indicates Required Field

**FORM MMS-2014 CODES**

Effective 10/01/2001

<i>Element</i>	<i>Value</i>	<i>Description</i>	<i>Retain - Delete - or New</i>
Transaction Code	01	ROYALTY DUE	Retain
Transaction Code	02	MINIMUM ROYALTY PAYMENT	Retain
Transaction Code	03	ESTIMATED ROYALTY PAYMENT	Retain
Transaction Code	04	RENTAL PAYMENT	Retain
Transaction Code	05	ADVANCE RENTAL CREDIT	Retain
Transaction Code	06	ROYALTY IN KIND TRANSACTION - NO CASH PAYMENT TO MMS	Retain
Transaction Code	08	ROYALTY IN KIND ( to be defined)	New
Transaction Code	10	COMPENSATORY ROYALTY PAYMENT	Retain
Transaction Code	11	TRANSPORTATION ALLOWANCE	Retain
Transaction Code	12	TAX CREDIT	Retain
Transaction Code	13	GATHERING OR GEOTHERMAL OPERATIONS REIMBURSEMENT	Retain
Transaction Code	14	TAX REIMBURSEMENT PAYMENT	Retain
Transaction Code	15	PROCESSING ALLOWANCE	Retain
Transaction Code	16	WELL FEES	Retain
Transaction Code	17	GAS STORAGE AGREEMENT - FLAT FEE	Retain
Transaction Code	18	GAS STORAGE AGREEMENT - INJECTION FEE	Retain
Transaction Code	19	GAS STORAGE AGREEMENT - WITHDRAWAL FEE	Retain
Transaction Code	21	INTEREST AMOUNT DUE MMS	Retain
Transaction Code	22	INTEREST AMOUNT OWED TO PAYOR	Retain
Transaction Code	25	RECOUP ADVANCE RENTAL CREDIT	Retain
Transaction Code	31	CONTRACT SETTLEMENTS PAYMENT	Retain
Transaction Code	37	ROYALTIES DUE IN LIEU OF SEVERANCE TAX	Retain
Transaction Code	38	ADDITIONAL ROYALTY DUE FOR OCSLA, SECTION (6)(a)(9) LEASES	Retain
Transaction Code	39	NET PROFIT SHARE - UNPROFITABLE	Retain
Transaction Code	40	NET PROFIT SHARE - PROFITABLE	Retain
Transaction Code	41	OFFSHORE DEEP WATER ROYALTY RELIEF	Retain
Transaction Code	42	NET REVENUE SHARE LEASE, ALLOTMENT FOR OPERATING COSTS	Retain
Transaction Code	50	INDIAN RECOUPABLE BALANCE	Retain
Transaction Code	51	INDIAN RECOUPMENT TAKEN	Retain
Transaction Code	52	RECOUP MINIMUM ROYL PAID IN ADVANCE (use limited to specific Navajo Leases)	New

Please be aware that there may be additions/deletions to these codes prior to the October 2001 implementation date. All changes will be communicated to industry as soon as they are known.

**FORM MMS-2014 CODES**

Effective 10/01/2001

Transaction Code	53	EFFLUENT INJECTION REIMBURSEMENT (use limited to Geothermal leases)	New
Transaction Code	60	ROYALTY FREE TRANSACTION (to be defined)	New
Adjustment Rsn	01	INCORRECT PRICING	Delete
Adjustment Rsn	02	INCORRECT VOLUME	Delete
Adjustment Rsn	03	INCORRECT ROYALTY RATE	Delete
Adjustment Rsn	04	ADJUSTMENT FOR ALLOWANCES	Delete
Adjustment Rsn	05	CALCULATION METHOD	Delete
Adjustment Rsn	10	ADJUSTMENT (used for all adjustments that do not require a unique Adjustment Reason Code)	Retain
Adjustment Rsn	15	MARGINAL PROPERTY TRUE-UP	Retain
Adjustment Rsn	16	MAJOR PORTION (Post 1/1/2000 sales months only)	Retain
Adjustment Rsn	17	MMS INITIATED COMPLIANCE ADJUSTMENT	New
Adjustment Rsn	20	DOE SPR RIK WITHOUT ROYALTY VALUE	Retain
Adjustment Rsn	21	DOE SPR RIK WITH ROYALTY VALUE	Retain
Adjustment Rsn	25	NETBACK COSTS TRUE-UP (use limited to Geothermal leases only)	New
Adjustment Rsn	26	CHANGE VALUATION METHOD (use limited to Geothermal leases only)	New
Adjustment Rsn	31	RETROACTIVE MANDATORY PRICE ADJUSTMENT- (use limited to Geothermal leases only)	Retain
Adjustment Rsn	32	ESTIMATE ADJUSTMENT	Retain
Adjustment Rsn	33	QUARTERLY ROYALTY RATE ADJUSTMENT (OCSLA, Section (6)(a)(9) leases)	Delete
Adjustment Rsn	34	RETROACTIVE ALLOWANCE ADJUSTMENT	Delete
Adjustment Rsn	35	UNIT PARTICIPATING AREA/COMMUNITIZATION AGREEMENT ADJ	Retain
Adjustment Rsn	36	DUPLICATE REPORTING	Delete
Adjustment Rsn	37	CONTRACT SETTLEMENT	Delete
Adjustment Rsn	38	OTHER ADJ	Delete
Adjustment Rsn	40	RESERVED (to be defined)	Retain
Adjustment Rsn	41	POST CONVERSION AUDIT	Delete
Adjustment Rsn	42	JOINT AUDIT - PRIOR TO CONVERSION	Delete
Adjustment Rsn	43	AUDIT EXCEPTION - PRIOR TO CONVERSION	Delete
Adjustment Rsn	48	VSD OIL VALUATION MONITORING ADJ	Delete
Adjustment Rsn	49	MAJOR PORTION PRICING ADJ (Pre 1/1/2000 sales months only)	Retain
Adjustment Rsn	50	BIDDING RIGHTS ADJ	Delete

Please be aware that there may be additions/deletions to these codes prior to the October 2001 implementation date. All changes will be communicated to industry as soon as they are known.

**FORM MMS-2014 CODES**

Effective 10/01/2001

Adjustment Rsn	53	PAAS-PRIOR TO CONVERSION	Delete
Adjustment Rsn	54	PAAS-POST CONVERSION	Delete
Adjustment Rsn	60	FERC POST CONVERSION	Delete
Adjustment Rsn	61	FERC PRIOR TO CONVERSION	Delete
Adjustment Rsn	66	EP ADJUSTMENT MONITORING	Delete
Adjustment Rsn	71	ESTIMATE UNDER/OVER PAYMENT INTEREST	Retain
Adjustment Rsn	72	RESERVED	Retain
Adjustment Rsn	75	CROSS LEASE NETTING (sales periods prior to 01/1997 only)	Retain
Adjustment Rsn	91	PRIOR TO CONVERSION - ROYALTY VALUE ADJ	Delete
Adjustment Rsn	92	PRIOR TO CONVERSION - SALES QTY/VALUE ADJ.	Delete
Adjustment Rsn	93	PRIOR TO CONVERSION - SALES QTY/VALUE ADJ.	Delete
Adjustment Rsn	94	PRIOR TO CONVERSION - ROYALTY VALUE ADJ	Delete
Adjustment Rsn	95	PRIOR TO CONVERSION - SALES QTY/VALUE ADJ.	Delete
Adjustment Rsn	96	PRIOR TO CONVERSION - SALES QTY/VALUE ADJ.	Delete
Product Code	01	OIL	Retain
Product Code	02	CONDENSATE	Retain
Product Code	03	PROCESSED (RESIDUE) GAS	Retain
Product Code	04	UNPROCESSED (WET) GAS	Retain
Product Code	05	DRIP OR SCRUBBER CONDENSATE	Retain
Product Code	06	INLET SCRUBBER	New
Product Code	07	GAS PLANT PRODUCTS	Retain
Product Code	09	NITROGEN	Retain
Product Code	12	FLASH GAS	Retain
Product Code	13	FUEL OIL	Retain
Product Code	14	OIL LOST	Retain
Product Code	15	FUEL GAS	Retain
Product Code	16	GAS LOST - FLARED OR VENTED	Retain
Product Code	17	CARBON DIOXIDE GAS (CO2)	Retain
Product Code	18	SALT	Retain
Product Code	19	SULFUR	Retain
Product Code	20	OTHER LIQUID HYDROCARBONS	Retain
Product Code	22	HELIUM	Retain
Product Code	25	GEOHERMAL - HOT WATER	Delete
Product Code	26	GEOHERMAL - EFFLUENT DISPOSAL	Delete
Product Code	27	GEOHERMAL - STEAM	Delete

Please be aware that there may be additions/deletions to these codes prior to the October 2001 implementation date. All changes will be communicated to industry as soon as they are known.

**FORM MMS-2014 CODES**

Effective 10/01/2001

Product Code	30	WATER - FORMATION	Retain
Product Code	31	GEOHERMAL - ELECTRICAL GENERATION, KILOWATT HOURS	New
Product Code	32	GEOHERMAL - ELECTRICAL GENERATION, THOUSANDS OF POUNDS	New
Product Code	33	GEOHERMAL - ELECTRICAL GENERATION, MILLIONS OF BTUs	New
Product Code	34	GEOHERMAL - ELECTRICAL GENERATION, OTHER	New
Product Code	35	GEOHERMAL - DIRECT UTILIZATION, MILLIONS OF BTUs	New
Product Code	36	GEOHERMAL - DIRECT UTILIZATION, HUNDREDS OF GALLONS	New
Product Code	37	GEOHERMAL - DIRECT UTILIZATION, OTHER	New
Product Code	38	GEOHERMAL - COMMERICALLY DEMINERALIZED H2O	New
Product Code	39	COALBED METHANE	New
Sales Type	GNST	GEOHERMAL NO SALES TRANSACTION	New
Sales Type	ARMS	ARM'S LENGTH	New
Sales Type	NARM	NON ARM'S LENGTH	New
Sales Type	POOL	POOLED SALES (ARM'S AND NON-ARM'S LENGTH)	New
Sales Type	APOP	PERCENTAGE OF PROCEEDS - ARM'S LENGTH	New
Sales Type	NPOP	PERCENTAGE OF PROCEEDS - NON-ARM'S LENGTH	New
Pmt. Method	1	CHECKS TO MMS	Retain
Pmt. Method	2	INDIAN DIRECT PAY	Retain
Pmt. Method	3	EFT PAYMENT	Retain
Pmt. Method	4	ROYALTY IN KIND	Retain
Pmt. Method	5	CHECKS TO MMS FOR BIA	Retain
Pmt. Method	6	OTHER (reserved for future use)	New
Pmt. Method	7	INDIAN LOCKBOX	Retain

Please be aware that there may be additions/deletions to these codes prior to the October 2001 implementation date. All changes will be communicated to industry as soon as they are known.

**Form MMS-2014 Reporting Requirements - CSV Format  
Effective October 1, 2001**

Comma Separated Value (CSV) files are first created in an Excel spreadsheet, then saved as a CSV file type. All data entry is done in the Excel spreadsheet. Once a CSV file is saved, you will have two files - one with an extension of .xls, the other with .csv.

**NEVER re-open or double-click the .csv file in Excel!** Always make your corrections in your original Excel file, then resave it to a CSV file. If you need to view the CSV file, view it in a word processor, such as WordPad. If you open the .csv file in Excel, you will lose ALL of the formatting from the Excel file. Sample files can be emailed to you upon request.

**A. Format Requirements:**

All record fields must comply with the following requirements:

1. Volume/Value fields must contain an explicit decimal and be carried to two places (i.e. 1299.00 or 0.00, not 1299 or 0).
2. An explicit negative sign will be used to indicate negative values. This sign will be in the leading position with no intervening spaces (i.e. -1299.00).
3. Do not use commas when formatting numeric fields (i.e. 1299.00, not 1,299.00).
4. Do not use dollar signs for value fields.
5. Use MMCCYY formatted as text for dates.
6. Do not use quotation marks (") or apostrophes (').
7. Leading zeros are NOT required in your file. MMS right justifies numeric fields using leading zeros during the conversion process.
8. Text fields will be left justified and padded with zeros when data is smaller than required for the field.
9. Layout position translates to "X" equals text and "9" equals numeric. The number enclosed in parentheses ( ) translates to the number of characters required for that field.
10. Federal and Indian data must be submitted as separate reports.
11. MMS uses Headers and Trailers to separate reports in a single file. An example of multiple reports in a single file is shown below:

First Payor Code:

PAYOR CODE 12345	Header Record
FEDERAL DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record - Payment

PAYOR CODE 12345	Header Record
INDIAN DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record - Payment

Second Payor Code:  
 PAYOR CODE 23456  
 FEDERAL DATA

Header Record  
 Detail Line Item Record(s)  
 Trailer Record - Report  
 Trailer Record - Payment

PAYOR CODE 23456  
 INDIAN DATA

Header Record  
 Detail Line Item Record(s)  
 Trailer Record - Report  
 Trailer Record - Payment

Third Payor Code:  
 PAYOR CODE 34567  
 FEDERAL DATA

Header Record  
 Detail Line Item Record(s)  
 Trailer Record - Report  
 Trailer Record - Payment

**Do not use blank lines between reports.**

**B. 2014 CSV Record Layout**

COLUMN	DESCRIPTION	MAXIMUM WIDTH	
<b>HEADER</b>			
A	RECORD TYPE	X(1)	Must be completed with a literal '1'
B	PAYOR CODE	X(5)	Must be completed
C	FORM TYPE	X(3)	Must be completed with a literal '(RYL)'
E	PAYOR ASSIGNED DOCUMENT NUMBER	X(8)	Must be completed
D	COMBINE INDICATOR	X(2)	Must be blank (For MMS use)
<b>DETAIL</b>			
A	RECORD TYPE	X(1)	Must be completed with a literal '2'
B	LESSOR CODE	X(1)	Must be completed with a literal '1' for Federal, or a literal '2' for Indian
C	PAYOR LINE NUM	9(6)	Must be completed
D	RESERVED FOR PREPARER'S USE	X(20)	May be left blank
E	MMS LEASE NUMBER	X(11)	Must be completed
F	MMS AGREEMENT NUMBER	X(11)	May be left blank
G	API WELL NO.	X(15)	May be left blank



<b>COLUMN</b>	<b>DESCRIPTION</b>	<b>MAXIMUM WIDTH</b>	
H	PRODUCT CODE	X(2)	May be left blank
I	SALES TYPE CODE	X(4)	May be left blank
J	SALES MO/YR	X(6)	Must use MMCCYY format and be completed
K	TRANSACTION CODE	X(2)	Must be completed
L	ADJUSTMENT REASON CODE	X(2)	May be left blank
M	SALES VOLUME Mcf/bbls/gal/long tons)	-9(9).99	May be left blank
N	GAS MMBtu	-9(9).99	Must be completed for selected product codes
O	SALES VALUE	-9(9).99	May be left blank
P	ROYALTY VALUE PRIOR TO ALLOWANCES	-9(9).99	Must be completed
R	TRANSPORTATION ALLOWANCE DEDUCTION	-9(9).99	May be left blank
S	PROCESSING ALLOWANCE DEDUCTION	-9(9).99	May be left blank
T	ROYALTY VALUE LESS ALLOWANCES	-9(9).99	May be left blank
U	PAYMENT METHOD	X(1)	Must be completed
<b>REPORT TRAILER</b>			
A	RECORD TYPE	X(1)	Must be completed with a literal '3'
B	REPORT LINE COUNT	9(6)	Must be completed
C	REPORT TOTAL	-9(11).99	Must be completed
D	CHECKS TO MMS (PM1) AMOUNT	-9(11).99	May be left blank
E	INDIAN DIRECT PAY (PM2)	-9(11).99	May be left blank
F	EFT PAYMENTS (PM3)	-9(11).99	May be left blank
G	ROYALTY-IN-KIND (PM4)	-9(11).99	May be left blank
H	CHECKS TO MMS FOR BIA (PM5)	-9(11).99	May be left blank
I	OTHER (FOR FUTURE USE) (PM6)	-9(11).99	May be left blank
J	INDIAN LOCKBOX (PM7)	-9(11).99	May be left blank
K	TOTAL PAYMENTS REPORTED	-9(11).99	Must be completed
<b>PAYMENT TRAILER</b>			
A	RECORD TYPE	X(1)	Must be completed with a literal '4'
B	DOC ID 1	X(22)	May be left blank

<b>COLUMN</b>	<b>DESCRIPTION</b>	<b>MAXIMUM WIDTH</b>	
C	DOC ID AMOUNT 1	-9(11).99	May be left blank
D	DOC ID 2	X(22)	May be left blank
E	DOC ID AMOUNT 2	-9(11).99	May be left blank
F	DOC ID 3	X(22)	May be left blank
G	DOC ID AMOUNT 3	-9(11).99	May be left blank
H	NET PAYMENT FOR THIS REPORT	-9(11).99	Must be completed
I	AUTHORIZED NAME	X(30)	Must be completed
K	DATE	X(8)	Must be completed

**Form MMS-2014 Reporting Instructions – ASCII Format  
Effective October 1, 2001**

**A. Format Requirements**

All record fields must comply with the following requirements:

1. All numeric data is unpacked.
2. All lines are 170 character fixed length plus a carriage return and a line feed.
3. Federal and Indian data must be submitted as separate reports.
4. MMS uses Headers and Trailers to separate reports in a single file. An example of multiple reports in a single file is shown below:

First Payor Code:

PAYOR CODE 12345	Header Record
FEDERAL DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record – Payment

PAYOR CODE 12345	Header Record
INDIAN DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record – Payment

Second Payor Code:

PAYOR CODE 23456	Header Record
FEDERAL DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record – Payment

PAYOR CODE 23456	Header Record
INDIAN DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record – Payment

Third Payor Code:

PAYOR CODE 34567	Header Record
FEDERAL DATA	Detail Line Item Record(s)
	Trailer Record - Report
	Trailer Record – Payment

**Do not use blank lines between reports.**

## B. ASCII Record Layout

DESCRIPTION	MAXIMUM WIDTH	
<b>HEADER RECORD</b>		
RECORD TYPE	9(1)	Must be completed with a literal '1'
PAYOR CODE	X(5)	Must be completed
FORM TYPE	9(3)	Must be completed with a literal '(TBD)'
PAYOR ASSIGNED DOCUMENT NUMBER	9(8)	Must be completed
COMBINE INDICATOR	X(2)	
FILLER	X(151)	Leave blank
CARRIAGE CONTROL	HEX OD	ASCII 13
LINE FEED	HEX OA	ASCII 10
<b>DETAIL RECORD</b>		
RECORD TYPE	9(1)	Must be completed with a literal '2'
LESSOR CODE	9(1)	Must be completed with a literal '1' for Federal, or a literal '2' for Indian
PAYOR LINE NUMBER	9(6)	Fill with valid data and leading zeros or all zeros
RESERVED FOR PREPARER'S USE	X(20)	May be completed or blank
MMS LEASE NUMBER	X(11)	Must be completed
MMS AGREEMENT NUMBER	X(11)	Complete or leave blank
API WELL NO.	X(15)	Complete or leave blank
PRODUCT CODE	9(2)	Fill with valid data and leading zeros or all zeros
SALES TYPE CODE	X(4)	Complete or leave blank
SALES MO/YR	9(6)	Must be completed. Use MMCCYY format
TRANSACTION CODE	9(2)	Must be completed
ADJUSTMENT REASON CODE	9(2)	Fill with valid data and leading zeros or all zeros
SALES VOLUME Mcf/bbls/gal/long tons)	S9(9)V99**	Fill with valid data and leading zeros or all zeros
GAS MMBtu	S9(9)V99**	Fill with valid data and leading zeros or all zeros
SALES VALUE	S9(9)V99**	Fill with valid data and leading zeros or all zeros
ROYALTY VALUE PRIOR TO ALLOWANCES	S9(9)V99**	Fill with valid data and leading zeros or all zeros
TRANSPORTATION ALLOWANCE DEDUCTION	S9(9)V99**	Fill with valid data and leading zeros or all zeros

<b>DESCRIPTION</b>	<b>MAXIMUM WIDTH</b>	
PROCESSING ALLOWANCE DEDUCTION	S9(9)V99**	Fill with valid data and leading zeros or all zeros
ROYALTY VALUE LESS ALLOWANCES	S9(9)V99**	Fill with valid data and leading zeros or all zeros
PAYMENT METHOD	9(1)	Fill with valid data and leading zeros or all zeros
FILLER	X(9)	Leave blank
CARRIAGE CONTROL	HEX OD	ASCII 13
LINE FEED	HEX OA	ASCII 10
<b>REPORT TRAILER RECORD</b>		
RECORD TYPE	9(1)	Must be completed with a literal '3'
REPORT LINE COUNT	9(7)	Fill with valid data and leading zeros or all zeros
REPORT TOTAL	S9(11)V99**	Fill with valid data and leading zeros or all zeros
CHECKS TO MMS (PM1)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
INDIAN DIRECT PAY (PM2)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
EFT PAYMENTS (PM3)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
ROYALTY-IN-KIND (PM4)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
CHECKS TO MMS FOR BIA (PM5)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
OTHER (FOR FUTURE USE) (PM6)	S9(11)V99**	Fill with valid data and leading zeros or all zeros
INDIAN LOCKBOX (PM7) AMOUNT	S9(11)V99**	Fill with valid data and leading zeros or all zeros
TOTAL ALL PAYMENTS	S9(11)V99**	Fill with valid data and leading zeros or all zeros
FILLER	X(45)	Leave blank
CARRIAGE CONTROL	HEX OD	ASCII 13
LINE FEED	HEX OA	ASCII 10
<b>PAYMENT TRAILER RECORD</b>		
RECORD TYPE	9(1)	Must be completed with a literal '4'
DOC ID 1	X(22)	Must be completed or blank
DOC ID TOTAL 1	S9(9)V99**	Fill with valid data and leading zeros or all zeros
DOC ID 2	X(22)	Must be completed or blank
DOC ID TOTAL 2	S9(9)V99**	Fill with valid data and leading zeros or all zeros
DOC ID 3	X(22)	Must be completed or blank
DOC ID TOTAL 3	S9(9)V99**	Fill with valid data and leading zeros or all zeros

<b>DESCRIPTION</b>	<b>MAXIMUM WIDTH</b>	
NET PAYMENT FOR THIS REPORT	S9(11)V99**	Fill with valid data and leading zeros or all zeros
AUTHORIZED NAME	X(30)	Must be completed
DATE	X(8)	Must be completed
FILLER	X(19)	Leave blank
CARRIAGE CONTROL	HEX OD	ASCII 13
LINE FEED	HEX OA	ASCII 10
END OF FILE MARKER	HEX 1A	

**Reengineering Changes**  
***Electronic Data Interchange Reporter Handbook, Release 2.0***

Release 2.0 of the MMS *Electronic Data Interchange Reporter Handbook* (Handbook) will include mapping changes necessary to transmit MMS report data using the new report format. The data elements contained on the new MMS-2014 reporting form will be mapped to ANSI ASC X12 transaction set 185, Royalty Regulatory Report, using version 4030. Other updates and minor modifications will also be made. A final copy of the Handbook is expected by December 2000. The Handbook should be on our web site prior to that date.

The following provides a synopsis of all mapping changes from the current implementation (version 3050) to the new:

- Examples have been expanded to illustrate two reports, one Federal and one Indian, transmitted at the same time.
- Qualifier code 585, report, was removed from the table one DTP segment, element 374. Code 585 was used for the old form element "report MO/YR."
- "Authorization date" format qualifier, element 1250, changed from code D6 to code D8.
- Qualifier code PU, report preparer, was removed from the PER segment, element 366. Code PU was used for the old form element "preparer name."
- Table one loop ID - N1 segments were mapped so address change and contact information can be transmitted.
- Table one loop ID - LM segments were mapped so petroleum regulatory report ID code can be transmitted in table one. Previously the petroleum regulatory report ID code was transmitted with each occurrence of table two.
- Sales MO/YR qualifier, element 1250, will change from code TQ to a new code for MMCCYY format.
- Qualifier code LC, lease number, was added to the LX-REF segment, element 128. Code LC will be used for the new form element "MMS lease number."
- Qualifier code 11, account number, was removed from the LX-REF segment, element 128. Code 11 was used for the old form element "accounting identification (AID) number."
- Qualifier code YP, selling arrangement, was removed from the LX-REF segment, element 128. Code YP was used for the old form element "selling arrangement code."

- Qualifier code AH, agreement number, was added to the LX-REF segment, element 128. Code AH will be used for the new form element "MMS agreement number."
- Qualifier code WB, API Well, was added to the LX-REF segment, element 128. Code WB will be used for the new form element "API well number."
- Qualifier code PRR, petroleum regulatory report ID, used in the LQ segment, element 1270, was moved to table one.
- The API petroleum industry code list will be expanded to include codes for the new form element "sales type code." The sale type codes will use qualifier code PRC, petroleum royalty calculation method, element 1270. Existing "calculation methods codes" will no longer be used.
- Segment MEA removed from mapping. The "quality measurement" form element does not exist on the new form.
- Qualifier code RQ, royalty, was removed from the QTY segment, element 673. Code RQ was used for the old form element "royalty quantity."
- A qualifier code will be added to the QTY segment, element 673 to report the new form element "gas MMBtu."
- Qualifier code MK, gross to pay, was added to the AMT segment, element 522. Code MK will be used for the new form element "royalty value prior to allowances."
- Qualifier code TZ, transportation cost total, was added to the AMT segment, element 522. Code TZ will be used for the new form element "transportation allowance deduction."
- A qualifier code was added to the AMT segment, element 522, to report the new form element "processing allowance deduction."
- Qualifier code PD, credit, was added to the table 3 ASM segment, element 522. Code PD will be used for the new payment information form element "less available credits."
- Qualifier code QZ, payment amount, was added to the table 3 ASM segment, element 522. Code QZ will be used for the new payment information form element "net payment for this report."
- Qualifier code CM, buyers credit memo, was added to the table 3 REF segment, element 128. Code CM will be used for the new payment information form element "net payment for this report."
- Additional codes will be added to the Petroleum Industry Data Exchange (PIDX) industry code list.
- Maximum field lengths will be added to the Handbook.

If you have any questions regarding the use of ANSI ASC X12 transaction sets, please contact Mr. Tim Allard at (800) 619-4593.