

FEDERAL & INDIAN ROYALTY and BLM Compliance Workshop

February 7 – 8, 2023

**Renaissance Hotel
Tulsa, Oklahoma**

The PASO ONRR Federal & Indian Royalty and BLM Compliance Workshop is a conference for Oil and Gas Revenue managers, directors, supervisors, and consultants to engage with primary Federal/Indian production and royalty valuation and reporting personnel. Through formal presentations and hands-on training, it discusses and provides answers to current reporting and payment issues. The workshop provides time to ask questions regarding current problems and also provides opportunity to dialogue with and ask questions of individual agency members staffing tables outside the conference room.



DAY ONE AGENDA - AM

Agenda and Speakers are subject to change

Breakfast (included for ALL attendees) 6:00 am – 8:00 am

Welcome & Housekeeping Jeremy Norton, ConocoPhillips 8:00 am – 8:05 am

ONRR Welcome, Update, and Recent Director Decisions ONRR Leadership, Bonnie Robson, & Ron Lev, ONRR 8:05 am – 9:05 am

ONRR Research, Enforcement, Guidance, and Appeals (REGA) Program Director Bonnie Robson, will address personnel and organizational changes within the department. Appeals Program Supervisory Appeals Analyst, Ron Lev, will present issued ONRR or BIA Directors decisions.

Learning Objectives: By the end of this discussion, you will be able to recall current staffing levels and personnel changes within the ONRR. Describe future developments within the department that could potentially influence your internal staff plans and workload prioritization. You will also be able to summarize some recent ONRR or BIA Director decisions and identify ways to work with ONRR and other Department of the Interior personnel when faced with a similar situation.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: Knowledge of the purpose and function of the Office of Natural Resources Revenue and current reporting regulations

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1



Indian Oil Valuation Robert Sudar, ONRR 9:05 am – 10:35 am

April Lockler, ONRR

Royalty Valuation

Amy Lunt, ONRR

Chris Carey, ONRR

Robert Sudar and April Lockler will provide an overview of Indian Oil Valuation including how the index was developed and why accurate reporting is important.

Amy Lunt and Chris Carey will provide walk throughs for complicated, developing valuation scenarios, and discuss audit issues observed under the 2016 Valuation Rule.

Learning Objectives: By the end of this discussion, you will be able to explain how Indian oil royalties should be calculated and reported on the ONRR Form 2014 and understand the rule. You will also gain an understanding of how to value and report complex and developing issues including drip condensate valuation and reporting, audit issues observed under the 2016 Valuation Rule, and LNG valuation and reporting.

Program Level: Intermediate

Advanced Preparation: None

Pre-requisite: Basic understanding of natural gas production, field gathering and processing and associated commercial contracts.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1.5



Break 10:35 am – 10:55 am

IBLA & Court Cases Update Peter Schaumberg, Beveridge & Diamond, P.C. 10:55 am – 11:55 am

Peter Schaumberg will provide an overview of the appeals process.

Learning Objectives: By the end of this discussion, you will be able to generally describe the process of an appeal and how to pursue remedy on disagreements.

Program Level: Intermediate

Advanced Preparation: None

Pre-requisite: Knowledge of current federal and Indian Oil and Gas Valuation and Reporting regulations. Familiarity with history of case law surrounding marketable condition.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1



DAY ONE AGENDA - PM

LUNCH (included for ALL attendees)

11:55 am – 1:00 pm

Overlap Unit and Communitization Agreements

Tonisha Seader, ONRR

1:00 pm – 2:00 pm

Tonisha Seader will provide background information about overlapping unit and communitization agreements and show how to accurately report royalties.



Learning Objectives: By the end of this discussion, you will be able to explain what an overlap is and identify the main components, understand new overlap policies from the BLM and their future impacts, and review an overlap under the new North Dakota BLM policy.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: Knowledge of current BLM agreements like Communitization Agreements and Participating Areas.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

Audit and Compliance Update

Shawna Schimke, ONRR

2:00 pm – 3:00 pm

Jennifer Goldblatt, ONRR

Shawna Schimke and Jennifer Goldblatt will present on ONRR compliance activities and the use of the Operations Management Tool (OMT).



Learning Objectives: By the end of this presentation, you will understand the different types of activities ONRR uses to ensure compliance, the process for resolving compliance issues and the operations of the OMT tool.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: Familiarity with ONRR Data Mining and Audit processes.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

Break

3:00 pm – 3:20 pm

Audit Coordination Best Practices

Steve Bailey,

3:20 pm – 4:20 pm

Savvy Oil and Gas Consulting

Steve Bailey will provide tips, tricks, and tools for royalty audit coordination.



Learning Objectives: By the end of this discussion, you will have tools to help you coordinate an effective audit with the ONRR. Describe practices that make for a good audit and be prepared to coordinate your next audit.

Program Level: Beginner

Advanced Preparation: None

Pre-requisite: Knowledge of current federal and Indian audit processes.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

MLRS Training

Peter Cowan, BLM

4:20 pm – 5:20 pm

Peter Cowan will provide an overview of how to use the new BLM MLRS system, where to find lease and agreement information, and the best ways to search.



Learning Objectives: By the end of this discussion, you will understand the new BLM MLRS system, how to get around in it, and how to search and find pertinent information for federal production and royalty reporting.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: Basic knowledge of federal leases and agreements.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

DAY TWO AGENDA - AM

Agenda and Speakers are subject to change

BREAKFAST (included for ALL attendees)

6:00 am – 8:00 am

Unbundling Workshop

Jennifer Horchem,
Davis, Graham & Stubbs LLP

8:00 am – 10:00 am

Want to know how to perform your own unbundling calculations? Jennifer Horchem will present the DGS extremely informative and always popular workshop on how to unbundle your own contracts.



Learning Objectives: By the end of this discussion, you will know how to identify the specifications required for your gas to be in Marketable Condition, know which costs are considered by ONRR to be disallowed marketable condition cost, know how to identify bundled costs under different types of contracts, know what operational and facility information is needed for unbundling and how to gather that information, have strategies for how to unbundle costs, and know the impact of the marketable condition rule on the company's net revenue interest.

Program Level: Advanced

Advanced Preparation: None

Pre-requisite: Basic understanding of transportation and natural gas processing contracts

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 2

Break

10:00 am – 10:20 am

Complex OGOR Reporting

Megan Petko, ONRR
Sonny Betancourt, ONRR

10:20 am – 11:20 am

Megan Petko and Sonny Betancourt will review complex OGOR reporting scenarios including gas lift, native and non-native gas returned to the lease, and disposition codes for flare and vent.



Learning Objectives: By the end of this discussion, you will be able to report complex production scenarios on the OGOR correctly, understand how gas lift should be reported, and know the correct disposition codes for flare and vent.

Program Level: Intermediate

Advanced Preparation: None

Pre-requisite: Basic knowledge of oil and gas production and OGOR Reporting.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

General Question & Answer Session

11:20 am – 11:40 am

LUNCH (included for ALL attendees)

11:40 am – 12:40 pm

Pictured on Cover & Agenda Pages and a prominent part of our PASO logo is local Tulsa landmark, "THE GOLDEN DRILLER" It is inscribed with a plaque which reads "A Symbol of THE INTERNATIONAL PETROLEUM EXPOSITION. Dedicated to the men of the Petroleum Industry who by their vision and daring have created from God's abundance a better life for mankind. Presented by Mid-Continent Supply Co. - A Ken Davis Industry May 12, 1966"



DAY TWO AGENDA - PM

Site Security & Measurement Rules Stormy Phillips, BLM 12:40 pm – 2:10 pm
43 CFR 3173, 43 CFR 3174, 43 CFR 3175

Waste Prevention Rule Beth Poindexter, BLM
43 CFR 3179

Stormy Phillips from the BLM will provide an overview of Site Security and Measurement Rules and Beth Poindexter will provide an overview of the Waste Prevention Rule.



Learning Objectives: By the end of this discussion, you will be able to recall the latest developments with federal site security, measurement, and waste prevention regulations.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: General knowledge of principles of oil and gas measurement.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1.5

Marketable Condition and Sara Corman, ONRR 2:10 pm – 3:10 pm
Unbundling Update Regan Kelley, ONRR

An update on the latest developments with Unbundling including the usage of standardized Unbundling Cost Allocations (UCAs) and discussion of plant only UCA rates.



Learning Objectives: By the end of this discussion, you will be able to recall the definition of Marketable Condition and why it is an important element of Federal and Indian royalty valuation. Recall the status of ONRR efforts to complete plant specific and standardized Unbundling Cost Allocations (UCA) rates.

Program Level: Beginner – Intermediate

Advanced Preparation: None

Pre-requisite: Knowledge of the costs associated with moving gas from the royalty measurement point to the market pipeline.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

Break 3:10 pm – 3:30 pm

ONRR IT Modernization Tim Wight, ONRR 3:30 pm – 4:30 pm
Jon Swedin, ONRR

Tim Wight and Jon Swedin will provide an update regarding ONRR's IT Modernization effort and how it could impact royalty reporters.



Learning Objectives: By the end of this discussion, you will understand what ONRR IT Modernization is and how it may impact reporters in the future.

Program Level: Beginner

Advanced Preparation: None

Pre-requisite: Knowledge of the ONRR's current reporting processes.

Delivery Method: Group Live

Field of Study: Specialized Knowledge

CPE Credits: 1

General Question & Answer Session 4:30 pm – 5:00 pm

