



The United States Extractive Industries  
Transparency Initiative

# 2016 RECONCILIATION REPORT

Prepared for the Office of Natural Resources Revenue  
by Deloitte & Touche LLP

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# 1

## INTRODUCTION

# INTRODUCTION

Deloitte & Touche LLP has prepared this reconciliation report as the Independent Administrator (IA) for the U.S. Extractive Industries Transparency Initiative (USEITI). This report presents reconciliation information that is required as part of the [Extractive Industries Transparency Initiative \(EITI\) Standard](#), which is the set of guidelines that countries participating in EITI are required to follow.

This work is conducted in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants. Our procedures cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations that may exist.

We were not engaged to, and did not, perform an audit, the objective of which would be to express an opinion on the reconciliation of information disclosed by the reporting entities. Accordingly, we did not express such an opinion.

This reconciliation report has been prepared as part of the 2016 USEITI annual reporting process, which is intended to bring additional transparency to the U.S. extractive industries. This report is intended to provide information that is easily accessible to the public. The information in this report can be used to understand payments made by reporting companies and received by the U.S. government that relate to extractive industries.



# 2

## DATA RECONCILIATION

# DATA RECONCILIATION

## What is the scope of the data reconciliation?

**EITI Standard Requirement 4.1(a):** “...In establishing materiality definitions and thresholds, the Multi-Stakeholder Group should consider the size the of revenue streams relative to total revenues...”

Requirement 4 of the 2016 EITI Standard outlines the responsibility of the USEITI Multi-Stakeholder Group (MSG) to determine the scope of revenue collection reporting by companies working in extractive industries in the United States. In carrying out this responsibility, the USEITI MSG considered information from a variety of sources before coming to a consensus on the scope for the 2016 USEITI report.

The MSG publishes meeting minutes and materials from all subcommittee and full MSG meetings on the [MSG website](#).<sup>1</sup> These minutes and materials document the MSG’s historical considerations and decisions regarding scoping. Please refer to Appendix A, *Reconciliation Considerations*, for additional background on the scoping process for USEITI.

### *In-Scope Revenue Streams and Government Entities*

**EITI Standard Requirement 4.1(c):** “...All government entities receiving material revenues are required to comprehensively disclose these revenues in accordance with the agreed scope.”





During the scoping process, the MSG identified the different revenue streams received by U.S. government agencies from companies working in extractive industries. The MSG then decided which revenue streams to include in-scope for the reconciliation in the 2016 USEITI report. The MSG considered many factors in evaluating revenue streams, including the magnitude of the revenues and the relative complexity of gathering and reporting the data

received from companies. The MSG’s decisions were captured in the March 2016 meeting minutes.<sup>2</sup> Table 1, *In-Scope Government Entities and Revenue Streams*, summarizes the list of government entities and revenue streams selected by the MSG as in-scope for reconciliation. Please also refer to Appendix B, *In-Scope Revenue Streams*, for additional descriptions of these revenue streams.

<sup>1</sup>MSG website, <https://www.doi.gov/eiti/FACA/msg-meeting-minutes>

<sup>2</sup>The meeting minutes from the March 2016 MSG meeting in March 2016 capture the discussions and decisions made by the MSG, [https://www.doi.gov/sites/doi.gov/files/uploads/useiti\\_msg\\_-\\_mar\\_2016\\_mtg\\_summary\\_final.pdf](https://www.doi.gov/sites/doi.gov/files/uploads/useiti_msg_-_mar_2016_mtg_summary_final.pdf)

**Table 1: In-Scope Government Entities and Revenue Streams**

Government Entity	In-Scope Revenue Streams
 <b>Department of the Interior— Office of Natural Resources Revenue (ONRR)</b>	Bonuses Rents Royalties Other Revenues Offshore Inspection Fees Civil Penalties
 <b>Department of the Interior— Bureau of Land Management (BLM)</b>	Bonus and First Year Rents Permit Fees Renewable Energy Collections
 <b>Department of the Interior— Office of Surface Mining Reclamation and Enforcement (OSMRE)</b>	Abandoned Mine Land (AML) Fees, Including Audits and Late Charges Civil Penalties, Including Late Charges
 <b>Internal Revenue Service (IRS)</b>	Federal Corporate Income Tax Payments

## *In-Scope Reporting Entities*

The U.S. Office of Natural Resources Revenue (ONRR) collects a majority of the Department of the Interior's (DOI) revenues related to extractive industries. Therefore, the MSG decided to use ONRR's reported revenues as a proxy for all DOI-reported revenues to establish the materiality threshold for reporting. For the 2016 USEITI report, the MSG decided on a materiality threshold of approximately \$37.5 million total annual revenues reported to ONRR by a parent company, including its subsidiaries. The MSG agreed on this threshold because it would allow 80% of ONRR's revenues to be in-scope for the reconciliation.

Based on the materiality threshold defined by the MSG for reconciliation in the 2015 USEITI report<sup>3</sup>, the MSG identified 41 companies for inclusion in the reconciliation. Table 2, *In-Scope Companies*, lists these 41 companies.

<sup>3</sup> Subsequently adopted for the 2016 USEITI report during the March 2016 MSG meeting.

**Table 2: In-Scope Companies**

Alpha Natural Resources, Inc.	Fieldwood Energy LLC
Anadarko Petroleum Corporation	Freeport-McMoRan Inc.
Apache Corporation	Hess Corporation
Arch Coal, Inc.	Jonah Energy LLC
Arena Energy, LLC	Linn Energy, LLC
BHP Billiton LTD	LLOG Exploration Company LLC
BOPCO, LP	Marathon Oil Company
BP America	Murphy Oil USA Inc.
Chevron Corporation	Noble Energy, Inc.
Cimarex Energy Co.	Oxy USA, Inc.
Cloud Peak Energy Resources, LLC	Peabody Energy Corporation
Concho Resources, Inc.	QEP Resources, Inc.
ConocoPhillips	Red Willow Offshore, LLC <sup>1</sup>
Continental Resources, Inc.	Shell E&P Company
Devon Energy Corporation	Statoil
Encana Corporation	Stone Energy Corporation
Energy XXI	Talos Energy LLC
ENI Petroleum	Ultra Resources Inc.
EOG Resources, Inc.	W&T Offshore, Inc.
EPL Oil & Gas, Inc.	WPX Energy, Inc.
ExxonMobil Corporation	

<sup>1</sup> During the reconciliation for Red Willow Offshore, LLC, it was discovered that payments were attributed to Red Willow Offshore, LLC that should have been attributed to Houston Energy. Attributing the payments to Houston Energy lowered the total value of payments paid by Red Willow Offshore, LLC below the materiality threshold for inclusion in the 2016 USEITI report. Attributing the payments to Houston Energy raised the total value of payments paid by Houston Energy above the materiality threshold for inclusion in the 2016 USEITI report. This was identified through reconciliation at the close of the reporting period. Since this issue was identified at the close of the reporting period, Red Willow Offshore, LLC was included in the reconciliation process since it was initially identified as in-scope.



## Basis and Period of Reporting

The period of the reconciliation is calendar year (CY) 2015 (January 1, 2015 through December 31, 2015). Reporting companies and government entities reported data for payments made or reported in CY 2015.<sup>4</sup> The reporting currency for the 2016 USEITI report is U.S. dollars (USD). Companies reported data at the consolidated entity level, including data for all identified subsidiary entities.

**EITI Standard Requirement 4.8(c):** The Multi-Stakeholder Group is required to agree on the accounting period covered by the EITI report.

## How did the Independent Administrator perform the reconciliation?

Based upon Requirement 4 of the EITI Standard, the IA performed the reconciliation of company payments and U.S. government revenues as follows:

**EITI Standard Requirement 4.9(b):** “It is required that payments and revenues are reconciled by a credible, Independent Administrator...”

## Data Collection

The IA distributed the USEITI reporting and reconciliation materials to reporting companies on April 29, 2016. The package included a cover letter summarizing the USEITI reporting and reconciliation process; the [Data Reporting Template](#), a [reporting guidelines document](#) with detailed reporting instructions; and [IRS Form 8821](#), which is required to authorize the Internal Revenue Service (IRS) to disclose federal corporate income tax data to the IA for the reporting companies participating in reconciliation of taxes. The IA, government, and industry representatives held four webinars for tax and nontax points of contact for the 41 in-scope companies.<sup>5</sup>

The reporting process included the following steps:

- Reporting companies submitted completed reporting templates directly to the IA.
- For all DOI revenue streams, ONRR managed the process of gathering data from each of the in-scope DOI bureaus and submitted the combined DOI bureau data to the IA for reconciliation.
- For reporting companies that made the decision to allow for federal corporate income tax reconciliation, the IRS provided the data directly to the IA for reconciliation.

<sup>4</sup>The MSG decided to use CY 2015 data for reporting and reconciliation in the 2016 USEITI report because CY 2014 and CY 2015 data will be unilaterally disclosed on the data portal, and CY 2015 data is closer to the current time period.

<sup>5</sup>Webinars were held on March 22, 2016 and March 24, 2016 in Houston, Texas, and Denver, Colorado respectively.

## Data Reconciliation

The IA reconciled the data by comparing the reported amounts from reporting companies to the reported amounts from government entities and identifying any variance amounts. The IA then compared any variance amounts to an investigation threshold known as the Margin of Variance.

### Margin of Variance

The MSG considered and approved a Margin of Variance<sup>6</sup> for the IA to apply during the reconciliation.

The purpose of the Margin of Variance was to establish a threshold to define which variances in

reported payments required further evaluation. The MSG determined that variances below the Margin of Variance did not require further evaluation. Variances below the respective threshold were presented as is with no further consideration. Variances that exceeded the respective threshold were subjected to further evaluation and explanation.

**EITI Standard Requirement 4.1(c):** “...must provide a comprehensive reconciliation of government revenues and company payments....”

The MSG and the IA considered the potential causes of differences between amounts reported by in-scope reporting companies and government entities for each revenue stream included in the USEITI reporting and reconciliation process.

Based on the magnitude and likelihood of variances for in-scope revenue streams, a variance percentage threshold and a variance floor threshold were assigned to each revenue stream.

- **Variance percentage threshold:** If the variance amount when divided by the amount reported by the U.S. government was more than the variance percentage for that revenue stream, the IA considered the variance to be in excess of the threshold, and then assessed whether the variance floor threshold applied.
- **Variance floor threshold:** This was the minimum dollar threshold for a variance and only applied if a variance exceeded the variance percentage threshold. If the variance exceeded the variance percentage threshold and exceeded the variance floor threshold, the IA performed further evaluation of the variance.

<sup>6</sup> The Margin of Variance displayed on the following page was unchanged from the 2015 USEITI report. The meeting minutes from the March 2016 MSG meeting capture the discussions and decisions made by the MSG, [https://www.doi.gov/sites/doi.gov/files/uploads/useiti\\_msg\\_-\\_mar\\_2016\\_mtg\\_summary\\_final.pdf](https://www.doi.gov/sites/doi.gov/files/uploads/useiti_msg_-_mar_2016_mtg_summary_final.pdf).

Table 3, *Margin of Variance Thresholds*, outlines the Margin of Variance thresholds approved by the MSG and applied by the IA.

**Table 3: Margin of Variance Thresholds**

Revenue Stream	Variance Percentage	Variance Floor
ONRR Royalties	1%	\$100,000
ONRR Rents	2%	\$50,000
ONRR Bonuses	2%	\$100,000
ONRR Other Revenues	3%	\$50,000
ONRR Offshore Inspection Fees	2%	\$20,000
ONRR Civil Penalties	1%	\$1,000
BLM Bonus and First Year Rents	2%	\$10,000
BLM Permit Fees	3%	\$10,000
BLM Renewables	N/A	N/A
OSMRE AML Fees, Including Audits and Late Charges	2%	\$100,000
OSMRE Civil Penalties, Including Late Charges	3%	\$0
Federal Corporate Income Taxes	1%	\$100,000

If variances were more than the Margin of Variance thresholds, the IA requested additional transaction-level details from the applicable government entity and in-scope company and attempted to identify potential sources of the variance.

The IA reviewed the data provided by both the applicable government entity and the in-scope company. If the IA was able to identify the potential source of the variance, the IA provided an explanation. If the IA was not able to identify the potential source of the variance, the IA provided an explanation that the source of the variance could not be resolved.

Both reporting companies and government entities were given the opportunity to revise their reported amounts when the reconciliation process identified reporting errors that could be corrected, but restatement was not required. If an error was identified and an in-scope company or government entity resubmitted revised numbers for a revenue stream, only the final submitted numbers were included in the reconciliation results.





# 3

## RECONCILIATION RESULTS

# RECONCILIATION RESULTS

## What are the results of the reconciliation?

The 25 reporting companies that participated in the reconciliation reported \$4,825,623,245 in payments to government entities for the nontax, in-scope revenue streams. This represented approximately 79% of the total nontax, in-scope revenues reported by government entities for the 41 in-scope reporting companies, which was \$6,109,421,691.

Complete details of the reconciliation results by in-scope company, including breakout and explanation of variances exceeding the Margin of Variance thresholds, are included in Appendix C, *Reconciliation Results Detail*.

Out of 41 in-scope companies, 25 companies chose to participate in the reconciliation and submit a reporting template to the IA.

After the IA compared and reconciled all included government revenue streams with company payments, 21 variances remained, all of which were explained through the reconciliation process, leaving zero unexplained variances.



# 4

## RECOMMENDATIONS

# RECOMMENDATIONS

## What are the IA's recommendations for the reporting process?

### REPORTING ENTITY COMMUNICATION

**Observation:** MSG outreach and communication efforts have received positive feedback from reporting companies and have contributed to companies' understanding of the reporting process. Several improvements were made this year, notably the inclusion of webinars for the tax function at in-scope companies, coupled with outreach by MSG members and the IA at industry forums. Opportunities exist to continue to improve communication.

**Recommendation:** The MSG, with support from the IA, should continue to evaluate efforts to improve outreach and communication to reporting companies. The MSG should specifically focus on helping companies understand the relatively low level of effort required for reconciling federal corporate income taxes.

### STREAMLINING THE RECONCILIATION PROCESS

**Observation:** Insights from another year of reporting and reconciliation provide USEITI with opportunities to streamline the reconciliation process. Government, industry, and the IA have dedicated considerable time to the reconciliation process, and options to improve the process and make it more efficient should be considered.

**Recommendation:** The MSG, with support from the IA, should examine opportunities to streamline the reconciliation process, and do so in a way that does not compromise the integrity of the reporting process. Such opportunities could include greater disclosure of transaction-level detail to the IA and enable companies to streamline the reconciliation process, as well as exploring options for mainstreaming revenue reporting in 2017 and future years.

### EXTENDING ADAPTED IMPLEMENTATION

**Observation:** Due to the federal nature of revenue governance for extractive industries in the United States where states and sovereign tribes each has its own governance regime, and given the size of extractive industries on the subnational level, the EITI International Board approved adapted implementation of subnational revenue reporting that allowed the United States to pursue a voluntary opt-in approach for states and tribes for the first two annual USEITI reports. The circumstances supporting the board's original approval of adapted implementation are still present and are highly unlikely to change for the foreseeable future.

**Recommendation:** The MSG should consider seeking an extension of adapted implementation from the EITI International Board to allow compliance with the subnational requirement through the present voluntary opt-in procedure for states and tribes.

### EXAMINING USEITI AND DODD-FRANK 1504

**Observation:** This year, the SEC adopted rules to require natural resource extraction issuers to disclose payments made to the U.S. government for the development of oil, natural gas, or minerals as part of Dodd-Frank 1504. The rule directly relates to USEITI in that it mandates the reporting of revenues and tax payments for all publicly held companies involved in extractive industries activity in the United States.

**Recommendation:** The MSG should continue to examine how Dodd-Frank 1504 aligns with the EITI Standard through working group discussions and at full MSG meetings. In particular, the impact of the new rule on mainstreaming revenue reporting and the path to validation should be considered.

### REFRESH DEFINITION OF IN-SCOPE REVENUES

**Observation:** Prior to the preparation of the 2015 USEITI report, the MSG agreed upon and documented in-scope revenues, companies, and commodities for reporting and reconciliation. The MSG revisited the scoping at the beginning of the 2016 USEITI report. The MSG has continued to discuss which commodities and revenue streams may be included as in-scope in future reports based on comments from stakeholders and per section 4.1(a) of the EITI Standard.

**Recommendation:** Before the 2017 reporting period begins, the MSG should again discuss the in-scope revenues for reporting and reconciliation, including revenue streams, commodities, in-scope reporting thresholds, and the Margin of Variance. The conversation should consider section 4.1(a) of the EITI Standard and input from MSG members and stakeholders from civil society, industry, and government.





## APPENDIX

# A

## RECONCILIATION CONSIDERATIONS

# APPENDIX A: RECONCILIATION CONSIDERATIONS

## What was the process for determining the scope of the USEITI reporting and reconciliation?

The MSG made the decision to include ONRR-Royalties, ONRR-Rents, ONRR-Bonuses, ONRR-Other Revenues, ONRR-Offshore Inspection Fees, ONRR-Civil Penalties, BLM-Bonus and First Year Rents, BLM-Permit Fees, BLM-Renewables, OSMRE-AML Fees, OSMRE-Civil Penalties, and IRS-Federal Corporate Income Taxes in the 2016 USEITI reconciliation, which is identical to the [2015 USEITI reconciliation](#).<sup>7</sup>

### *Review of In-Scope Company Audited Financial Statements*

The IA performed an analysis of publicly available financial information for the 41 in-scope companies included in the 2016 USEITI report. The IA then identified and reviewed publicly available SEC filings, such as [Form-10K](#), [Form 20-F](#), [Form 40-F](#), and annual reports to shareholders. For in-scope companies that did not have publicly available audited financial statements, the IA requested these financial statements from the applicable entities. Table A.1, *Analysis of In-Scope Company Audited Financial Statements*, shows the results of the IA's review.

**TABLE A.1: Analysis of In-Scope Company Audited Financial Statements**

Company	Public or Private Company	Entity Type	Form 10-K or Annual Report	Form 20-F	Form 40-F	Audited Financial Statements Publicly Available?	If Not Public, Did IA Obtain?
Alpha Natural Resources, Inc.	Public	Corporation	✓			Yes	N/A
Anadarko Petroleum Corporation	Public	Corporation	✓			Yes	N/A
Apache Corporation	Public	Corporation	✓			Yes	N/A
Arch Coal, Inc.	Public	Corporation	✓			Yes	N/A
Arena Energy, LLC	Private	Limited partnership				No	No

<sup>7</sup>The full data set is available for download at <https://federalist.18f.gov/preview/18F/doi-extractives-data/explore-jobs/explore/reconciliation/>

Company	Public or Private Company	Entity Type	Form 10-K or Annual Report	Form 20-F	Form 40-F	Audited Financial Statements Publicly Available?	If Not Public, Did IA Obtain?
BHP Billiton LTD	Public	Foreign corporation (Australia)	✓	✓		Yes	N/A
BOPCO, LP	Private	Limited partnership				No	No
BP America	Public	Subsidiary of foreign corporation (England)	✓	✓		Parent Only	N/A
Chevron Corporation	Public	Corporation	✓			Yes	N/A
Cimarex Energy Co.	Public	Corporation	✓			Yes	N/A
Cloud Peak Energy Resources, LLC	Public	Corporation	✓			Yes	N/A
Concho Resources, Inc.	Public	Corporation	✓			Yes	N/A
ConocoPhillips	Public	Corporation	✓			Yes	N/A
Continental Resources, Inc.	Public	Corporation	✓			Yes	N/A
Devon Energy Corporation	Public	Corporation	✓			Yes	N/A
Encana Corporation	Public	Foreign corporation (Canada)	✓		✓	Yes	N/A
Energy XXI	N/A	Foreign corporation (Bermuda)	✓			Yes	N/A
ENI Petroleum	Public	Foreign corporation (Italy)	✓			Yes	N/A
EOG Resources, Inc.	Public	Corporation	✓			Yes	N/A
EPL Oil & Gas, Inc.	Public	Subsidiary of foreign corporation (Italy)	✓			Parent Only	N/A
ExxonMobil Corporation	Public	Corporation	✓			Yes	N/A

Company	Public or Private Company	Entity Type	Form 10-K or Annual Report	Form 20-F	Form 40-F	Audited Financial Statements Publicly Available?	If Not Public, Did IA Obtain?
Fieldwood Energy LLC	Private	Limited liability company				No	No
Freeport-McMoRan Inc.	Public	Corporation	✓			Yes	N/A
Hess Corporation	Public	Corporation	✓			Yes	N/A
Jonah Energy LLC	Private	Limited liability company				No	No
Linn Energy, LLC	Public	Limited liability company	✓			Yes	N/A
LLOG Exploration Company LLC	Private	Subsidiary of limited liability company				No	No
Marathon Oil Company	Public	Corporation	✓			Yes	N/A
Murphy Oil USA Inc.	Public	Corporation	✓			Yes	N/A
Noble Energy, Inc.	Public	Corporation	✓			Yes	N/A
Oxy USA, Inc.	Public	Corporation	✓			Parent Only	N/A
Peabody Energy Corporation	Public	Corporation	✓			Yes	N/A
QEP Resources, Inc.	Public	Corporation	✓			Yes	N/A
Red Willow Offshore, LLC	Private	Limited Liability Company, Southern UTE Indian Tribe				No	No
Shell E&P Company	Public	Foreign corporation (UK)	✓	✓		Yes	N/A
Statoil	Public	Foreign corporation (Norway)	✓	✓		Yes	N/A
Stone Energy Corporation	Public	Corporation	✓			Yes	N/A
Talos Energy LLC	Private	Limited Liability Company				No	No

Company	Public or Private Company	Entity Type	Form 10-K or Annual Report	Form 20-F	Form 40-F	Audited Financial Statements Publicly Available?	If Not Public, Did IA Obtain?
Ultra Resources Inc.	Public	Foreign corporation (Canada)	✓			Yes	N/A
W&T Offshore, Inc.	Public	Corporation	✓			Yes	N/A
WPX Energy, Inc.	Public	Corporation	✓			Yes	N/A

## Review of Government Entity Audited Financial Statements

The IA performed an analysis of publicly available financial and tax information for the government entities included in the 2016 USEITI report. The IA identified and reviewed the financial reports of applicable government agencies. Government entities are required to prepare annual reports at the agency level, which include the various bureaus under the respective agency. Similar to public reporting companies, agency financial reports are audited annually by an independent auditor. Table A.2, *Analysis of Government Entity Audited Financial Statements*, shows the results of the IA's analysis.

**Table A.2: Analysis of Government Entity Audited Financial Statements**

Government Entity	Agency Report	Agency Financial Report	Agency Financial Report Publicly Available?
Office of Natural Resources Revenue	Department of the Interior	✓	Yes
Bureau of Land Management	Department of the Interior	✓	Yes
Office of Surface Mining Reclamation and Enforcement	Department of the Interior	✓	Yes
Internal Revenue Service	Department of the Treasury	✓	Yes





## APPENDIX

# B

## IN-SCOPE REVENUE STREAMS

# APPENDIX B: IN-SCOPE REVENUE STREAMS

The revenue streams for the 2016 USEITI report are unchanged from the 2015 USEITI report. Additional explanations for each of the in-scope revenue streams that have been defined by the MSG, as well as specifics about the types of transactions that are included in each of the revenue streams and can be found in the [2015 USEITI Reconciliation Appendix](#).

**TABLE B.1: In-Scope Revenue Streams**

Government Payee	Revenue Stream	Description
ONRR	Royalties	All royalties reported to ONRR through Form ONRR-2014 or Form CMP-2014, the Production and Royalty (P&R) Reporting System, or direct billing activity
ONRR	Rents	All rents reported to ONRR through Form ONRR-2014, the P&R Reporting System, or direct billing activity
ONRR	Bonuses	All bonuses reported to ONRR through Form ONRR-2014, the P&R Reporting System, or direct billing activity
ONRR	Other Revenues	All other revenues (not associated with the royalties, rents, or bonuses revenue streams noted above) that are reported to ONRR through Form ONRR-2014 or Form CMP-2014, the P&R Reporting System, or direct billing activity
ONRR	Offshore Inspection Fees	Fees for annual inspections performed by the Bureau of Safety and Environmental Enforcement (BSEE) on each offshore permanent structure and drilling rig that conducts drilling, completion, or workover operations
ONRR	Civil Penalties	Civil penalties collected by ONRR on behalf of the Bureau of Ocean Energy Management (BOEM), ONRR, and BSEE
BLM	Bonus and First Year Rents	Payments made by the winning bidder of an onshore lease at a BLM lease sale
BLM	Permit Fees	All permit fees paid such as application for permit to drill fees, mining claim and holding fees, any fees paid pursuant to the Mineral Leasing Act, etc.



Government Payee	Revenue Stream	Description
BLM	Renewables	Wind, solar, and biomass projects
OSMRE	AML Fees	Abandoned Mine Land (AML) fees, including AML fees assessed from audits as well as any late charges paid
OSMRE	Civil Penalties	Civil penalties assessed for violations of the Surface Mining Control and Reclamation Act, including any late charges paid
IRS	Federal Corporate Income Tax	Federal corporate income tax payments to the IRS





## APPENDIX

# C

## RECONCILIATION RESULTS DETAIL

# APPENDIX C: RECONCILIATION RESULTS DETAIL

## What were the detailed reconciliation results for each in-scope company?

The tables in this section contain the actual data received from in-scope companies and government entities for each of the in-scope revenue streams. The tables show the variances identified between the reported amounts. Explanations are provided for any variances for a revenue stream that exceed both the variance percentage threshold and the variance floor threshold, as explained in the [Margin of Variance](#) section of this document.

Within each table, if an in-scope company chose not to participate in the USEITI reporting and reconciliation process and did not submit a reporting template, the “Total Reported by Company” column will list **DNP**, which stands for **Did Not Participate**. If an in-scope company chose to participate in USEITI by reporting some revenue streams, but chose not to report an amount for a specific revenue stream, the “Total Reported by Company” column will list **DNR**, which stands for **Did Not Report**. For the federal corporate income tax revenue stream, if corporate income taxes were not applicable because the in-scope company was not a C Corporation, the “Total Reported by Company” column will list **N/A**, which stands for **Not Applicable**.

For all nontax revenue streams, an amount was reported by the government for all companies. For the federal corporate income tax revenue stream, if income taxes were applicable to the in-scope company and the in-scope company chose to report that amount, but the in-scope company chose not to allow the IRS to release that amount, the “Total Reported by Government Entity” column will list **DNA**, which stands for **Did Not Allow**.

The variance columns for reporting companies that did not participate or report an amount for the revenue stream will list **N/A**, which stands for **Not Applicable**. The IA could not calculate a variance because these companies did not participate in reporting and reconciliation. For reporting companies that did not participate, the IA performed no procedures to examine or attempt to verify the amounts reported by the applicable government entity.

The variance columns for in-scope companies that did participate and reported an amount for the revenue stream will list variance amounts and variance percentages. For in-scope companies that reported an amount and no variance exists between the government and company reported values, the “Variance Explanation” column will list **NV**, which stands for **No Variance**. For in-scope companies that reported and a variance exists, but is below the Margin of Variance percentage threshold or variance

floor threshold, the “Variance Result” column will list **VBM**, which stands for **Variance below the Margin of Variance**. For in-scope companies that reported and a variance exists that is above the Margin of Variance and variance floor threshold, the “Variance Result” column will list **Explanation (Number)**, which relates directly to a numbered variance explanation below the table.

Variances that exceeded the Margin of Variance thresholds for the respective revenue stream are reported in **BOLD**. The variance explanations in the following section help explain why a variance exists between the amounts reported by a government entity and an in-scope company. The IA confirmed the nontax variance explanations with the related companies and the appropriate government entity. Federal corporate income tax variance explanations were confirmed only with companies due to IRS disclosure laws.

#### ONRR—ROYALTIES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 1%

Variance Floor Threshold: ..... \$100,000

**TABLE C.1: ONRR—Royalties Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$26,797,927	\$26,797,927	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$163,746,846	\$163,776,660	\$29,814	0.02%	VBM
Apache Corporation	\$47,551,091	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$171,684,441	\$171,684,441	\$0	0.00%	NV
Arena Energy, LLC	\$59,601,092	\$59,601,092	\$0	0.00%	NV
<b>BHP Billiton LTD</b>	<b>\$169,862,626</b>	<b>\$208,040,223</b>	<b>\$38,177,597</b>	<b>22.48%</b>	<b>Explanation 1</b>
BOPCO, LP	\$37,875,857	DNP	N/A	N/A	N/A
BP America	\$481,882,126	\$480,734,249	\$1,147,877	0.24%	VBM
Chevron Corporation	\$389,992,166	\$390,329,483	\$337,317	0.09%	VBM
Cimarex Energy Co.	\$72,283,770	\$72,283,770	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$112,318,349	\$112,318,349	\$0	0.00%	NV
Concho Resources, Inc.	\$89,356,972	DNP	N/A	N/A	N/A
ConocoPhillips	\$155,308,934	\$155,310,033	\$1,099	0.00%	VBM

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Continental Resources, Inc.	\$36,469,094	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$123,899,212	\$122,681,650	\$1,217,562	0.98%	VBM
Encana Corporation	\$38,655,206	DNP	N/A	N/A	N/A
Energy XXI	\$76,505,994	DNP	N/A	N/A	N/A
ENI Petroleum	\$46,188,658	\$46,204,386	\$15,728	0.03%	VBM
EOG Resources, Inc.	\$51,206,351	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$71,094,372	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$245,256,815	\$247,650,767	\$2,393,952	0.98%	VBM
Fieldwood Energy LLC	\$237,439,549	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$151,167,910	\$150,499,060	\$668,850	0.44%	VBM
Hess Corporation	\$121,879,024	\$121,879,890	\$866	0.00%	VBM
Jonah Energy LLC	\$57,211,659	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$53,783,298	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$142,476,680	DNP	N/A	N/A	N/A
Marathon Oil Company	\$52,388,973	\$52,348,305	\$40,668	0.08%	VBM
Murphy Oil USA Inc.	\$21,880,568	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$40,943,600	\$40,989,063	\$45,463	0.11%	VBM
Oxy USA, Inc.	\$52,139,320	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$225,793,399	\$225,594,179	\$199,220	0.09%	VBM
QEP Resources, Inc.	\$72,485,760	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$482,510	\$482,510	\$0	0.00%	NV
<b>Shell E&amp;P Company</b>	<b>\$535,415,811</b>	<b>\$478,190,688</b>	<b>\$57,225,123</b>	<b>10.69%</b>	<b>Explanation 2</b>
Statoil	\$58,944,352	\$58,629,414	\$314,938	0.53%	VBM
Stone Energy Corporation	\$46,672,034	\$46,672,041	\$7	0.00%	VBM

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Talos Energy LLC	\$49,277,016	DNP	N/A	N/A	N/A
<b>Ultra Resources Inc.</b>	<b>\$107,727,673</b>	<b>\$99,204,910</b>	<b>\$8,522,763</b>	<b>7.91%</b>	<b>Explanation 3</b>
W&T Offshore, Inc.	\$64,564,832	\$64,564,832	\$0	0.00%	NV
WPX Energy, Inc.	\$68,730,517	\$68,895,241	\$164,724	0.24%	VBM
<b>TOTAL REVENUE</b>	<b>\$4,828,942,384</b>	<b>\$3,665,363,163</b>			

## ONRR—Royalties Variance Explanations

**Explanation 1—BHP Billiton LTD:** A variance of \$38,177,597 (22.48%) was identified for BHP Billiton LTD for the ONRR-Royalties revenue stream. A payment transaction totaling \$23,231,058 was identified as recorded by ONRR in December 2014, supported by ONRR accounting system transactional data, and as paid by BHP Billiton LTD in January 2015, supported by a bank statement identifying the cash payment date. BHP Billiton LTD payments totaling \$14,928,647 were reported as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream. BHP Billiton LTD payments totaling \$52,716 were reported as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Rents revenue stream.

**Explanation 2—Shell E&P Company:** A variance of \$57,225,123 (10.69%) was identified for Shell E&P Company for the ONRR-Royalties revenue stream. Payment transactions totaling \$57,605,231 were identified as paid by Shell E&P Company in December 2014 and recorded by ONRR in January 2015.

**Explanation 3—Ultra Resources Inc.:** A variance of \$8,522,763 (7.91%) was identified for Ultra Resources Inc. for the ONRR-Royalties revenue stream. Payment transactions totaling \$7,462,352 were identified as paid by Ultra Resources Inc. in December 2014 and recorded by ONRR in January 2015. Payment transactions totaling \$1,062,556 were identified as paid by Ultra Resources Inc. in January 2016 and recorded by ONRR in December 2015. Additionally, payment transactions totaling \$1,179 were identified as paid by Ultra Resources Inc. in 2015 and recorded by ONRR in 2014.

## ONRR—RENTS MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 2%

Variance Floor Threshold: ..... \$50,000

**TABLE C.2: ONRR—Rents Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$47,388	\$38,796	\$8,592	18.13%	VBM
Anadarko Petroleum Corporation	\$13,674,714	\$13,422,581	\$252,133	1.84%	VBM
Apache Corporation	\$2,198,426	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$226,280	\$226,280	\$0	0.00%	NV
Arena Energy, LLC	\$968,761	\$968,761	\$0	0.00%	NV
<b>BHP Billiton LTD</b>	<b>\$11,162,157</b>	<b>\$10,918,663</b>	<b>\$243,494</b>	<b>2.18%</b>	<b>Explanation 4</b>
BOPCO, LP	\$50,945	DNP	N/A	N/A	N/A
<b>BP America</b>	<b>\$22,247,796</b>	<b>\$21,107,348</b>	<b>\$1,140,448</b>	<b>5.13%</b>	<b>Explanation 5</b>
Chevron Corporation	\$17,823,173	\$17,816,231	\$6,942	0.04%	VBM
Cimarex Energy Co.	\$32,888	\$33,812	\$924	2.81%	VBM
Cloud Peak Energy Resources, LLC	\$100,997	\$100,997	\$0	0.00%	NV
Concho Resources, Inc.	\$92,849	DNP	N/A	N/A	N/A
ConocoPhillips	\$22,797,376	\$22,686,512	\$110,864	0.49%	VBM
Continental Resources, Inc.	\$53,445	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$100,547	\$116,024	\$15,477	15.39%	VBM
Encana Corporation	\$751,086	DNP	N/A	N/A	N/A
Energy XXI	\$376,404	DNP	N/A	N/A	N/A
ENI Petroleum	\$4,441,585	\$4,464,090	\$22,505	0.51%	VBM
EOG Resources, Inc.	\$312,058	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$944,430	DNP	N/A	N/A	N/A



In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
<b>ExxonMobil Corporation</b>	<b>\$10,187,493</b>	<b>\$11,596,564</b>	<b>\$1,409,071</b>	<b>13.83%</b>	<b>Explanation 6</b>
Fieldwood Energy LLC	\$4,404,507	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$4,515,203	\$4,532,826	\$17,623	0.39%	VBM
Hess Corporation	\$2,289,484	\$2,320,328	\$30,844	1.35%	VBM
Jonah Energy LLC	\$62,494	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$141,294	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$4,964,836	DNP	N/A	N/A	N/A
Marathon Oil Company	\$3,716,777	\$3,717,446	\$669	0.02%	VBM
Murphy Oil USA Inc.	\$5,076,445	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$4,276,995	\$4,300,998	\$24,003	0.56%	VBM
Oxy USA, Inc.	\$261,966	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$190,534	\$190,534	\$0	0.00%	NV
QEP Resources, Inc.	\$371,788	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$24,771,195	\$24,755,972	\$15,223	0.06%	VBM
Statoil	\$7,454,512	\$7,532,317	\$77,805	1.04%	VBM
Stone Energy Corporation	\$1,701,632	\$1,701,632	\$0	0.00%	NV
Talos Energy LLC	\$1,778,409	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$6,006	\$9,908	\$3,902	64.97%	VBM
W&T Offshore, Inc.	\$1,394,703	\$1,394,703	\$0	0.00%	NV
WPX Energy, Inc.	\$261,419	\$261,419	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$176,230,997</b>	<b>\$154,214,742</b>			

## ONRR—Rents Variance Explanations

**Explanation 4—BHP Billiton LTD:** A variance of \$243,494 (2.18%) was identified for BHP Billiton LTD for the ONRR-Rents revenue stream. BHP Billiton LTD payments totaling \$1,080 were reported as part of the ONRR-Offshore Inspection Fees revenue stream, but identified by ONRR as part of the ONRR-Rents revenue stream. BHP Billiton LTD payments totaling \$52,716 were reported as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Rents revenue stream.

**Explanation 5—BP America:** A variance of \$1,140,448 (5.13%) was identified for BP America for the ONRR-Rents revenue stream. BP America payments totaling \$316,800 were reported as part of the ONRR-Bonuses revenue stream, but identified by ONRR as part of the ONRR-Rents revenue stream. Minimum royalty payments totaling \$158,400 were reported by BP America as part of the ONRR-Rents revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream. Payment transactions totaling \$236,478 were paid by BP America in December 2014, but recorded by ONRR in January 2015. Payment transactions totaling \$861,000 were attributed to BP America by ONRR during 2015 for leases that were relinquished by BP America in 2015.

**Explanation 6—ExxonMobil Corporation:** A variance of \$1,409,071 (13.83%) was identified for ExxonMobil Corporation for the ONRR-Rents revenue stream. Refunded amounts totaling \$1,368,000 were posted by ONRR in November and December 2015 and taken by ExxonMobil Corporation in January 2016.

#### ONRR—BONUSES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 2%

Variance Floor Threshold: ..... \$100,000

**TABLE C.3: ONRR—Bonuses Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$42,129,612	\$42,129,612	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$2,400,166	\$2,400,167	\$1	0.00%	VBM
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$59,126,642	\$59,126,642	\$0	0.00%	NV
Arena Energy, LLC	\$560,000	\$560,000	\$0	0.00%	NV
<b>BHP Billiton LTD</b>	<b>\$40,220,086</b>	<b>\$30,295,086</b>	<b>\$9,925,000</b>	<b>24.68%</b>	<b>Explanation 7</b>
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
<b>BP America</b>	<b>\$9,453,524</b>	<b>\$5,616,215</b>	<b>\$3,837,309</b>	<b>40.59%</b>	<b>Explanation 8</b>
Chevron Corporation	\$133,248,821	\$133,248,821	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$69,406,946	\$69,406,946	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
ConocoPhillips	\$30,435,859	\$30,362,934	\$72,925	0.24%	VBM

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$52,950,650	\$52,950,650	\$0	0.00%	NV
Fieldwood Energy LLC	\$1,330,704	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$41,808,040	\$41,808,026	\$14	0.00%	VBM
Hess Corporation	\$8,292,948	\$8,295,948	\$3,000	0.04%	VBM
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$4,952,164	DNP	N/A	N/A	N/A
Marathon Oil Company	\$5,635,636	\$5,635,636	\$0	0.00%	NV
Murphy Oil USA Inc.	\$24,198,856	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$277,177,576	\$277,177,576	\$0	0.00%	NV
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$37,887,325	\$37,887,325	\$0	0.00%	NV
Statoil	\$69,413,541	\$69,413,541	\$0	0.00%	NV
Stone Energy Corporation	\$1,555,555	\$1,555,555	\$0	0.00%	NV
Talos Energy LLC	\$2,184,870	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$284,000	\$284,000	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$914,653,521</b>	<b>\$868,154,680</b>			

## ONRR—Bonuses Variance Explanations

**Explanation 7—BHP Billiton LTD:** A variance of \$9,925,000 (24.68%) was identified for BHP Billiton LTD for the ONRR-Bonuses revenue stream. Transactions totaling \$9,925,000 were identified as paid by BHP Billiton LTD in 2014, and recorded by ONRR in 2015.

**Explanation 8—BP America:** A variance of \$3,837,309 (40.59%) was identified for BP America for the ONRR-Bonuses revenue stream. Payment transactions totaling \$4,154,108 were identified as paid by BP America in December 2014 and recorded by ONRR in January 2015. BP America payments totaling \$316,800 were reported as part of the ONRR-Bonuses revenue stream, but identified by ONRR as part of the ONRR-Rents revenue stream.

### ONRR—OTHER REVENUES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 3%

Variance Floor Threshold: ..... \$50,000

**TABLE C.4: ONRR—Other Revenues Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
Anadarko Petroleum Corporation	-\$13,402,016	-\$13,238,338	\$163,678	1.22%	VBM
Apache Corporation	\$313,908	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$5,405,649	\$5,360,237	\$45,412	0.84%	VBM
Arena Energy, LLC	\$1,004,278	\$1,004,278	\$0	0.00%	NV
<b>BHP Billiton LTD</b>	<b>\$14,941,480</b>	<b>\$1,310</b>	<b>\$14,940,170</b>	<b>99.99%</b>	<b>Explanation 9</b>
BOPCO, LP	\$34,691	DNP	N/A	N/A	N/A
<b>BP America</b>	<b>\$2,599,481</b>	<b>\$3,690,198</b>	<b>\$1,090,717</b>	<b>41.96%</b>	<b>Explanation 10</b>
Chevron Corporation	-\$3,936,283	-\$3,961,553	\$25,270	0.64%	VBM
Cimarex Energy Co.	-\$1,781,323	-\$1,782,980	\$1,657	0.09%	VBM
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	-\$705,346	DNP	N/A	N/A	N/A
ConocoPhillips	-\$7,460,211	-\$7,463,497	\$3,286	0.04%	VBM
Continental Resources, Inc.	\$894,448	DNP	N/A	N/A	N/A

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
<b>Devon Energy Corporation</b>	<b>-\$429,734</b>	<b>-\$373,041</b>	<b>\$56,693</b>	<b>13.19%</b>	<b>Explanation 11</b>
Encana Corporation	\$988,968	DNP	N/A	N/A	N/A
Energy XXI	-\$223,365	DNP	N/A	N/A	N/A
ENI Petroleum	-\$1,849,312	-\$1,885,211	\$35,899	1.94%	VBM
EOG Resources, Inc.	-\$1,368,502	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	-\$6,686,008	DNP	N/A	N/A	N/A
<b>ExxonMobil Corporation</b>	<b>\$14,920,601</b>	<b>\$3,688,601</b>	<b>\$11,232,000</b>	<b>75.28%</b>	<b>Explanation 12</b>
Fieldwood Energy LLC	-\$12,341,727	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$1,100,708	\$1,092,681	\$8,027	0.73%	VBM
Hess Corporation	\$461,116	\$464,102	\$2,986	0.65%	VBM
Jonah Energy LLC	-\$4,716,108	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$2,614,438	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$2,636,690	DNP	N/A	N/A	N/A
Marathon Oil Company	\$33,994	\$34,115	\$121	0.36%	VBM
Murphy Oil USA Inc.	-\$639,459	DNP	N/A	N/A	N/A
Noble Energy, Inc.	-\$24,086	\$1,667	\$25,753	106.92%	VBM
Oxy USA, Inc.	\$127,379	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$1,095	\$0	\$1,095	100.00%	VBM
QEP Resources, Inc.	-\$3,267,324	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$455,533	\$442,974	\$12,559	2.76%	VBM
Statoil	-\$3,492,933	-\$3,449,925	\$43,008	1.23%	VBM
Stone Energy Corporation	\$753,862	\$753,862	\$0	0.00%	NV
Talos Energy LLC	-\$983,805	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$76,907	\$45,690	\$31,217	40.59%	VBM
W&T Offshore, Inc.	-\$4,968,640	-\$4,968,640	\$0	0.00%	NV
WPX Energy, Inc.	-\$366,662	-\$365,796	\$866	0.24%	VBM
<b>TOTAL REVENUE</b>	<b>-\$19,277,618</b>	<b>-\$20,909,266</b>			

## ONRR—Other Revenues Variance Explanations

**Explanation 9—BHP Billiton LTD:** A variance of \$14,940,170 (99.99%) was identified for BHP Billiton LTD for the ONRR-Other Revenues revenue stream. BHP Billiton LTD payments totaling \$14,928,647 were reported as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream.

**Explanation 10—BP America:** A variance of \$1,090,717 (41.96%) was identified for BP America for the ONRR-Other Revenues revenue stream. Transactions totaling \$1,172,000 were recouped by BP America and reported as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream. Adjusted royalty payments totaling \$384,000 were reported by BP America as part of the ONRR-Royalties revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream. Minimum royalty payments totaling \$158,400 were reported by BP America as part of the ONRR-Rents revenue stream, but identified by ONRR as part of the ONRR-Other Revenues revenue stream. Transactions totaling \$522,780 were recouped by BP America in 2014 and posted by ONRR in 2015.

**Explanation 11—Devon Energy Corporation:** A variance of \$56,693 (13.19%) was identified for Devon Energy Corporation for the ONRR-Other Revenues revenue stream. A payment of \$180,952 was identified as paid by Devon Energy Corporation in 2015; however, only \$112,390 was posted by ONRR in 2015, the remaining \$68,562 was accounted for by ONRR in 2016.

**Explanation 12—ExxonMobil Corporation:** A variance of \$11,232,000 (75.28%) was identified for ExxonMobil Corporation for the ONRR-Other Revenues revenue stream. A payment of \$11,232,000 was identified as paid by ExxonMobil Corporation in December 2014 and recorded by ONRR in 2015.

## ONRR—OFFSHORE INSPECTION FEES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 2%

Variance Floor Threshold: ..... \$20,000

**TABLE C.5: ONRR—Offshore Inspection Fees Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
<b>Anadarko Petroleum Corporation</b>	<b>\$2,074,000</b>	<b>\$2,235,000</b>	<b>\$161,000</b>	<b>7.76%</b>	<b>Explanation 13</b>
Apache Corporation	\$91,500	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$2,168,800	\$2,168,800	\$0	0.00%	NV
BHP Billiton LTD	\$340,000	\$340,000	\$0	0.00%	NV
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$2,724,000	\$2,726,628	\$2,628	0.10%	VBM
Chevron Corporation	\$1,787,100	\$1,787,100	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
<b>ConocoPhillips</b>	<b>\$108,500</b>	<b>\$131,361</b>	<b>\$22,861</b>	<b>21.07%</b>	<b>Explanation 14</b>
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$183,700	DNP	N/A	N/A	N/A
ENI Petroleum	\$199,700	\$199,700	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$251,100	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$541,000	\$541,113	\$113	0.02%	VBM
Fieldwood Energy LLC	\$14,506,500	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$3,401,600	\$3,401,600	\$0	0.00%	NV

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Hess Corporation	\$398,500	\$398,500	\$0	0.00%	NV
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$939,000	DNP	N/A	N/A	N/A
Marathon Oil Company	\$367,000	\$367,000	\$0	0.00%	NV
Murphy Oil USA Inc.	\$649,500	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$275,500	\$275,500	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%	NV
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$2,898,700	\$2,898,700	\$0	0.00%	NV
Statoil	\$419,487	\$427,841	\$8,354	1.99%	VBM
Stone Energy Corporation	\$1,047,000	\$1,047,000	\$0	0.00%	NV
Talos Energy LLC	\$1,771,300	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$4,344,700	\$4,344,700	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$41,488,187</b>	<b>\$23,290,543</b>			

## ONRR—Offshore Inspection Fees Variance Explanations

**Explanation 13—Anadarko Petroleum Corporation:** A variance of \$161,000 (7.76%) was identified for Anadarko Petroleum Corporation for the ONRR-Offshore Inspection Fees revenue stream. A payment for the amount of \$191,500 was identified as paid by Anadarko Petroleum Corporation in December 2015 and recorded by ONRR in 2016. A payment for the amount of \$30,500 was identified as paid by Anadarko Petroleum Corporation in 2014 and recorded by ONRR in 2015.

**Explanation 14—ConocoPhillips:** A variance of \$22,861 (21.07%) was identified for ConocoPhillips for the ONRR Offshore Inspection Fees revenue stream. A \$17,000 payment was reported by ConocoPhillips as part of the ONRR-Offshore Inspection Fees revenue stream, but ONRR recorded it



as ‘on account’ for ConocoPhillips, and is not included in the payments reported by ONRR. Payments totaling \$877 were reported as part of the ONRR-Offshore Inspection Fees revenue stream by ConocoPhillips, but identified by ONRR as part of the ONRR-Other Revenues revenue stream.

#### ONRR—CIVIL PENALTIES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 1%

Variance Floor Threshold: .....\$1,000

**TABLE C.6: ONRR—Civil Penalties Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%	NV
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$80,000	\$80,000	\$0	0.00%	NV
BHP Billiton LTD	\$0	\$221	\$221	0.00%	VBM
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$0	\$0	\$0	0.00%	NV
Chevron Corporation	\$350,000	\$350,000	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%	NV
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$75,000	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
EPL Oil & Gas, Inc.	\$190,000	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$75,000	\$75,000	\$0	0.00%	NV
Fieldwood Energy LLC	\$1,727,000	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%	NV
Hess Corporation	\$0	\$0	\$0	0.00%	NV
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
<b>Marathon Oil Company</b>	<b>-\$40,000</b>	<b>\$0</b>	<b>\$40,000</b>	<b>100.00%</b>	<b>Explanation 15</b>
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%	NV
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$0	\$0	\$0	0.00%	NV
Stone Energy Corporation	\$40,000	\$40,000	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$170,000	\$170,000	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$2,667,000</b>	<b>\$715,221</b>			

## ONRR—Civil Penalties Variance Explanations

**Explanation 15—Marathon Oil Company:** A variance of \$40,000 (100%) was identified for Marathon Oil Company for the ONRR-Civil Penalties revenue stream. ONRR included a transaction for the amount of -\$40,000, which was a reversal transaction associated with a transaction in a prior calendar year. Marathon Oil Company did not include this reversal in its reported payments.

## BLM—BONUS AND FIRST YEAR RENTS MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 2%

Variance Floor Threshold: ..... \$10,000

**TABLE C.7: BLM—Bonus and First Year Rents Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$571,200	\$571,200	\$0	0.00%	NV
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$0	\$0	\$0	0.00%	NV
BHP Billiton LTD	\$82	\$82	\$0	0.00%	NV
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$0	\$0	\$0	0.00%	NV
Chevron Corporation	\$0	\$0	\$0	0.00%	NV
Cimarex Energy Co.	\$179,920	\$180,220	\$300	0.17%	VBM
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	\$23,256,000	DNP	N/A	N/A	N/A
ConocoPhillips	\$497,462	\$497,462	\$0	0.00%	NV
Continental Resources, Inc.	\$75,000	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$1,183,360	\$1,183,360	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$0	\$0	\$0	0.00%	NV
Fieldwood Energy LLC	\$0	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%	NV
Hess Corporation	\$0	\$0	\$0	0.00%	NV

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%	NV
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%	NV
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$0	\$0	\$0	0.00%	NV
Stone Energy Corporation	\$0	\$0	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$25,763,024</b>	<b>\$2,432,324</b>			

### *BLM—Bonus and First Year Rents Variance Explanations*

There were no reconciliation variances above the Margin of Variance threshold for this revenue stream.

## BLM—PERMIT FEES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 3%

Variance Floor Threshold: ..... \$10,000

**TABLE C.8: BLM—Permit Fees Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$93,519	\$93,389	\$130	0.14%	VBM
Anadarko Petroleum Corporation	\$784,639	\$783,902	\$737	0.09%	VBM
Apache Corporation	\$455,180	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$0	\$0	\$0	0.00%	NV
BHP Billiton LTD	\$168,056	\$168,056	\$0	0.00%	NV
BOPCO, LP	\$167,750	DNP	N/A	N/A	N/A
<b>BP America</b>	<b>\$323,090</b>	<b>\$180,996</b>	<b>\$142,094</b>	<b>43.98%</b>	<b>Explanation 16</b>
Chevron Corporation	\$199,578	\$198,578	\$1,000	0.50%	VBM
Cimarex Energy Co.	\$178,770	\$188,000	\$9,230	5.16%	VBM
Cloud Peak Energy Resources, LLC	\$221,088	\$220,228	\$860	0.39%	VBM
Concho Resources, Inc.	\$680,115	DNP	N/A	N/A	N/A
<b>ConocoPhillips</b>	<b>\$555,040</b>	<b>\$590,510</b>	<b>\$35,470</b>	<b>6.39%</b>	<b>Explanation 17</b>
Continental Resources, Inc.	\$513,875	DNP	N/A	N/A	N/A
<b>Devon Energy Corporation</b>	<b>\$1,508,440</b>	<b>\$1,431,315</b>	<b>\$77,125</b>	<b>5.11%</b>	<b>Explanation 18</b>
Encana Corporation	\$465,730	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$1,353,270	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$803,910	\$803,910	\$0	0.00%	NV
Fieldwood Energy LLC	\$0	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$2,702,738	\$2,733,772	\$31,034	1.15%	VBM
Hess Corporation	\$266,260	\$266,260	\$0	0.00%	NV

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Jonah Energy LLC	\$633,960	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$239,263	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
Marathon Oil Company	\$332,730	\$332,500	\$230	0.07%	VBM
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$332,500	\$332,760	\$260	0.08%	VBM
Oxy USA, Inc.	\$289,520	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$85,136	\$85,316	\$180	0.21%	VBM
QEP Resources, Inc.	\$1,443,170	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$78,450	\$78,450	\$0	0.00%	NV
Stone Energy Corporation	\$0	\$0	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$1,094,310	\$1,074,810	\$19,500	1.78%	VBM
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%	NV
WPX Energy, Inc.	\$1,109,150	\$1,101,000	\$8,150	0.73%	VBM
<b>TOTAL REVENUE</b>	<b>\$17,079,237</b>	<b>\$10,663,752</b>			

## BLM—Permit Fees Variance Explanations

**Explanation 16—BP America:** A variance of \$142,094 (43.98%) was identified for BP America for the BLM-Permit Fees revenue stream. The difference was due to how BP America records and tracks direct-billed payments in its accounting system. BP America noted that it has updated its tracking system for Pay.gov transactions to track the specific federal agency beginning with CY 2016 data.

**Explanation 17—ConocoPhillips:** The variance amount is the net result of ConocoPhillips making year-end payments in CYs 2014 and 2015 while BLM recorded them in CYs 2015 and 2016.

**Explanation 18—Devon Energy Corporation:** A variance of \$77,125 (5.11%) was identified for Devon Energy Corporation for the BLM-Permit Fees revenue stream. Ten payments totaling \$65,000 were identified as paid by Devon Energy Corporation in December 2014 and recorded by BLM in January 2015.

#### BLM—RENEWABLES MARGIN OF VARIANCE:

Variance Percentage Threshold: ... N/A

Variance Floor Threshold: ..... N/A

**TABLE C.9: BLM—Renewables Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%	NV
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$0	\$0	\$0	0.00%	NV
BHP Billiton LTD	\$0	\$0	\$0	0.00%	NV
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$0	\$0	\$0	0.00%	NV
Chevron Corporation	\$0	\$0	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%	NV
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$0	\$0	\$0	0.00%	NV
Fieldwood Energy LLC	\$0	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%	NV
Hess Corporation	\$0	\$0	\$0	0.00%	NV
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%	NV
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%	NV
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$0	\$0	\$0	0.00%	NV
Stone Energy Corporation	\$0	\$0	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$0</b>	<b>\$0</b>			

## BLM—Renewables Variance Explanations

There were no reconciliation variances above the Margin of Variance threshold for this revenue stream.



## OSMRE—AML FEES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 2%

Variance Floor Threshold: ..... \$100,000

**TABLE C.10: OSMRE—AML Fees Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$16,478,459	\$16,442,458	\$36,001	0.22%	VBM
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%	NV
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$34,106,552	\$34,106,552	\$0	0.00%	NV
Arena Energy, LLC	\$0	\$0	\$0	0.00%	NV
BHP Billiton LTD	\$677,741	\$677,741	\$0	0.00%	NV
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$0	\$0	\$0	0.00%	NV
Chevron Corporation	\$0	\$0	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$22,197,745	\$22,197,745	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%	NV
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$0	\$0	\$0	0.00%	NV
Fieldwood Energy LLC	\$0	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%	NV
Hess Corporation	\$0	\$0	\$0	0.00%	NV

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%	NV
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
Peabody Energy Corporation	\$48,411,042	\$48,267,960	\$143,082	0.30%	VBM
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$0	\$0	\$0	0.00%	NV
Stone Energy Corporation	\$0	\$0	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$121,871,539</b>	<b>\$121,692,456</b>			

### OSMRE—AML Fees Variance Explanations

There were no reconciliation variances above the Margin of Variance threshold for this revenue stream.

## OSMRE—CIVIL PENALTIES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 3%

Variance Floor Threshold: ..... \$0

**TABLE C.11: OSMRE—Civil Penalties Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%	NV
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%	NV
Apache Corporation	\$0	DNP	N/A	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%	NV
Arena Energy, LLC	\$0	\$0	\$0	0.00%	NV
BHP Billiton LTD	\$0	\$0	\$0	0.00%	NV
BOPCO, LP	\$0	DNP	N/A	N/A	N/A
BP America	\$0	\$0	\$0	0.00%	NV
Chevron Corporation	\$0	\$0	\$0	0.00%	NV
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%	NV
Concho Resources, Inc.	\$0	DNP	N/A	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%	NV
Continental Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%	NV
Encana Corporation	\$0	DNP	N/A	N/A	N/A
Energy XXI	\$0	DNP	N/A	N/A	N/A
ENI Petroleum	\$0	\$0	\$0	0.00%	NV
EOG Resources, Inc.	\$0	DNP	N/A	N/A	N/A
EPL Oil & Gas, Inc.	\$0	DNP	N/A	N/A	N/A
ExxonMobil Corporation	\$0	\$0	\$0	0.00%	NV
Fieldwood Energy LLC	\$0	DNP	N/A	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%	NV

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
Hess Corporation	\$0	\$0	\$0	0.00%	NV
Jonah Energy LLC	\$0	DNP	N/A	N/A	N/A
Linn Energy, LLC	\$0	DNP	N/A	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%	NV
Murphy Oil USA Inc.	\$0	DNP	N/A	N/A	N/A
Noble Energy, Inc.	\$0	\$0	\$0	0.00%	NV
Oxy USA, Inc.	\$0	DNP	N/A	N/A	N/A
<b>Peabody Energy Corporation</b>	<b>\$3,420</b>	<b>\$5,630</b>	<b>\$2,210</b>	<b>64.62%</b>	<b>Explanation 19</b>
QEP Resources, Inc.	\$0	DNP	N/A	N/A	N/A
Red Willow Offshore, LLC	\$0	\$0	\$0	0.00%	NV
Shell E&P Company	\$0	\$0	\$0	0.00%	NV
Statoil	\$0	\$0	\$0	0.00%	NV
Stone Energy Corporation	\$0	\$0	\$0	0.00%	NV
Talos Energy LLC	\$0	DNP	N/A	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%	NV
WPX Energy, Inc.	\$0	\$0	\$0	0.00%	NV
<b>TOTAL REVENUE</b>	<b>\$3,420</b>	<b>\$5,630</b>			

## OSMRE—Civil Penalties Variance Explanations

**Explanation 19—Peabody Energy Corporation:** A variance of \$2,210 (64.62%) was identified for Peabody Energy Corporation for the OSMRE-Civil Penalties revenue stream. A payment for the amount of \$2,210 was identified as paid by Peabody Energy Corporation in December 2015 and recorded by OSMRE in January 2016.

## IRS—FEDERAL CORPORATE INCOME TAXES MARGIN OF VARIANCE:

Variance Percentage Threshold: ..... 1%

Variance Floor Threshold: ..... \$100,000

**TABLE C.12: IRS—Federal Corporate Income Taxes Reporting Results**

In-Scope Company	Total Reported by Company
Alpha Natural Resources, Inc.	DNR
Anadarko Petroleum Corporation	DNR
Apache Corporation	DNP
Arch Coal, Inc.	DNR
Arena Energy, LLC	N/A
BHP Billiton LTD	\$2,666,092
BOPCO, LP	DNP
BP America	\$100,316,502
Chevron Corporation	DNR
Cimarex Energy Co.	\$0
Cloud Peak Energy Resources, LLC	\$9,806,299
Concho Resources, Inc.	DNP
ConocoPhillips	DNR
Continental Resources, Inc.	DNP
Devon Energy Corporation	DNR
Encana Corporation	DNP
Energy XXI	DNP
ENI Petroleum	\$0
EOG Resources, Inc.	DNP
EPL Oil & Gas, Inc.	DNP
ExxonMobil Corporation	DNR
Fieldwood Energy LLC	N/A
Freeport-McMoRan Inc.	-\$160,013,413
Hess Corporation	DNR

In-Scope Company	Total Reported by Company
Jonah Energy LLC	DNP
Linn Energy, LLC	DNP
LLOG Exploration Company LLC	DNP
Marathon Oil Company	DNR
Murphy Oil USA Inc.	DNP
Noble Energy, Inc.	DNR
Oxy USA, Inc.	DNP
Peabody Energy Corporation	DNR
QEP Resources, Inc.	DNP
Red Willow Offshore, LLC	N/A
Shell E&P Company	-\$242,478,106
Statoil	\$0
Stone Energy Corporation	-\$7,187,950
Talos Energy LLC	DNP
Ultra Resources Inc.	\$0
W&T Offshore, Inc.	-\$60,532
WPX Energy, Inc.	-\$11,000,000

**TABLE C.13: IRS—Federal Corporate Income Taxes Reconciliation Results**

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)	Variance Result
BHP Billiton LTD	\$2,644,390	\$2,666,092	\$21,702	0.82%	VBM
<b>BP America</b>	<b>-\$16,571,767</b>	<b>\$100,316,502</b>	<b>\$116,888,269</b>	<b>705.35%</b>	<b>Explanation 20</b>
Cimarex Energy Co.	\$0	\$0	\$0	0.00%	NV
Cloud Peak Energy Resources, LLC	\$9,806,299	\$9,806,299	\$0	0.00%	NV
<b>Shell E&amp;P Company</b>	<b>-\$239,325,651</b>	<b>-\$242,478,106</b>	<b>\$3,152,455</b>	<b>1.32%</b>	<b>Explanation 21</b>
Statoil	\$0	\$0	\$0	0.00%	NV
W&T Offshore, Inc.	\$0	-\$60,532	\$60,532	100.00%	

### *IRS—Federal Corporate Income Taxes Variance Explanations*

**Explanation 20—BP America:** A variance of \$116,888,269 (705.35%) was identified for BP America for the IRS-Federal Corporate Income Taxes revenue stream. Payment transactions totaling \$116,888,269 were paid using funds held by the IRS on account for BP America, but only external payment transactions were included in the IRS reported payments.

**Explanation 21—Shell E&P Company:** A variance of \$3,152,455 (1.32%) was identified for Shell E&P Company for the IRS-Federal Corporate Income Taxes revenue stream. Payment transactions for tax refunds totaling \$1,578,450 were identified as paid by the IRS in 2015, but Shell E&P Company did not include these specific transactions in its submission since these refunds were not related to activities in extractive industries. Payment transactions for tax refunds totaling \$4,730,905 were not identified as paid by the IRS to Shell E&P Company since these tax refunds were related to an overpayment made by a separate taxpayer in 2014, who was a member of Shell E&P Company in 2015.



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