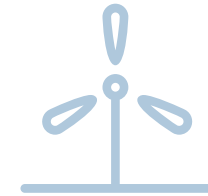


The United States Extractive Industries
Transparency Initiative

2015 Extractive Revenue Appendix

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2015 Extractive Revenue Appendix

A

APPENDIX A: Revenue Reporting Considerations

Appendix A:

Revenue Reporting Considerations

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

The Multi-Stakeholder Group (MSG) began the scoping process by examining, discussing, and developing a general understanding of the extractive industries in the United States and the sources of government revenue. The MSG used this information to make decisions on the scope of the United States Extractive Industries Transparency Initiative (USEITI) and to come to an agreement on certain issues regarding scope and materiality for the 2015 USEITI Report. The [USEITI candidacy application](#)¹ outlines many of these scoping decisions. The MSG meeting and subcommittee meeting minutes and materials published on the [MSG website](#)² contain documentation of other scoping considerations and decisions. By letter dated March 28, 2014, the EITI International Board approved the USEITI candidacy application, including the scoping, materiality, and adapted implementation proposals contained therein.

¹ USEITI, “MSG Approved EITI Candidacy Application Form,” December 2013, <https://www.doi.gov/sites/doi.gov/files/migrated/eiti/upload/USEITI-Candidacy-Application-MSG-Approved-2.pdf>

² More information for USEITI can be found at <https://www.doi.gov/eiti/FACA>

Revenue Streams and Materiality

The MSG discussed and considered many sources of government revenue when determining the scope of the USEITI. At the [May 2013 MSG meeting](#)³, the MSG documented these considerations and preliminarily decided that the scope would include rents, royalties, bonuses, and fees collected by bureaus of the US Department of the Interior (DOI). The MSG determined that other revenue streams were not directly related to leasing, exploration, or extraction, and should be excluded from the scope of the reconciliation.

The EITI Standard also requires reporting on “profits taxes,” or taxes on income, where material. The issue of including corporate income tax revenue in the reconciliation required significant consideration by the MSG, primarily due to the challenges related to the legal constraints and the corporate tax structure in the United States, including, but not limited to, the following:

³ USEITI MSG Advisory Committee Meeting, May 2013, <https://www.doi.gov/sites/doi.gov/files/migrated/eiti/FACA/upload/USEITIMay2013MSGMtgSummaryDraft.pdf>

- Section 6103 of the Internal Revenue Code (IRC) provides that tax returns and tax return information are confidential and prohibited from disclosure, unless an exception identified in the IRC is applicable. The IRC imposes civil and criminal penalties for violations of the disclosure prohibitions. Nonetheless, taxpayers may consent to have their tax information disclosed to specific parties, and the MSG agreed to encourage in-scope companies to consent to disclosure.
- The Privacy Act of 1974 only allows the Internal Revenue Service (IRS) to gather information used for tax administration purposes. If the IRS were to collect information or develop new systems and processes for the USEITI, these actions would need to support tax administration objectives consistent with the Privacy Act.

The MSG ultimately decided in [December 2014](#)⁴ to include federal corporate income tax payments, meaning those income taxes paid to the IRS by C-corporations⁵, as a part of the USEITI. The MSG requested companies to report the sum of all federal corporate income tax payments and encouraged reconciliation. The MSG agreed to exclude taxes

paid by [flow-through entities](#)⁶ as individual owners pay taxes on income for those entities rather than the corporate entity paying the taxes.

In-Scope Extractive Commodities

Based on the consensus of the MSG, and consistent with the EITI Standard, the commodities determined in-scope for the USEITI and included in the 2015 USEITI Report are oil, gas (including natural gas liquids and dry gas), coal, other leasable minerals, nonenergy minerals, geothermal, solar, and wind. These commodities have been included in the reconciliation to the extent that the in-scope companies have made payments to the government entities related to those commodities.

Subnational Payments and Transfers

In some countries, companies make direct payments to subnational levels of government (e.g., regional governments, municipalities, and chiefdoms). In addition, some governments also have revenue sharing mechanisms in which a share of revenue collected by the central government from the extractive sector is transferred to subnational government entities. Subsections 4.2 (d) and (e) of Requirement 4 of the EITI Standard require implementing countries to report on subnational revenue in two ways. EITI Standard Requirement 4.2 (d) requires reporting and reconciliation of material company payments to

⁴ USEITI MSG Advisory Committee Meeting, “Decisions, Approvals, and Actions,” December 2013, <https://www.doi.gov/sites/doi.gov/files/migrated/eiti/FACA/upload/USEITI-December-2014-Actions-v4-141211.pdf>

⁵ C-corporation refers to a legal structure that businesses can choose to organize themselves under. C-corporations are legally considered separate entities from their owners. In a C-corporation, income is taxed at the corporate level. Other corporation types, such as S-corporations or Limited Liability Companies (LLCs) are not taxed at the corporate entity level and are considered pass-through entities.

⁶ IRS, “Flow-Through Entities,” n.d., <https://www.irs.gov/Individuals/International-Taxpayers/Flow-Through-Entities>

subnational government entities and the receipt of these payments. Separately, EITI Standard Requirement 4.2 (e) requires reporting on mandatory revenue transfers from national governments to subnational governments.

EITI Standard Requirement 4.2 (d): “Sub-national payments: It is required that the multi-stakeholder group establish whether direct payments, within the scope of the agreed benefit streams, from companies to sub-national government entities are material....”

EITI Standard Requirement 4.2 (e): “Sub-national transfers: Where transfers between national and sub-national government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the multi-stakeholder group is required to ensure that material transfers are disclosed in the EITI Reports...”

The EITI Board approved the request for adapted implementation of the EITI Standard for subnational reporting as a part of the approval of the USEITI candidacy application. The EITI Standard allows for adapted implementation “where the country faces exceptional circumstances that necessitate deviation from the implementation requirements” (EITI Standard Requirement 1.5). The approved adapted implementation considered that

the USEITI reporting will comply with EITI Standard 4.2 (e)’s requirements by reporting 100% of extractives-specific revenue collected by the US Federal Government and transferred to US state governments within the unilateral data disclosure. However, payments made by companies to state governments (4.2 (d)) and revenue collected by state governments, will not directly be included in the reconciliation.

Under the terms of the approved adapted implementation, the USEITI reporting will progressively comply with EITI Standard Requirement 4.2 (d)’s requirement to disclose material extractive revenue directly collected by states through a two-phased approach:

- Under Phase I of the USEITI’s implementation of Rule 4.2 (d), publicly available information about state extractive revenue collection will be included in USEITI reports.
- Under Phase II of Rule 4.2 (d), the MSG will encourage states to participate in the USEITI through a voluntary “opt-in” process.

While not subnational, the MSG also considered the issue of revenue collected on behalf of Indian tribes and individual Indian mineral owners, which is currently part of the overall collection and reporting responsibilities of the federal government. Companies in the extractives sector may also have direct relationships with tribes on issues of leasing, reporting, and other activities.

The United States has a specific legal and political relationship with Indian tribes and Alaska Native entities, as provided by its Indian treaties, court decisions, executive orders, and federal statutes. Within the government-to-government relationship, DOI provides services directly or through contracts, grants, or compacts to 567 federally recognized tribes with a service population of about 1.9 million Indian and Alaska Natives. Additional information on the fiduciary responsibility of the federal government with regards to Indian tribes and the rights of federally recognized tribes and individual Indian owners of mineral rights is included in the *Executive Summary* and online version of the 2015 USEITI Report.

Indian tribes and individual Indian mineral owners will be given an opportunity to participate in the USEITI in future years through a voluntary “opt-in” process similar to the process to be designed for state participation.

Project-Level Reporting

Requirement 5.2 (e) of the EITI Standard states that the MSG is required to agree on the level of disaggregation for publishing data, that EITI data must be presented by individual company, government entity, and revenue stream, and that reporting at project level is required. The standard does not provide a specific definition of “project,” but states it should be consistent with the Securities and Exchange Commission (SEC) rules and European Union laws.

EITI Standard Requirement 4.1 (e): “Social expenditures: Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, the EITI Report must disclose and, where possible, reconcile these transactions...”

Since the SEC rules have not yet been published, the MSG determined that the 2015 USEITI Report should follow the first part of Section 5.2 (e) that states: “It is required that EITI data is presented by individual company, government entity and revenue stream.” The data in the 2015 USEITI Report will be presented on this basis and in [December 2014](#)⁷ the MSG agreed to assign no further definition for project-level disclosure per EITI Standard Section 5.2 (e) for the 2015 USEITI Report. The MSG will seek to agree to a project-level reporting definition for the 2016 report.

Other Scope Decisions

Social Expenditures

Subsection 4.1 (e) of Requirement 4 of the EITI Standard requires that the EITI Report disclose and reconcile, where possible, material social expenditures made by companies mandated by law or by the contracts with the government entity that administers the extractive investment. The MSG did not identify any social expenditures required by federal law that would be included in the 2015 USEITI Report. The MSG will continue to consider the issue of discretionary social expenditures and transfers.

⁷ USEITI MSG Advisory Committee Meeting, “Decisions, Approvals, and Actions,” December 2013, <https://www.doi.gov/sites/doi.gov/files/migrated/eiti/FACA/upload/USEITI-December-2014-Actions-v4-141211.pdf>

EITI Standard Requirement 4.1 (f): “Transportation: Where revenues from the transportation of oil, gas and minerals constitute one of the largest revenue streams in the extractive sector, the government and state-owned enterprises (SOEs) are expected to disclose the revenues received...”

EITI Standard Requirement 4.1 (c): “Sale of the state’s share of production or other revenues collected in-kind: Where the sale of the state’s share of production or other revenues collected in-kind is material, the government, including state-owned enterprises, are required to disclose the volumes sold and revenues received...”

EITI Standard Requirement 4.1 (d): “Infrastructure provisions and barter arrangements: The multi-stakeholder group and the Independent Administrator are required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities...”

Transportation Revenue

Subsection 4.1 (f) of Requirement 4 of the EITI Standard states that where revenue from the transportation of oil, gas, and minerals constitutes one of the largest revenue streams in the extractive sector, the government- and state-owned enterprises (SOEs) are expected to disclose the revenue received. The MSG determined that **transportation revenue**⁸ is not material and will not be included in the scope for the 2015 USEITI Report.

In-Kind Transactions

Subsection 4.1 (c) of the EITI Standard refers to instances of the sale of the government’s share of production or other revenue collected through in-kind transactions. The MSG determined that there are no federal government-owned extractive companies that collect revenue from the production and sale of extractive commodities. The MSG also determined that there are no federal government programs allowing for revenue payable by companies through an in-kind arrangement that would be included in the 2015 USEITI Report.

Infrastructure Provisions and Barter Arrangements

Subsection 4.1 (d) of the EITI Standard, which refers to infrastructure provisions and barter arrangements

⁸ DOI, “Contextual Narrative / Publicly Available Data Working Group: Recommendations to Subcommittee,” July 22, 2014, https://www.doi.gov/sites/doi.gov/files/migrated/eiti/FACA/upload/USEITIMSGContextual_Narrative_matrix_WG22Julyfinal.pdf

by the federal government, is not applicable within the United States. The MSG has determined that these types of arrangements do not exist as defined by the EITI Standard and will not be included in the 2015 USEITI Report.

How did the IA assess the credibility and reliability of the data?

Assurances of the Credibility and Reliability of the Data

The EITI Standard Requirement 5.2 (c) states that the IA and the MSG must agree on what assurances to obtain from the reporting entities that the data they provided was complete, accurate, and credible. The MSG and the IA determined that the most appropriate way to obtain these assurances was through a written sign-off from an appropriate authorized representative of the reporting organization.

The IA requested that in-scope companies identify an appropriate authorized representative, according to each company's organizational structure, to verify and sign-off that the submitted reporting template was a complete and accurate record. The verification on the reporting template states that the in-scope company completed the reporting template accurately to the best of the individual's knowledge.

For government entities, appropriate representatives of each DOI bureau provided a statement confirming the

EITI Standard Requirement 5.2 (c): "Agree on the assurances to be provided by reporting entities to the Independent Administrator. The Terms of Reference must outline *what information should be provided to the Independent Administrator* by the participating companies and government entities to assure the credibility of the data..."

EITI Standard Requirement 5.2 (b): "The multi-stakeholder group, in consultation with the Independent Administrator, is required to *examine the audit and assurance procedures in companies and government entities participating in the EITI reporting process, including the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards...*"

credibility and reliability of the data submitted. The Director of ONRR, Greg Gould, provided a secondary certification on behalf of the data for all DOI bureaus.

Relevant Laws, Regulations, Professional Standards, and Regulatory Organizations

To assist in evaluating the reliability of the data collected and used in the reconciliation, the IA and the MSG together reviewed the relevant US and international professional auditing and assurance standards, laws, and regulations governing the reporting entities. As part of the process, the MSG compiled a list of relevant laws, regulations, and professional standards. This list was discussed and reviewed with the IA, but prepared separately from this report.

Table A-1: Laws, Regulations, and Professional Standards identifies the relevant laws, regulations, and professional standards used by companies and governments to guide the reporting of financial information in the US, as well as by auditors during the financial statement audit process. Also included are organizations that were established to create or carry out and enforce relevant laws, regulations and professional standards. These laws, regulations, and professional standards are integral to the reliability and integrity of reported financial information in the United States. These laws, regulations, and professional standards are in line with international standards as defined by the EITI Standard.⁹

⁹ According to the EITI Standard, the international standards for private companies comprise the International Standards on Auditing issued by the International Auditing and Assurance Standards Board, and the international standards for public entities comprise the International Standards of Supreme Audit Institutions issued by the International Organization of Supreme Audit Institutions.

Which laws, regulations, professional standards, or regulatory organizations apply to government agencies and / or companies?







This law, regulation, professional standard, or regulatory organization applies to government agencies in the United States.



This law, regulation, professional standard, or regulatory organization applies to companies that do business in the United States.

TABLE A-1: Laws, Regulations, Professional Standards, and Regulatory Organizations

Law, Regulation, Professional Standard, or Regulatory Organization	Acronym	Description
 US Generally Accepted Accounting Principles	GAAP ¹	GAAP is the standardized accounting rule set for federal government entities, as well as publicly traded or private companies domiciled in the United States or for other international jurisdictions where GAAP is required. GAAP enables stakeholders of companies to compare accounting statements for different companies and industries by using a standard methodology. Because of various accounting and financial reporting standards, the federal government tailors GAAP to meet its unique characteristics and circumstances.
 Internal Revenue Service	IRS ²	The IRS is the revenue service of the US Federal Government. The IRS is a bureau within the Department of the Treasury, and is under the immediate direction of the Commissioner of Internal Revenue. The IRS is responsible for collecting taxes and the administration of the Internal Revenue Code.
 Securities and Exchange Commission Act	SEC ³	The Securities Exchange Act of 1934 ⁴ established the SEC to govern the securities industry. By regulation of the SEC, public companies must have their financial statements prepared in accordance with GAAP or International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and audited each year by an independent registered public accounting firm. During an audit, the independent auditor examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The auditor provides a written opinion on whether the company's financial statements are, in all material respects, fairly presented in accordance with GAAP or IFRS.
 Sarbanes-Oxley Act	SOX ⁵	SOX requires all financial reports for large public companies (those with a market capitalization of \$75 million and referred to as "accelerated" filers and those subject to SEC reporting requirements) to include an Internal Control over Financial Reporting (ICFR) certification by company management and an ICFR opinion by the independent auditor as of the specified balance sheet date Congress passed SOX in 2002, in part, to further protect investors from fraudulent accounting activities by public companies.

¹ More information regarding GAAP can be found at <http://www.fasb.org/home>





² More information for IRS can be found at www.irs.gov

³ More information for SEC can be found at <http://www.sec.gov/>

⁴ More information about the Securities Act of 1933 and the Securities Exchange Act of 1934 can be found at <http://www.sec.gov/about/laws.shtml>

⁵ More information about SOX can be found at <http://www.soxlaw.com/>

TABLE A-1: Laws, Regulations, Professional Standards, and Regulatory Organizations (*continued*)

Law, Regulation, Professional Standard, or Regulatory Organization	Acronym	Description
 Public Company Accounting Oversight Board	PCAOB ⁶	PCAOB exists to confirm that the registered public accounting firms are auditing the financial statements and ICFR of public companies in accordance with auditing standards established and adopted by the PCAOB. The PCAOB is a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports.
 American Institute of Certified Public Accountants	AICPA ⁷	AICPA requires independent auditors to comply with the audit standards issued by the AICPA for the audits of all companies that are not subject to SEC jurisdiction. The AICPA has released mandatory audit and attest standards for conducting, planning, and reporting on audit and attestation engagements of private companies.
 Financial Accounting Standards Board	FASB ⁸	<p>The FASB is a private, nonprofit organization with a primary purpose of establishing and improving GAAP within the US. The SEC designated the FASB as the organization responsible for setting accounting standards for public companies in the US.</p> <p>The FASB created a council known as the Private Company Council (PCC). The PCC and the FASB work jointly to mutually agree on a set of criteria to decide whether and when alternatives within GAAP are warranted for private companies.</p>
 International Financial Reporting Standards	IFRS ⁹	IFRS are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is intended to establish a consistent global standard for the preparation of public company financial statements or those entities domiciled outside the US. The IASB, based in London, is an independent accounting standard-setting body. It is funded by contributions from major accounting firms, private financial institutions, industrial companies, central and development banks, national funding regimes, and other international and professional organizations throughout the world. Approximately 120 nations and reporting jurisdictions permit or require IFRS for domestic listed companies. The SEC is currently considering whether it will incorporate IFRS into the financial reporting system for US issuers. There is currently no estimated date for when such a decision might be made.

⁹ More information for the PCAOB can be found at <http://pcaobus.org/Pages/default.aspx>

¹⁰ More information for AICPA can be found at <http://www.aicpa.org/Pages/default.aspx>

¹¹ More information for FASB can be found at <http://www.fasb.org/home>

¹² More information about IFRS can be found at <http://www.ifrs.org/Pages/default.aspx>








Law, Regulation, Professional Standard, or Regulatory Organization	Acronym	Description
 Generally Accepted Auditing Standards	GAAS ¹⁰	GAAS are the minimum standards for auditing private companies and come in three categories: general standards, standards of fieldwork, and standards of reporting. PCAOB has adopted these standards for public (traded on the open market) companies. Each audit engagement may require audit work beyond what is specified in the GAAS in order to provide a written opinion on whether a set of financial statements is, in all material respects, fairly presented in accordance with GAAP.
 Generally Accepted Government Auditing Standards	GAGAS ¹¹	GAGAS provides a framework for conducting high quality audits of government resources and programs with competence, integrity, objectivity, and independence. Government auditing is an essential tool that allows legislators, oversight bodies, those charged with governance, and the public to hold government agencies accountable. GAGAS is used by auditors of government entities, entities that receive government awards, and other audit organizations performing audits. The US Government Accountability Office (GAO) is responsible for maintaining and updating GAGAS. GAO is an independent, nonpartisan agency that works for Congress. Often called the “congressional watchdog,” GAO investigates the Executive Branch of the federal government.
 Chief Financial Officers Act of 1990 (P.L. 101-576)	CFO Act ¹²	<p>The CFO Act of 1990 established a leadership structure, provided for long range planning, required audited financial statements, and strengthened accountability reporting in the federal government. The aim of the CFO Act is to improve financial management systems and information. The CFO Act also requires the development and maintenance of agency financial management systems that comply with the following: applicable accounting principles, standards, and requirements; internal control standards; and requirements of the Office of Management and Budget (OMB), the US Department of the Treasury, and other agencies.</p> <p>Reports of audits conducted under the CFO Act are done on an annual basis and must be completed by November 15 following the close of the fiscal year (September 30) for which the financial statements were prepared.</p>
<p>¹⁰ More information about GAAS can be found at http://www.dummies.com/how-to/content/generally-accepted-auditing-standards.html</p> <p>¹¹ More information about GAGAS can be found at http://www.gao.gov/yellowbook/overview</p> <p>¹² More information about CFO Act can be found at http://www.gao.gov/special.pubs/af12194.pdf</p>		

TABLE A-1: Laws, Regulations, Professional Standards, and Regulatory Organizations (*continued*)




Law, Regulation, Professional Standard, or Regulatory Organization	Acronym	Description
 Government Management Reform Act of 1994 (P.L. 103-356)	GMRA ¹³	GMRA requires the independent, external audit of agency financial statements and the preparation and audit of a consolidated financial statement for the federal government on an annual basis.
 OMB Circular A-136 (Financial Reporting Requirements)	A-136	OMB provides annual updates to Circular No. A-136 which provides federal guidance for agency and government-wide financial reporting. This Circular establishes a central point of reference for all federal financial reporting guidance for the Executive Branch departments, agencies, and entities required to submit an Agency Financial Report (AFR) under the CFO Act and the GMRA. In compliance with the CFO Act, the GMRA, and Circular A-136, DOI publishes an AFR every fiscal year. Click on these links to reach the DOI's AFRs for fiscal years 2013 ¹⁴ and 2014. ¹⁵
 Federal Financial Management Improvement Act of 1996 (P.L. 104-208)	FFMIA ¹⁶	FFMIA requires federal agencies to implement and maintain financial management systems that substantially comply with federal financial management systems requirements, applicable federal accounting standards, and the US Standard General Ledger at the transactional level.
 Federal Information Security Management Act of 2002 (P.L. 107-347)	FISMA	FISMA requires federal agencies to provide information security controls commensurate with the risk and potential harm of not having those controls in place. FISMA also requires the heads of agencies and the Office of Inspector General (OIG) to conduct annual IT security reviews and perform annual independent evaluations of effectiveness of the agency's security programs and systems and report their results to OMB and Congress.

¹³ The Federal Budget: Politics, Policy, Process, Brookings Institution Press / Allen Schick, 2007, p. 297, <http://www.thefreelibrary.com/The+Federal+Budget%3a+Politics%2c+Policy%2c+Process.-a074830086>

¹⁴ DOI, "Agency Financial Report FY 2013," <https://www.doi.gov/sites/doi.gov/files/migrated/pfm/afr/2013/upload/DOI-FY-2013-AFR.pdf>

¹⁵ DOI, "Agency Financial Report FY 2014," <https://www.doi.gov/sites/doi.gov/files/migrated/pfm/afr/2014/upload/DOI-FY-2014-AFR.pdf>

¹⁶ The Federal Budget: Politics, Policy, Process, Brookings Institution Press / Allen Schick, 2007, p. 297, <http://www.thefreelibrary.com/The+Federal+Budget%3a+Politics%2c+Policy%2c+Process.-a074830086>

Law, Regulation, Professional Standard, or Regulatory Organization	Acronym	Description
 Federal Accounting Standards Advisory Board	FASAB	FASAB was established in October of 1990 by the Secretary of the Treasury, the Director of OMB, and the US Comptroller General. This board possesses the legal authority under various laws to establish accounting and financial reporting standards for the federal government. In October 1999, the AICPA recognized FASAB as the board that promulgates generally accepted accounting principles for federal entities.
 OMB Circular No. A-123	A-123	A-123 prescribes management's responsibilities for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act.
 OMB Bulletin 14-02 (Audit Requirements for Federal Financial Statements)		OMB Bulletin No. 14-02, issued on October 21, 2013, establishes minimum requirements for independent audits of federal financial statements. This bulletin implements the audit provisions of the CFO Act of 1990, as amended, the GMRA, and FFMIA.

Overview of Audit and Assurance Laws, Regulations, and Professional Standards for Companies

Publicly listed companies are required to comply with the reporting requirements under the Sarbanes-Oxley Act, which requires management certification and an external auditor opinion regarding the effectiveness of a company's internal controls over financial reporting. This framework drives a company's board and management to establish strong internal controls over financial reporting to support accurate financial reporting.

Publicly listed companies undergo an annual financial statement audit by an independent public accounting firm to provide investors and other interested parties with an assessment as to whether a company's financial results are fairly presented in all material respects in conformity with US generally accepted accounting principles. Private companies typically are subject to financial-statement audits when other parties, such as creditors and lenders, must rely on and require the same level of assurance regarding the accuracy and completeness of the company's financial statements.

Overview of Audit and Assurance Laws, Regulations, and Professional Standards for Government

Government organizations are required to comply with specific reporting and control requirements as part of OMB guidance. As a part of the DOI Financial Report, the Secretary of the DOI is required to provide the President and Congress an assurance statement on the state of DOI's internal controls. Congress, OMB, and GAO established the requirement for agencies to develop and maintain effective internal control by issuing federal guidance, including [OMB Circular A-123](#)¹⁰, Management's Responsibility for Internal Control. Management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act.

The annual Agency Financial Report (AFR) provides important financial and performance information related to the stewardship, management, and leadership of the public funds and resources entrusted to DOI. Specifically, the report contains DOI's audited financial statements as required by the Chief Financial Officers Act of 1990. The audited financial statements include the custodial revenue streams managed by ONRR, OSMRE, and BLM. In FY 2014, DOI

¹⁰ The Office of Management and Budget, "OMB Circular 123 – Management's Responsibility for Internal Control," December 21, 2004, https://www.whitehouse.gov/omb/circulars_a123_rev

obtained a clean (unmodified) opinion from an independent auditing firm—this was the 18th consecutive clean opinion for DOI.

In the Independent Auditor’s Report, KPMG, LLP noted: “In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the US Department of the Interior as of September 30, 2014 and 2013, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with US generally accepted accounting principles.”

In accordance with OMB Circular A-50, Audit Follow-Up, DOI bureaus conduct the audit follow-up steps to ensure that OIG and GAO audit recommendations are implemented in a timely manner and that those disagreements regarding audit findings and corrective actions between management and OIG and GAO are resolved.

Audited Financial Statements

The EITI Standard Requirement 5.3 (e) requires that the EITI Report documents whether the participating companies and government entities had their financial statements audited during the period covered by the EITI Report. For those companies where financial statements are publicly available, the IA reviewed these reports. For entities for which financial statements were not publically available, the IA requested companies to submit these with the completed reporting templates.

The IA did not form any conclusions on the audited financial statement reports of the reporting entities. The purpose of obtaining these audit reports is to assist the IA in assessing the comprehensiveness and reliability of the data provided by companies and government entities. The following pages contain the results of this analysis, and the data reviewed did not indicate that there should be concerns that the data provided by the government or companies is not comprehensive or reliable.

EITI Standard Requirement 5.3 (e): “It is required that the EITI Report documents whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed...”

Review of In-Scope Company Audited Financial Statements

The IA reviewed publicly available financial information for the in-scope companies included in the 2015 USEITI Report. The IA then identified and reviewed publicly available SEC filings, such as [Form-10K¹¹](#), [Form 20-F¹²](#), [Form 40-F¹³](#), and annual reports to shareholders. For in-scope companies that do not have publically available audited financial statements, the IA requested these statements from the entity. Table A-2: Analysis of In-Scope Company Audited Financial Statements shows the results of the IA's review.

TABLE A-2: Analysis of In-Scope Company Audited Financial Statements

Company name	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
ANKOR Energy LLC	Private	Subsidiary of foreign corporation (S. Korea)				Parent Only	No
Apache Corporation	Public	Corporation	✓			Yes	N/A
Arch Coal, Inc.	Public	Corporation	✓			Yes	N/A
Arena Energy, LLC	Private	Limited partnership				No	No
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

¹¹ More information about SEC Form 10-K can be found at <http://www.sec.gov/answers/form10k.htm>

¹² More information about SEC Form 20-F can be found at <https://www.sec.gov/about/forms/form20-f.pdf>

¹³ More information about SEC Form 40-F can be found at <https://www.sec.gov/about/forms/form40-f.pdf>

Company name	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?
Cloud Peak Energy Resources, LLC	Public	Corporation	✓			Yes	N/A
Cobalt International Energy, Inc.	Public	Corporation	✓			Yes	No
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
EPL Oil & Gas, Inc.	Public	Subsidiary of foreign corporation (Italy)	✓			Parent Only	N/A
ENI Petroleum	Public	Foreign corporation (Italy)	✓			Yes	N/A
EOG Resources, Inc.	Public	Corporation	✓			Yes	N/A
Exxon Mobil Corporation	Public	Corporation	✓			Yes	N/A
Fieldwood Energy LLC	Private	Limited liability company				No	No
Freeport-McMoRan Inc.	Public	Corporation	✓			Yes	N/A
Hess Corporation	Public	Corporation	✓			Yes	N/A
Linn Energy, LLC	Public	Limited liability company	✓			Yes	N/A
LLOG Exploration Company LLC	Private	Subsidiary of limited liability company				No	No

TABLE A-2: Analysis of In-Scope Company Audited Financial Statements (continued)

Company name	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?
Marathon Oil Company	Public	Corporation	✓			Yes	N/A
Newfield Exploration Company	Public	Corporation	✓			Yes	N/A
Noble Energy, Inc.	Public	Corporation	✓			Yes	N/A
Oxy USA, Inc.	Public	Corporation	✓			Yes	N/A
Peabody Energy Corporation	Public	Corporation	✓			Yes	N/A
QEP Resources, Inc.	Public	Corporation	✓			Yes	N/A
Repsol E&P USA Inc.	Public	Subsidiary of foreign corporation (Spain)	✓			Parent Only	N/A
SandRidge Energy, Inc.	Public	Corporation	✓			Yes	N/A
Shell E&P Company	Public	Foreign corporation (UK)	✓	✓		Yes	N/A
Statoil Gulf of Mexico	Public	Foreign corporation (Norway)	✓	✓		Yes	N/A
Stone Energy Corporation	Public	Corporation	✓			Yes	N/A
Talos Energy LLC	Private	Limited Liability Company				No	No
Ultra Resources Inc.	Public	Foreign corporation (Canada)	✓			Yes	N/A
Venari Offshore LLC	Private	Limited liability company				No	No
W&T Offshore, Inc.	Public	Corporation	✓			Yes	N/A
Walter Oil & Gas Corporation	Private	Corporation				No	No
WPX Energy, Inc.	Public	Corporation	✓			Yes	N/A

Review of Government Entity Audited Financial Statements

The IA performed a review of publicly available financial and tax information for the government entities included in the 2015 USEITI Report. The IA identified and reviewed agency financial reports. Government entities are required to prepare an annual report at the agency level, which includes the various bureaus under the respective agency. Agency financial reports are audited annually by an independent auditor. Table A-3: Analysis of Government Entity Audited Financial Statements shows the details of the IA's review of the audited financial statements.

Table A-3: Analysis of Government Entity Audited Financial Statements

Government Entity	Agency Report	Agency Financial Report	Agency financial report publicly available?	If not public, did IA obtain?
Office of Natural Resources Revenue	Department of Interior	✓	Yes	N/A
Bureau of Land Management	Department of Interior	✓	Yes	N/A
Office of Surface Mining Reclamation and Enforcement	Department of Interior	✓	Yes	N/A
Internal Revenue Service	Department of Treasury	✓	Yes	N/A

What laws are in place to prevent preferential treatment of private companies by the government?

The US Federal Government has established a number of laws and regulations to address preferential treatment and conflict of interest. These are documented in the US Code of Laws or the US Code of Federal Regulations.

Preferential Treatment of Private Organizations (5 CFR 2635.101(b)(8)): To prevent preferential treatment, as outlined in 5 CFR 2635.702, an employee may not use public office to his own private gain, or endorse any product, service, or enterprise with whom the employee is affiliated. Further, the employee may not engage in a financial transaction using nonpublic information such as granting of government contracts prior to public announcements as set forth in 5 CFR 2635.703.

Conflict of Interest (5 CFR 2635.402 and 2635.502): Conflict of interest concerns include using public office for private gain, seeking activities that conflict with government duties, and holding financial interests in conflict with performance of duty. Conflict of interest is covered in the CFR sections 2635.402 (disqualifying financial interests) and 2635.502 (personal and business relationships) and are based on the statutes in the US Code of Laws outlined below:

- 18 USC 201: Public officials or witnesses may not accept bribes

- 18 USC 203: Members of Congress and officers may not receive or offer compensation for representation
- 18 USC 205: Officers and employees may not participate as agents in any claim against the government
- 18 USC 208: Officers and employees may not participate in any matter of personal financial interest

Financial Disclosure (5 CFR 2634.301): The Ethics in Government Act of 1978 requires senior government officials to file public reports of their financial interests. The statute and the US Office of Government Ethics (OGE) enforce these regulations. Statute 5 USC app. 4 §§ 101-111 establishes the public financial disclosure requirements for senior employees and confidential financial disclosure requirements for mid-level employees. High-level officials are required to report certain financial interest publicly via the OGE Form 278. Any incumbents, new entrants, nominees, and candidates are required to file a public financial disclosure report in accordance with 5 CFR 2634.301. Each financial disclosure report should include a description of any interest in property held by the filer in a trade or business, or any interest in property held for investment or the production of income, with a fair market value greater than \$1,000. Such properties include: securities, futures contracts, trusts, investment funds, capital accounts, or other asset ownership in a business. For entities with portfolio holdings, each underlying source of income must be separately disclosed. As such, any private financial interests must be publicly disclosed. Further,

government employees who are less senior than public filers must report their financial interests through a confidential financial disclosure that is not available to the public on the OGE form 450. Additional details regarding financial disclosure laws as outlined by the CFR can be found on the [OGE website](#)¹⁴.

Competitive Tendering (48 CFR 1–53): The awarding of government contracts to private organizations is governed by the Federal Acquisition Regulation (FAR) which is codified in Parts 1 through 53 of Title 48 of the CFR. Competitive tendering promotes open and impartial bidding for government contracts. A set of rules are in place to ensure the integrity of the process and are outlined in §§ 3.000–3.1106 of the CFR. Specifically, safeguards are in place to promote independent pricing and competitive bidding, while addressing issues such as collusion and kickbacks from contractors. Additional details for specific statutes related to the FAR can be found in the CFR on the US Government Publishing Office (GPO) [website](#)¹⁵.

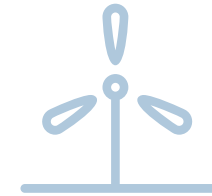
¹⁴ More information about OGE can be found at <http://www.oge.gov/Financial-Disclosure/Financial-Disclosure/>

¹⁵ More information about FAR can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title48/48tab_02.tpl

What legalities are in place for disclosing beneficial ownership of companies?

The SEC governs disclosure of beneficial ownership of publicly traded companies. SEC rules define the term “beneficial owner” as any person who directly or indirectly shares voting power or investment power (the power to sell a security). Under SEC rules, when a person or group of persons acquires beneficial ownership of more than 5% of a voting class of a company’s equity securities registered under Section 12 of the Securities Exchange Act of 1934, they are required to file a Schedule 13D with the SEC. Schedule 13D is commonly referred to as a “beneficial ownership report.”

States govern the corporate formation process, and the requirements for what information must be provided and disclosed at the time of incorporation vary widely from state to state. All states require companies to file corporate formation documents, such as a charter or certificate of formation. There are no uniform requirements for what must be included in corporate formation documents, but these documents do not require disclosure of ownership or financial information. No state requires persons forming corporations to name beneficial owners at the time of corporate formation and no state maintains a registry of company beneficial owners. There are also no laws in the US at the federal or state level that prevent corporations from voluntarily disclosing their beneficial owners.



2015 Extractive Revenue Appendix

B

APPENDIX B: In-Scope Revenue Streams

Appendix B:

In-Scope Revenue Streams

The following tables explain 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.

TABLE B-1: In-Scope Revenue Streams

Government Payee	Revenue Stream	Description
ONRR	Royalties	All royalties reported to ONRR on Form ONRR-2014 or CMP-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity (see Table B-2)
ONRR	Rents	All rents reported to ONRR on Form ONRR-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity (see Table B-3)
ONRR	Bonuses	All bonuses reported to ONRR on Form ONRR-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity (see Table B-4)
ONRR	Other Revenue	All other revenue (not associated with the Royalties, Rents, or Bonuses revenue streams above) that are reported to ONRR on the Form ONRR-2014 or CMP-2014, Production and Royalty (P&R) Reporting System, or through direct billing activity (see Table B-5)
ONRR	Offshore Inspection Fees	Fees for annual inspections performed by BSEE on each offshore permanent structure and drilling rig that conducts drilling, completion, or workover operations (see Table B-6)
ONRR	Civil Penalties	Civil penalties collected by ONRR on behalf of ONRR, BOEM, and BSEE (see Table B-7)
BLM	Bonus and First Year Rentals	Payments made by the winning bidder of an onshore lease at a BLM lease sale (see Table B-8)
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. (see Table B-9)
BLM	Renewables	Wind, solar, and biomass projects (see Table B-10)

Government Payee	Revenue Stream	Description
OSMRE	AML Fees	Abandoned Mine Land (AML) Fees including AML Fees assessed from audits as well as any late charges paid (see Table B-11)
OSMRE	Civil Penalties	Civil penalties assessed on violations of the Surface Mining Control and Reclamation Act including any late charges paid (see Table B-12)
IRS	Taxes	Federal corporate income tax payments to IRS (see Table B-13)

The details in the following tables explain what each of the revenue streams represent, and the types of transactions in-scope companies should include when calculating the amounts to report for each revenue stream. The additional guidance contains information on the specific transaction types on government reporting forms that in-scope companies should include. There may also be instances where in-scope companies make payments to government entities based on direct billing activity rather than through a specific government reporting form. In these instances, the “Report Type” column in the table will show “Direct Billing” rather than the name of a standard reporting form with a related transaction code.

Payments to Office of Natural Resources Revenue (ONRR)

Royalties Paid to ONRR

Table B-2 outlines the transactions that comprise the Royalties revenue stream. These transactions include amounts reported or paid to ONRR on the Form ONRR-2014, Form CMP-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for royalties should equal the amounts a company reported to ONRR on the respective forms during CY 2013 in addition to any invoices actually paid during CY 2013.

Table B-2: Royalties Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-2014 or CMP-2014	01	Royalty Due —Report royalties due in value on producing federal leases
ONRR-2014 or CMP-2014	08	Royalty In Kind (Other) —Report Non-Strategic Petroleum Reserve transactions for RIK oil and gas leases
ONRR-2014 or CMP-2014	10	Compensatory Royalty Payment —Report royalty value due on oil and gas that has been drained from federal land by a well on another property
ONRR-2014 or CMP-2014	11	Transportation Allowance —Report a transportation allowance against the royalty due
ONRR-2014 or CMP-2014	15	Processing Allowance —Report a processing allowance against the royalty due
ONRR-2014 or CMP-2014	40	Net Profit Share – Profitable —Report sales and royalties on NPS leases for profitable months
ONRR-4430 (P&R)	PR	Royalty Due —Report royalties due in value on producing federal leases—original submission
ONRR-4430 (P&R)	ADJ	Royalty Due —Report royalties due in value on producing federal leases—adjust volume and/or value
Direct Billing	N/A	Royalty Due —Report royalties due in value on producing federal leases

Rents Paid to ONRR

Table B-3 outlines the transactions that comprise the Rents revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for rents should equal the amounts a company reported to ONRR on the respective forms during CY 2013 in addition to any invoices actually paid during CY 2013.

Table B-3: Rents Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-2014	04	Rental Payment —Report the payment of unrecoupable rent for a lease
ONRR-2014	05	Advance Rental Credit —Report the payment of recoupable rent for a lease
ONRR-2014	25	Recoup Advance Rental Credit —Report a recoupment of a previously paid recoupable rent against net royalties paid
ONRR-4430 (P&R)	RENT	Rental Payment —Report the payment of unrecoupable rent for a lease
ONRR-4430 (P&R)	RCPRN	Advance Rental Credit —Report the payment of recoupable rent for a lease
ONRR-4430 (P&R)	RERNT	Recoup Advance Rental Credit —Report a recoupment of a previously paid recoupable rent against net royalties paid
Direct Billing	N/A	Rental Payment —Report the payment of unrecoupable rent for a lease
Direct Billing	N/A	Nominally-Deficient Rent
Direct Billing	N/A	Rental Recoupment —Report a recoupment of a previously paid recoupable rent against net royalties paid
Direct Billing	N/A	Right of Way Rent Assessment

Bonuses Paid to ONRR

Table B-4 outlines the transactions that comprise the Bonuses revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for bonuses should equal the amounts an in-scope company reported to ONRR on the respective forms during CY 2013 in addition to any invoices actually paid during CY 2013.

Table B-4: Bonuses Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-2014	67	Bonus Rentals—Deferred
ONRR-4430 (P&R)	DBONS	Bonus Rentals—Deferred
Direct Billing	N/A	Bonus Payment (Winning Bidder Only)
Direct Billing	N/A	Underpaid Deferred Bonus

Other Revenue Paid to ONRR

Table B-5 outlines the transactions that comprise the Other Revenue revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for other revenue should equal the amounts an in-scope company reported to ONRR on the respective forms during CY 2013 in addition to any invoices actually paid during CY 2013.

Table B-5: Other Revenue Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-2014	02	Minimum Royalty Payment—Report the minimum royalty payment for a lease
ONRR-2014	03	Estimated Royalty Payment—Report an estimated royalty payment
ONRR-2014	07	ONRR Settlement Agreement—Report royalty due on a contract settlement with ONRR
ONRR-2014	09	Production Fee Incentive
ONRR-2014	13	Quality Bank And Gravity Bank Adjustment—Report adjustments that reflect the difference in quality (gravity and/or sulfur) between the oil measured at the approved point of royalty settlement and the common stream quality of the pipeline
ONRR-2014	14	Tax Reimbursement Payment—Report the royalty on a tax reimbursement

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-2014	16	Well Fees —Report a flat fee payable periodically as specified in the lease agreement
ONRR-2014	17	Gas Storage Agreement—Flat Fee —Pay for storage of gas when the fee is a fixed amount or is based on the number of acres used to store gas
ONRR-2014	18	Gas Storage Agreement—Injection Fee —Report the fee for gas injected into a gas storage formation
ONRR-2014	19	Gas Storage Agreement—Withdrawal Fee —Report the fee for gas that was injected into and then withdrawn from a gas storage formation
ONRR-2014	21	Interest Amount Due ONRR —Report payor-calculated interest owed to ONRR
ONRR-2014	22	Interest Amount Owed To Payor —Report payor-calculated interest ONRR owes payor (for federal leases only)
ONRR-2014	31	Contract Settlements Payment —Report royalty due on contract settlement payments between you and a third party
ONRR-2014	32	Advance Royalty (Solids Coal Leases Only)
ONRR-2014	37	Royalties Due In Lieu Of Severance Tax —Report royalties due for leases subject to Section 6(A)(9) of the OCS Lands Act of 1953, as amended
ONRR-2014	38	Additional Royalty Due For OCSLA, Section (6)(A)(9) Leases —Report additional royalties of 1/32, 1/48, and 1/64 due under Section 6(a)(9) leases
ONRR-4430 (P&R)	ADVRY	Advance Royalty (Solids Coal Leases Only)
ONRR-4430 (P&R)	CONSP	Contract Settlements Payment —Report royalty due on contract settlement payments between you and a third party
ONRR-4430 (P&R)	MNROY	Minimum Royalty Payment —Report the minimum royalty payment for a lease
ONRR-4430 (P&R)	MRPIA	Minimum Royalty Payment —Report the minimum royalty payable in advance for a lease

Table B-5: Other Revenue Paid to ONRR (*continued*)

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
ONRR-4430 (P&R)	RCPMR	Recoup Minimum Royalty Paid In Advance —Report the recoupment of a previously paid advance minimum royalty
Direct Billing	N/A	Gas Storage Fee
Direct Billing	N/A	In Lieu of Production
Direct Billing	N/A	Interest Amount Due ONRR —Report payor-calculated interest owed to ONRR
Direct Billing	N/A	Interest Amount Owed To Payor —Report payor-calculated interest ONRR owes payor (for federal leases only)
Direct Billing	N/A	Interest – Late Invoice Payment – Sharable
Direct Billing	N/A	Liquid Damages
Direct Billing	N/A	Minimum Royalty —Report the minimum royalty for a lease
Direct Billing	N/A	Penalty Non-sharable
Direct Billing	N/A	Right of Use Easement
Direct Billing	N/A	Storage Fee
Direct Billing	N/A	Underpaid Advance Royalty
Direct Billing	N/A	Well Fee —Report a flat fee payable periodically as specified in the lease agreement
Direct Billing	N/A	Late Paid Royalty

Offshore Inspection Fees Paid to ONRR

Table B-6 outlines the transactions that comprise the Offshore Inspection Fees revenue stream. These fees are for annual inspections performed by BSEE. ONRR collects these amounts on behalf of BSEE through direct billing activity.

Table B-6: Offshore Inspection Fees Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
Direct Billing	N/A	Fees for annual inspections performed by BSEE on each offshore permanent structure and drilling rig that conducts drilling, completion, or workover operations

Civil Penalties Paid to ONRR

Table B-7 outlines the transactions that comprise the ONRR Civil Penalties revenue stream. Civil penalties issued by ONRR, BOEM, or BSEE are all collected by ONRR through direct billing activity.

Table B-7: Civil Penalties Paid to ONRR

Report Type	Transaction Code (ONRR-2014) or Submit Type Code (P&R)	Transaction Description
Direct Billing	N/A	ONRR Civil Penalties
Direct Billing	N/A	BOEM Civil Penalties
Direct Billing	N/A	BSEE Civil Penalties

Payments to Bureau of Land Management (BLM)

Bonus and First Year Rentals Paid to BLM

Table B-8 outlines the transactions that comprise the BLM Bonus and First Year Rentals revenue stream. We understand that companies generally make and record a payment to BLM of the bid amount (bonus) and the first year rental amount when awarded the winning bid on a lease. In-scope companies should report payments made only where the bid submitted was accepted as the winning bid. In-scope companies were instructed to exclude payments made for deposits where their bid did not win and BLM returned the deposit amount.

Although BLM subsequently transfers these payments of bonus and rent to ONRR, they are a separate revenue stream for USEITI. This separation better reflects how companies make and record these payments to government agencies.

Table B-8: Bonus and First Year Rentals Paid to BLM

Report Type	Transaction Code	Transaction Description
Form 3000-002	N/A	Payments made by the winning bidder of an onshore lease at a BLM lease sale

Permit Fees Paid to BLM

Table B-9 outlines the transactions that comprise the BLM Permit Fees revenue stream. These include amounts reported or paid to BLM on various forms. These fees include all types of permit fees paid to BLM, such as Application for Permit to Drill Fees, Mining Claim and Holding Fees, and any fees paid pursuant to the Mineral Leasing Act, etc.

Table B-9: Permit Fees Paid to BLM

Report Type	Transaction Code	Transaction Description
Form 3160-003	N/A	Application for Permit to Drill Fee – APD (O&G)
Form 3000-002, Form 3000-003, Form 3000-003a, or Form 3160-008	N/A	Processing Fees for Assignments/Record Title, Competitive/Non-Competitive Leases, Name Changes/Mergers, On Railroad R/W, Overriding Royalty Assignment, Reinstatements, Transfer Operating Rights, Closed Cases (O&G)
Notice of Intent to Abandon (NIA) or Subsequent Report Plug and Abandon (SRA) using Form 3160-005 or Form 3160-009	N/A	Incidents of Non-Compliance related to Abandonment, Drilling, Environmental, and Production Penalties (O&G)
Form 3400-012 or Form 3440-001	N/A	Processing Fees for Competitive Lease, Exploration License, Lease Modification, Logical Mining Unit Formation/Modification (Coal)
Form 3520-007 or Form 3600-009	N/A	Processing Fee and Bonds for Competitive/Non-Competitive Lease Sale (Mineral Materials)
Form 3520-007 or Form 3600-009	N/A	Sand and Gravel Sales (Mineral Materials)
Form 3830 or Form 3860	N/A	Mining Claim Fee—Not New (Locatable Minerals)
Form 3830 or Form 3861	N/A	New Mining Claim Location Fee \$34 (Locatable Minerals)
Form 3830 or Form 3862	N/A	New Mining Claim Maintenance Fee \$140 (Locatable Minerals)
Form 3830 or Form 3863	N/A	New Mining Claim Processing Fee (Locatable Minerals)
Form 3150-004 or Form 3150-008a	N/A	Oil Shale R&D Nominations Processing Fee (Locatable Minerals)

Renewable Fees Paid to BLM

Table B-10 outlines the transactions that comprise the BLM Renewable Fees revenue stream. The BLM collects these fees for various renewable projects through direct billing activities.

Table B-10: Renewable Fees Paid to BLM

Report Type	Transaction Code	Transaction Description
Direct Billing	N/A	Wind, Solar, and Biomass Project Fees

Payments to Office of Surface Mining, Reclamation and Enforcement (OSMRE)

AML Fees Paid to OSMRE

Table B-11 outlines the transactions that comprise the OSMRE AML Fees revenue stream. These include fees paid or reported to OSMRE quarterly on the OSM-1 Form. This also includes amounts paid for fees assessed from audits and any late charges incurred. Payments made to OSMRE may relate to activities on all land categories (federal, Indian, state, and fee).

Table B-11: AML Fees Paid to OSMRE

Report Type	Transaction Code	Transaction Description
OSM-1	N/A	Abandoned Mine Land (AML) Fees paid quarterly on coal tonnage reported on the Coal Reclamation Fee Report (OSM-1 Form) including AML Fees assessed from audits, as well as any late charges paid

Civil Penalties Paid to OSMRE

Table B-12 outlines the transactions that comprise the OSMRE Civil Penalties revenue stream. These include amounts paid directly to OSMRE from civil penalties assessed by OSMRE through direct billing activity. Payments made to OSMRE may relate to activities on all land categories (federal, Indian, state, and fee).

Table B-12: Civil Penalties Paid to OSMRE

Report Type	Transaction Code	Transaction Description
Direct Billing	N/A	Civil Penalties assessed on violations of the Surface Mining Control and Reclamation Act where OSMRE is the regulatory authority (Tennessee, Washington, and certain tribal lands) including any late charges paid

Payments to Internal Revenue Service (IRS)

Taxes Paid to the IRS

Table B-13 outlines the IRS cash payment transaction codes included in the Taxes revenue stream. These include all federal corporate income tax payments made to the IRS by a C-corporation and any tax refunds paid out by the IRS to the company. Amounts reported reflect a net amount of actual tax payments and tax refunds made or received during CY 2013, regardless of the period of activity to which the taxes relate. Additionally, the amount reported reflects total tax payments based on all of a company's income activities, not just those activities on federal lands. For in-scope companies that are not C-corporations, this revenue stream is not applicable.

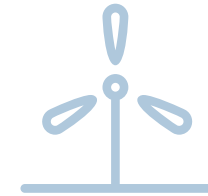
Table B-13: Taxes Paid to the IRS¹

Corporate Tax Payments and Refunds	
IRS Transaction Codes Tax Payments	Transaction Description
610	Remittance with Return
620	Initial Installment Payment, Form 7004
640	Advanced Payment of Determined Deficiency or Underreported Proposal
660	Estimated Tax – Federal Tax Deposit
670	Subsequent Payment
680	Designated Payment of Interest
690	Designated Payment of Penalty
720	Refund Repayment

IRS Transaction Codes Tax Refunds	Transaction Description
840	Manual Refund
841	Cancelled Refund Check Deposited
846	Refund of Overpayment

¹The MSG originally included two additional codes in the approved reporting guidelines: Code 770, *Credit Interest Due Taxpayer*, and Code 776, *Generated Interest Due on Overpayment*. These transactions result in a credit to the taxpayer's account, but do not indicate a transfer of funds between the US Department of the Treasury and the taxpayer. This issue was identified during the reconciliation process, and the MSG agreed these codes should be excluded from both IRS and company reporting.

For each code in Table B-13, there are associated reversal transaction codes identified by the IRS. These codes are 'reversals' or 'corrections' for the 11 accounting codes identified in table B-13. When a transaction is reversed, rather than zeroing out the original transaction, the IRS has a separate accounting code for each transaction. These codes are needed to correctly sum up the total corporate tax payments and refunds. All of the transaction codes, including the reversal codes, are included in the Form 8821 developed by the IRS for USEITI and provided to in-scope companies.



2015 Extractive Revenue Appendix

C

APPENDIX C: Reporting and Reconciliation Results Detail

APPENDIX C:

Reporting and Reconciliation Results Detail

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

The IA worked with in-scope companies and government entities to investigate discrepancies between company and government reports, and was able to identify explanations for all discrepancies.

The tables in this section contain the actual data received from the 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 Margin of Variance percentage threshold and 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” box will list “**DNP**,” which stands for **Did Not Participate**. If an in-scope company chose to participate in the USEITI by reporting some revenue

streams, but chose not to report an amount for a specific revenue stream, the “Total Reported by Company” box will list “**DNR**,” which stands for **Did Not Report**. For the Federal Corporate Income Taxes revenue stream, if corporate income taxes were not applicable because the in-scope company is not a C-corporation, the “Total Reported by Company” box will list “**N/A**,” which stands for **Not Applicable**.

The variance boxes for in-scope 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 in-scope companies that did not participate, the IA performed no procedures to examine or attempt to verify the amounts reported by the government entity.

Variances that exceed the Margin of Variance thresholds for the respective revenue stream are shown in **BOLD**.

ONRR—Royalties Results

ONRR—Royalties Margin of Variance: Abbreviation Key:
Variance Percentage Threshold: **1%** DNP: Did Not Participate
Variance Floor Threshold: **\$100,000** DNR: Did Not Report
N/A: Not Applicable

TABLE C-1: ONRR—Royalties Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$29,672,103	\$29,672,103	\$0	0.00%
Anadarko Petroleum Corporation	\$384,154,902	\$382,748,703	\$1,406,199	0.37%
ANKOR Energy LLC	\$58,091,785	\$56,708,700	\$1,383,085	2.38%
Apache Corporation	\$438,589,423	DNP	N/A	N/A
Arch Coal, Inc.	\$182,167,078	\$182,167,078	\$0	0.00%
Arena Energy, LLC	\$85,536,515	\$85,549,962	\$13,447	0.02%
BHP Billiton LTD	\$290,943,513	\$290,876,410	\$67,103	0.02%
BOPCO, LP	\$78,674,576	DNP	N/A	N/A
BP America	\$847,156,065	\$847,036,243	\$119,822	0.01%
Chevron Corporation	\$827,397,767	\$772,842,106	\$54,555,661	6.59%
Cimarex Energy Co.	\$67,020,156	\$67,020,148	\$8	0.00%
Cloud Peak Energy Resources, LLC	\$120,674,727	\$120,674,728	\$1	0.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$89,435,693	DNP	N/A	N/A
ConocoPhillips	\$261,150,468	\$262,682,834	\$1,532,366	0.59%
Continental Resources, Inc.	\$25,752,648	DNP	N/A	N/A

TABLE C-1: ONRR—Royalties Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Devon Energy Corporation	\$122,680,600	\$122,554,109	\$126,491	0.10%
Encana Corporation	\$158,698,597	DNP	N/A	N/A
Energy XXI	\$206,116,211	\$206,116,211	\$0	0.00%
EPL Oil & Gas, Inc.	\$106,133,424	\$105,996,710	\$136,714	0.13%
ENI Petroleum	\$105,748,539	\$105,748,539	\$0	0.00%
EOG Resources, Inc.	\$92,398,882	DNP	N/A	N/A
Exxon Mobil Corporation	\$474,509,808	\$474,364,629	\$145,179	0.03%
Fieldwood Energy LLC	\$47,608,965	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$312,946,187	\$312,946,187	\$0	0.00%
Hess Corporation	\$196,061,653	\$196,096,387	\$34,734	0.02%
Linn Energy, LLC	\$82,821,666	DNP	N/A	N/A
LLOG Exploration Company LLC	\$190,596,220	DNP	N/A	N/A
Marathon Oil Company	\$126,113,758	\$126,121,724	\$7,966	0.01%
Newfield Exploration Company	\$56,885,635	\$56,965,192	\$79,557	0.14%
Noble Energy, Inc.	\$96,060,667	\$95,768,855	\$291,812	0.30%
Oxy USA, Inc.	\$74,972,292	DNP	N/A	N/A
Peabody Energy Corporation	\$188,130,401	\$196,437,152	\$8,306,751	4.42%
QEP Resources, Inc.	\$95,653,947	DNP	N/A	N/A
Repsol E&P USA Inc.	\$43,988,033	\$43,988,033	\$0	0.00%
SandRidge Energy, Inc.	\$132,997,664	DNP	N/A	N/A
Shell E&P Company	\$737,334,054	\$737,334,054	\$0	0.00%
Statoil Gulf of Mexico	\$92,607,958	\$86,991,402	\$5,616,556	6.06%
Stone Energy Corporation	\$124,046,998	\$124,046,998	\$0	0.00%
Talos Energy LLC	\$65,725,741	DNP	N/A	N/A

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Ultra Resources Inc.	\$101,631,395	\$100,592,803	\$1,038,592	1.02%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$112,117,802	\$112,117,802	\$0	0.00%
Walter Oil & Gas Corporation	\$84,708,541	DNP	N/A	N/A
WPX Energy, Inc.	\$88,077,827	\$88,116,556	\$38,729	0.04%
TOTAL REVENUE	\$8,103,790,884	\$6,390,282,358		

ONRR—Royalties Variance Explanations

ANKOR ENERGY LLC: A variance of \$1,383,085 was identified for ANKOR Energy LLC for the ONRR Royalties revenue stream. Payment transactions totaling \$1,383,084 was shown as paid by ANKOR Energy LLC in 2012 but were recorded by ONRR in 2013. These transactions help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both ANKOR Energy LLC and ONRR.

CHEVRON CORPORATION: A variance of \$54,555,661 was identified for Chevron Corporation for the ONRR Royalties revenue stream. Payment transactions totaling \$54,318,974 were shown as paid by Chevron Corporation in December 2012 but were recorded by ONRR in 2013. These transactions help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Chevron Corporation and ONRR.

PEABODY ENERGY CORPORATION: A variance of \$8,306,751 was identified for Peabody Energy Corporation for the ONRR Royalties revenue stream. Payment transactions totaling \$8,300,214 were identified as reported by Peabody Energy Corporation in 2013 but were recorded by ONRR in 2014. These transactions help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Peabody Energy Corporation and ONRR.

STATOIL GULF OF MEXICO: A variance of \$5,616,556 was identified for Statoil Gulf of Mexico for the ONRR Royalties revenue stream. A payment transaction totaling \$5,520,487 was identified as paid by Statoil Gulf of Mexico in December 2013 but was recorded by ONRR in 2014. This transaction helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Statoil Gulf of Mexico and ONRR.

ULTRA RESOURCES INC.: A variance of \$1,038,592 was identified for Ultra Resources for the ONRR Royalties revenue stream. A payment for the amount of \$1,086,317 was identified as paid by Ultra Resources in December 2012 and recorded by ONRR in January 2013. Additionally, a payment for the amount of \$47,724 was identified as paid by Ultra Resources in December 2013 and recorded by ONRR as revenue in 2014. These payments help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Ultra Resources and ONRR.

ONRR—Rents Results

ONRR—Rents Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 2%	DNP: Did Not Participate
Variance Floor Threshold: \$50,000	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-2: ONRR—Rents Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$38,796	\$38,796	\$0	0.00%
Anadarko Petroleum Corporation	\$19,860,986	\$20,252,345	\$391,359	1.97%
ANKOR Energy LLC	\$177,490	\$193,970	\$16,480	9.29%
Apache Corporation	\$3,500,972	DNP	N/A	N/A
Arch Coal, Inc.	\$232,049	\$250,989	\$18,940	8.16%
Arena Energy, LLC	\$1,182,340	\$1,180,362	\$1,978	0.17%
BHP Billiton LTD	\$11,531,065	\$11,715,699	\$184,634	1.60%
BOPCO, LP	\$52,115	DNP	N/A	N/A
BP America	\$25,739,425	\$25,199,393	\$540,032	2.10%
Chevron Corporation	\$19,149,064	\$19,003,698	\$145,366	0.76%
Cimarex Energy Co.	\$45,254	\$47,972	\$2,718	6.01%
Cloud Peak Energy Resources, LLC	\$100,997	\$104,484	\$3,487	3.45%
Cobalt International Energy, Inc.	\$9,848,675	\$9,958,115	\$109,440	1.11%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Concho Resources, Inc.	\$100,167	DNP	N/A	N/A
ConocoPhillips	\$24,411,479	\$24,609,486	\$198,007	0.81%
Continental Resources, Inc.	\$96,131	DNP	N/A	N/A
Devon Energy Corporation	\$370,479	\$379,276	\$8,797	2.37%
Encana Corporation	\$960,140	DNP	N/A	N/A
Energy XXI	\$195,740	\$185,978	\$9,762	4.99%
EPL Oil & Gas, Inc.	\$378,149	\$349,766	\$28,383	7.51%
ENI Petroleum	\$6,765,903	\$6,765,903	\$0	0.00%
EOG Resources, Inc.	\$500,155	DNP	N/A	N/A
Exxon Mobil Corporation	\$16,978,503	\$17,005,977	\$27,474	0.16%
Fieldwood Energy LLC	\$4,482,901	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$4,285,169	\$4,066,778	\$218,391	5.10%
Hess Corporation	\$7,217,114	\$7,284,097	\$66,983	0.93%
Linn Energy, LLC	\$10,157	DNP	N/A	N/A
LLOG Exploration Company LLC	\$3,094,544	DNP	N/A	N/A
Marathon Oil Company	\$3,086,739	\$3,085,628	\$1,111	0.04%
Newfield Exploration Company	\$228,598	\$240,521	\$11,923	5.22%
Noble Energy, Inc.	\$4,467,818	\$4,415,783	\$52,035	1.16%
Oxy USA, Inc.	\$332,555	DNP	N/A	N/A
Peabody Energy Corporation	\$192,199	\$192,199	\$0	0.00%
QEP Resources, Inc.	\$463,665	DNP	N/A	N/A
Repsol E&P USA Inc.	\$5,699,607	\$5,699,607	\$0	0.00%
SandRidge Energy, Inc.	\$261,311	DNP	N/A	N/A
Shell E&P Company	\$26,648,489	\$26,570,830	\$77,659	0.29%

TABLE C-2: ONRR—Rents Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Statoil Gulf of Mexico	\$10,173,404	\$10,007,698	\$165,706	1.63%
Stone Energy Corporation	\$3,862,272	\$3,862,032	\$240	0.01%
Talos Energy LLC	\$1,664,388	DNP	N/A	N/A
Ultra Resources Inc.	\$8,699	\$8,021	\$678	7.79%
Venari Offshore LLC	\$633,600	\$633,600	\$0	0.00%
W&T Offshore, Inc.	\$2,923,574	\$2,923,574	\$0	0.00%
Walter Oil & Gas Corporation	\$1,061,006	DNP	N/A	N/A
WPX Energy, Inc.	\$154,045	\$123,452	\$30,593	19.86%
TOTAL REVENUE	\$223,167,928	\$206,356,029		

ONRR – Rents Variance Explanations

BP AMERICA: A variance of \$540,032 was identified for BP America for the ONRR Rents revenue stream. A payment for the amount of \$711,360 was shown as paid by BP America in December 2012, and a payment of \$711,360 was recorded by ONRR as revenue in December 2013. This payment helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both BP America and ONRR.

FREEPORT-MCMORAN INC.: A variance of \$218,391 was identified for Freeport McMoRan Inc. for the ONRR Rents revenue stream. This difference is due to how Freeport McMoRan Inc. records rental payment transactions in their accounting system differently than how ONRR records transactions. This different accounting method (lumping of rents and bonuses) helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Freeport McMoRan Inc. and ONRR.

ONRR—Bonuses Results

ONRR—Bonuses Margin of Variance:
 Variance Percentage Threshold: **2%**
 Variance Floor Threshold: **\$100,000**

Abbreviation Key:
 DNP: **Did Not Participate**
 DNR: **Did Not Report**
 N/A: **Not Applicable**

TABLE C-3: ONRR— Bonuses Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$42,129,612	\$42,129,612	\$0	0.00%
Anadarko Petroleum Corporation	\$49,651,028	\$49,808,312	\$157,284	0.32%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$33,478,000	DNP	N/A	N/A
Arch Coal, Inc.	\$60,000,202	\$60,000,202	\$0	0.00%
Arena Energy, LLC	\$1,307,000	\$1,307,000	\$0	0.00%
BHP Billiton LTD	\$121,705,398	\$123,566,486	\$1,861,088	1.53%
BOPCO, LP	\$0	DNP	N/A	N/A
BP America	\$0	\$0	\$0	0.00%
Chevron Corporation	\$101,636,143	\$101,636,143	\$0	0.00%
Cimarex Energy Co.	\$0	\$0	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$79,026,630	\$79,026,631	\$1	0.00%
Cobalt International Energy, Inc.	\$54,536,650	\$54,536,650	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$131,941,971	\$131,781,972	\$159,999	0.12%
Continental Resources, Inc.	\$0	DNP	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$302,242	\$302,242	\$0	0.00%

TABLE C-3: ONRR—Bonuses Results (continued)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
EPL Oil & Gas, Inc.	\$2,143,100	\$2,205,358	\$62,258	2.91%
ENI Petroleum	\$4,023,000	\$4,023,000	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$226,166,445	\$224,984,045	\$1,182,400	0.52%
Fieldwood Energy LLC	\$26,208,867	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$83,880,250	\$83,873,645	\$6,605	0.01%
Hess Corporation	\$4,000,000	\$4,000,000	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$125,091,801	DNP	N/A	N/A
Marathon Oil Company	\$32,802,916	\$32,802,916	\$0	0.00%
Newfield Exploration Company	\$4,180	\$0	\$4,180	100.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%
Oxy USA, Inc.	\$190,982	DNP	N/A	N/A
Peabody Energy Corporation	\$276,773,916	\$276,773,916	\$0	0.00%
QEP Resources, Inc.	\$23,710	DNP	N/A	N/A
Repsol E&P USA Inc.	\$611,351	\$611,351	\$0	0.00%
SandRidge Energy, Inc.	\$458,360	DNP	N/A	N/A
Shell E&P Company	\$142,229,840	\$142,619,480	\$389,640	0.27%
Statoil Gulf of Mexico	\$106,091,454	\$106,091,454	\$0	0.00%
Stone Energy Corporation	\$17,802,096	\$17,802,096	\$0	0.00%
Talos Energy LLC	\$0	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$67,811,424	\$67,811,424	\$0	0.00%
W&T Offshore, Inc.	\$392,000	\$392,000	\$0	0.00%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Walter Oil & Gas Corporation	\$2,822,500	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$1,795,243,068	\$1,608,085,935		

ONRR—Bonuses Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

ONRR—Other Revenue Results

ONRR—Other Revenue Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 3%	DNP: Did Not Participate
Variance Floor Threshold: \$50,000	DNR: Did Not Report
	DNA: Did Not Allow
	N/A: Not Applicable

TABLE C-4: ONRR—Other Revenue Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%
Anadarko Petroleum Corporation	\$3,159,531	\$3,143,781	\$15,750	0.50%
ANKOR Energy LLC	(\$12,222)	(\$19,657)	\$7,435	60.83%
Apache Corporation	\$2,595,866	DNP	N/A	N/A
Arch Coal, Inc.	\$3,583,453	\$3,583,453	\$0	0.00%
Arena Energy, LLC	\$81,422	\$81,908	\$486	0.60%
BHP Billiton LTD	\$190,198	\$192,928	\$2,730	1.44%
BOPCO, LP	\$32,680	DNP	N/A	N/A
BP America	\$3,004,327	\$2,943,014	\$61,313	2.04%

TABLE C-4: ONRR—Other Revenue Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Chevron Corporation	\$3,164,566	\$3,158,448	\$6,118	0.19%
Cimarex Energy Co.	\$3,711,779	\$3,712,145	\$366	0.01%
Cloud Peak Energy Resources, LLC	\$214	\$0	\$214	100.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	(\$108,215)	DNP	N/A	N/A
ConocoPhillips	\$2,632,282	\$2,914,786	\$282,504	10.73%
Continental Resources, Inc.	\$29,792	DNP	N/A	N/A
Devon Energy Corporation	\$2,580,410	\$2,504,376	\$76,034	2.95%
Encana Corporation	\$4,280,944	DNP	N/A	N/A
Energy XXI	\$1,984,809	\$1,954,584	\$30,225	1.52%
EPL Oil & Gas, Inc.	\$2,099,041	\$2,115,823	\$16,782	0.80%
ENI Petroleum	(\$803,695)	(\$803,695)	\$0	0.00%
EOG Resources, Inc.	\$797,477	DNP	N/A	N/A
Exxon Mobil Corporation	\$24,422,341	\$13,190,341	\$11,232,000	45.99%
Fieldwood Energy LLC	\$507,387	DNP	N/A	N/A
Freeport-McMoRan Inc.	(\$264,552)	(\$288,024)	\$23,472	8.87%
Hess Corporation	\$1,025,053	\$1,042,464	\$17,411	1.70%
Linn Energy, LLC	\$552,525	DNP	N/A	N/A
LLOG Exploration Company LLC	(\$134,548)	DNP	N/A	N/A
Marathon Oil Company	\$432,879	\$412,358	\$20,521	4.74%
Newfield Exploration Company	\$1,737,830	\$1,733,496	\$4,334	0.25%
Noble Energy, Inc.	(\$1,927,906)	(\$1,945,151)	\$17,245	0.89%
Oxy USA, Inc.	(\$24,291)	DNP	N/A	N/A
Peabody Energy Corporation	\$337,707	\$336,597	\$1,110	0.33%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
QEP Resources, Inc.	(\$329,129)	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	(\$2,277,445)	DNP	N/A	N/A
Shell E&P Company	\$615,584	\$608,954	\$6,630	1.08%
Statoil Gulf of Mexico	(\$385,042)	(\$389,316)	\$4,274	1.11%
Stone Energy Corporation	\$2,525,739	\$2,525,739	\$0	0.00%
Talos Energy LLC	(\$882,726)	DNP	N/A	N/A
Ultra Resources Inc.	\$671,847	\$677,785	\$5,938	0.88%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$1,765,934	\$1,765,934	\$0	0.00%
Walter Oil & Gas Corporation	(\$3,386,358)	DNP	N/A	N/A
WPX Energy, Inc.	\$1,183,618	\$1,214,944	\$31,376	2.65%
TOTAL REVENUE	\$59,171,106	\$46,368,065		

ONRR— Other Revenue Variance Explanations

EXXON MOBIL CORPORATION: A variance of \$11,232,000 was identified for Exxon Mobil Corporation for the ONRR Other Revenue revenue stream. A payment for the amount of \$11,232,000 was shown as paid by Exxon Mobil Corporation in December 2012, and a payment of \$11,232,000 was recorded by ONRR as revenue in January 2013. The IA confirmed the explanation for this variance with both Exxon Mobil Corporation and ONRR.

CONOCOPHILLIPS: A variance of \$282,504 was identified for ConocoPhillips for the ONRR Other Revenues revenue stream. Two payments for the amount of \$280,655 were identified as paid by ConocoPhillips in 2013 and recorded by ONRR in January 2014. These payments help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both ConocoPhillips and ONRR.

ONRR—Offshore Inspection Fee Results

ONRR—Offshore Inspection Fees Margin of Variance:

Variance Percentage Threshold: **2%**

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

Abbreviation Key:

DNP: **Did Not Participate**

DNR: **Did Not Report**

N/A: **Not Applicable**

TABLE C-5: ONRR—Offshore Inspection Fees Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%
Anadarko Petroleum Corporation	\$2,213,500	\$2,122,000	\$91,500	4.13%
ANKOR Energy LLC	\$1,049,300	\$1,049,300	\$0	0.00%
Apache Corporation	\$122,000	DNP	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%
Arena Energy, LLC	\$2,030,000	\$2,030,000	\$0	0.00%
BHP Billiton LTD	\$505,980	\$506,128	\$148	0.03%
BOPCO, LP	\$0	DNP	N/A	N/A
BP America	\$1,944,000	\$1,944,000	\$0	0.00%
Chevron Corporation	\$7,394,900	\$7,364,400	\$30,500	0.41%
Cimarex Energy Co.	\$134,800	\$134,800	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%
Cobalt International Energy, Inc.	\$335,500	\$335,500	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$322,000	\$352,500	\$30,500	9.47%
Continental Resources, Inc.	\$0	DNP	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$684,700	\$684,700	\$0	0.00%
EPL Oil & Gas, Inc.	\$588,400	\$605,100	\$16,700	2.84%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
ENI Petroleum	\$1,185,500	\$1,185,500	\$0	0.00%
EOG Resources, Inc.	\$10,500	DNP	N/A	N/A
Exxon Mobil Corporation	\$850,000	\$839,500	\$10,500	1.24%
Fieldwood Energy LLC	\$7,572,400	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$2,128,285	\$2,098,756	\$29,529	1.39%
Hess Corporation	\$885,500	\$885,000	\$500	0.06%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$904,800	DNP	N/A	N/A
Marathon Oil Company	\$123,000	\$123,000	\$0	0.00%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$213,500	\$183,000	\$30,500	14.29%
Oxy USA, Inc.	\$0	DNP	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$2,805,399	DNP	N/A	N/A
Shell E&P Company	\$3,742,000	\$3,742,000	\$0	0.00%
Statoil Gulf of Mexico	\$152,500	\$152,500	\$0	0.00%
Stone Energy Corporation	\$2,051,200	\$2,051,200	\$0	0.00%
Talos Energy LLC	\$1,185,000	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$651,500	\$651,500	\$0	0.00%
Walter Oil & Gas Corporation	\$581,400	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$42,367,564	\$29,040,384		

ONRR—Offshore Inspection Fees Variance Explanations

ANADARKO PETROLEUM CORPORATION: A variance of \$91,500 was identified for Anadarko Petroleum Corporation for the ONRR Offshore Inspection Fees revenue stream. A payment for the amount of \$91,500 was shown as paid by Anadarko Petroleum Corporation in December 2012, and a payment of \$91,500 was recorded by ONRR as revenue in 2013. This payment helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Anadarko Petroleum Corporation and ONRR.

CONOCOPHILLIPS: A variance of \$30,500 was identified for ConocoPhillips for the ONRR Offshore Inspection Fees revenue stream. A payment for the amount of \$17,000 was identified as paid by ConocoPhillips in December 2013 and recorded by ONRR in 2014. This payment helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both ConocoPhillips and ONRR.

NOBLE ENERGY, INC.: A variance of \$30,500 was identified for Noble Energy, Inc. for the ONRR Offshore Inspection Fees revenue stream. A payment for the amount of \$31,500 was shown as paid by Noble Energy, Inc. in December 2012, and a payment of \$31,500 was recorded by ONRR as revenue in 2013. This payment helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Noble Energy, Inc. and ONRR.

ONRR—Civil Penalties Results

ONRR—Civil Penalties Margin of Variance:

Variance Percentage Threshold: **1%**

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

Abbreviation Key:

DNP: **Did Not Participate**

DNR: **Did Not Report**

N/A: **Not Applicable**

TABLE C-6: ONRR—Civil Penalties Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%
Anadarko Petroleum Corporation	\$50,000	\$50,000	\$0	0.00%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$0	DNP	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%
Arena Energy, LLC	\$90,000	\$90,000	\$0	0.00%
BHP Billiton LTD	\$0	\$0	\$0	0.00%
BOPCO, LP	\$0	DNP	N/A	N/A
BP America	\$60,000	\$60,000	\$0	0.00%
Chevron Corporation	\$40,000	\$40,000	\$0	0.00%
Cimarex Energy Co.	\$327,450	\$327,450	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%
Continental Resources, Inc.	\$0	DNP	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$40,000	\$40,000	\$0	0.00%

TABLE C-6: ONRR—Civil Penalties Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
EPL Oil & Gas, Inc.	\$33,000	\$33,000	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$0	\$0	\$0	0.00%
Fieldwood Energy LLC	\$695,000	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$84,750	\$84,750	\$0	0.00%
Hess Corporation	\$0	\$0	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%
Oxy USA, Inc.	\$0	DNP	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$780,300	DNP	N/A	N/A
Shell E&P Company	\$0	\$0	\$0	0.00%
Statoil Gulf of Mexico	\$0	\$0	\$0	0.00%
Stone Energy Corporation	\$35,000	\$35,000	\$0	0.00%
Talos Energy LLC	\$75,000	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$210,000	\$210,000	\$0	0.00%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$214	\$214	100.00%
TOTAL REVENUE	\$2,520,500	\$970,414		

ONRR—Civil Penalties Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

BLM—Bonus and First Year Rentals Results

BLM—Bonus & First Year Rentals Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 2%	DNP: Did Not Participate
Variance Floor Threshold: \$10,000	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-7: BLM—Bonus and First Year Rentals Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%
Anadarko Petroleum Corporation	\$268,065	\$267,723	\$342	0.13%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$0	DNP	N/A	N/A
Arch Coal, Inc.	\$440,313	\$440,313	\$0	0.00%
Arena Energy, LLC	\$0	\$0	\$0	0.00%
BHP Billiton LTD	\$0	\$0	\$0	0.00%
BOPCO, LP	\$6,432,000	DNP	N/A	N/A

TABLE C-7: BLM—Bonus and First Year Rentals Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
BP America	\$0	\$0	\$0	0.00%
Chevron Corporation	\$0	\$0	\$0	0.00%
Cimarex Energy Co.	\$8,266,400	\$8,268,117	\$1,717	0.02%
Cloud Peak Energy Resources, LLC	\$0	\$3,614	\$3,614	100.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$117,347	\$117,347	\$0	0.00%
Continental Resources, Inc.	\$26,499,990	DNP	N/A	N/A
Devon Energy Corporation	\$10,889,200	\$10,889,200	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$0	\$0	\$0	0.00%
EPL Oil & Gas, Inc.	\$0	\$0	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$903,700	\$903,700	\$0	0.00%
Fieldwood Energy LLC	\$176,600	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%
Hess Corporation	\$0	\$0	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$4,391,750	\$4,394,447	\$2,697	0.06%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%
Oxy USA, Inc.	\$89,305	DNP	N/A	N/A
Peabody Energy Corporation	\$475,590	\$475,590	\$0	0.00%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$0	DNP	N/A	N/A
Shell E&P Company	\$673,069	\$661,319	\$11,750	1.75%
Statoil Gulf of Mexico	\$0	\$0	\$0	0.00%
Stone Energy Corporation	\$0	\$0	\$0	0.00%
Talos Energy LLC	\$0	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$59,623,329	\$26,421,370		

BLM—Bonus and First Year Rentals Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

BLM—Permit Fees Results

BLM—Permit Fees Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 3%	DNP: Did Not Participate
Variance Floor Threshold: \$10,000	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-8: BLM—Permit Fees Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$50,749	\$50,749	\$0	0.00%
Anadarko Petroleum Corporation	\$2,696,255	\$2,704,823	\$8,568	0.32%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$450,253	DNP	N/A	N/A
Arch Coal, Inc.	\$734	\$734	\$0	0.00%
Arena Energy, LLC	\$0	\$0	\$0	0.00%
BHP Billiton LTD	\$92,644	\$92,644	\$0	0.00%
BOPCO, LP	\$378,214	DNP	N/A	N/A
BP America	\$130,935	\$130,500	\$435	0.33%
Chevron Corporation	\$218,878	\$215,043	\$3,835	1.75%
Cimarex Energy Co.	\$1,075,805	\$1,121,342	\$45,537	4.23%
Cloud Peak Energy Resources, LLC	\$222,366	\$218,752	\$3,614	1.63%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$887,802	DNP	N/A	N/A
ConocoPhillips	\$659,300	\$851,500	\$192,200	29.15%
Continental Resources, Inc.	\$303,460	DNP	N/A	N/A
Devon Energy Corporation	\$1,605,762	\$1,602,291	\$3,471	0.22%
Encana Corporation	\$2,041,480	DNP	N/A	N/A
Energy XXI	\$0	\$0	\$0	0.00%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
EPL Oil & Gas, Inc.	\$0	\$0	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$809,140	DNP	N/A	N/A
Exxon Mobil Corporation	\$910,679	\$887,250	\$23,429	2.57%
Fieldwood Energy LLC	\$0	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$2,203,711	\$2,185,400	\$18,311	0.83%
Hess Corporation	\$76,701	\$75,000	\$1,701	2.22%
Linn Energy, LLC	\$2,488,643	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$159,515	\$156,000	\$3,515	2.20%
Newfield Exploration Company	\$2,307,330	\$2,073,500	\$233,830	10.13%
Noble Energy, Inc.	\$62,399	\$86,115	\$23,716	38.01%
Oxy USA, Inc.	\$803,490	DNP	N/A	N/A
Peabody Energy Corporation	\$3,217	\$10,305	\$7,088	220.33%
QEP Resources, Inc.	\$1,967,395	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$13,000	DNP	N/A	N/A
Shell E&P Company	\$22,247	\$19,537	\$2,710	12.18%
Statoil Gulf of Mexico	\$104,335	\$104,335	\$0	0.00%
Stone Energy Corporation	\$3,315	\$1,780	\$1,535	46.30%
Talos Energy LLC	\$0	DNP	N/A	N/A
Ultra Resources Inc.	\$1,079,450	\$1,072,950	\$6,500	0.60%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$1,600,395	\$1,599,000	\$1,395	0.09%
TOTAL REVENUE	\$25,429,599	\$15,259,550		

BLM—Permit Fees Variance Explanations

CIMAREX ENERGY CO.: A variance of \$45,537 was identified for Cimarex Energy for the BLM Permit Fees revenue stream. Five payments totaling \$32,500 were identified as paid by Cimarex Energy in December 2013 and recorded by BLM in 2014. These payments help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Cimarex Energy and BLM.

CONOCOPHILLIPS: A variance of \$192,200 was identified for ConocoPhillips for the BLM Permit Fees revenue stream. Payments totaling \$240,500 were identified as paid by ConocoPhillips in December 2013 and recorded by BLM in 2014. These payments help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both ConocoPhillips and BLM.

NEWFIELD EXPLORATION COMPANY: A variance of \$233,830 was identified for Newfield Exploration Company for the BLM Permit Fees revenue stream. BLM included revenue for permit fees that they collected for activity they administered on multiple tribal leases. However, Newfield did not include this revenue as it was not for federal leases. BLM indicated that they believe this is federal revenue because they do not pass it on to the tribes for the work they do to administer activities on the lands, and therefore should be reported as such. This helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Newfield Exploration Company and BLM.

NOBLE ENERGY, INC.: A variance of \$23,716 was identified for Noble Energy, Inc. for the BLM Permit Fees revenue stream. A payment for the amount of \$19,500 was identified as paid by Noble Energy, Inc. in 2013 but recorded by BLM in 2014. This payment helps to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with both Noble Energy, Inc. and BLM.

BLM—Renewables Results

BLM—Renewables Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: N/A	DNP: Did Not Participate
Variance Floor Threshold: N/A	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-9: BLM—Renewables Results

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

TABLE C-9: BLM—Renewables Results (continued)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
EPL Oil & Gas, Inc.	\$0	\$0	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$0	\$0	\$0	0.00%
Fieldwood Energy LLC	\$0	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%
Hess Corporation	\$0	\$0	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%
Oxy USA, Inc.	\$0	DNP	N/A	N/A
Peabody Energy Corporation	\$0	\$0	\$0	0.00%
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$0	DNP	N/A	N/A
Shell E&P Company	\$0	\$0	\$0	0.00%
Statoil Gulf of Mexico	\$0	\$0	\$0	0.00%
Stone Energy Corporation	\$0	\$0	\$0	0.00%
Talos Energy LLC	\$0	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$0	\$0		

BLM—Renewables Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

OSMRE—AML Fees Results

OSMRE—AML Fees Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 2%	DNP: Did Not Participate
Variance Floor Threshold: \$100,000	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-10: OSMRE—AML Fees Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$19,128,754	\$19,322,861	\$194,107	1.01%
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$0	DNP	N/A	N/A
Arch Coal, Inc.	\$34,025,339	\$34,025,339	\$0	0.00%
Arena Energy, LLC	\$0	\$0	\$0	0.00%
BHP Billiton LTD	\$2,895,555	\$2,895,555	\$0	0.00%
BOPCO, LP	\$0	DNP	N/A	N/A
BP America	\$0	\$0	\$0	0.00%
Chevron Corporation	\$0	\$0	\$0	0.00%
Cimarex Energy Co.	\$0	\$0	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$24,335,853	\$24,335,853	\$0	0.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%

TABLE C-10: OSMRE—AML Fees Results (*continued*)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Continental Resources, Inc.	\$0	DNP	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$0	\$0	\$0	0.00%
EPL Oil & Gas, Inc.	\$0	\$0	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$0	\$0	\$0	0.00%
Fieldwood Energy LLC	\$0	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%
Hess Corporation	\$0	\$0	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%
Oxy USA, Inc.	\$0	DNP	N/A	N/A
Peabody Energy Corporation	\$48,492,478	\$48,532,180	\$39,702	0.08%
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$0	DNP	N/A	N/A
Shell E&P Company	\$0	\$0	\$0	0.00%
Statoil Gulf of Mexico	\$0	\$0	\$0	0.00%
Stone Energy Corporation	\$0	\$0	\$0	0.00%
Talos Energy LLC	\$0	DNP	N/A	N/A

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$128,877,979	\$129,111,788		

OSMRE—AML Fees Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

OSMRE—Civil Penalties Margin of Variance Results

OSMRE—Civil Penalties Margin of Variance:	Abbreviation Key:
Variance Percentage Threshold: 3%	DNP: Did Not Participate
Variance Floor Threshold: N/A	DNR: Did Not Report
	N/A: Not Applicable

TABLE C-11: OSMRE—Civil Penalties Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Alpha Natural Resources, Inc.	\$0	\$0	\$0	0.00%
Anadarko Petroleum Corporation	\$0	\$0	\$0	0.00%
ANKOR Energy LLC	\$0	\$0	\$0	0.00%
Apache Corporation	\$0	DNP	N/A	N/A
Arch Coal, Inc.	\$0	\$0	\$0	0.00%
Arena Energy, LLC	\$0	\$0	\$0	0.00%

TABLE C-11: OSMRE—Civil Penalties Results (continued)

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
BHP Billiton LTD	\$0	\$0	\$0	0.00%
BOPCO, LP	\$0	DNP	N/A	N/A
BP America	\$0	\$0	\$0	0.00%
Chevron Corporation	\$13,680	\$13,680	\$0	0.00%
Cimarex Energy Co.	\$0	\$0	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$0	\$0	\$0	0.00%
Cobalt International Energy, Inc.	\$0	\$0	\$0	0.00%
Concho Resources, Inc.	\$0	DNP	N/A	N/A
ConocoPhillips	\$0	\$0	\$0	0.00%
Continental Resources, Inc.	\$0	DNP	N/A	N/A
Devon Energy Corporation	\$0	\$0	\$0	0.00%
Encana Corporation	\$0	DNP	N/A	N/A
Energy XXI	\$0	\$0	\$0	0.00%
EPL Oil & Gas, Inc.	\$0	\$0	\$0	0.00%
ENI Petroleum	\$0	\$0	\$0	0.00%
EOG Resources, Inc.	\$0	DNP	N/A	N/A
Exxon Mobil Corporation	\$0	\$0	\$0	0.00%
Fieldwood Energy LLC	\$0	DNP	N/A	N/A
Freeport-McMoRan Inc.	\$0	\$0	\$0	0.00%
Hess Corporation	\$0	\$0	\$0	0.00%
Linn Energy, LLC	\$0	DNP	N/A	N/A
LLOG Exploration Company LLC	\$0	DNP	N/A	N/A
Marathon Oil Company	\$0	\$0	\$0	0.00%
Newfield Exploration Company	\$0	\$0	\$0	0.00%
Noble Energy, Inc.	\$0	\$0	\$0	0.00%

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
Oxy USA, Inc.	\$0	DNP	N/A	N/A
Peabody Energy Corporation	\$2,760	\$2,760	\$0	0.00%
QEP Resources, Inc.	\$0	DNP	N/A	N/A
Repsol E&P USA Inc.	\$0	\$0	\$0	0.00%
SandRidge Energy, Inc.	\$0	DNP	N/A	N/A
Shell E&P Company	\$0	\$0	\$0	0.00%
Statoil Gulf of Mexico	\$0	\$0	\$0	0.00%
Stone Energy Corporation	\$0	\$0	\$0	0.00%
Talos Energy LLC	\$0	DNP	N/A	N/A
Ultra Resources Inc.	\$0	\$0	\$0	0.00%
Venari Offshore LLC	\$0	\$0	\$0	0.00%
W&T Offshore, Inc.	\$0	\$0	\$0	0.00%
Walter Oil & Gas Corporation	\$0	DNP	N/A	N/A
WPX Energy, Inc.	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$16,440	\$16,440		

OSMRE—Civil Penalties Variance Explanations

There are no reconciliation variances above the Margin of Variance thresholds for this revenue stream.

IRS—Federal Corporate Income Tax Reporting Results

Abbreviation Key:
DNP: Did Not Participate
DNR: Did Not Report
N/A: Not Applicable

TABLE C-12: IRS—Federal Corporate Income Tax Reporting Results

In-Scope Company	Total Reported by Company
Alpha Natural Resources, Inc.	DNR
Anadarko Petroleum Corporation	DNR
ANKOR Energy LLC	N/A
Apache Corporation	DNP
Arch Coal, Inc.	DNR
Arena Energy, LLC	N/A
BHP Billiton LTD	DNR
BOPCO, LP	DNP
BP America	\$85,000,000
Chevron Corporation	DNR
Cimarex Energy Co.	(\$427,025)
Cloud Peak Energy Resources, LLC	\$9,500,000
Cobalt International Energy, Inc.	DNR
Concho Resources, Inc.	DNP
ConocoPhillips	DNR
Continental Resources, Inc.	DNP
Devon Energy Corporation	DNR
Encana Corporation	DNP
Energy XXI	DNR

In-Scope Company	Total Reported by Company
EPL Oil & Gas, Inc.	\$196,424
ENI Petroleum	\$19,674
EOG Resources, Inc.	DNP
Exxon Mobil Corporation	DNR
Fieldwood Energy LLC	DNP
Freeport-McMoRan Inc.	\$135,071,332
Hess Corporation	DNR
Linn Energy, LLC	DNP
LLOG Exploration Company LLC	DNP
Marathon Oil Company	DNR
Newfield Exploration Company	DNR
Noble Energy, Inc.	DNR
Oxy USA, Inc.	DNP
Peabody Energy Corporation	DNR
QEP Resources, Inc.	DNP
Repsol E&P USA Inc.	N/A
SandRidge Energy, Inc.	DNP
Shell E&P Company	(\$60,000,000)
Statoil Gulf of Mexico	DNR
Stone Energy Corporation	(\$15,102,744)
Talos Energy LLC	DNP
Ultra Resources Inc.	\$7,500,000
Venari Offshore LLC	N/A
W&T Offshore, Inc.	\$56,125,879
Walter Oil & Gas Corporation	DNP
WPX Energy, Inc.	(\$27,500,000)
TOTAL REVENUE	\$190,383,540

IRS—Federal Corporate Income Tax Reconciliation Results

IRS—Federal Corporate Income Tax Margin of Variance:

Variance Percentage Threshold: **1%**

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

TABLE C-13: IRS—Federal Corporate Income Tax Reconciliation Results

In-Scope Company	Total Reported by Government Entity	Total Reported by Company	Variance Amount (\$)	Variance Percentage (%)
BP America	\$85,000,000	\$85,000,000	\$0	0.00%
Cimarex Energy Co.	(\$427,025)	(\$427,025)	\$0	0.00%
Cloud Peak Energy Resources, LLC	\$9,500,000	\$9,500,000	\$0	0.00%
Shell E&P Company	(\$66,297,360)	(\$60,000,000)	\$6,297,360	9.50%
W&T Offshore, Inc.	\$56,125,879	\$56,125,879	\$0	0.00%

IRS—Federal Corporate Income Tax Variance Explanations

SHELL E&P COMPANY: A variance of \$6,297,360 was identified for Shell E&P Company for the Federal Corporate Income Taxes revenue stream. Payment transactions for tax refunds totaling \$6,345,527 were shown as paid by the IRS in December 2013 but were recorded by Shell E&P Company in January 2014. These transactions help to explain why a variance exists between the reported numbers. The IA confirmed the explanation for this variance with Shell E&P Company.



2015 Extractive Revenue Appendix

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