

## Department of the Interior Departmental Manual

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**Series:** Organization

**Part 112:** Policy, Management and Budget

**Chapter 34:** Office of Natural Resources Revenue

**Originating Office:** Office of Natural Resources Revenue

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### 112 DM 34

**34.1 Office of Natural Resources Revenue.** The Office of Natural Resources Revenue (ONRR) is responsible for the efficient, timely, and accurate collection and disbursement of royalty payments, net profit shares, rentals, bonuses, interest, other fees, fines, penalties, assessments, and other revenue due to the Federal Government, Indian tribes and individual Indian mineral owners, states, and other recipients prescribed by law. These revenues originate from the leasing and production of natural resources and energy from Federal and Indian lands onshore and on the Outer Continental Shelf. ONRR, through its Director, also issues decisions on appeals of orders issued by ONRR.

#### 34.2 Authorities.

- A. Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181-287).
- B. Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-360).
- C. Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1028).
- D. Indian Mineral Leasing Act of 1938 (25 U.S.C. 396a-g).
- E. Act of March 3, 1909 (35 Stat. 783, 25 U.S.C. 396).
- F. Indian Mineral Development Act of 1982 (25 U.S.C. 2101-2108).
- G. Right of Way Leasing Act of 1930 (30 U.S.C. 301-306).
- H. Debt Collection Act of 1982 (Pub. L. No. 97-365, 96 Stat. 1749), as amended by the Debt Collection Improvement Act (31 U.S.C. 3701-3720E).
- I. Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1331-1356a).
- J. Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a).

- K. R.S. 2276, as amended (43 U.S.C. 852).
  - L. Interior Department Appropriations Act of 1952 (65 Stat. 248, 252).
  - M. Act of March 4, 1917 (16 U.S.C. 520) and section 402 of Reorganization Plan No. 3 of 1946 (5 U.S.C. 903 note).
  - N. Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701-1759), as amended by the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (Pub. L. No. 104-185, 110 Stat. 1700, as corrected by Pub. L. 104-200, 110 Stat. 2421).
  - O. Energy Policy Act of 2005 (Pub. L. No. 109-58, 119 Stat. 594, codified, as amended, in scattered sections of the U.S. Code).
  - P. Gulf of Mexico Energy Security Act of 2006 (Pub. L. No. 109-432, 120 Stat. 3000, 43 U.S.C. 1331 note).
  - Q. Act of June 28, 1906 (34 Stat. 539), as amended.
  - R. Any other statutes establishing royalty and other payments owed pursuant to Federal and Indian leases, easements, and rights-of-way.
- 34.3 **Mission.** For the benefit of all Americans, ONRR collects, accounts for, and verifies natural resource and energy revenues due to states, American Indians, and the U.S. Treasury.
- 34.4 **Functions.** ONRR collects and disburses mineral leasing and alternative energy project revenue due to Indian tribes and individual Indian mineral owners, states, other recipients prescribed by law, and the U. S. Treasury. To carry out these responsibilities, ONRR performs the following functions:
- A. Ensures proper payment and disbursement of revenues from offshore and onshore mineral and energy-producing properties including Indian and Federal oil, gas, coal, solid mineral, and geothermal and other renewable energy leases.
  - B. Ensures industry compliance with revenue-related statutes, regulations, orders, and lease terms; collects revenues from rights-of-way and other conveyances; and conducts or coordinates all enforcement processes related to revenue collection.
  - C. Conducts mineral and energy revenue audits and reviews in compliance with applicable professional standards and best practices.
  - D. Works in partnership with tribal and state governments to conduct audits and reviews, and to identify effective and efficient methods for assuring industry compliance.
  - E. Provides effective trust management services that are responsive to the needs of American Indian tribes and individual Indian mineral owners.

F. Establishes the value, for royalty purposes, of the minerals produced from Federal onshore lands, the Outer Continental Shelf, and Indian lands under applicable statutes and regulations. This function includes issuing royalty valuation determinations, authorizing allowances, or requiring adjustments in determining values used by lessees and other payors for royalty calculations.

G. Performs and manages independent reviews of issues related to appeals filed by companies exercising their rights to dispute ONRR claims on additional monies due the Federal Government.

**34.5 Organization.** ONRR is headed by a Director who reports to the Assistant Secretary – Policy, Management and Budget. The Director is the chief executive for ONRR and provides leadership and direction for ONRR activities. The Director oversees all programs and activities of ONRR, and establishes and maintains necessary communication channels with Congress, stakeholders, industry, and other government agencies. The Director carries out the responsibilities of ONRR with the assistance of a Deputy Director and office and program directors that oversee the following functions (see attached organization chart).

A. Internal Review, Oversight and Compliance Office (IROC). The IROC Office Manager reports to the Director of ONRR. IROC helps ensure that ONRR programs achieve mission objectives and comply with all Departmental and other governmental internal control requirements.

B. Audit Management Program (AM). The AM Program Director reports to the Director of ONRR. The AM provides oversight and accountability for, and ensures the accuracy of, revenues for all producing offshore and onshore properties, including Federal and Indian oil, gas, coal, solid mineral, and geothermal leases; and easements, rights-of-way, rights-of-use-and-easements, and other authorizations for renewable energy projects. This process includes: ensuring that proper royalties, interest, and other fees and amounts have been paid; ensuring consistent compliance with lease terms, regulations, and laws; and conducting mineral revenue audits in compliance with applicable professional standards and best practices.

C. Revenue Reporting and Compliance Management Program (RRCM). The RRCM Program Director reports to the Director of ONRR. The RRCM provides: financial management; reference, royalty and production reporting and verification; compliance management; and systems support and data governance. The RRCM collects, accounts for, and disburses Federal and Indian mineral lease revenues to the proper recipients in a timely and accurate manner per applicable laws, regulations, and lease terms.

D. Coordination, Enforcement, Valuation and Appeals Program (CEVA). The CEVA Program Director reports to the Director of ONRR. CEVA coordinates all Indian trust activities, initiates and tracks enforcement actions, enforces payment obligations, provides support for litigation, provides valuation guidance, manages rulemaking, and obtains and maintains approvals for information collection. In addition, CEVA performs independent reviews of orders that are appealed, drafts Director decisions, and supports appeals before the

Interior Board of Land Appeals and in Federal Court.

34.6 **Headquarters and Field Office Locations.** The ONRR headquarters is in Denver, Colorado. Field offices are in Tulsa and Oklahoma City, Oklahoma; Houston and Dallas, Texas; Farmington, New Mexico; and Washington, D.C.