



Office of Natural Resources Revenue



Accounting for Federal Natural Resources



FASAB

Federal Accounting Standards Advisory Board

- Promulgates federal accounting standards
- Compliance with FASAB accounting standards is a legal and regulatory requirement -- it's the Law

Statement of Federal Financial Accounting Standards (SFFAS) #38

- *Accounting for Federal Oil and Gas Resources*
- Requirement established April 13, 2010

SFFAS 38: Annual Reporting Requirements for Oil and Gas

- Report the estimated quantity and estimated present value of offshore and onshore federal oil and gas proved reserves by region
- Revalue the assets annually
- Report the annual revenue earned from each commodity
 - Bonus, Royalty, Rent, other
 - Accruals are included
- Report the estimated oil and gas sales volume, sales value, royalty value, and royalty relief by region
- Report the average price and average royalty rate for each commodity by region
- First required CFO reporting started FY 2013

FASAB Technical Bulletin 2011-1

- Requires the same reporting in SFFAS 38 for certain leased federal natural resources other than oil and gas
- **Coal is currently the only commodity material enough to DOI to require reporting**
- Requires reporting the estimated quantity and estimated present value of all coal recoverable reserves under federal lease
- First Required CFO Reporting started FY 2014

Develop Approach for Oil & Gas

- BOEM provided offshore reserve amounts
- ONRR provided onshore reserve amounts utilizing EIA reserve data by State since BLM does not maintain reserves data
- Established Valuation Method and Net Present Value (NPV) Model
- Performed trial test for FY 2012 and refined processes and data collections

Develop Approach for Coal

- Obtained recoverable reserves quantity from BLM for all Federal coal leases -- approximately 300
- Reconciled ONRR leases to BLM leases
 - Recoverable reserves balances up to 9/30/2013
 - Subtract production reported to ONRR from reconciled recoverable reserves
- Developed process for reporting total estimated federally leased recoverable reserves by State and region
- Performed trial test for FY 2013 and refined processes and data collections

Benefits

- Results in a dynamic, useful, up-to-date, and consolidated repository for total federal recoverable reserves
- Results in meaningful information not previously available in one location; for multiple purposes including regulatory reporting
- Recoverable coal reserve database is very useful for planning future lease sales
- Forecast the number of years of recoverable reserves by lease, mine, and region
- Allows regulators and Congress to evaluate the value of coal resources mined over the life of the lease or mine

DOI 2014 Citizen Report

<http://www.doi.gov/pfm/upload/FY-2014-DOI-Citizens-Report.pdf>

Data Visualization Maps (continued)



United States Department of the Interior FY 2014 Estimated Federal Oil Royalties

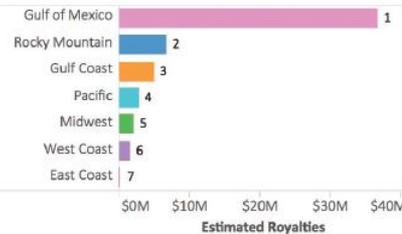
Select a Resource

- Oil
- Gas
- Coal



Royalties by Region

(\$ in thousands)



Oil and Lease Condensate

(\$ and Bbl in thousands)

Group	Region	Estimated Royalties	Estimated Quantity
Onshore	East Coast	\$313	45
	Gulf Coast	\$5,033,359	655,394
	Midwest	\$2,077,018	293,252
	Rocky Mountain	\$6,768,485	969,076
	West Coast	\$1,638,871	229,331
	Total	\$15,518,046	2,147,098
Offshore	Gulf of Mexico	\$36,768,527	4,627,752
	Pacific	\$2,864,532	289,682
	Total	\$39,633,059	4,917,434
Grand Total		\$55,151,105	7,064,532

Notes: 1) Amounts (\$) are estimated present values of future Federal royalty receipts on estimated proved reserves; 2) Offshore Pacific includes royalties from Alaska Federal Outer Continental Shelf Proved reserves; and 3) Onshore Regions are consistent with Petroleum Administration for Defense Districts

[click to download map data](#)

The Estimated Royalty dashboard visually presents estimated quantities and estimated present values of proved oil, gas, and coal reserves on Federal lands (both onshore and on the Outer Continental Shelf). Additional resource information can be obtained by hovering over various sections of the map.

Moving forward, DOI will continue to explore alternative reporting methods for all functions, especially financial reporting. The DOI remains committed to playing a leadership

role in this area to further the Federal Government's goal of increasing transparency to enable taxpayers and policy makers to track Federal activities more effectively. The DOI financial community believes greater transparency will directly result in better data in our systems and ultimately improve performance and accountability across the Government.

DOI 2014 Citizen Report

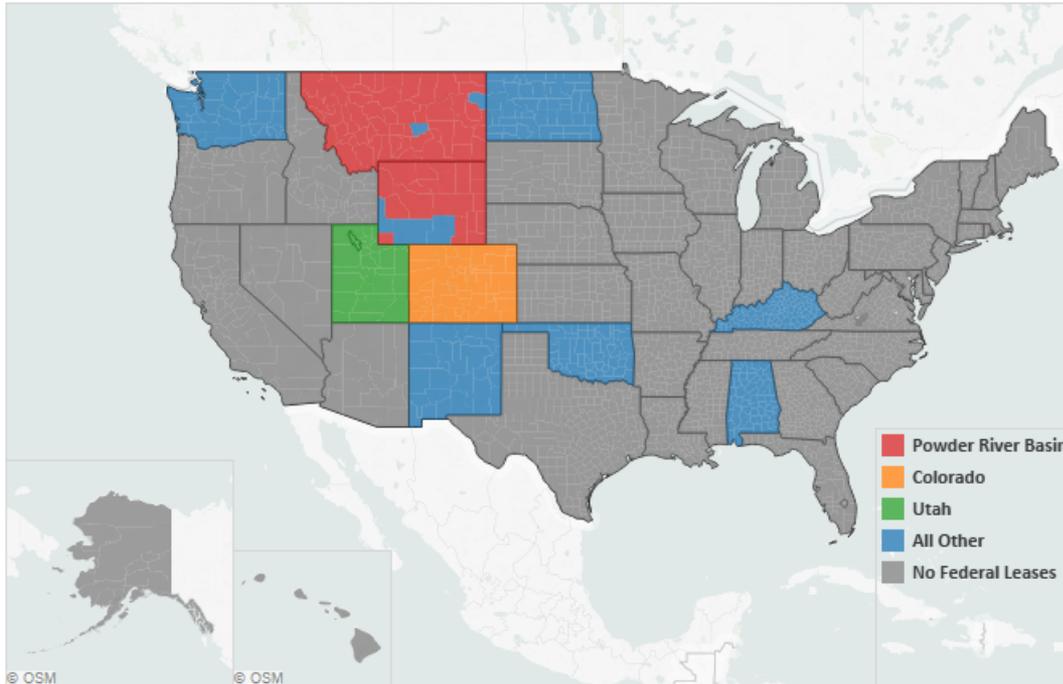
<http://www.doi.gov/pfm/upload/FY-2014-DOI-Citizens-Report.pdf>



United States Department of the Interior FY 2014 Estimated Federal Coal Royalties

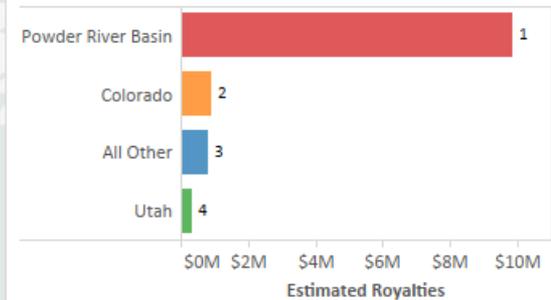
Select a Resource

- Oil
- Gas
- Coal



Royalties by Region

(\$ in thousands)



Coal

(\$ and Tons in thousands)

Group	Region	Estimated Royalties	Estimated Quantity
Onshore	All Other	\$825,785	495,581
	Colorado	\$904,756	571,698
	Powder River Basin	\$9,835,118	6,949,231
	Utah	\$323,595	151,681
Total		\$11,889,254	8,168,191
Grand Total		\$11,889,254	8,168,191

Notes: 1) Amounts (\$) are estimated present values of future Federal royalty receipts on estimated proved reserves; 2) Powder River Basin contains Federal leases in Wyoming and Montana; and 3) All Other contains Federal leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, and Washington

[click to download map data](#)

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