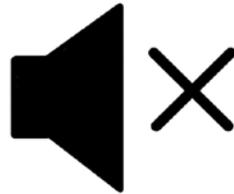


Please mute phone lines



**Please e-mail record of attendance to:
USEITDataCollection@Deloitte.com**



USEITI Revenue Reporting Webinar

March 24, 2016

Denver, CO



Agenda

Introductions	Deloitte & ONRR
USEITI Background & Overview	ONRR
Reporting Process Overview <ul style="list-style-type: none"> Reporting Process Timeline Reporting Materials Reporting Process General Information 	Deloitte
Reporting Template & Guidelines Overview <ul style="list-style-type: none"> General Reporting Template Overview Revenue Streams Overview <ul style="list-style-type: none"> Office of Natural Resources Revenue (ONRR) Bureau of Land Management (BLM) Office of Surface Mining Reclamation and Enforcement (OSMRE) Internal Revenue Service (IRS) Additional Requests Reporting Template Submission 	Deloitte, ONRR, BLM, OSMRE, & Treasury
Reconciliation Process Overview	Deloitte
IA Contact Information	Deloitte
Open Q & A	All

Introductions

Office of Natural Resources Revenue (ONRR)

In attendance: Jim Steward & Robert Kronebusch

Bureau of Land Management (BLM)

In attendance: Esther Velasquez

Office of Surface Mining Reclamation and Enforcement (OSMRE)

In attendance: Maria Barragan

U.S. Department of the Treasury

In attendance: Curtis Carlson

Independent Administrator (IA) Team:

In attendance: Alex Klepacz and Kent Schultz



U.S. Department of Interior

Office of Natural Resources Revenue (ONRR)

USEITI

The United States Extractive Industries
Transparency Initiative

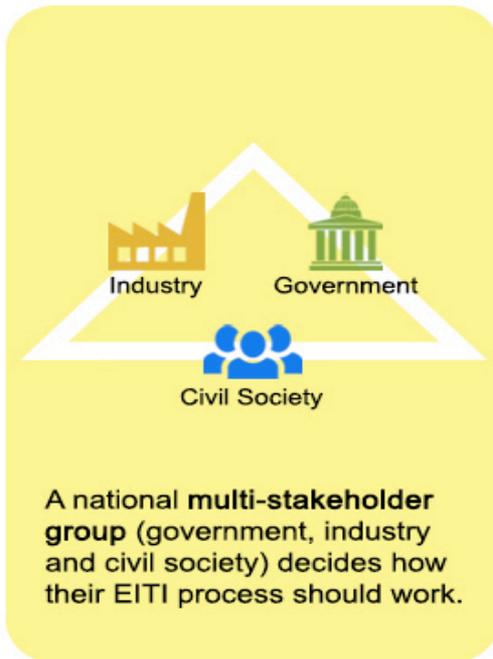
Jim Steward, Deputy Director
Office of Natural Resources Revenue



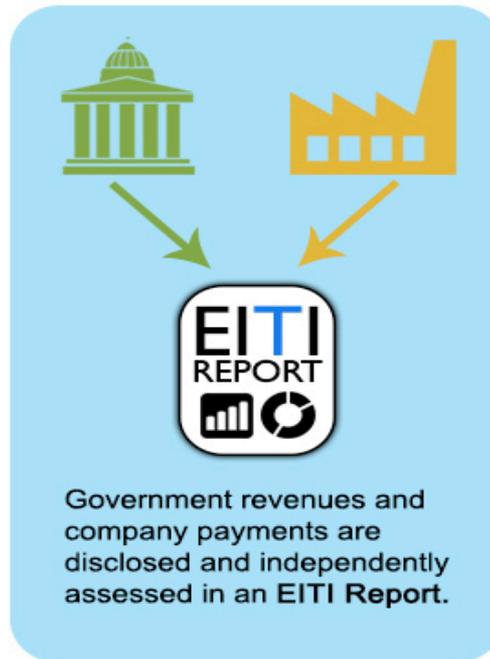
The EITI Standard

The Extractive Industries Transparency Initiative, or EITI, is a global standard that promotes revenue transparency and accountability in the extractive sector.

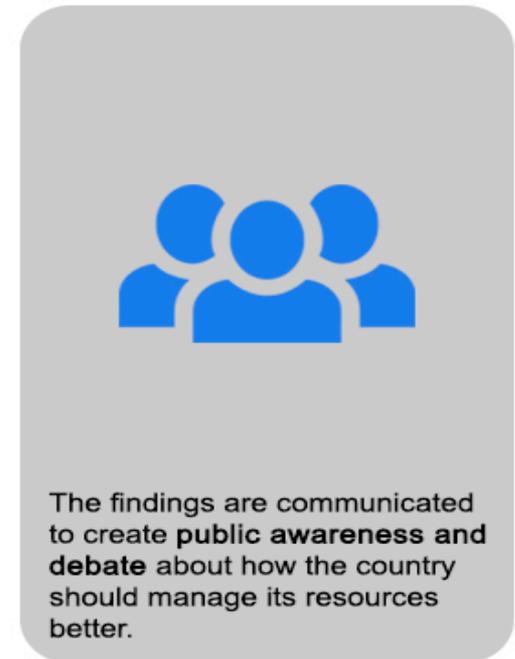
1.



2.



3.





USEITI Implementation

- **September 2011** – President Obama announced U.S. commitment to implement EITI as part of the Open Government National Action Plan
- **February 2013** – DOI hosted the 1st USEITI Multi-Stakeholder Group (MSG) Meeting
- **December 2013** – Secretary Jewell submitted the USEITI Candidacy Application on behalf of the MSG
- **March 2014** – The EITI Board approved the USEITI application and admitted the U.S. as a candidate country
- **September 2014** – ONRR hired an Independent Administrator to support USEITI Implementation
- **December 2014** – DOI launched an online Data Portal
- **December 2015** – Published 1st USEITI Report
- **December 2016** – 2nd USEITI Report due
- **March 2017** – Deadline for USEITI to meet validation requirements



DOI's Online Data Portal

useiti.doi.gov

- Unprecedented transparency and accessibility of extractive revenue data
- Disclosure of ONRR revenue data at a company-level from 2013 – 2015
- Developed in partnership with GSA's 18F Program using open source software
- Developed in collaboration with a diverse range of end-users at stakeholder design workshops
- Combines interactive data visualizations and detailed data sets to enhance user experiences

The United States Extractive Industries Transparency Initiative

USEITI is part of an international effort to promote open and accountable management of natural resources. This site provides data about how the U.S. manages [extractive industries](#).

[Learn more about the initiative.](#)

See how it works

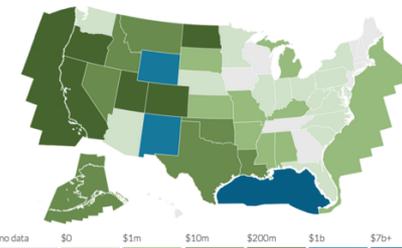


Explore data

Learn about extractive industries throughout the country

Revenue data shows where federal revenue from extractive industries is coming from, who pays it, and where it goes.

Explore data



Revenue Production Economic Impact

In 2013, the federal government collected over **\$12 billion** from those extracting resources on federal lands and waters.

[Federal revenue from all lands →](#)

USEITI
The United States Extractive Industries Transparency Initiative

1 Plan
In accordance with the 2011 OIGLS amendment, BODI oversees a schedule of planning areas across the Outer Continental Shelf to offer for sale and leasing. This program is known as the New Outer Continental Shelf Leasing Program. In violation of these plans, BODI is required to address national energy needs while balancing economic, environmental, and social considerations.

2 Lease
Once the Plan has been approved, BODI opens for each federal lease sale a site for the user interface that includes developing the specific environmental impact statement and offering opportunities for public comment. BODI will not accept offers to be reviewed before the terms and conditions of the "Sale," the final revenue and area of the resource.

3 Revenue
BODI offers leases through a competitive process that allows companies to bid for a lease. BODI reviews the bids and identifies the successful bidder and negotiates other terms. The successful bidder will receive the lease if the bid is equal to or greater than the BODI's fair market value estimate. BODI will determine the fair market value estimate after identifying the appropriate market value (calculated for mineral value based on the market value of oil, gas, and coal) and the appropriate lease terms. The lease holder must satisfy the requirements and the lease is subject to OIGLS and other leasing requirements.

Federal Revenue by Company
Explore revenues on federal lands and waters in 2013 by commodity, revenue type, and company.

Company	Revenue
Shell	\$6,320,542
Conoco	\$2,439,817
Enbridge	\$2,413,883
ConocoPhillips	\$1,842,276
Marathon	\$1,641,441
ExxonMobil	\$1,291,312
Occidental	\$688,888
ConocoPhillips	\$623,879
Other Revenue	-\$33,847

Total revenues by type

Revenue Type	Revenue
Oil	\$6,320,542
Gas	\$2,439,817
Coal	\$2,413,883
Other	\$1,842,276
Lease Fees	\$1,641,441
Production Fees	\$1,291,312
Other Revenue	\$688,888
Other Revenue	\$623,879
Other Revenue	-\$33,847

Companies
Filter by company name



USEITI By the Numbers

2015 United States Extractive Industries Transparency Initiative (USEITI) Report by the Numbers

USEITI Unique Aspects



100% of DOI in-scope revenue unilaterally disclosed by DOI in online report



12 extractive industries local community case studies



Publicly available data from 18 states with significant extractive industries



5 Multi-Stakeholder Group members representing Indian tribes and interests from civil society and government



Over 70 cross-sector collaboration meetings in 2015

Company Participation, Reporting, and Reconciliation Results



45 companies asked to report



31 companies out of those 45 reported and reconciled \$8.5 billion in DOI revenue



12 out of a maximum of 41 applicable companies reported \$190 million in corporate income taxes



100% of 17 material variances have been explained

Extractive Industries Revenue in the United States



1st USEITI Report



In 2013, \$12.64 billion Department of the Interior (DOI) revenue for extraction on federal lands



In 2013, \$11.8 billion* in corporate income tax receipts from Mining and Petroleum and Coal Products Manufacturing industries

*Sample-based calculation from US Internal Revenue Service Statistics of Income, "Tax Stats — Returns of Active Corporations — Table 1," access the historical data here: <http://www.irs.gov/uac/SOI-Tax-Stats>Returns-of-Active-Corporations-Table-1>



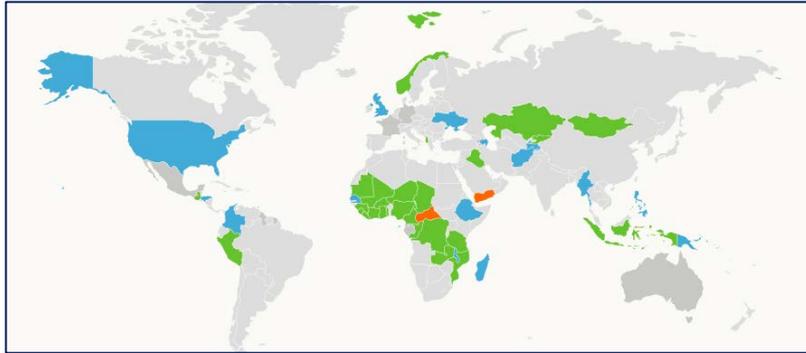
The Scope of USEITI

- **What commodities are included within the scope of the second USEITI Report?**
 - Oil, Gas (including NGLs), Coal, Geothermal, Onshore & Offshore Renewables, Other Leasable Minerals, Non-Fuel Minerals, and Other¹ (as reported to ONRR)
- **Besides ONRR, what other government revenues are part of the USEITI Report?**
 - Within DOI, the reporting will include revenues reported to BLM, OSMRE, and ONRR
 - Outside of DOI, the reporting will include corporate tax payments made to the Internal Revenue Service
- **What revenue types are included for each of the DOI entities?**
 - BLM: Bonuses and first year rents, permit fees, and renewable collections
 - OSMRE: AML fees including audits and civil penalties (including late charges)
 - ONRR: Bonuses, rents, royalties, other revenues (all other revenues not associated with the Royalties, Rents, or Bonuses), offshore inspection fees, and civil penalties



Why USEITI is Valuable

51 Implementing Countries



-  **EITI Candidate Country** - implementing EITI, not yet compliant
-  **EITI Compliant Country** - confirmed to have met all EITI requirements
-  **Suspended** - compliant/candidate status is temporarily suspended

- EITI is an international obligation that the U.S. Government has undertaken. Company participation is important to satisfy that obligation.
- It demonstrates commitment by the U.S. extractive industries to transparency, and highlights best practices in the U.S. industries globally.
- USEITI highlights industries' financial contributions to the U.S.
- Moving from candidate to full member status is a strategic priority for DOI this year.

USEITI

The United States Extractive Industries
Transparency Initiative



Reporting Companies

What companies are expected to report?

- Companies with payments to ONRR greater than **~\$37.5 million** in **CY 2015** have been asked to report their CY 2015 payments for the 2016 USEITI Report
- Although company participation and disclosure for USEITI is voluntary, reporting is required under the EITI Standard and therefore highly encouraged by the USEITI MSG in order for the U.S. to achieve compliance



Data Reporting

- **What data will companies report?**
 - Payments to each government entity by revenue type for CY 2015
 - Reporting will not occur at a commodity level
- **Will the Reporting Template include detailed instructions for companies?**
 - Yes, detailed reporting guidelines include each government entity and revenue type
- **How can a company find out what payments are being reported for each line item on the DOI data portal?**
 - Companies can contact the ONRR employees listed at the end of this presentation to discuss ONRR unilateral data disclosure
- **What transaction codes are included in the ONRR revenue types?**
 - For ONRR revenues, a detailed list of transaction codes is included in the reporting template guidance

Excerpt:

Table C-1 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



Data Reconciliation

- **What will the Independent Administrator (IA) do with the collected data?**
 - The IA reconciles the information disclosed by the reporting entities, identifies discrepancies, and distinguishes discrepancies that are above the established variance. The IA will not be rendering any form of opinion on the data provided.
- **Are the discrepancies resolved?**
 - Yes, the IA will contact the reporting entities and seek to clarify and resolve discrepancies above the established variance
- **What is the established variance?**
 - The USEITI Multi-Stakeholder Group confirmed the variance levels for the 2016 report will be the same as they were for the 2015 report. (This is captured on the following slide.)
- **Is the data reconciliation included in the USEITI Report?**
 - Yes, the results of the data reporting and the IA reconciliation are part of the USEITI Report
 - Only summary data will be included in the report, not details of the data provided



Margin of Variance

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



Reporting Companies

Alpha Natural Resources, Inc.

Anadarko Petroleum Corporation

Apache Corporation

Arch Coal, Inc.

Arena Energy, LLC

BHP Billiton LTD

BOPCO, LP

BP America

Chevron Corporation

Cimarex Energy Co.

Cloud Peak Energy Resources, LLC

Concho Resources, Inc.

ConocoPhillips

Continental Resources, Inc.

Devon Energy Corporation

Encana Corporation

Energy XXI

ENI Petroleum

EOG Resources, Inc.

EPL Oil & Gas, Inc.

ExxonMobil

Fieldwood Energy LLC

Freeport-McMoRan Inc.

Hess Corporation

Jonah Energy

Linn Energy, LLC

LLOG Exploration Company LLC

Marathon Oil Company

Murphy Oil USA Inc.

Noble Energy, Inc.

Oxy USA, Inc.

Peabody Energy Corporation

QEP Resources, Inc.

Red Willow Offshore, LLC

Shell E&P Company

Statoil Gulf of Mexico

Stone Energy Corporation

Talos Energy LLC

Ultra Resources Inc.

W&T Offshore, Inc.

WPX Energy, Inc.



Contact Information

Name	Contact Information
Jim Steward	jim.steward@onrr.gov
Judy Wilson, Program Manager, USEITI	judith.wilson@onrr.gov 202-208-4410
USEITI Secretariat	www.doi.gov/eiti useiti@ios.doi.gov 202-208-0272
Robert Kronebusch	robert.kronebusch@onrr.gov 303-231-3510
Nathan Brannberg	nathan.brannberg@onrr.gov 303-231-3776
ONRR Data Disclosure	useiti.doi.gov

Reporting Process Overview

Reporting Process Timeline

	March	April	May	June	July	August
Reporting Templates Distributed	3/4 ●					
Reporting & Tax Webinar: Houston	3/22 ●					
Reporting & Tax Webinar: Denver	3/24 ●					
Webinar Follow-Up Email		4/15 ●				
Company Reporting Period				Reporting Templates Due 8/1		
Reconciliation & Potential IA Follow-Up						

The IA will reconcile data upon receiving company data.

Reporting Materials

Cover Letter

Deloitte.

Deloitte & Touche LLP
1919 North Lane Street
Arlington, VA, 22209
Tel: +1 703 822 5000
www.deloitte.com

March 4, 2016

The United States is continuing to implement the Extractive Industries Transparency Initiative (EITI), and is seeking to issue its second report in November of 2016. For further details on the efforts to implement the EITI initiative in the US, please refer to <http://www.doi.gov/eiti/index.cfm>. You can also download the Executive Summary of the 2015 USEITI report here: <https://useiti.doi.gov/about/report>

The Department of the Interior (DOI) has led the effort to establish a Multi-Stakeholder Group (MSG), comprised of government, industry, and civil society representatives, under the Federal Advisory Committee Act (FACA). The MSG has determined the second USEITI Report will include reconciliation of data from companies with at least \$37 million in total annual reported revenues to DOI's Office of Natural Resources Revenue (ONRR) in Calendar Year (CY) 2014. According to ONRR, your company's annual payments to ONRR exceeded \$37 million in CY 2014.

As part of the USEITI initiative, Deloitte & Touche LLP is serving as the Independent Administrator (IA) that will facilitate the execution of the revenue reconciliation process. This process includes the collection and reconciliation of revenue data from both companies and government entities as defined in scope by the MSG.

There will be webinars focused on both DOI revenue and federal corporate income tax reporting, held on March 22nd and March 24th where the details of the data request, the guidance document, and the reconciliation process will be explained and questions will be answered. Electronic invitations to the webinars have been sent, if you did not receive an invitation, please let us know and we can provide one.

Reporting Template

USEITI
The United States Extractive Industries
Transparency Initiative

Reporting Template

General Information (Sheet 1)

Corporate Entity Name: _____
Entity Type: _____
Period for Reporting: 1/1/2014 - 12/31/2015

Reported Payments (Sheet 2)

Government Payer	Revenue Stream	References to Reporting Guidelines	Amount Paid (USD \$)
USA	Royalties	Table C-1	
	Severance	Table C-2	
	Bonuses	Table C-3	
	Other Income	Table C-4	
	Offshore Inspection Fees	Table C-5	
ILM	Cost Penalties	Table C-6	
	Income and First Year Bonuses	Table C-7	
UNRES	Passive Fees	Table C-8	
	Non-royalties	Table C-9	
	API, fees including drilling and lease charges	Table C-10	
	Cost Penalties (including 3rd Party Charges)	Table C-11	

Reporting Guidelines

USEITI
The United States Extractive Industries
Transparency Initiative

**Reporting Template
Guidelines**

IRS Form 8821

8821 Tax Information Authorization

File this form if you are the preparer of the tax return for the individual, and you are not the taxpayer. This form is used to authorize another person to act on your behalf in connection with your tax return.

1. Preparer Information: Name, Title, Firm, Telephone No., Address, Check if your address is the preparer's address.

2. Appointee Information: Name and address, Title, Firm, Telephone No., Address, Check if your address is the appointee's address.

3. Taxpayer Information: Name, Address, City, State, ZIP Code, Social Security Number, Date of Birth, Signature Tax Matters (see instructions).

4. Specific use and recording on Confidential Authorization File (CAF): If the tax information authorization is for a specific use, check the box.

5. Disclosure of the information you would check on line 10 or 11 unless the box on line 4 is checked: If you check this box, you must check the box on line 4.

6. Renewal/revocation of tax information authorization: This tax information authorization automatically renews your authorization for the same tax matters you listed on line 3 above unless you checked the box on line 4. If you do not want to renew or revoke your tax information authorization, you must attach a copy of any authorization you want to renew or effect and check the box.

7. Signature of preparer: If signed by a responsible officer, partner, qualified member, administrative leader, or party other than the preparer, I certify that I have the authority to execute this form with respect to the tax matters and/or the tax matters on line 3 above.

Reporting Process General Information

The IA will **not be rendering any form of opinion** on the data provided by your company. The IA will only be **facilitating a reconciliation of the data** reported by companies and government entities.

All information **will be used based on disclosure rules from the IRS**. The information will be used **only for purposes of reporting** as part of the USEITI Report.

All **summary information** provided on the reporting template shall be treated as **public information**. This data **will be included in the final USEITI Report** published in December 2016. **Completed templates** submitted by companies will remain as **working papers** of the IA. They will **not be disclosed** to any third party other than ONRR unless required by law.

The **IA will take precautions to safeguard data** submitted by companies. These precautions are outlined in the Reporting Guidelines document and should be followed by reporting companies as well:

Reporting templates are password protected	IA will only request data needed	IA will destroy unnecessary data
IA will use security encrypted laptops	Passwords will follow the government encryption standards	IA will treat all data in this secure manner

2015 USEITI Report



2015 Extractive Revenue Appendix

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

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.

2015 USEITI Reporting Experience

Industry (Shell) - Phil Denning



Reporting Template & Guidelines Overview

General Reporting Template Overview

Companies should provide payment data only for the period Calendar Year (CY) 2015:

January 1, 2015 through December 31, 2015

The period in which fee activities occurred is not relevant. Companies should report amounts based on **when the transactions to pay or report the fees actually occurred**. Only the transactions occurring during CY 2015 should be included.

Companies should only report revenues associated with **federal** properties, except for the OSM AML fees which cover all ownership types.

All amounts reported on the Reporting Template should be in **USD**.

Revenue Streams Overview: Office of Natural Resources Revenue (ONRR)

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 Refer to Reporting Guidelines: Table C-1
ONRR	Rents	All Rents reported to ONRR on Form ONRR-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity Refer to Reporting Guidelines: Table C-2
ONRR	Bonuses	All Bonuses reported to ONRR on Form ONRR-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity Refer to Reporting Guidelines: Table C-3
ONRR	Other Revenues	All Other Revenues (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 Refer to Reporting Guidelines: Table C-4
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 Refer to Reporting Guidelines: Table C-5
ONRR	Civil Penalties	Civil Penalties collected by ONRR on behalf of ONRR, BOEM, and BSEE Refer to Reporting Guidelines: Table C-6

Revenue Streams Overview: Bureau of Land Management (BLM)

Government Payee	Revenue Stream	Description
BLM	Bonus and First Year Rentals	Payments made by the winning bidder of an onshore lease at a BLM lease sale Refer to Reporting Guidelines: Table C-7
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. Refer to Reporting Guidelines: Table C-8
BLM	Renewables	Wind, Solar, and Biomass Projects Refer to Reporting Guidelines: Table C-9

Revenue Streams Overview: Office of Surface Mining Reclamation and Enforcement (OSMRE)

Government Payee	Revenue Stream	Description
OSMRE	AML Fees	<p>Abandoned Mine Land (AML) Fees including AML Fees assessed from audits as well as any late charges paid (All coal; not only coal on federal leases)</p> <p>Refer to Reporting Guidelines: Table C-10</p>
OSMRE	Civil Penalties	<p>Civil Penalties assessed on violations of the Surface Mining Control and Reclamation Act including any late charges paid</p> <p>Refer to Reporting Guidelines: Table C-11</p>

Revenue Streams Overview: Internal Revenue Service (IRS)

Covered in detail during Tax Reporting Webinar

Government Payee	Revenue Stream	Description
IRS	Taxes	Corporate Tax Payments to IRS Refer to Reporting Guidelines: Table C-12

Applicable only to companies that pay consolidated federal income tax
(C Corporations)

Companies are encouraged to report taxes for reconciliation:

- The IRS cannot release taxpayer information without explicit approval
- Refer to **Appendix B: Tax Reconciliation Opt-In Instructions** of the Reporting Guidelines document for details of how to complete the waiver process and submit **Form 8821**
- This form will allow your company to authorize the IRS to release your company's tax payment and refund transaction information

The USEITI report will **positively highlight** companies that choose to allow for reconciliation of tax payments.

Additional Requests

The EITI Standard requires that countries publishing annual EITI reports must document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report.

If your company has **audited financial** reports from any periods covered in CY 2015 that are **not publicly available**, we request that **you please provide those reports** with the submission of your completed template.

The IA **will not share or release these audited financial reports** with any third party, and will employ appropriate measures to safeguard them. However, the EITI Standard does require that any gaps or weaknesses identified in those reports must be disclosed in the USEITI Report.

Reporting Template Submission

We request that companies submit completed Reporting Templates to the USEITI IA no later than **Monday, August 1, 2016**.

Companies may submit completed Reporting Templates through email or through a mailed, physical hard copy.

For templates submitted by mail, please address to:

Alex Klepacz
USEITI Independent Administrator
C/O Deloitte & Touche, LLP
1919 North Lynn Street
Arlington, VA 22209

For electronic templates submitted by email, please send to:

USEITIDataCollection@Deloitte.com

Reconciliation Process Overview

The Reporting Template requests companies to **report only the total payment amounts** for each revenue stream. Companies may choose to provide additional information to support the summary payment amounts when submitting completed templates to facilitate the reconciliation, but this is not required.

The IA will **compare the summary payment amounts** reported on the template from each company to the revenue amounts reported to the IA by the government entities.

A **variance threshold** has been established for the reconciliation process. In the event that there are differences between amounts reported by companies and government entities for each revenue stream, **only the differences that exceed the variance threshold** will be investigated by the IA.

In the event a reconciliation difference exceeds the variance threshold, the IA will follow up with both the company and the government entity to request **additional information, such as transaction level details, to support the reported amount**. The IA will then review the transaction level details provided by the company and the government entity to attempt **to identify and resolve the reconciliation difference**.

Reconciliation Process Overview (continued)

Supporting information will remain as working papers of the IA and will **not** be **subject to Freedom of Information Act (FOIA) requests**.

The final USEITI Report will publish the amounts reported by each company and government entity for each revenue stream. Additionally, the report will highlight and explain any **reconciliation differences that were not able to be resolved**. Reconciliation differences that were investigated and resolved will not be disclosed.

The IA will communicate with companies throughout the reconciliation process. The IA will **discuss the investigation of all reconciliation differences** with companies before concluding that the differences can not be reconciled.

Tip for Reporting Companies:

Potential sources of discrepancies may include: payor codes, timing differences between payment and receipt, timing difference between a company's accounting system and ONRR's system for date received, lumping of royalty and rents, etc.

IA Contact Information

The IA will be **available to work through questions and concerns** with reporting companies to help achieve a successful year of USEITI. Questions or concerns related to the Reporting Template, Reporting Template Guidelines, or Reporting & Reconciliation process can be directed to:

USEITIDataCollection@Deloitte.com

A member of the IA team will respond to your request and assist in resolving any issues.

Open Q & A

