

H-3108-1 - RELINQUISHMENTS, TERMINATIONS, AND CANCELLATIONS

Procedures, Sample Printout, and Explanation of Automated
Clearing House Process for Rental Payments to the MMS

The use of the Automated Clearing House (ACH) will not change existing procedures between the BLM and the MMS. The only change that will occur is the documentation that will be available to the BLM to make appropriate decisions regarding oil and gas lease reinstatements.

If rental payments are received timely, the BLM will not know the method of payment. Only when a late payment or no payment was received will the BLM State Offices receive anything different from the MMS if the ACH method was used to make the payment. If no payment is received and the lessee contests the termination of the lease, the BLM will receive the different documentation from the lessee (sample copy, page 5). If a payment was late, the MMS will provide the ACH payment information.

Because electronic fund transfers do not go through the U.S. Post Office and do not come directly to the MMS, other ways of determining "timely payment" and "reasonable diligence" in accordance with the leasing regulations had to be identified. Pages 2 and 5 are the most reliable forms of information available that provide the data needed by the BLM.

This illustration includes a sample copy of the report that the MMS receives when it accesses Mellon's system to receive payment information. If a late payment is made by the ACH, instead of receiving a copy of the check and the original envelope, the BLM State Office will receive a copy of the printout like the one attached on page 2.

Should concerns arise regarding this report, please contact the MMS General Ledger Section at (303) 231-3574.

The following provides a short description of each item contained in the printout report:

1. The date the MMS accessed Mellon Bank to obtain payment details.
2. The date the MMS account was last updated.
3. The time of day that the MMS accessed Mellon Bank.
4. The time of day the MMS account was last updated.
5. The MMS account number at Mellon Bank.
6. The sending company name.
7. The sending company identification number at the sending bank.
8. Optional field for use by sending company.
9. Optional field for use by sending company.
10. The American Bankers Association number.
11. Optional field for use by sending company.
12. Identifies the MMS as the receiver of the funds.
13. Addenda record filled out per the MMS instructions (see attached).
14. Specific amount paid for item in addenda record.

NOTE: Page 2 of this illustration contains further explanation regarding item 13, above.

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MELLON BANK TELECASH ACH/EDI DETAIL REMITTANCE AND PAYMENT REPORT		
TODAY'S DATE	OCT 26 94	TIME 11:12:11

EFFECTIVE DATE:	OCT 20 94	
ACCOUNT NUMBER:	100 911-4258	
C R E D I T S		
CCD+	\$60.00	
ORIGINATOR NAME:	MERIDIAN OIL	RECEIVER NAME: MINERALS MANAGEMENT SE
ORIGINATOR ABA:	04300026	RECEIVER ID: 010135
ORIGINATOR ACCOUNT:	N/A	AUDIT NUMBER: N/A
ORIGINATOR REF NBR:	043000261568967	NBR OF ITEMS: 0
ORIGINATOR REF DOC:	N/A	
/B/50210/WYW/31537//19941101/6000/R/10135/		
CCD+	\$160.00	
ORIGINATOR NAME:	MERIDIAN OIL	RECEIVER NAME: MINERALS MANAGEMENT SE
ORIGINATOR ABA:	04300026	RECEIVER ID: 010136
ORIGINATOR ACCOUNT:	N/A	AUDIT NUMBER: N/A
ORIGINATOR REF NBR:	043000261568969	NBR OF ITEMS: 0
ORIGINATOR REF DOC:	N/A	
/B/50210/NMLC/064159//19941101/16000/R/10136/		
CCD+	\$400.00	
ORIGINATOR NAME:	MERIDIAN OIL	RECEIVER NAME: MINERALS MANAGEMENT SE
ORIGINATOR ABA:	04300026	RECEIVER ID: 010137
ORIGINATOR ACCOUNT:	N/A	AUDIT NUMBER: N/A
ORIGINATOR REF NBR:	043000261568971	NBR OF ITEMS: 0
ORIGINATOR REF DOC:	N/A	
/B/50210/NMLC/045708//19941101/40000/R/10137/		
CCD+	\$160.00	
ORIGINATOR NAME:	MERIDIAN OIL	RECEIVER NAME: MINERALS MANAGEMENT SE
ORIGINATOR ABA:	04300026	RECEIVER ID: 010138
ORIGINATOR ACCOUNT:	N/A	AUDIT NUMBER: N/A
ORIGINATOR REF NBR:	043000261568973	NBR OF ITEMS: 0
ORIGINATOR REF DOC:	N/A	
/B/50210/NMNM/63723//19941101/16000/R/10138/		
CCD+	\$837.00	

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Page 5 is a sample copy of the confirmation report that is generated by the payor's agent bank upon request. The information in the report is based on the data from the initial payment message. Payors can obtain a copy of this report from their bank if they need to prove "reasonable diligence" or prove that payment was made.

Examples of situations that may require the lessee to obtain this report and forward a copy of the BLM are as follows:

- The lessee receives a Notice of Lease Termination, but the rental has been paid. Any correspondence that is sent to the State Office must include a copy of this report.
- If a payment has not been timely deposited to the MMS's account and the lessee provides evidence to the contrary, the State Office shall provide a copy of this evidence to the MMS with a request to trace the transaction.
- If the payment appears to have been received as a late payment on the report in page 2, but it appears from the report (page 5) that it should not have been a late payment, copies of both reports are to be forwarded to the MMS with a request to resolve the issue between the ACH and Mellon Bank.

If a rental payment is made by the ACH, the BLM lease reinstatement eligibility decisions are to be made based on evidence provided in the documentation of page 2 and/or page 5; on the occasions where the MMS is requested to resolve a discrepancy, the information provided to the BLM by the MMS or any trace information provided are to be the determining factor.

In describing the information provided in the reports, page 5 of this illustration is one example of the trace message available to the ACH user from its originating bank. The trace format varies widely from bank to bank, but the information needed to verify "timely payment" and "reasonable diligence" should always be contained in both the header and trailer (not shown here) of the trace message, that also may appear in the details of the trace message. The numbers below relate to this specific example trace message.

- *1. Name of sending entity (person, company, etc.)
- *2. Number assigned to entity by sending bank.
- *3. Entity's description of what payment is for.
- *4. Data assigned by sending bank.
- *5. Data assigned by sending entity.
- *6. American Bankers Association number assigned to Mellon Bank.
- *7. The MMS account number at Mellon Bank.
- *8. Amount of individual transfer.
- *9. Assigned by sending bank.
- *10. Number assigned by sending bank.
- *11. Details of payment message.

* Data the MMS receives from Mellon Bank in initial transmission.

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1) CO-NAME		2) PRODUCTION COMPANY		3) CO-ID: 9900460575		4) ENTRY-DESCR: LEASE RNTL		5) ENTRY-DATE 03-23-89		6) CO-DATE: 890323	
6) TC	7) TRANS/ABA	8) OGT	9) ACCOUNT NUMBER	10) AMOUNT	11) CUST/EMPL ID	12) CUST/EMPL NAME	13) TRACE NUMBER	14) CHASE IDENTIFICATION			
22	0430-0026	1	911-4258	40.00	15-050049408	MMS-362695D:7	D21000025-09430	0093-2-0000009-890322-925			
11)	705NTE-PMT-A10860		065-052474-0-000F903D3D3XXXXX040189								
22	0430-0026	1	911-4258	10.00	15-050049466	MMS-362695D:9	D21000025-09430	0093-2-0000009-890322-925			
11)	705NTE-PMT-A10860		1-21661040189		2700R						
22	0430-0026	1	911-4258	40.00	16-429049408	MMS-362695D:7	D21000025-09435	0093-2-0000009-890322-925			
11)	705NTE-PMT-A10860		065-052474-0-000F903D3D3XXXXX040189								
22	0430-0026	1	911-4258	10.00	32-343049408	MMS-362695D:7	D21000025-09430	0093-2-0000009-890322-925			
11)	705NTE-PMT-A14693		1-21661040178		2800R						