

RESPONSIBLE
OFFICE

ACTION

LR2000 ENTRY

When Compensatory Royalty is assessed:		
Field Office	<p>Potential drainage is identified. (Refer to IM MT-2001-051)</p> <p>If a determination is made to assess compensatory royalty, issue an assessment notice to the lessee/operating rights owner(s) of the Federal lease and include State Director Review/appeal rights.</p>	<p>Enter AC 221(Drainage Identified)</p> <p>REQUIRED ACTION</p> <p>REMARKS: /alpha tie to general remarks/; General Remarks: Identify offending well</p>
Field Office	<p>After the appeal period, notify MMS of the assessment. (cc to SO Fluids Adj).</p>	<p>Enter AC 062 (Cmpns Rlty Assmt), action date is date of notice.</p> <p>REQUIRED ACTION</p> <p>REMARKS: [Enter drainage factor]/ alpha tie to general remarks/; General Remarks: Identify offending well.</p> <p>Remove AC 221.</p>
When Compensatory Royalty is a one-time assessment:		
Field Office	<p>Verify MMS issued a bill.</p>	
SO Fluids Adj	<p>File FO correspondence in case file. No other action needed.</p>	
When Compensatory Royalty is an ongoing assessment:		
SO Fluids Adj	<p>If lease is in a <u>terminable status</u>, issue notice to lessee advising of new lease account status (cc to MMS and FO). See Attachment 2 for notice template.</p>	<p>Enter AC 102 (Notice Sent-Prod Status), action date is date of notice.</p> <p>REQUIRED ACTION</p> <p>REMARKS: /alpha tie to general remarks/; General Remarks: Lse term extended due to cmpns rlty assmt; both adv rental and rlty due</p> <p>Remove AC 763 (Expires).</p> <p>Enter AC 247 (Future Action Suspense), use action date one year from current date.</p> <p>REQUIRED ACTION</p> <p>REMARKS: CRA/Review well status Pending Office Code MT92224</p>

	<p>-----</p> <p>If lease is in a <u>non-terminable status</u>, issue a notice to the lessee (cc to MMS and FO). See Attachment 3 for notice template.</p>	<p>-----</p> <p>Enter AC 247 (Future Action Suspense), use action date one year from current date. REQUIRED ACTION REMARKS: CRA/Review well status Pending Office Code MT92224</p>
SO Fluids Adj	When case file is routed to Adj for suspense, notify FO and request well status update.	
Field Office	Upon notification from SO Fluids Adj, review status of well. Determine if offending well is still capable of production. Notify SO Fluids Adj.	
SO Fluids Adj	Update suspense code in LR2000.	Update action date for AC 247 to one year from current date.
When Compensatory Royalty is no longer assessed:		
Field Office	Send assessment termination notice to SO Fluids Adj.	<p>Enter AC 067 (Cmpns Rlty Assmt Term), use date of termination for action date. REQUIRED ACTION REMARKS: alpha tie to general remarks/ General Remarks: Identify offending well.</p>
SO Fluids Adj	<p>If the lease is in a <u>terminable status</u>, determine status of lease term. Send notice to lessee (cc to MMS and FO).</p> <p>If lease is <u>beyond primary term</u>, lease is extended for one year from date compensatory royalty payment is terminated.</p> <p>-----</p> <p>If lease is <u>still within primary term</u>, term reverts back to regular expiration date (unless one year extension date is greater than expiration date).</p> <p>-----</p> <p>If lease is in <u>non-terminable status</u>, no action is required.</p>	<p>Enter AC 235 (Extended), action date is date of notice. REQUIRED ACTION REMARKS: Ext thru [date]</p> <p>Remove AC 247.</p> <p>-----</p> <p>Enter AC 763 (Expires), action date is date of expiration.</p> <p>Remove AC 247.</p> <p>-----</p> <p>Remove AC 247.</p>