

## **IPAA Guidance for BLM Valuation Rule Changes**

The Independent Petroleum Association of American (IPAA) has been working to change the Obama-Era 2016 Royalty Valuation Rule issued by the Office of Natural Resources Revenue (ONRR). The original deadline for compliance was scheduled to be January 1, 2020, however, in November 2019, ONRR issued a "Dear Reporter" letter that postponed the date until July 1, 2020. At the time, ONRR stated that the change was due to the fact that they did not currently have the computer software installed to process the changed.

Since the deadline postponement, the Trump Administration has rewritten the rule (the content and changes are not publicly available) and sent these revisions to the Office of Information and Regulatory Affairs (OIRA) for review in the beginning of March. In late May, the Department of the Interior sent another rule to OIRA for review entitled "ONRR Reporting and Royalty Payment Delay Related to Coronavirus Disease 2019 (COVID-19)". The text of this rule is also not publicly available.

While we are still hopeful that one or both of the Trump Administration's rules could still be released from OIRA, creating another delay to implementation of the original 2016 rule, IPAA wants to ensure member companies have the correct information to start making the changes for the 2016 rule on July 1, 2020. As such, **IPAA's Royalty Counsels Poe Leggette and Rosario Doriott-Dominguez with BakerHostetler** have compiled this [document](#) to help member companies comply with the reporting requirements. We encourage you to send this document to your accounting departments to ensure they are prepared to comply with the changes starting next month.