CLO Royalty Check Template F.A.Q. – *for Payors*

1. When are Lessees required to begin using this Template?	*Beginning with the sales month of January 2023, CLO royalties must be reported with the new check detail template. The new rule states the payors "shall submit royalty check detail data in an electronic format using the spreadsheet template provided by the Land Office". However, if submitting Prior Period Adjustments (PPA's) for sales dated before January 2023, the Company's legacy method may be used.*
2. When are Oil and Gas Royalty Payments Due?	*Oil royalties are due by the end of the 2nd month after the month of production. Same for natural gas and NGLs unless there are take-in-kind sales, in which case gas and NGL royalties are due by the end of the 3rd month after the month of production. Payments are credited with the date RECEIVED by the CLO, not the date printed on the check, along with the production date as reported on the check detail. For example, if the production month is December, royalties must be received by the CLO by the last business day of February, unless there are take-in-kind sales, in which case the royalties must be received by the CLO by the last business day of March.*
3. What address do Lessees use to submit Check Detail Templates to?	*Submit check detail templates to clo.royalty@clo.ok.gov.*
4. What address do Lessees use to submit Monthly Production Reports (Forms 108/109 & 3rd Party Purchase Statements)?	*Submit these to clo.eprs@clo.ok.gov.*
5. Do Lessees need to send a test file before sending the live data?	*No test file is needed. The CLO will now upload excel templates when the associated royalty payments arrive and will let the payor know at that time if the template has errors that need to be fixed.*
6. Will the CLO Check Detail Template replace the Monthly Production Reports? (Forms 108/109)	*No. Please continue to submit the Forms 108/109, as well as the third-party purchase statements, using this address: clo.eprs@clo.ok.gov.*
7. Can any other payment types use the royalty template?	*No. Do not use this royalty template for any other type of payment. Shut-In payments, minimum royalty payments, and working interest payments should be paid separately.*
8. Can a Lessee use the formulas as done in the example template?	*No. All formulas, if used, need to be replaced with the data values in final submission file.*
9. How do Lessees report prior period adjustments (PPAs)?	*For an adjustment, please include both lines corresponding to the PPA (1 line for the reversal, 1 line for the corrected payment, etc.). Lessees may not only report the net-adjusted entry but, instead, need to report all lines pertaining to the PPA.*
10. What is the definition of Processed (Product Code = "7") and Unprocessed Gas (Product Code = "8")?	*If the gas processing is being outsourced to gas purchasers, then please use product code "7" for Processed Gas. Usually, this can be quickly identified from the purchaser's monthly settlement statements. However, if you'd like us to take a further review, please send us a copy of the*

		applicable purchaser settlement statement and marketing agreement to cloroyaltycheckteam@clo.ok.gov.
11.	**Is the API number limited to 10 characters?**	*No, but please do not include any dashes or special characters.*
12.	**Can API Well Number be left blank?**	*No. If the check is for payments made at the Lease-level, such as for minimum royalty payments, shut-in payments, etc., please submit a separate check and do not use this template.*
13.	**What API Number should a Lessee use?**	*Please use API Numbers consistent with the Oklahoma Corporation Commission (OCC)'s completion reports.*
14.	**Is BTU factor limited to 3 decimal places?**	*No, there are no limits to the right of the decimal. However, BTU should be reported in MBTUs per MCF. (For example, 1.015 instead of 1015).*
15.	**What MCF Pressure Base should Lessees use?**	*14.65 (currently required by OTC and CLO).*
16.	**Should a total be reported on the template for Column R?**	*No, please do not enter a total. CLO will calculate the total and match it to the check total.*
17.	**How do Lessees locate their Owner Number and what do Lessees report in this section?**	*The CLO does not currently assign owner numbers. The Owner Number referred to in the template is the internal number each company may assign. If no such Owner Number is used, please leave this blank.*
18.	**Is the Company Well Number the same as the CLO's Mineral Lease Number?**	*No. The Company Well Number should be the Well Number or code the company has currently assigned to a well for their own internal accounting purposes, or the previously termed "Payor Well ID". If a company currently uses the Lease Number to denote, internally, a payment is attached to a given well, this is fine to use.*
19.	**Should Gross Tax amount be represented as a negative value?**	*No. When reporting a typical royalty payment, all amounts should be represented as positive values. The only time to use negative values is when making a prior period adjustment; first backing out the error by using negative values, then re-booking the correct entry with positive values.*
20.	**DO NGLs need to be converted to Barrels?**	*Please report NGLs in gallons. (1 barrel = 42 gallons)*
21.	**Are Operators supposed to put 0 for deducts on the Gross Level?**	*Please keep Deducts on the gross level. If there are multiple deduct types, please list them in multiple lines.*
22.	**If an Operator has two different owner numbers for the State of Oklahoma, would they need to be submitted on the same report, or different tab, or a separate workbook?**	*Please use different workbooks for the different owner numbers.*

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23. Would it be acceptable to add Gravity to the right of the BTU factor when posting Oil volumes in Barrels?	*When reporting Oil, use Product Code = 1 in Column "B", and report the Gravity in Column "G". (Please do not add any columns to the template.)*
24. The Check Stub Template has a column for individual Deduct Codes but does not have the same for Tax Codes. For consistency in reporting, would it be acceptable to add a column to the right of the Gross Tax Amount for individual Tax Codes?	*Do not add any columns to the template. Since our agency is tax exempt, there is no need to add individual Tax Codes. The amount for taxes in column "P" should always be $0.00.*
25. Should Operators continue to pay via paper checks? How does the CLO match our check with this template?	*You may pay by paper check. Our Financial Services Division (FSD) will locate your check detail template in their inbox and match it with either your paper check or electronic payment.*
26. Is there a way to pay electronically without incurring a fee?	*There is no fee for ACH or wire transfer. If you want to pay electronically, please submit an ACH form to clo.accounting@clo.ok.gov.*

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