

**Colorado Solid Mineral Production Royalty** Revision effective October 1, 2020

**Current Period and Prior Period Reporting** Instructions for Form CO-SMRoy2020

*These instructions are intended to provide guidance and do not amend lease terms. Royalties shall be paid in accordance with the governing lease.*

**Instructions for Preparing Solid Mineral Royalty Reports**

Solid mineral operators shall report lease production and pay the royalty on all lease sales to the State Land Board each month. For months of no production and/or sales, submit a zero report.

The reporting form workbook,[Colorado Royalty Reporting Form CO-SMRoy2020](https://docs.google.com/spreadsheets/d/1FjNDyWq-6IOHclrKH8dKUPA94ydW3871/edit#gid=1962808505), shall be e- mailed as an Excel file to our Royalty Team mailbox at [DNR\_Colorado\_Royalty\_Data@state.co.us](mailto:DNR_Colorado_Royalty_Data@state.co.us) concurrent with the monthly royalty payment. Note the deadline for payments and reports in [Reporting and Payment Deadline](#cn2gwznyq1af), paragraph 5. If you wish to complete a paper form that can be mailed in with payment by check, please contact us at the Royalty Team mailbox.

**REPORTING FORM DETAIL:**

**1. Complete the Excel Workbook Cover Sheet**

Fill out the tab called Cover Sheet of the [Colorado Royalty Reporting Form CO-SMRoy2020](https://docs.google.com/spreadsheets/d/1FjNDyWq-6IOHclrKH8dKUPA94ydW3871/edit#gid=1962808505)Excel workbook before submitting the workbook to the State Land Board.

* The “Production Period Reported” on line 11 is the date for the current production/sales period.
* Insert the unit of measure on line 12 for the product reported, such as cubic yard, ton, ounces, pounds.
* Include the contact name, payer address, email and phone information in the appropriate fields.
* Explanations are required in the Comments section when prior period adjustments are filed. Add other comments relevant to your submission in the Comment section.

**2. Complete the Workbook Data Sheet**

Submit royalty data on the tab called ‘Colorado Royalty Data Sheet’ in the [Colorado Royalty Reporting Form CO-SMRoy2020](https://docs.google.com/spreadsheets/d/1FjNDyWq-6IOHclrKH8dKUPA94ydW3871/edit#gid=1962808505) workbook. Follow these guidelines when transferring your data to our workbook form:

* Follow the column-by-column guidance for data entry provided in these instructions.
* The columns of the reporting spreadsheet must remain named and in the same order in which you received the royalty workbook.
* Do not remove any columns.

**3. Name the Workbook for the Submitted Production Date**

* Name every submitted workbook with this format: Reported Production **Year\_Month\_Your Company Name**, where the “Reported Production Year\_Month” is the numeric value. Example: 2020\_05\_ABC Company

**4. Attachments to the Monthly Submission**

Supplemental and back-up data are optional and not required; auditors will contact you if they need more information. Comments to clarify your submission may be included on the Cover Sheet of the workbook.

**5. Reporting and Payment Deadline**

Royalty payments due the State Land Board from the sale of solid minerals and associated products shall be paid monthly and not later than thirty days following the end of the calendar month in which the production is sold.

The payment and completed reporting form shall be transmitted to the State Land Board office by the last business day of the reporting month.

**6. Payments**

The royalty payment may be made by check or EFT. Please contact our Royalty Team for direction if you wish to pay electronically.

The State Land Board will charge a late penalty fee and interest on royalty payments submitted after the Reporting and Payment Deadline.

Royalties held in suspense for any reason may be subject to late penalties. To request a deadline extension, contact the Royalty Team at  [dnr\_colorado\_royalty\_data@state.co.us](mailto:dnr_colorado_royalty_data@state.co.us).

**Data Sheet Field Descriptions (\*denotes required field)**

|  |  |  |
| --- | --- | --- |
| Column A  Column A\* | CO Lease | The State Land Board lease number on the original lease contract. The lease number may also be found on our map server located on the web: [Colorado State Land Ownership](https://www.colorado.gov/statelandboard/look-land) |
| Column B\* | Production Month Start | The first day of the production month. Report the production period as one month. Each line on the form reports one well, one product and one month of production. |
| Column C\* | Production Month End | The last day of the production month. |
| Column D\* | Product Code | Enter the commodity that is being reported on this form. |
| Column E | Beginning Inventory | Inventory on hand at the Production Month start date. |
| Column F\* | Units Produced | The units of the produced commodity are stated in the unit of measure indicated on the Cover Page (ie. tons, pounds, ounces, etc). |
| Column G\* | Units Sold | The amount of produced commodity sold, stated in the unit of measure indicated on the Cover Page (ie. tons, pounds, ounces, etc). This value is used to calculate the royalty due. |
| Column H | Ending Inventory | Inventory on hand at the end of the Production Month. |
| Column I | Selling Price per Unit | Report the average market price received for the commodity sale. |
| Column J\* | Gross Sales Value | Report the actual revenue received (in dollars) by the lessee for the commodity sale. |
| Column K\* | Lease Royalty rate  as $ per unit | The lease rate specified by dollars per the terms of the state lease contract. |
| Column L\* | Lease Royalty rate  as % of sales | The lease rate specified as percentage of sales per the terms of the state lease contract. |
| Column M | Calculated Royalty Due | Based on your state lease contract terms, calculate the total royalty due by one of these methods:   1. multiply the column G x column K 2. Multiply the column J x column L   Report the calculated result in dollars. |
| Column N | Royalty Credit: Apply AMR credit | If Advance Minimum Royalty(AMR) has been paid to the state according to the lease terms, AMR credits in dollars may be entered here to reduce the cash amount owed to the state for royalty. |
| Column O | Royalty Paid: Cash payment | Enter the cash amount paid to fulfill the Calculated Royalty Due. |
| Column P | Prepaid AMR Balance  *after credits applied* | Track the AMR account balance as AMR credits are used to pay for the royalty. |
| Column Q | Submitter | Enter the name of the reporting entity. |

**7. Late Royalty Penalties**

Interest on royalty is applied for late payments at a rate of 1.5% per month, compounded, plus a late penalty of $100.00.

Our Excel workbook form can be found here:

[Colorado Royalty Reporting Form CO-SMRoy2020](https://docs.google.com/spreadsheets/d/1FjNDyWq-6IOHclrKH8dKUPA94ydW3871/edit#gid=1962808505)

The reporting instructions are here:

[Colorado Solid Mineral Royalty Reporting Instructions](https://docs.google.com/document/d/1sN6ePyZ5uja-OPNNXO4uT9V1ZKxtBtZvDJPR2RZ7r90/edit)

**16. Submit workbooks monthly**

Please submit on time. Data may always be adjusted later in a PPA submission. Our fee schedule can be found here: [Fees & Payment Considerations](https://docs.google.com/document/d/1GsdIGL_JDdi6nLL8cwSnZL-ut7GQEC51sqjTD9qC24A/edit)

Workbooks must be submitted monthly via email to the Royalty Team mailbox at [DNR\_Colorado\_Royalty\_Data@state.co.us](mailto:DNR_Colorado_Royalty_Data@state.co.us)

Request for assistance and questions can be directed to the Royalty team mailbox or call:

Stephanie Johnson (303) 866-3454 x 3319

Tracy Nguyen (303) 866-3454 x 3332

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