Surface Mining Reclamation and Enforcement, Interior § 1206.179

§ 1206.179 What general requirements regarding processing allowances apply to me?

(a) When you value any gas plant product under §1206.174, you may deduct from value the reasonable actual costs of processing.

(b) You must allocate processing costs among the gas plant products. You must determine a separate processing allowance for each gas plant.

799
§ 1206.180 How do I determine an actual processing allowance?

(a) Determining a processing allowance if you have an arm's-length processing contract. (1) This paragraph explains how you determine an allowance under an arm's-length processing contract.

(i) The processing allowance is the reasonable actual costs you incur to process the gas under that contract. Paragraphs (a)(1)(ii) and (iii) of this section provide a limited exception.

(ii) If your arm's-length processing contract includes more than one gas plant product and the processing costs paid any additional royalties plus late payment interest determined under §1218.54 of this chapter. Alternatively, you may be entitled to a credit, but you will not receive any interest on your overpayment.

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(ii) If ONRR determines that you have determined an improper processing allowance authorized by this subpart, then you will be required to pay any additional royalties plus late payment interest determined under §1218.54 of this chapter. Alternatively, you may be entitled to a credit, but you will not receive any interest on your overpayment.

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