Karl Sellers
10926 Binehorn Rd
Houston, TX 77024

May 22, 2007

Department of the Interior; Minerals
Management Service; Attention:
Regulations and Standards Branch (RSB) MS–4024
381 Elden Street
Herndon, Virginia 20170–4817

Re: Royalty Relief—Ultra-Deep Gas Wells on OCS Oil and Gas Leases; Extension of Royalty Relief Provisions to OCS Leases Offshore of Alaska, 1010–AD33

I am writing to voice my opposition to the proposed regulations offering additional royalty relief for certain oil and gas wells on the Outer Continental Shelf. I do not believe that such royalty relief is appropriate because:

1. It distorts market forces to provide an incentive to U.S. production. We should continue to support our foreign oil and gas suppliers (mostly nationally controlled oil companies, such as those of Mexico, Venezuela and Saudi Arabia) by sending them our money in an effort to buy their support.

2. Much of the relief would be funneled to foreign corporations operating in the U.S., such as BHP (Australian), Statoil (Norwegian), Petrobras (Brazilian), Shell (Dutch) and BP (United Kingdom). Any royalty reductions should be reserved for U.S. companies.

3. The added oil and gas production that such royalty relief might provide would add to supply and thus could be expected to ultimately lower the cost to U.S. consumers. Lowering such costs only perpetuates the nation's reliance on fossil fuels and delays the needed shift to alternative, non-polluting, fuel sources.

Sincerely,

Karl Sellers