



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program
P.O. Box 25165
Denver, Colorado 80225-0165



IN REPLY REFER TO:
ARD/RB/MS 3132

APR 10 2000

Dear Reporter:

The Minerals Management Service (MMS) invites you to attend the oil and gas reporter training seminar in Denver, Colorado, on **June 12-15**. Except for your own travel and related expenses, the training is provided at no charge.

Location: Sheraton Denver West Hotel & Conference Center
360 Union Boulevard
Lakewood, Colorado 80228
303-987-2000

(For room reservations, request the block of rooms reserved for the Minerals Management Service. To receive the contract rate, you must make your room reservations by May 22, 2000.)

Dates: June 12 **Gas Valuation for Indian Leases**
June 13-14 **Report of Sales and Royalty Remittance**
 (Form MMS-2014)
June 15 **Monthly Report of Operations** (Form MMS-3160)

Time: 8:30 a.m. to 4:30 p.m.

Register at **800-525-0306** or **303-231-3301** before **June 6**.

The enclosed agendas describe the royalty and production topics we will present. The training will benefit new reporters, as well as experienced reporters who need a refresher course or help with specific problems.

During the seminar, MMS representatives will be available to meet with you to discuss any mineral reporting issues you may have. If you wish to schedule an appointment, please call the registration number and identify the topics you wish to discuss.

If you have any questions or if you will need any special accommodations or auxiliary aids during the training, please inform us when you call to register. We look forward to seeing you at the training.

Sincerely,

Paula Neuroth
Chief, Reports Branch

Enclosures (3)

SUPPLEMENTAL TRAINING SESSION ON GAS VALUATION FOR INDIAN LEASES

On August 10, 1999, the Minerals Management Service (MMS) published revised Indian gas valuation regulations in the Federal Register (64 FR 43506), effective January 1, 2000. These regulations add alternative valuation methods to existing regulations to ensure that Indian lessors receive maximum revenues from their mineral resources as required by the unique terms of Indian leases and MMS' trust responsibility. The revised regulations will also improve the accuracy of royalty payments at the time royalties are due.

Some of the topics that will be covered include:

- 1) how do you value gas in an index zone using the index-based formula;
- 2) how do you value gas not in an index zone;
- 3) how do you make a dual accounting election; and
- 4) what are the changes to transportation and processing allowances.

If you produce gas from Indian lands, the new regulations affect you, and we strongly encourage you to attend this session.

AGENDA

Minerals Management Service Oil and Gas Payor Training Seminar Report of Sales and Royalty Remittance (Form MMS-2014)

Session title	Description
Getting Started	Explain how to prepare the Payor Information Form to establish your company as a payor with MMS. Explain basic terminology with emphasis on revenue sources and their importance in reporting.
Reporting Principles and Commonly Used Transaction Codes	Explain each section of the Form MMS-2014, royalty reporting requirements, payment requirements, and MMS-editing and report acceptance process. Provide a field-by-field review with examples of the most frequently used Transaction Codes.
Adjustments, Recoupments, and Refunds	Explain how to report adjustments, recoup overpaid Federal royalties, and establish a balance to recoup Indian Tribal and allotted overpayments. Identify situations when MMS will process a refund.
Bills and Appeals	Explain types of bills (ABIL, CBIL, IBIL, GBIL, TBIL, BILL) automatically generated and reasons they are created. Discussion of when to report interest calculations on the Form MMS-2014 and what to do with negative interest statements. Explain the appeals process.
AFS/PAAS Comparison	Explain how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report for the Production Accounting and Auditing System (PAAS) and the sales quantity reported by the payor on the royalty report for the Auditing and Financial System (AFS).
Product Valuation	Overview of MMS-method of determining product value with emphasis on common valuation issues. Discuss basic allowance regulations and exceptions under the regulations. (This session does not explain how to prepare allowance forms).
Electronic Commerce	Present various methods and benefits of electronic reporting.
Reengineering	Update on the progress of the Royalty Management Program's reengineering initiative.

AGENDA

Minerals Management Service Oil and Gas Operator Training Seminar Monthly Report of Operations (Form MMS-3160)

(This session is for onshore reporting)

Session title	Description
Overview	Explain the MMS organization; the Production Accounting and Auditing System (PAAS); and MMS and surface management agency responsibilities.
Reporting Principles	Explain who, when, where, and how to report; production reporting methods including authorized report formats, mail addresses, due dates, editing, and report acceptance.
Form MMS-3160 Preparation	Explain each field on the Form MMS-3160. Includes suggestions to save time on report preparation.
Amended Reporting	Explain how to prepare and submit amended reports.
Confirmation Reports	Explain the monthly Well confirmation reports MMS sends to operators.
Missing Reports	Explain how missing exceptions are generated for production reports and MMS compliance efforts.
AFS/PAAS Comparison	Explain how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report for the PAAS and the sales quantity reported by the payor on the royalty report for the Auditing and Financial System (AFS).
Electronic Commerce	Present various methods and benefits of electronic reporting.
Reengineering	Update on the progress of the Royalty Management Program's reengineering initiative.
BLM Overview	Explanation of the Bureau of Land Management leasing process from the planning stage to final production. Includes overview of regulations, oil and gas orders, drilling plans, and surface use plans as they relate to oil and gas operations.
