

Dear Operator Letters – Gulf of Mexico

Sample Dear Operator Letter – Individual letters to specific operators regarding specific RIK properties may vary slightly and are not posted to this site.



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

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



IN REPLY REFER TO:

MMS/MRM/RIK
Mail Stop 330G5

August 14, 2001

Dear Operator:

In our "Dear Operator Letter" dated September 28, 2000, and with a subsequent modification on November 9, 2000, the Minerals Management Service (MMS) notified you of specific offshore Federal leases in the Gulf of Mexico (GOM) that were selected to participate in a crude oil Royalty in Kind (RIK) program beginning November 1, 2000. In accordance with the terms of that letter, we are notifying you of the termination of crude oil in-kind status of your offshore Federal leases in the GOM.

The in-kind status of the leases listed in the enclosure terminates for crude oil on September 30, 2001, and the oil royalties will be payable in value rather than in kind, **effective October 1, 2001**. Please notify the appropriate working interests of the changes in royalty status for these leases.

You must continue to report crude oil production and royalties to MMS on the Oil and Gas Operations Report (OGOR). Effective October 1, 2001, you must report crude oil royalties in value on the Report of Sales and Royalty Remittance (Form MMS-2014) under the MMS reporting requirements specified in MMS regulations and the MMS *Minerals Revenue Reporter Handbook* at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/RevenueHandbook.pdf>. Please note that the MMS reporting requirements change, effective October 1, 2001.

Please visit our website at <http://www.mrm.mms.gov> for information regarding properties participating in RIK sales.

Sincerely,

Milton K. Dial
Assistant Program Director
for Royalty in Kind

Enclosure

Gulf Oil Sale (GOS-1)
Listing Of Properties Terminating RIK
Effective September 30, 2001

Property Number	Area	Block	FMP Number	Operator	Winning Bidder
054-001361-0	ST	026	20177153400	Energy Partners, Ltd.	Williams-GulfMark Energy Company
054-001614-0	SP	070	20177215114	Ocean Energy, Inc.	Williams-GulfMark Energy Company
054-001618-0	SP	089	20177224600	Marathon Oil Company	Williams-GulfMark Energy Company
054-001618-0	SP	089	20177224601	Marathon Oil Company	Williams-GulfMark Energy Company
054-001870-0	ST	026	20177153400	Energy Partners, Ltd.	Williams-GulfMark Energy Company
054-002645-0	EB	158	20608040150	Union Oil Company of California	Williams-GulfMark Energy Company
054-002646-0	EB	159	20608040150	Union Oil Company of California	Williams-GulfMark Energy Company
054-002647-0	EB	160	20608040150	Union Oil Company of California	Williams-GulfMark Energy Company
054-002648-0	EB	161	20608040150	Union Oil Company of California	Williams-GulfMark Energy Company
054-005687-0	SP	086	20177224601	Marathon Oil Company	Williams-GulfMark Energy Company
054-007799-0	SP	087	20177224602	Marathon Oil Company	Williams-GulfMark Energy Company
054-013055-0	VK	694	2017724511B	Santa Fe Snyder Corporation	Williams-GulfMark Energy Company
754-390004-0	MP	064/065	20177255300	Devon Energy	Williams-GulfMark Energy Company
754-390012-0	MP	259	2017724511B	Santa Fe Snyder Corporation	Williams-GulfMark Energy Company
891-012333-0	SP	065	20177215102	Ocean Energy, Inc.	Williams-GulfMark Energy Company
891-016953-0	ST	026	20177153400	Energy Partners, Ltd.	Williams-GulfMark Energy Company
891-020238-0	MP	296	20177245113	GOM Shelf LLC/Apache	Williams-GulfMark Energy Company