<u>CERTIFIED MAIL</u>--<u>RETURN RECEIPT REQUESTED</u>

[Operator Contact Name] [Operator Name] [Operator Address] MMS-MRM-OFFCAM MS 382B2

MMS Operator Number: [] Control Number:

PRODUCTION ALLOCATION SCHEDULE REPORT

Dear [Contact Name]:

The Minerals Management Service (MMS) is streamlining reporting requirements for the Production Allocation Schedule Report (PASR) (Form MMS-4058) by establishing a new PASR reporting policy for Facility/Measurement Points (FMPs).

Unless specifically requested, MMS will only require PASRs for active oil and/or gas sales FMPs which have Other Sources and a Commingling Code 3. The PASRs must include detail lines for Other Sources as well as leases, units, and/or allocation meters which, for the given report period, have an active relationship with the sales FMP. Please note, an Other Sources line must be reported even if the volume is zero. If necessary, MMS may request PASRs for oil and/or gas sales FMPs and for oil and/or gas allocation meters without Other Sources (oil, starting July 2001¹ to current; and gas, starting January 2004 to current).

An MMS report generated [Enter Date], indicates that [Operator Name] is the operator for the oil and/or gas sales FMPs with Other Sources listed on the enclosures. The MMS's records indicate that [Operator Name] is submitting these PASRs in a timely manner and that no PASRs are missing.

Please continue to submit properly prepared original PASRs for each of the oil and/or gas sales FMPs with Other Sources listed on the enclosures. As of March 26, 2008, regulations at 30 CFR § 210.104(a) (2008) specify that the new due date for PASRs is the 15th day of the second month following the production month. All PASRs must be submitted electronically unless you qualify for an exception under 30 CFR § 210.105 (2008). Thank you for your continued cooperation in submitting these PASRs in a timely manner.

If [Operator Name] has any other active sales FMPs that have Other Sources and a Commingling Code 3, which are not included in any of the enclosures for oil and/or gas, and PASRs have not

¹ Based on the Royalty Simplification and Fairness Act of 1996, Sections 115(b) and 115(c), the MMS is barred from pursuing an obligation beyond 7 years of when the obligation becomes due (i.e., the last day of the calendar month following the month in which the oil or gas is produced). Since the date of this letter is August 2008, the last month for which MMS will collect oil PASRs is July 2001. In the future, this date will change each month.

Contact Name

been submitted, please submit PASRs for those FMPs.

For further assistance, please call [MS. your name] at 303-231-?.

Sincerely,

Mary Ann Guilinger Western Team Manager Federal Offshore Oil and Gas Compliance and Asset Management

Enclosures