



United States Department of the Interior

OFFICE OF NATURAL RESOURCES REVENUE

P.O. Box 25165
Denver, Colorado 80225-0165

JAN 20 2011

Dear Reporter:

This letter is to announce the retraction of the January 11, 1988 Dear Payor Letter regarding the policy on the assessment of late payment interest charges on retroactive adjustments made as the result of Bureau of Land Management (BLM) or Bureau of Indian Affairs (BIA) approvals or revisions of unit or communitization agreements.

For all BLM or BIA unit or communitization agreement approvals late payment interest charges will now not be assessed as long as royalties due are received by the end of the month following the month of BLM or BIA approval. Formerly, late payment interest charges would not be assessed if the royalties due were received by the end of the third month following the month of BLM or BIA approval.

This letter takes precedence over any statement regarding interest in the unit or communitization agreements or accompanying approval letters. If you have questions regarding this policy change, you may contact Hans Meingast at 303-231-3382.

Sincerely,

for

Robert F. Prael
Manager, Financial Management