



# United States Department of the Interior



MINERALS MANAGEMENT SERVICE  
ROYALTY MANAGEMENT PROGRAM  
P.O. BOX 25165  
DENVER, COLORADO 80225

IN REPLY  
REFER TO

FAD/LCB/MS652

NOV 14 1988

Dear Payor:

A letter dated June 23, 1988, from the Director, Minerals Management Service (MMS), notified you of a change in requirements for reporting "no sales" transactions (Transaction Code 20) on the Report of Sales and Royalty Remittance (Forms MMS-2014 and MMS-4014) affecting offshore and solid minerals leases. Effective with the December 1988 report month these changes will also apply to onshore Federal and Indian oil and gas leases administered by the Wyoming, Colorado, Utah, and Montana State Offices of the Bureau of Land Management (BLM) and accounted for by MMS. The leases administered by these state offices have recently been converted to the onshore Production Accounting and Auditing System (PAAS).

Therefore, effective with your December 1988 report month, you will no longer be required to report Transaction Code 20 for the leases administered by these BLM state offices and involving royalty in-value transactions. New oil and gas leases issued by these same BLM state offices and accounted for by the MMS Auditing and Financial System (AFS) will automatically come under this policy. You will continue to be required to report Transaction Code 20 for all royalty-in-kind (RIK) transactions, geothermal leases, and for any royalty in-value transactions for onshore Federal and Indian oil and gas leases not yet converted to PAAS. The MMS will assess for late reporting for all leases when royalty reports are received by MMS 1 or more days after the report due date. Also, MMS will continue to assess for failure to report for all geothermal leases and any onshore oil and gas leases not converted to PAAS, and selling arrangements involving RIK transactions in accordance with the Director's letter of March 18, 1987.

As each PAAS onshore conversion phase is completed, we will identify any leases that will be exempt from the reporting requirements contained herein and therefore, still subject to nonrespondent and late reporting exception processing and require zero sales reporting on the Form MMS-2014. Enclosed you will find a list of Federal and Indian oil and gas leases located within the geographical boundaries of Colorado and Utah but not administered by the Colorado or Utah BLM State Offices. These leases have not yet been converted to PAAS and are still subject to reporting requirements contained in the Director's letter of March 18, 1987.

Modifications to the MMS Oil and Gas Payor Handbook reflecting this policy change will be issued in the near future.

If you have any questions regarding this policy, please contact your Lessee Contact Branch representative.

Sincerely,

James R. Detlefs  
Chief, Fiscal Accounting Division

Enclosure

UTAH LEASES EXCLUDED

006-061140-0	621-000372-A
042-001056-0	621-002050-A
081-067807-0	621-002056-0
081-070968-0	621-002059-0
081-070968-A	621-004030-A
081-070968-B	621-005443-0
081-071010-0	621-005043-A
081-071010-C	621-005444-0
081-071403-0	621-000258-0
516-008833-0	621-000259-0
516-008834-0	621-000355-A
516-008835-0	621-000408-0
516-008836-0	621-000370-B
516-008837-0	621-000409-A
516-008838-0	621-000410-0
516-008839-A	621-000239-0
516-007180-0	621-000239-A
516-009123-0	621-000240-0
516-009124-0	621-000242-0
516-008840-0	621-000243-0
525-003002-0	621-002055-A
525-003003-0	621-002058-A
525-005117-0	621-000263-0
525-005118-0	621-000264-0
525-005119-0	621-000359-0
525-005297-0	621-000370-0
621-000246-A	621-000372-0
621-000247-A	621-002048-A
621-000353-0	621-002057-0
621-000368-0	621-004032-0
621-000370-A	621-004039-0
621-000407-0	621-004495-0
621-000409-0	621-005447-0
621-004035-0	621-005449-0
621-004037-0	621-005450-0
621-004043-0	621-005451-0
621-005045-0	621-006145-0
621-005046-0	621-006146-0
621-005445-0	621-006147-0
621-005446-0	621-006148-0
621-002058-0	623-006508-0
621-000229-0	623-006509-0
621-000236-0	623-006510-0
621-000248-0	623-006504-0
621-000264-0	623-006505-0
621-000270-0	623-006506-0
621-000373-0	623-007171-0
621-000374-0	623-007172-A
621-000700-0	
621-000708-0	
621-000720-0	

COLORADO LEASES EXCLUDED

519-000045-0  
519-000046-0  
522-001891-0  
522-001893-0  
522-001939-0  
522-001949-0  
522-000062-0  
522-000078-0  
522-000079-0  
522-000081-0  
522-000082-0  
522-000083-0  
522-000087-0  
522-000090-0  
524-000622-0  
524-000623-0  
524-000624-0  
524-000625-0  
524-000626-0  
524-000627-0  
524-001706-0  
524-001721-0  
524-001949-0  
524-004388-0  
524-004389-0  
614-002772-0