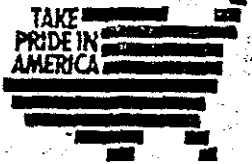




United States Department of the Interior

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
P.O. BOX 5760
DENVER, COLORADO 80217



IN REPLY
REFER TO:

FAD/LCB
Mail Stop 3220

MAR 14 1991

Dear Payor:

In December 1991 the Minerals Management Service (MMS) will place in production an updated version of the Auditing and Financial System (AFS) software which will affect your automated reporting system. A final version of the Edit Specifications for all AFS transaction codes will be provided to you when they become available, probably mid-summer.

In the meantime, because of its potential impact, we have enclosed a draft version of the Edit Specifications for estimates for your review. The new software for estimates will allow payors to report estimates at the lease level within a payor code instead of at the current selling arrangement level. This modification to the AFS system was made as a result of discussions between MMS and industry, and will greatly reduce the number of estimate lines, reported and processed. With the new software, transaction code 03 lines need only be identified at the lease level with the revenue source, product code and selling arrangement fields being reported as zero.

In July 1991, MMS will be mailing you a report which will reflect what your lease level estimate balances would be at that point in time. You are being provided this report so that you can reconcile the balances on the MMS database to the balances on your records. Without any special reporting being done by the payors, effective with the December 1991 reports, all balances at the selling arrangement level will be automatically rolled up to the lease level for each payor code. All AFS reports after December 1991 involving estimate balances will be at the lease level for each payor code.

Should you have any questions regarding this issue, please contact Ms. Jane Danielson or Ms. Angie Johnson in the Lessee Contact Branch at (303) 231-3288.

Sincerely,

James R. Detlefs
Chief, Fiscal Accounting Division

Enclosure