

## United States Departmen.

## MINERALS MANAGEMENT SERVICE

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





AUG 25 1993

Dear Sir or Madam:

On June 18, 1993, an order was issued by the Assistant Secretary - Land and Minerals Management, U.S. Department of the Interior, to all royalty payors of record to complete and return the special report relative to any contract settlements the company entered into since January 1, 1980, affecting Federal or Indian oil and gas leases. In addition, a responsible officer of the company must submit an affidavit certifying either that the company was not a party to any contract settlement during the period beginning January 1, 1980, or that the information given in the special report is correct. Payors were given 45 days from their date of receipt to comply with the subject order.

A substantial number of the payors have requested more time to gather the information needed to respond to the order. In addition, a number of oil and gas producer associations, including the Independent Petroleum Association of America and the American Petroleum Institute, acting on behalf of their members, have brought action in the U.S. District Court for the Northern District of West Virginia seeking, among other things, to enjoin the Government from requiring the special report identified in the order. Independent Petroleum Association of America, et al. v. Babbitt, Civil No. 93-0112-E (N.D.W.V.). To provide adequate time to brief and argue certain procedural motions in that case, MMS has agreed to extend the date for compliance with the Assistant Secretary's order.

Accordingly, the Assistant Secretary has authorized us to grant an extension until October 15, 1993, to provide the Contract Settlements Special Report and Affidavit. This information shall be mailed to:

Deputy Associate Director for Audit
Minerals Management Service
Royalty Management Program
P.O. Box 25165, Mail Stop 3600
Denver, CO 80225-0165

If you have any questions, please contact MMS at (303) 231-3185.

Sincerely,

Deputy Associate Director

for Audit