



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
WASHINGTON, DC 20240

SEP 26 1997

ARD/RB
Mail Stop 3132

Dear Reporter:

In an ongoing effort to streamline production reporting and reduce unnecessary paperwork, the Minerals Management Service (MMS) is making several changes that impact operators. The first two bullets are for all production operators; the last bullet is for offshore operators only.

Effective immediately for all operators:

- We will no longer require wells to be reported in a drilling status unless there are sales of test production or you are specifically required by MMS to report the wells. This applies to the Monthly Report of Operations (Form MMS-3160) and the Oil and Gas Operations Report (OGOR) Form MMS-4054. We realize many companies automatically report the drilling wells from their systems, therefore we will continue to accept and update any wells reported as drilling. Eliminating the reporting of drilling wells was a recommendation made by the Royalty Policy Committee.
- We will no longer send out Confirmation Reports to operators for operations reports as follows:

<u>Document</u> <u>Type</u>	<u>Report</u> <u>Number</u>
MMS-3160, Monthly Report of Operations	PTR100R1
Oil and Gas Operations Report	PTR320R1
Gas Plant Operations Report	PTR360R1
Gas Analysis Report	PTR400R1
Production Allocation Schedule	PTR440R1

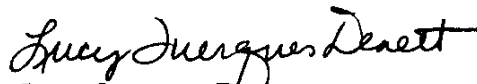
Many companies have requested us not to send the confirmation reports. These reports are sent to confirm changes made by MMS to your operations reports. When your production reporting representative contacts you to resolve a problem, it is very important that you record these changes on your copy of the report or in your system. If you would like to continue receiving confirmation reports, please contact your representative or submit a written request to MMS. We will continue to send confirmation reports for wells and facility measurement points.

Effective immediately for offshore operators only:

- Disposition Code 04, Other Volumes--Subject to Royalty, has been expanded to include lease use and any royalty-bearing flare volumes on Section 6 leases. If the Section 6 lease participates in a unit, report only the portion of fuel and flare attributable to the Section 6 lease. This change will appear in the next release of PAAS Reporter Handbook--Lease, FMP, and Gas Plant Operators. These volumes were previously reported using nonroyalty-bearing disposition codes. This policy applies to all reports submitted after receipt of this notice, including modifications to previous report periods.

If you have questions, please contact your production reporting representative at 1-800-525-7922.

Sincerely,



Lucy Querques Denett
Associate Director for
Royalty Management