

United States Department of the Interior

MINERALS MANAGEMENT SERVICE

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

IN REPLY REFER TO:

ARD/RB MS 3132

JUN 2 1998

Dear Reporter:

This letter notifies you of reporting changes due to revisions in the Code of Federal Regulations under 30 CFR Part 202. These revisions require all reporters to report gas at a standard pressure base of 14.73 pounds per square inch absolute (psia) and a standard temperature base of 60 degrees Fahrenheit (°F). If you are responsible for reporting production or reporting and paying royalties, you must (1) report gas volumes and British Thermal Unit (Btu) heating values, if applicable, under the same degree of water saturation; (2) report gas volumes in units of 1,000 cubic feet (Mcf); and (3) report gas volumes and Btu heating value at a standard pressure base of 14.73 psia and a standard temperature base of 60°F. Reporting under this revised standard should not affect the total royalty due.

Beginning with the sales/production month of September 1998, all reporters in the Gulf of Mexico Region must report gas at the standard conditions of 14.73 psia (instead of 15.025 psia) and adjusted to 60°F. This change will ensure that all gas volumes are reported consistently to MMS. To keep previous reports consistent, all Gulf of Mexico reporters must report modifications to gas volumes prior to September 1998 sales at 15.025 psia.

The Production Accounting and Auditing System (PAAS) Reporter Handbook--Lease, Facilty/Measurement Point, and Gas Plant Operators, Release 2.1, dated March 23, 1998, reflects this change. any questions, please contact Mr. Lawrence Barker at 1-800-634-6423, extension 3157, or your production reporting representative.

Sincerely,

Vernon B. Ing/raham Chief, Accounting and

Reports Division