



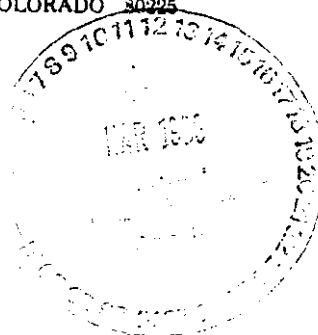
United States Department of the Interior



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

IN REPLY
REFER TO:

FAD/RDB
Mail Stop 652



March 16, 1988

Dear Payor:

Correspondence sent to you by the El Paso Natural Gas Company (El Paso), dated March 14, 1988, informed you that in the near future El Paso will no longer report and pay Federal and/or Indian royalties on your behalf. When this occurs, it will be necessary for you to begin paying royalties on your proceeds as a working interest owner to the Department of the Interior, Minerals Management Service (MMS).

The MMS and El Paso have been working together to coordinate this change and have developed a phased approach that will begin in April of this year and continue through January 1990. The conversion will consist of four phases. If you are scheduled to begin making royalty payments to MMS in Phase I of this conversion, you will receive additional information and reporting instructions from MMS in about 2 weeks. If you are scheduled for conversion in Phase II, III, or IV, you will receive this information well in advance of the conversion dates.

You may contact Mr. Tom Guerra, (915) 541-3781, if you have questions for El Paso concerning this matter. If you have any questions for MMS, please call (800) 525-9167 or (303) 231-3470.

Sincerely,

James R. Detlefs
Chief, Fiscal Accounting Division