



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
PRODUCTION ACCOUNTING DIVISION
P.O. BOX 17110
DENVER, COLORADO 80217



IN REPLY
REFER TO:

PAD/RCB
Mail Stop 3100

APR 20 1990

Dear Operator:

On May 9, 1988, the Minerals Management Service (MMS) published rules which provided for a change to 30 Code of Federal Regulations (CFR), Part 216, adding a requirement for lease operators to report onshore production to MMS. A phased conversion schedule was thereby announced; and in that Notice, MMS stated that it would not issue reporting assessments for any onshore operators until all onshore operators had been converted and were reporting production data for all leases/agreements to MMS. As of October 16, 1989, all onshore operators were reporting to MMS. Therefore, this is to notify you that effective May 1990 MMS will begin issuing reporting assessments to an operator who does not comply with the requirements of the Production Accounting and Auditing System (PAAS).

Title 30 CFR, Section 216.40 (1989) authorizes MMS to assess an amount not to exceed \$10 per day for each incorrectly completed report, for each late report, and for failure to report. A report is defined as each line of oil, gas, and solid minerals production information required on the form reported to PAAS. Please, refer to the enclosed Federal Register Notices that outline the current applicable assessment rates.

Accordingly, an operator will be assessed for incorrect reports, late reports, and failure to report production information required by the MMS automated PAAS. To preclude assessments, an operator subject to PAAS reporting requirements should submit accurately, completely, and timely all required operations information and any other information required by MMS. Specific guidance on the use of the required forms is contained in the PAAS Reporter Handbook. Copies of the Handbook are available from MMS. Additional guidance may be received from MMS, Reporter Contact Branch personnel, and regional training seminars to be conducted during July and August 1990 for which all operators received previous correspondence.

Your past and future cooperation is greatly appreciated. If there are any questions regarding this notification, please contact Ms. Linda Whitfield of this office at 800-525-7922 or 303-231-3151.

Sincerely,

Lucy R. Querques
Lucy R. Querques
Chief, Production Accounting Division