



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
P.O. BOX 5810
DENVER, COLORADO 80217



IN REPLY
REFER TO:

DOV/TCBI
Mail Stop 3933

CERTIFIED MAIL --
RETURN RECEIPT REQUESTED

Dear Payor:

The enclosed Bill for Collection (invoice) represents interest due issued under the Minerals Management Service (MMS) Automated Allowance Tracking System for oil and/or gas transportation and/or gas processing allowances.

Title 30 CFR §§ 206.105, 206.157, and 206.159 (1992) requires the lessee to submit an initial Oil Transportation Allowance Report (Form MMS-4110), Gas Transportation Allowance Report (Form MMS-4295) and/or Gas Processing Allowance Summary Report (Form MMS-4109). You must submit your forms prior to or at the same time the allowance is reported on the Report of Sales and Royalty Remittance (Form MMS-2014). An initial allowance form received by the end of the month that Form MMS-2014 is due is considered to be timely received. These regulations also state that an allowance may be claimed retroactively for a period not longer than 3 months prior to the first day of the month that the appropriate allowance form is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee.

For reporting periods succeeding the initial one, you must submit your allowance forms within 3 months after the end of the previous reporting period unless MMS approves an extension of time to file the allowance form. During this 3-month period, or such longer period as approved by MMS, the lessee shall continue to use the allowance rate from the previous reporting period in reporting its deductions on Form MMS-2014.

The MMS issued this invoice because you reported a transportation and/or processing allowance on Form MMS-2014, but the appropriate Form MMS-4109, Form MMS-4110, and/or Form MMS-4295 was not received by MMS prior to reporting the allowance deduction on Form MMS-2014. The MMS computes a separate interest assessment for each interest rate in effect for the period that the allowance form was not received prior to claiming the allowance deduction on Form MMS-2014.

Your payment of the enclosed invoice must be received by the invoice due date. If you pay by electronic funds transfer (EFT), please include your payor code and the invoice number in the Payment Information field of the EFT message. If you pay by check, payment must be made to the address indicated on the invoice. To ensure proper credit, return the remittance copy with your payment and record your payor code and the invoice number on your payment document.

You have the right to appeal the invoice in accordance with the provisions at 30 CFR § 290 (1992). Any appeal to the Director, MMS, must be filed within 30 days from the receipt of the invoice at the following address:

ATTN: Appeals - TCBI
Division of Verification
Minerals Management Service
P.O. Box 173702, MS 3933
Denver, Colorado 80217-3702

To satisfy the requirements of the regulations, written statements of reasons--initial and supplemental if necessary--must be filed within 60 days from the receipt date of the invoice showing an argument on the facts and laws as the appellant may deem adequate to justify reversal or modification. Extensions for filing the statements of reasons will not be permitted unless requested in writing within the 30-day period allowed for filing the appeal, showing justification of why the 60-day period is inadequate. Such extensions are subject to the approval of the Deputy Associate Director for Compliance.

In accordance with the provisions of 30 CFR § 243.2 (1992) (57 FR 44991, September 30, 1992), the requirement to pay a demand in excess of \$1,000 will be suspended upon timely MMS receipt of an appeal and your submission of an acceptable surety. The surety instrument must be consistent with the requirements of the above cited regulations, must cover the appealed principal plus interest for one year, and be submitted within 30 days of receipt of the invoice. The factor for 1 year of interest at the 7 percent annual rate compounded daily is .07250098. To find the amount of the required surety multiply the appealed principal by 1.07250098 and round up to the nearest hundred. If you have any questions regarding surety forms or procedures please call (800) 433-9802 or (303) 231-3074.

Pursuant to 30 CFR § 241.51 (1992), failure to comply with this order will be considered a violation and could result in a notice of noncompliance and civil penalty for each day such violation continues.

General questions regarding the invoice should be directed to Source One Management, Inc. (SOM) at (800) 551-4728 or (303) 969-6368. The SOM is MMS' support services contractor authorized to act in these matters.

Sincerely,



Theodore E. Hodkowski
Chief, Technical Compliance Branch

Enclosures