



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program

P.O. Box 25165

Denver, Colorado 80225-0165

IN REPLY REFER TO:

RAD/RPD
Mail Stop 3130/3120

OCT 4 1995

Dear Reporter:

Effective October 1, 1995, MMS will change its assessment policy for late and incorrect reporting. Under the new policy, MMS will no longer charge reporters for filing late royalty and production reports. In addition, reporters will normally not be charged for incorrect royalty and production reporting unless the overall error rate MMS experiences for a given month exceeds the FY95 average error rate of approximately 3 percent.

The only exception to this policy will be for incorrect reporting of solid mineral production reports. Those reporters will not be charged for incorrect reporting unless the overall production error rate for a given month exceeds 6 percent.

This change in assessment policy does not eliminate the requirement to submit correct reports in a timely manner.

As a result of this policy, late reporting charges will not be assessed for the following required reports:

- Report of Sales and Royalty Remittance (Form MMS-2014)
- Monthly Report of Operations (Form MMS-3160)
- Oil and Gas Operations Report (Forms MMS-4054, Parts -A, -B, and -C)
- Production Allocation Schedule Report (Form MMS-4058)
- Gas Analysis Report (Form MMS-4055)
- Solids Minerals Operations and Facilities Reports (Forms MMS-4059, Parts A and B and 4060, Parts A and B)

Please note that while assessments for late reporting will cease, MMS will continue to assess interest when payments are late. Industry's responsibility to submit accurate reports continues. Chronic incorrect reporting - or failure to report - will continue to be pursued through the regulatory process, penalties, or other appropriate action.

These changes recognize industry's continuing efforts to improve the accuracy and timeliness of the reports submitted to MMS. The changes also emphasize MMS's continued commitment to simplify the collection and disbursement of Federal and Indian royalties. We appreciate your efforts and look forward to working with you in the future to further improve our processes.

For additional information, please contact the following representatives for the forms below.

Oil and Gas 2014's	Your assigned Royalty Reporting and Payments Branch Representative Phone: 1-800-525-0309 FAX: (303) 231-3700
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Solid Minerals 2014's	Patrick Mulcahy, Data Management Division, Phone: 1-800-525-9167 FAX: (303) 231-3707
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Oil and Gas Forms MMS-3160, 4054, 4058, and 4055 questions:	Your assigned Production Reporting Branch Representative Phone: 1-800-525-7922 FAX: (303) 231-7922
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Solid Minerals Forms MMS-4059 and 4060 questions:	John Hovanec Phone: 1-800-525-9167 FAX: (303) 231-3368
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Sincerely,



James W. Shaw
Associate Director for
Royalty Management