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David S. Guzy
Chief, Rules and Publications Staff
Royalty Management Program
Minerals Management Service
P.O. Box 25165 - M/S 25165
Denver Federal Center
Denver, Colorado 80225-0165

**Re: Minerals Management Service -
MMS Supplemental Proposed Rule for Valuation of Crude Oil and
Sale of Federal Royalty Oil, 30 CFR Part 243, 62 FR 16116 (April 4, 1997)**

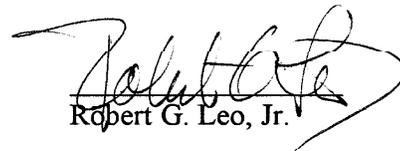
Dear Mr. Guzy:

Amoco Production Company ("Amoco") welcomes the opportunity to respond to the MMS July 3, 1997 Supplemental Proposed Rule for Valuation of Crude Oil and Sale of Federal Royalty Oil. Amoco did review the information contained in the Supplemental Proposed Rule. Amoco was involved in the preparation of comments filed on behalf of American Petroleum Institute ("API") regarding this Supplemental Proposed Rule. Amoco fully supports the comments made in the API submission which has been sent to you separately.

Amoco does not feel the July 3 Supplemental Proposed Rule covered many of the problems identified in previous comments submitted on the subject rulemaking. Amoco agrees with API that the valuation schemes presented to date are completely unworkable. The identified problems of the January 1997 Crude Oil Valuation Proposal remain unresolved. Those identified problems must be solved before we could accept a crude oil valuation methodology as fair and appropriate.

Finally, we appreciate your efforts and hope that the crude oil valuation rulemaking process will result in a fair valuation methodology.

Very truly yours,



Robert G. Leo, Jr.