



March 15, 1999

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Re: Federal Register / Vol. 64, No. 35 / Tuesday, February 23, 1999 / Notices  
Under the Paperwork Reduction Act of 1995, the Minerals Management Service (MMS)  
is soliciting comments on revising an existing information collection, Report of Sales and  
Royalty Remittance, the Office of Management and Budget (OMB) Control Number  
1010-0022, which expires on August 31, 2001.  
Form: MMS-2014

Gentlemen:

Hunt Oil Company offers the following comments in response to the subject notice.

### **Reporting Concepts**

*1. Elimination of the Form MMS-4025, Payor Information Form (PIF), OMB Control  
Number 1010-0033*

RESPONSE: We agree with the MMS plan that would eliminate MMS-4025 (PIF),  
conditioned only on the timely availability of converted lease and agreement numbers via the  
Internet.

*2. Product Valuation*

RESPONSE: We believe that the proposed inclusion of an RMP code identifying Arms-  
Length and Non-Arms Length transactions would be unnecessarily burdensome to the Payor.  
We feel that the majority of lines reported are Arms-Length sales. At any rate, we believe that  
details concerning valuation issues should be handled through compliance audits.

*3. Reporting Adjustments*

RESPONSE: We agree that no reversal line should be used when reporting adjustments on form 2014. However, instead of a "net" basis, we believe that a replacement line would better serve the payor's needs with respect to historical data. The replacement line would be identified by the necessary adjustment reason code. A previously reported royalty value column would be netted against the replacement line to arrive at the adjusted royalty value due. For purposes of illustration, an Excel file is attached to these comments which set out a proposed draft form 2014.

*4. Transportation and Processing Allowance Deductions*

We agree with the RMP proposal that these deductions be included on a single line.

**Form MMS-2014 Data Elements**

Unless otherwise noted, we agree with the proposed changes to the data elements.

*4. Payor Assigned Document Number*

We question the need for expanding the existing six place field. The current setup has proven to be adequate.

*8. API Well Number*

Since this number will be required in only a selected number of instances, we believe this number could be noted in data element number 6, Reserved for Payor's Use field.

*11. API Gravity*

We believe this information is already being provided on form 3160 or form 4054 and that to require this field on form 2014 duplicates that information.

*12. Valuation Code*

As previously noted under **Reporting Concepts**, we believe that making this code a required field would be burdensome and unnecessary.

*16. Sales Volume*

We believe this field can be calculated by the MMS; please see our proposed draft form 2014.

*17. Gas MMBtu Sales Volume*

We believe BTU information is already being provided on form 3160 or form 4054 and that to require this field on form 2014 duplicates that information.

*18. Royalty Rate*

We believe MMS has the royalty rate in their database based primarily on the lease instrument. Any deviation from the lease rate should also be a part of the MMS database.

*19. Unit Price*

We feel that MMS can calculate the unit price based on the reported Royalty Volume and Royalty Value relationship.

Please refer to our proposed draft form 2014 for additional suggested format changes.

**Agreement Level Reporting**

We believe that it would not be advantageous to the payor to require communitization or unitization participating area level reporting on one line. To do so would require substantial revenue system changes for the payor to roll up data currently rolled up by RMP.

**Reporting Format and Presentation**

We believe that the majority of payors are already reporting electronically or moving in that direction. Because of that, discussion of preference for portrait or landscape formats seems unnecessary. We would, however, like to see record layouts for electronic reporting included in future 2014 proposals.

We noted that certain payment method codes on the draft form 2014 have been changed. For example, payment method code 3 is shown on the proposed form as PM3, while currently this code is assigned to electronic reporting. Was this the intent and, if so, will payment method code PM1 be used for all payments to MMS, regardless whether they are electronic or otherwise?

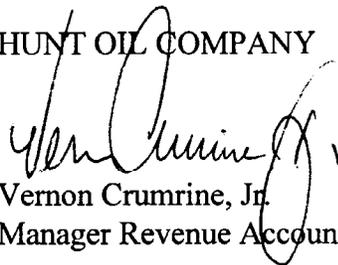
We also noted that no report month and year block appears on the draft form 2014. Again, our question is whether this omission was intentional.

Page Five of Five  
MMS March 15, 1999

Thank you for allowing us the opportunity to offer our comments. Questions concerning specific areas should be directed to the undersigned at (214)978-8146 or at the letterhead address.

Sincerely,

HUNT OIL COMPANY



Vernon Crumrine, Jr.  
Manager Revenue Accounting - Oil

Encl.(draft 2014)  
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