

**MICHAEL M. BAUER & ASSOCIATES, INC.**  
**OIL & GAS CONSULTING SERVICES**

---

April 26, 1999

Via Fax  
(303) 231-3700

Minerals Management Service  
Royalty Management Program  
Rules and Publications Staff  
P.O. Box 25165 MS 3021  
Denver Colorado 80255-0165  
Attn: Beth Danford

Re: Comments on Proposed Changes to MMS OGOR Forms

Dear Ms. Danford,

I'm writing this response to you regarding the MMS proposed changes to the Production Reporting Forms (MMS-4054) and MMS 3160.

My response is based upon the environment in which I work, small to mid-sized Independent Operators and Producers, mainly in the Gulf of Mexico. As a consultant and outsource provider, I need to understand the requirements and perform the required reporting in a accurate and efficient manner. The more efficient I can report, then the more work I can perform in the same time.

I do not currently have a client base in which I report Form MMS 3160. It's my opinion that the use of the "new" OGOR's for all Federal Reporting is a good idea.

Listed below are more comments for your consideration:

- \* Moving from a three page (A,B,C) format into a two page format will reduce number of pages and missed OGOR C reports.
- \* Reduction of codes from 13 to 4 digits should assist not only the preparer, but those in Operations and Accounting who may actually read the codes for shut-in reasons, notification of problem wells.
- \* The addition by MMS for a code for shut-in due to economic reasons would be a good idea. I have had several clients who shut-in wells due to pricing, market gluts and currently no codes are in place to account for this action.

- \* The greatest improvement in your published changes is the ability to make corrections to the OGOR's for a lease by selection of a total replacement report. Many State governments have been using the "replacement" report and for the preparer, it is more efficient and accurate than the current MMS "delete & add" routine for modified reports.
- \* The inclusion of MOL percent for those Operator's who process their gas will cut down on old GAR forms. Just include the MOL info when you process.

In summary, the proposed changes reduce the number of pages filed, reduce codes and allow for modified reports to be completed on a total replacement basis. All of these changes will, in my opinion, assist the preparer.

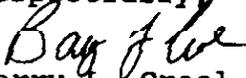
However, I work 98% in the Gulf of Mexico, with small to mid-sized companies that outsource the reporting. I cannot speak for others and for the large companies with 1000's of wells to report on. I know a few onshore Operator's who will not like to change from the MMS 3160 to the MMS OGOR's, new or old.

In my opinion, many preparer's will not be in favour of changing the format for reporting. Computer systems and peoples routines are already in place. Reporting in general is a formality and is considered a burden, not an asset. Reporting must take place and when government and industry can agree to a middle ground, that's about as happy as we can both get.

As a preparer and outsource provider, the clients needs are the same; get the reports to the MMS on time and accurate. How well we execute that function and how efficient we can make it is my real concern. From my vantage point, any changes made to reporting is a change from what we know and use today and that will cost all of us money. How much is it going to cost and who bears that cost still needs to be determined.

I appreciate your efforts in your proposed changes and hope my comments offer you another point of view, mostly positive. If you have comments or require additional information, please advise.

Respectfully,

  
Barry L. Creel  
Vice President