

**CNG Producing
Company** A CNG Company

CNG Tower (504) 593-7610
1450 Poydras Street Fax: (504) 593-7346
New Orleans, LA 70112-6000 Fax Modem: (504) 593-7284
(504) 593-7000 e-mail: timothy_j_jacquet@cngp.cng.com

TIMOTHY J. JACQUET
General Attorney

April 7, 1998

Mr. David S. Guzy
Chief, Rules and Publications Staff
Royalty Management Program
Minerals Management Service
Building 86, Denver Federal Center
Denver, Colorado 80225

Re: Supplementary Proposed Rule on Crude Oil Valuation
63 Fed. Reg. 6113 (February 6, 1998)

Dear Mr. Guzy:

CNG Producing Company, an active member of both the Independent Petroleum Association of America (IPAA) and the Domestic Petroleum Council (DPC), strongly endorses and adopts the joint comments filed today by IPAA and DPC.

CNG believes the proposed rule is unworkable and contrary to law. We urge the MMS to withdraw it. The agency should now work with the oil and gas industry and other interested parties to reinvent government by enacting Royalty In Kind legislation.

Sincerely,

Timothy J. Jacquet
Its Attorney