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October 30, 1996

Mr. David S. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
P.O. Box 25165, MS-3101
Denver, Colorado 80225-0165

**Re: Amendments to Transportation
Allowance Regulations for Federal and
Indian Leases to Specify Allowable
Costs and Related Amendments to
Gas Valuation Regulations
61 Fed. Reg. 39931 (July 31, 1996)**

Dear Mr. Guzy:

Conoco Inc. ("Conoco") welcomes this opportunity to submit these comments to the Minerals Management Service ("MMS") with respect to the above-referenced Notice of Proposed Rulemaking.

Conoco is a wholly-owned subsidiary of E. I. du Pont de Nemours and Company. In 1994 its worldwide production of crude oil, condensate, and natural gas liquids averaged 436,000 barrels per day; and its worldwide natural gas production averaged 1,347 million cubic feet per day. During the five year period ending December 31, 1995, Conoco remitted royalty payments to the MMS in excess of \$383 Million.

Conoco and some of its employees are members of the American Petroleum Institute, Rocky Mountain Oil & Gas Association, and Council of Petroleum Accountants Societies -- all of which organizations are filing separate comments regarding this proposed MMS rulemaking. We adopt, and incorporate by reference, the comments as filed by these other organizations.

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Should you have any questions or need additional information, please contact me at
(713) 293-5108.

Very truly yours,

Carol Harvey
by Charlotte Stutz

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cc:

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