



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program

P.O. Box 25165

Denver, Colorado 80225-0165

IN REPLY REFER TO:

RFD/RB
Mail Stop 3132

AUG 16 1996

Dear Reporter:

The Minerals Management Service (MMS) cordially invites you to attend a reporter training seminar in Midland, Texas, on September 24-26, 1996.

The enclosed agenda gives you a brief description of the royalty and production reporting topics we will cover. The training will benefit new reporters, as well as experienced reporters who could use a refresher course, or who need help with specific problems.

The sessions are informal and are designed to provide as much information as possible in a short period of time. Except for your own travel and related expenses, the training is provided to you at no charge.

Location: Midland Hilton and Towers
117 West Wall Avenue
Midland, Texas 79701
(915) 683-6131

Dates: September 24-25 Report of Sales and Royalty
Remittance (Form MMS-2014)

September 26 Monthly Report of Operations
(Form MMS-3160)

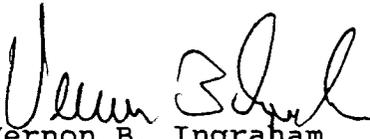
Time: 8:30 a.m. to 4 p.m.

How to register: Call MMS at 800-525-0306 or (303) 231-3301 no
later than Wednesday, September 18, 1996.

During the 3-day seminar, MMS representatives will also be available to meet with you to discuss any specific issues or problems you may be encountering. If you wish to schedule a separate appointment, please call the phone number listed above and indicate the topics you wish to discuss. One of our representatives will return your call.

If you have any questions or if you will need any special accommodations or auxiliary aids during the training, please let us know when you call to register. We look forward to seeing you at the training.

Sincerely,



Vernon B. Ingraham
Chief, Reports and
Financial Division

Enclosures

MINERALS MANAGEMENT SERVICE
OIL AND GAS REPORTER TRAINING SEMINAR
REPORT OF SALES AND ROYALTY REMITTANCE
(FORM MMS-2014)

Establishing Your Data Base

Explains how to prepare the Payor Information Form (PIF) which is used to establish your company as a payor. Provides an explanation of revenue source types and their importance in proper reporting.

Reporting Principles and Basic Form Preparation

How and when to report and pay royalties will be covered in this segment of the training. Also includes information on who reports and pays, payment requirements, due dates, and report acceptance. Each section of the Report of Sales and Royalty Remittance (Form MMS-2014) will be reviewed and explained.

Commonly Used Transaction Codes

Explains the coding and specific reporting requirements relating to the more commonly used transaction codes: royalty due; royalty-in-kind; rent; minimum royalty and estimated royalty payments.

Adjustments, Refunds, and Recoupments

This session will discuss how to properly report adjustments and how to recoup overpaid Federal royalties. Also included is the proper method of establishing a balance to recoup Indian tribal and allotted overpayment.

Billing and Appeals

Each month MMS generates bills for a variety of exception processing routines. This session explains each type of bill (i.e., ABIL, CBIL, IBIL, GBIL, TBIL, etc.) and the conditions that create them. Also includes an explanation of the appeal process.

PAAS/AFS Comparison

This session will discuss how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report and the sales quantity reported by the payor on the royalty report.

Product Valuation

An overview of MMS' method of determining product value with emphasis on commonly encountered valuation issues. Basic allowance regulations and exceptions under the regulations. This does not include an explanation of allowance form preparation.

MINERALS MANAGEMENT SERVICE
AGENDA AND OVERVIEW
ONSHORE OPERATOR TRAINING SEMINAR
(Form MMS-3160)

Overview

This session explains the organization of Minerals Management Service (MMS). Also explained is the Production Accounting and Auditing System (PAAS) and MMS and surface management agency responsibilities.

Reporting Principles

Who must report, when to report, where to report, and production reporting methods will be covered in this section. Subjects covered will include: who reports, authorized reporting formats, mailing addresses, due dates, editing, and report acceptance.

Form MMS-3160 Preparation

This session walks through a field by field explanation of the preparation of the Monthly Report of Operations, Form MMS-3160. By reviewing and explaining each section of the form, MMS will relate the technical, mechanical details as well as giving attendees ideas where they can save time and energy with work saving tips. This section is the heart of the production reporting requirements.

Amended Reports

The MMS receives thousands of amended reports each month. This session will aid the reporter in determining how to properly prepare and submit amended reports.

Confirmation Reports

Each month MMS sends to the operator confirmation of changes to well data and changes or additions made to the Form MMS-3160. This session will, hopefully, remove some of the mystery about the Well and MMS-3160 confirmation reports received by operators.

Assessment/Order to Report/Appeal Overview

Each month MMS generates liquidated damage assessments for late or erroneous production reporting. This session explains why assessments are generated and what the reporter can do so that none are received. Also included is an explanation of the Order to Report and Appeals process.

AFS/PAAS Comparison

This session will discuss how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report and the sales quantity reported by the payor on the royalty report.