



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
Minerals Revenue Management
P.O. Box 25165
Denver, Colorado 80225-0165
www.mrm.mms.gov

APR 21 2008

Dear Southern Ute Tribal and Allotted Reporter:

The Southern Ute Tribe (Tribe) has presented a compelling business case to the Minerals Management Service (MMS), requesting well level reporting on Form MMS-2014, Report of Sales and Royalty Remittance, for Southern Ute Tribal and allotted leases. Southern Ute Tribal royalty rates frequently vary on individual wells that are located on any given lease. Reporting at the lease level makes it difficult for MMS and the Tribe to determine if the reporting is correct when performing compliance and audit work.

Please begin reporting at the API well level on Form MMS-2014, beginning with the October 2008 sales month for all Southern Ute Tribal and allotted royalties.

The authority for this request can be found in OMB Circular ICR1010-0140 and is also discussed in the *Mineral Revenue Reporter Handbook* on pages 3-9.

The MMS identifies each well with a unique, permanent, 12-digit API well number and a 3-character completion code/producing interval. The API well number is assigned to each wellbore by the State agency that issued the well permit. Wells located on the Southern Ute Reservation were permitted by the State of Colorado. The API well number is structured as follows:

State	County	Sequence	Wellbore (WB) or Sidetrack (ST)	Completion Code/Producing Interval
99	999	99999	99	X99

State codes are two digits. The standard API state code is required.

County codes are three digits. The standard API county code must be used.

Sequence codes are five digits. These numbers are assigned by state agencies to identify the original wellbore. The numbers are assigned sequentially from 1 to 60,000 for each county.

Wellbore (WB) codes are two digits. The WB code was previously called the sidetrack (ST) code but has been renamed to reflect the fact that the code applies to all subsequent wellbores drilled after the original hole, including sidetracks, bypasses, redrills, and well deepenings.

A wellbore/sidetrack is defined as any new borehole purposely or unintentionally kicked off or extended from an existing wellbore.



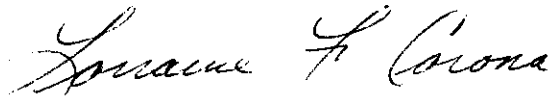
Completion Code/Producing Interval is a three-character standard format code assigned by BLM for onshore leases. The numeric portion is uniquely and permanently related to a specific completion zone or producing configuration within a wellbore.

- The 3-character producing interval code is a separate identifier and is not part of the 12-digit API well number. However, it does complete the well number for reporting purposes.
- The letter of the code is assigned based on the number of tubing strings in the wellbore that are capable of production. For example, a producing interval code of **S01** indicates a single tubing string; **D01** indicates a dual completion.

The API well number is column number eight on Form MMS-2014 and contains no spaces. One way to determine the API well number is to contact, or access the website of, the State agency that issued the well permit.

If you have any questions, please contact your assigned royalty error correction representative, who can be located at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/coassign.pdf>.

Sincerely,



Lorraine F. Corona
Reporting Services Manager