

2004 shutdown



United States Department of the Interior

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



MAR 22 2004

Dear Reporter:

Subject: Department of Interior Court Ordered Shutdown of Internet Systems

This is to inform you that on March 15, 2004, the United States District Court for the District of Columbia issued a preliminary injunction requiring most Department of the Interior organizations, including the Minerals Management Service (MMS), to disconnect from the Internet and to shut down automated systems that have Internet connectivity. This injunction was issued pursuant to the Cobell v. Norton litigation.

In response to this preliminary injunction, the MMS has directed its contractors to shut down the financial system that is used to receive, process, and distribute mineral revenues. The Inovis website that you normally use to submit your electronic MMS reports (Report of Sales and Royalty Remittance (Form MMS-2014); Oil and Gas Operations Report (Form MMS-4054); and Production Allocation Schedule Report (Form MMS-4058)) is not available at this time. Please note the following important instructions:

- **Reporters should continue to make full and timely payments for rents and royalties in the normal manner.**
- **If you are an electronic reporter, you must wait until the Inovis connectivity is restored to submit your reports (except for rent, as explained below).**
- **If you have an approved exemption to report to MMS via paper, you must continue to send your reports to MMS.**
- **If you do not have an approved exemption to report via paper, do not report on paper (except for rent as explained below).**

Special Instructions for Rents - Until the systems are restored, MMS will not be able to send courtesy notices reminding payors to submit rental payments. **Rent payments must be made timely even in the absence of a courtesy notice. If you do not receive a courtesy notice, report your rental on a paper MMS-2014** to make sure you get credit for making timely rental payment. The rent payment must match the report total and a Payor Assigned Document (PAD) number must appear on both the payment and the MMS-2014.

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Dear Reporter

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DOI and MMS representatives are working within the guidelines of the Preliminary Injunction to take the necessary actions to restore the affected connections as soon as possible. All registered Inovia reporters will be notified via e-mail when the connection is re-established. Please check periodically the availability of the reporting website to ascertain if the connection has been restored.

We appreciate your patience in this matter. If you have any questions, feel free to call your MMS contact at the following numbers:

- 800-525-7922 - Production Reporting
- 800-525-0309 - Royalty Reporting
- 800-525-9167 - Rental Payments.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Sykora". The signature is fluid and cursive, with the first name "Phil" being more prominent than the last name "Sykora".

Phil Sykora
Chief, Financial Management



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Washington, DC 20240



MAR 22 2004

The Honorable Robert R. "Bob" Riley
Governor of Alabama
Montgomery, Alabama 36130-2751

Dear Governor Riley:

This is to inform you that on March 15, 2004, the United States District Court for the District of Columbia issued a preliminary injunction requiring most of the Department of the Interior organizations, including the Minerals Management Service (MMS), to disconnect from the Internet and to shutdown automated systems that have Internet connectivity. This injunction was issued pursuant to the Cobell v. Norton litigation.

In response to this preliminary injunction, the MMS has ordered its contractors to shutdown the financial system that is used to receive, process, and distribute mineral revenues. This system is the only mechanism MMS has to identify revenues attributable to your state. The effect of this action on your state, unfortunately, will be to forestall the processing and distribution of your state's share of Federal mineral revenues until such time as we receive the court's permission to resume system operations. In addition, the MMS facilities for online Internet access to royalty and production information will not be available. The MMS cannot estimate the length of this shutdown, but we will notify you when we are able to resume operations.

If I can be of further assistance, please feel free to contact me at (202) 208-3500 or have your staff contact Ms. Lucy Querques Denett, Associate Director for Minerals Revenue Management, at (202) 208-3415.

Sincerely,

R. M. "Johnnie" Burton
Director



United States Department of the Interior



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

MAR 23 2004

Dear State Treasurer:

This is to inform you that on March 15, 2004, the United States District Court for the District of Columbia issued a preliminary injunction requiring most of the of the Department of the Interior organizations, including the Minerals Management Service (MMS), to disconnect from the Internet and to shutdown automated systems that have Internet connectivity. This injunction was issued pursuant to the Cobell v. Norton litigation.

In response to this preliminary injunction, the MMS has ordered its contractors to shutdown the financial system that is used to receive, process, and distribute mineral revenues. This system is the only mechanism MMS has to identify revenues attributable to your state. The effect of this action on your state, unfortunately, will be to forestall the processing and distribution of your state's share of Federal mineral revenues until such time as we receive the court's permission to resume system operations. In addition, the MMS facilities for online Internet access to royalty and production information will not be available. The MMS cannot estimate the length of this shutdown, but we will notify you when we are able to resume operations.

If I can be of further assistance, please feel free to contact me at (303) 231-3413 or have your staff contact Ms. Katherine Martinez, Accounting Services Manager, at (303) 231-3042.

Sincerely,

Phillip Sykora
Chief, Financial Management



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Washington, DC 20240



MAR 25 2004

The Honorable Bill Owens
Governor of Colorado
Denver, Colorado 80203-1792

Dear Governor Owens:

This is to inform you that on March 24, 2004, at 5 p.m., EST, the Department of the Interior was notified that the United States Court of Appeals for the District of Columbia circuit had issued a temporary stay to the March 15, 2004, preliminary injunction pursuant to the *Cobell v. Norton* litigation. As you know, the preliminary injunction required most of the Department organizations, including the Minerals Management Service (MMS), to disconnect from the Internet and to shutdown automated systems that have Internet connectivity.

In response to the temporary stay, the MMS has reconnected all of its systems. The MMS has started immediately processing the backlog of the last 10 days and will continue with its normal financial operations until it receives further orders from the appeals court. You should receive your share of revenue within the usual timeframe. At this time, we cannot estimate when the court will take action. We will notify you when the court issues a decision.

If I can be of further assistance, please feel free to contact me at (202) 208-3500 or have your staff contact Ms. Lucy Querques Denett, Associate Director for Minerals Revenue Management, at (202) 208-3415.

Sincerely,

R. M. "Johnnie" Burton
Director

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MAR 29 2004

Dear Reporter:

Subject: *Reconnection of the Department of Interior Internet Services*

As you may be aware, your ability to electronically report mineral revenues was temporarily interrupted this month by a court order. This is to inform you that the court order has been temporarily stayed and that all electronic reporting capability has been restored. Please report as normal.

On March 15, 2004, the United States District Court for the District of Columbia issued a preliminary injunction requiring most Department of the Interior organizations, including the Minerals Management Service (MMS), to disconnect from the Internet and to shut down automated systems that have Internet connectivity. This injunction was issued pursuant to the *Cobell v. Norton* litigation.

In response to this preliminary injunction, the MMS directed its contractors to shut down the financial system that is used to receive, process, and distribute mineral revenues. The Inovis website you normally use to submit your electronic MMS reports (Report of Sales and Royalty Remittance (Form MMS-2014); Oil and Gas Operations Report (Form MMS-4054); and Production Allocation Schedule Report (Form MMS-4058)) was temporarily unavailable.

On March 24, 2004, the United States Court of Appeals for the District of Columbia Circuit granted the motion for a temporary stay to the preliminary injunction, allowing MMS to reconnect to the Internet and restore the operations of its automated systems. Therefore, while the temporary stay is in place, we are able to receive and process reports and payments in the normal manner.

The MMS will continue with its normal financial operations until it receives further orders from the appeals court. At this time, we cannot estimate when the court will take action. We will notify you if there is a change in these reporting instructions.

If you have any questions, feel free to call your MMS contact at the following numbers:

- 800-525-7922 – Production Reporting
- 800-525-0309 – Royalty Reporting
- 800-525-9167 – Rental Payments

Sincerely,

Phillip D. Sykora
Chief, Financial Management

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