Dear Payor:

In January 1992 the Minerals Management Service (MMS) will implement new software which will affect estimated royalty reporting. Estimates are reported on the Report of Sales and Royalty Remittance (Form MMS-2014) using transaction code 03.

Lease level estimate reporting will replace the current method of reporting estimates at the selling arrangement level. Beginning with the Form MMS-2014 reports you submit for the report month of January 1992, due on January 31, 1992, all estimate lines should be reported with zeroes or spaces in the revenue source, product code, and selling arrangement fields.

The Auditing and Financial System has computed your lease level estimate balances, summing the selling arrangement balances by lease. The enclosed Estimate Balance Report shows the lease level estimate balances as of September of 1991 resulting from this process. After January 1992, any estimate balance reports that MMS provides you will show the balances at the lease level.

If you have any questions in this matter, please contact either Ms. Angie Johnson or Ms. Jane Danielson, Lessee Contact Branch, at (303) 231-3288.

Sincerely,

[Signature]

James R. Detlefs
Chief, Fiscal Accounting Division

Encl.