

FAD-LCB-A
Mail Stop 3220

DEC 18 1991

Dear Payor:

Effective January 1, 1992, the Minerals Management Service (MMS) will implement a policy change as to the due date for minimum royalty payments.

The due date of minimum royalty payments will conform with the terms of 43 CFR 3103.3-2 (1990) which states minimum royalty payments for Federal leases are due and payable at the expiration of each lease year. Therefore, your payment and a Report of Sales and Royalty Remittance (Form MMS-2014) must be received by MMS on or before the last day of the month of the lease year regardless of whether or not you have an estimated payment. In essence, estimated payments are used to delay royalty payment and not the payment date of the minimum royalty obligation.

Should you have any questions regarding this change, contact your Lessee Contact Branch representative. If you do not know who to contact, please call (303) 231-3288.

Sincerely,

(original signed) Detlefs

James R. Detlefs
Chief, Fiscal Accounting Division