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Denver, Colorado 80202
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May 5, 2015

Mr. Armand Southall,
Regulatory Specialist
P.O. Box 25165,
MS 61030A,
Denver, CO 80225-0165

RE: RIN 1012-AA13. Public Comments to Office of Natural Resource and Revenue for royalty calculations for no like quality gas for electric generation.

Dear Mr. Southall,

Vessels Coal Gas, Inc. ("Vessels") thanks the Department of Natural Resource and Revenue for the opportunity to comment on the benefit of providing a practical easy to manage natural gas royalty calculation methodology for electricity generated from unprocessed natural gas or no like quality gas produced from oil and gas rights owned by the Bureau of Land Management and other United States Government and Trust properties. Currently the rules applying to natural gas royalty calculations provide for a net back calculation of royalties paid from electrical generation of unprocessed gas or no like quality gas. The rules submitted for public comment exclude the application of net back calculations for determining royalties payable to the United States Government from electricity generated and sold from no like quality gas owned by the United States and Trust Properties.

Vessels respectfully proposes:

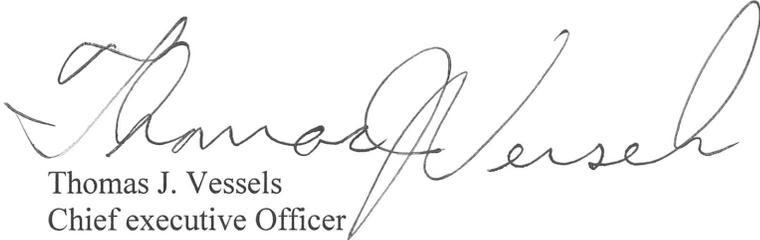
- Royalty calculation for no like quality gas include a net back calculation pertaining to electricity generation and sale.

Vessels believes the reasons supporting this proposal are:

- The product being sold and metered is electricity not natural gas.
- Such gas is typically being emitted as waste gas from seeps, outcrops and mines.
- The hydrocarbon used for fuel to power electric generation is mostly methane, a potent greenhouse gas. The combustion of the methane to generate electricity will also reduce greenhouse gas emissions and if present molecules considered hazardous by the United States Environmental Protection Agency such as volatile organic compounds.

We appreciate ONRR's continuing objectivity in evaluating this unique situation. Please free to contact me at (303)534-0488 or Julian Huzyk at (303) 547-2860 with any questions or comments.

Sincerely,

A handwritten signature in cursive script, reading "Thomas J. Vessels". The signature is written in black ink and is positioned above the printed name and title.

Thomas J. Vessels
Chief executive Officer
Vessels Coal Gas, Inc., as
Manager of 3 MW LLC