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Minerals Management Service  
Royalty Management Service  
Royalty Management Program  
Rules and Procedures Staff  
P.O. Box 25165, MS 3101  
Denver, Colorado 80225-0165



Re: Rule Making  
Valuing Oil Royalty Due on Federal Leases and Sale of Federal Royalty Oil

Dear Ladies and Gentlemen:

With the certainty of loss the federal government; overriding royalty owners and fee royalty owners within the bounds of federal units have experienced with the system of "posted prices" advanced by the majors oil companies and lesser purchasers it is well time that the US government pursue a marketing standard such as NYMEX with appropriate adjustments for transportation and quality.

You are fully aware that the promulgation of such a market pricing system will be challenged as laborious and a costly increase to industry to handle reporting procedures. I am confident that a paper work reduction rule making procedure can be adopted. No matter what the objections are to NYMEX marketing such a system must be instituted as purchasers especially those who are refiners have a financial conflict of interest such that the price of crude is suppressed in favor of gaining cheap feedstocks with higher profits to be recognized on the products side of refining. The results we know is that the government or any royalty owner is not receiving full value for their royalty oil.

The RIK program will very difficult and costly for the government to institute and should be scraped in favor of the NYMEX pricing system.

Very truly yours,

Richard A. Bassham, Jr.

RABjr.

c: Senator Craig Thomas  
Senator Mike Enzi  
Representative Barbara Cubin