



Coastal
The Energy People

WILLIAM G. LAUGHLIN
VICE PRESIDENT & DIRECTOR OF
LAW—NATURAL RESOURCES

August 16, 1996



Mr. David S. Guzy, Chief
Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
Building 85, Room A-212
Denver Federal Center
Denver, Colorado 80223

Re: Comments on MMS Proposal, Amendments to Gas Valuation Regulations for Federal Leases”, 30CFR Part 202, 206 and 211; 60FR56007 (November 6, 1995) and 81FR25421 (May 21, 1996)

Dear Mr. Guzy:

On behalf of Coastal Oil & Gas Corporation, ANR Production Company, CIG Exploration, Inc. and Coastal Oil and Gas USA, Ltd. (hereinafter “Coastal”), I am writing to offer comments on the MMS May 21, 1996 Proposal and the related options generated at the June 12-14, 1996, meeting of the Federal Gas Valuation Negotiated Rulemaking Committee. Coastal is a medium sized oil and gas producer with a significant portion of its production located on federal and Indian leases, both onshore and offshore. These comments supplement Coastal’s earlier Comments dated February 2, 1996, in which Coastal outlined its qualified approval of the Proposed Rule published in 60FR56007.

Coastal is concerned that the MMS appears to be abandoning the Federal Gas Valuation Negotiated Rulemaking Committee Report which was developed after long and difficult negotiations and which contained significant compromise of all groups represented in the process.

Rather than discuss Coastal’s views on each of the options, Coastal limits its comments to merely supporting the Consensus Rule, Option #1 (as modified). Furthermore, Coastal supports and adopts the comments submitted by the American Petroleum Institute which present a comprehensive analysis of the features of any rule which Coastal can support and the reasoning why all other options are objectionable and should be rejected.

Sincerely,


William G. Laughlin

WGL/sc

cc: K. Gullett
A. Moss
J. Barnett
S. Canfield
S. Ginzberg

Coastal States Management Corporation

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