



UTE MOUNTAIN UTE TRIBE

Ute Mountain Ute Tribe
Audits
P.O. Box 69
Towaoc, Colorado 81334

COMMENT ON NEW INDIAN OIL RULE FROM UTE MOUNTAIN UTE TRIBE

CommentNIOR

David Guzy, Chief Rules and Publications
MMS
P.O. Box 25165 MS-3021
Denver, Colorado 80225-0165

David Guzy,

We have two items that concerns us on the new rule.

MAR 2000
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ITEM NUMBER ONE

There is one economic detrimental item in this new rule. You are making it more difficult for industry to operate in "Indian Country" with no benefit to the Indian Tribes. You are making Tribal Lands less economic because of financial sanctions.

The area of the rule that we are addressing is the part about making the Payor do certain reporting changes on a required time frame or be fined. You are wrongfully assuming that the Payor is always the same as the owner and the operator.

There are plenty of penalties for the proper submission of 2014's. More penalties just for operating on Tribal Lands devalues Tribal Lands. We would like to see this specific penalty eliminated.

ITEM NUMBER TWO

At the first and only public hearing on this new Indian oil rule on March 8, 2000 in Denver, one of the operators, Burlington Resources, wanted to drop the requirement that gross receipts no longer be required to be keep track of. We would like gross proceeds always to be the first required benchmark for royalty payments.

Sincerely,


Dennis A. P. Rychlik
Acting Audit Manager