

Dow L. Campbell
Attorney



539 South Main Street
Findlay, OH 45840-3295
Direct No. 419/421-4121
Main No. 419/422-2121
Facsimile 419/427-3681
E-mail: DLCampbell@MarathonOil.com



November 22, 2000

Via Overnight Mail

Minerals Management Service
Royalty Management Program
Rules and Publications Staff
Building 85
Denver Federal Center
Denver, Colorado 80225

**Re: Small Refiner Administrative Fee
(65 FR 57771, September 26, 2000)**

Dear Mr. Guzy:

Marathon Oil Company appreciates the opportunity to comment on the Minerals Management Service's recently published proposed rulemaking on the Small Refiner Administrative Fee.

Marathon questions the inconsistency between this proposed rulemaking and the final rule titled Establishing Oil Value for Royalty Due on Federal Leases found at 65 FR 14022, dated March 15, 2000. This proposal states that "The market-based prices are applicable spot market prices, with appropriate location, quality, and market-value adjustments for a particular area." (Emphasis added.) However, in the final rule for oil valuation on Federal leases the only valid adjustments are for transportation and quality. This inconsistency needs to be addressed by the MMS.

If you have any questions, please contact me at the address listed above.

Sincerely,

A handwritten signature in cursive script that reads 'Dow L. Campbell'.

Dow L. Campbell

cc: The Office of Information and Regulatory Affairs
Office of Management and Budget
Attention Desk Officer for the Department of the Interior
725 17th Street, N.W.
Washington, D.C. 20503

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