



May 13, 1998

Mr. David S. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
P.O. Box 25165, Mail Stop 3101
Denver, CO 80225-0165

Re: MMS Proposed Rulemaking on Indian Oil Valuation

Dear Mr. Guzy:

The Independent Petroleum Association of America (IPAA) appreciates the opportunity to comment on the above-referenced February 12, 1998 proposed rulemaking on oil valuation for Indian Leases. IPAA is an industry trade association made up of over 5,500 independent producers of all sizes, many of which have significant operations on Indian lands throughout the continental United States.

IPAA opposes this proposed rulemaking and believes MMS should rescind it. IPAA hereby endorses the comments being filed by the Council of Petroleum Accountants Societies (COPAS) in this regard.

In addition, IPAA has commented extensively in opposition to the MMS proposed rulemaking on oil valuation from federal leases, and believes many of those same comments apply to this rule. Specifically, the analyses of the NYMEX methodology and the Duty to Market language contained in IPAA's April 1997 comments are also relevant to this rulemaking, and we ask that you consider those comments in relation to this rulemaking as well.

We appreciate your time and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Blackmon".

David Blackmon
Vice Chairman, IPAA Land and Royalty Committee