

April 6, 1998



Mr. David Guzy
Minerals Management Service
Royalty Management Program
Rules and Publications Staff
Post Office Box 25165, MS 3021
Denver, Colorado 80225-0165

Dear Mr. Guzy:


I am writing about the proposed regulation on how to value Indian royalty oil in the February 12, 1998 Federal Register. I am just a small guy with a little bit of production with Ute royalty.

What I have isn't much but if you want to keep receiving a little bit each year you have to stop increasing everything you charge me. I have to pay severance taxes which is one thing, then I have to pay inventory taxes on the equipment. The equipment isn't worth much, but I have to show it is worth more than it is just to pay more taxes.

Now I have to pay royalties using something I don't even understand. What it means is I have to pay more out each time and I may not have enough left over to keep running the well.

If this new rule comes about I may have to shut my operation down and just enjoy retirement.

Sincerely,


Clifford C. Terry
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Dadeville, Alabama 36853