



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Royalty Management Program
P.O. Box 25165
Denver, Colorado 80225-0165



IN REPLY REFER TO
ARD/RB/MS3132

JAN - 7 2000

Dear Reporter:

The Minerals Management Service (MMS) invites you to attend the oil and gas reporter training seminar in Houston, Texas, on **March 14-17**. Except for your own travel and related expenses, the training is provided at no charge.

Location: Holiday Inn Intercontinental
15222 John F. Kennedy Boulevard
Houston, Texas 77032
281-449-2311
(For room reservations, identify the group as Minerals Management and yourself as an attendee. To receive the contract rate, you must make your room reservations by February 25, 2000.)

Dates: March 14-15 **Report of Sales and Royalty Remittance**
(Form MMS-2014)
March 16 **Oil and Gas Operations Report** (Form MMS-4054)
March 17 **Gas Valuation for Indian Leases**

Time: 8:30 a.m. to 4:30 p.m.

Register at **800-525-0306** or **303-231-3301** before **March 7**.

The enclosed agendas describe the royalty and production topics we will present. The training will benefit new reporters, as well as experienced reporters who need a refresher course or help with specific problems.

During the seminar, MMS representatives will be available to meet with you to discuss any mineral reporting issues you may have. If you wish to schedule an appointment, please call the registration number and identify the topics you wish to discuss.

If you have any questions or if you will need any special accommodations or auxiliary aids during the training, please inform us when you call to register. We look forward to seeing you at the training.

Sincerely,

Paula Neuroth
Chief, Reports Branch

Enclosures (3)

AGENDA

Minerals Management Service Oil and Gas Payor Training Seminar Report of Sales and Royalty Remittance (Form MMS-2014)

Session title	Description
Getting Started	Explain how to prepare the Payor Information Form to establish your company as a payor with MMS. Explain basic terminology with emphasis on revenue sources and their importance in reporting.
Reporting Principles and Commonly Used Transaction Codes	Explain each section of the Form MMS-2014, royalty reporting requirements, payment requirements, and MMS's editing and report acceptance process. Provide a field-by-field review with examples of the most frequently used Transaction Codes.
Adjustments, Recoupments, and Refunds	Explain how to report adjustments, recoup overpaid Federal royalties, and establish a balance to recoup Indian Tribal and allotted overpayments. Identify situations when MMS will process a refund.
Bills and Appeals	Explain types of bills (ABIL, CBIL, IBIL, GBIL, TBIL, BILL) automatically generated and reasons they are created. Discussion of when to report interest calculations on the Form MMS -2014 and what to do with negative interest statements. Explain the appeals process.
AFS/PAAS Comparison	Explain how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report for the Production Accounting and Auditing System (PAAS) and the sales quantity reported by the payor on the royalty report for the Auditing and Financial System (AFS).
Product Valuation	Overview of MMS's method of determining product value with emphasis on common valuation issues. Discuss basic allowance regulations and exceptions under the regulations. (This session does not explain how to prepare allowance forms).
Electronic Commerce	Present various methods and benefits of electronic reporting.
Reengineering	Update on the progress of the Royalty Management Program's reengineering initiative.

AGENDA

Minerals Management Service Oil and Gas Operator Training Seminar Oil and Gas Operations Report (OGOR) (Form MMS-4054)

(Although examples focus on offshore situations, onshore OGOR reporters are welcome.)

Session title	Description
Overview	Explain the MMS organization, the Production Accounting and Auditing System (PAAS), and MMS and surface management responsibilities.
Reporting Principles	Explain who, when, where, and how to report; production reporting methods including authorized report formats, mail addresses, due dates, editing, and report acceptance.
Reference Data Information	Explain how to use the MMS's PAAS Reporter Handbook appendices for assigned numbers and codes. Explains how the MMS Royalty Management Program and Offshore Minerals Management Programs exchange data to process reports. Explains the MMS confirmation reports for Well Information Forms (WELL) and Facility and Measurement Information Forms (FMIF).
OGOR Preparation/ Amended Reporting	Explain how to prepare and submit both original and amended OGORs. Includes suggestions to save time on report preparation.
Other PAAS Reports	Explain when and how to prepare the Production Allocation Schedule Report (PASR), which MMS uses to verify certain data on the OGOR.
Missing Reports	Explain how missing exceptions are generated for production reports and MMS compliance efforts.
AFS/PAAS Comparison	Explain how exceptions are generated when there is a discrepancy between the sales/transfer volumes reported by the operator on the production report (to PAAS) and the sales quantity reported by the payor on the royalty report for the Auditing and Financial System (AFS).
Electronic Commerce	Present various methods and benefits of electronic reporting.
Reengineering	Update on the progress of the Royalty Management Program's reengineering initiative.

SUPPLEMENTAL TRAINING SESSION ON GAS VALUATION FOR INDIAN LEASES

On August 10, 1999, the Minerals Management Service (MMS) published revised Indian gas valuation regulations in the Federal Register (64 FR 43506), effective January 1, 2000. These regulations add alternative valuation methods to existing regulations to ensure that Indian lessors receive maximum revenues from their mineral resources as required by the unique terms of Indian leases and MMS's trust responsibility. The revised regulations will also improve the accuracy of royalty payments at the time royalties are due.

Some of the topics that will be covered include:

- 1) how do you value gas in an index zone using the index-based formula;
- 2) how do you value gas not in an index zone;
- 3) how do you make a dual accounting election; and
- 4) what are the changes to transportation and processing allowances.

If you produce gas from Indian lands, the new regulations affect you, and we strongly encourage you to attend this session.