



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

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



IN REPLY REFER TO:

MMS/RVD/EVB
Mail Stop 3151

APR 20 2000

Dear Reporter:

On March 15, 2000, the Minerals Management Service (MMS) published new Federal oil valuation regulations in the *Federal Register* (65 FR 14022). These regulations are effective with production beginning June 1, 2000. The primary changes affect lessees who value oil not sold at arm's length.

The MMS is offering multiple 1-day payor training sessions on the new Federal oil valuation regulations. We encourage payors of Federal oil royalties to attend one of the training sessions, especially if you do not sell your Federal oil production at arm's length.

The training is provided at no charge, on a space-available basis. Travel and related expenses will not be reimbursed by MMS. Please see Enclosure 1 for a summary of the topics to be covered and Enclosure 2 for details on the dates and locations of the specific training sessions.

Please contact Ms. Ronda Gray at (303) 275-7259 to register for any of the training sessions because seating will be limited. Reservations will be made on a first-come, first-served basis.

Sincerely,

A handwritten signature in black ink that reads "David A. Hubbard". The signature is written in a cursive style.

David A. Hubbard
Chief, Economic Valuation Branch

Enclosures

What Topics Will Be Covered?

- New Definitions
- How to value Federal oil sold at arm's-length
- How to value Federal oil not sold at arm's length by region (California/Alaska, Rocky Mountain Region, and elsewhere)
- How to make location and quality adjustments to index prices
- How to calculate a transportation allowance
- How to request a binding valuation determination
- Various other related topics
- Other new items in the rule

Where and When Will the Training Be Held?

Session 1

Date: Thursday, May 18, 2000 Time: 8:30 a.m. to 4:00 p.m.	Denver Federal Center Building 810, (S29 southwest entrance) Lakewood, Colorado 80215 Phone: (303) 275-7259
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Session 2

Date: Tuesday, May 23, 2000 Time: 8:30 a.m. to 4:00 p.m.	Radisson Inn - Tulsa Airport 2201 North 77 East Ave. Tulsa, Oklahoma 74115 Phone: (918) 835-9911
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Session 3

Date: Wednesday, May 24, 2000 Time: 8:30 a.m. to 4:00 p.m.	Minerals Management Service Office 4141 North Sam Houston Parkway, East Houston, Texas 77032 Phone: (281) 987-6802
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Session 4

Date: Friday, May 24, 2000 Time: 8:30 a.m. to 4:00 p.m.	Bureau of Land Management Bakersfield District Office 3801 Pegasus Drive Bakersfield, California 93308 Phone: (505) 761-8911
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Session 5

Date: Wednesday, May 31, 2000 Time: 8:30 a.m. to 4:00 p.m.	Bureau of Land Management Albuquerque District Office 435 Montano Road Albuquerque, New Mexico 87107 Phone: (505) 761-8700
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