



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
Minerals Revenue Management
P.O. Box 25165
Denver, Colorado 80225-0165
www.mrm.mms.gov

AUG 20 2008

Dear Reporter:

The Energy Policy Act of 2005 (Act) provided for continued royalty relief for offshore oil and gas production and for onshore marginal properties. In addition to this royalty relief, the Act also provided for royalties to be paid on new renewable energy source products which are harnessed from Federal lands. For example, you will owe royalties on electricity produced from a wind source if your harnessing mechanism is on Federally owned property.

As a result of the Act, the Minerals Management Service (MMS) has developed additional **Transaction Codes** and **Product Codes** to identify the new royalty relief measures and new products. These measures and products are identified for use on the Report of Sales and Royalty Remittance (Form MMS-2014).

Use these new codes for production beginning October 2008. Please begin using the correct Transaction Code for your specific royalty relief situation. Note that the current Transaction Code "41" for reporting Offshore Deep Water Royalty Relief will no longer be valid with the October 2008 sales month. The new Transaction Codes are listed here in numerical order. Please be aware that similar situations may have numerical assignments that are not consecutive. For example, Marginal Property Royalty Relief has two codes that are not consecutive; 43 and 49.

Transaction Codes:

Transaction Code	Description
43	Marginal Property Royalty Relief (reduced royalty rate)
44	Shallow Water Deep Gas Royalty Relief
45	Alaska Offshore Royalty Relief (suspension volumes)
46	Alaska Offshore Royalty Relief (reduced royalty rate)
47	Gas Hydrate Royalty Relief
48	Carbon Dioxide Injection Royalty Relief
49	Marginal Property Royalty Relief (suspension volumes)
55	Deep Water Royalty Relief
80	Alternate Energy Operating Fee

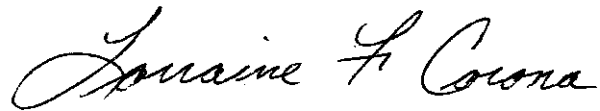
TAKE PRIDE[®]
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Product Codes:

Product Code	Description
OL	Oil Shale
TL	Tar Sands

If you have any questions, please contact your royalty error correction contact who can be located at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/coassign.pdf> or Susan Long at 303-231-3079.

Sincerely,



Lorraine F. Corona
Reporting Services Manager