



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
P.O. BOX 25165
DENVER, COLORADO 80225

IN REPLY
REFER TO:

AD/RMP
Mail Stop 3000

JAN 20 1994

Dear Reporter:

As part of an on-going effort to assess and improve our efficiency and in response to a June 1993 Office of Inspector General report (93-1-1174), the Minerals Management Service (MMS) recently completed a review of the cost effectiveness of issuing bills. As a result, the current minimum billing threshold will change for certain types of bills. This change should reduce the burden reporters and MMS experience in processing bills for small amounts. The billing threshold change is effective January 1994.

The MMS is also revising the criteria for issuing incorrect royalty and production reporting assessments pursuant to 30 CFR § 216.40(b) and 30 CFR § 218.40(b). Previously, MMS considered a reporter's overall error rate in determining when to issue erroneous reporting assessments. Under the revision all lines received in error, attributable to the reporter, will be subject to erroneous reporting assessments. The change will be effective for royalty and production reports as follows:

- Form MMS-2014, Report of Sales and Royalty Remittance, received on or after April 20, 1994, and
- Form MMS-3160, Monthly Report of Operations and Form MMS-4054, Oil and Gas Operations Report, for the February 1994 report month due April 15, 1994.

If you have any questions concerning these changes please contact your Royalty Reporting and Payments Branch representative at 1-800-525-0309 or 1-800-525-2356 or your Production Reporting Branch representative at 1-800-525-7922.

Sincerely,

James W. Shaw
Associate Director for
Royalty Management