



# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

Royalty Management Program

P.O. Box 5760

Denver, Colorado 80217-5760

IN REPLY REFER TO:

**DMD/SMS  
Mail Stop 3110**

**OCT 2 1996**

Re: Reporter Training and Product Valuation Seminars

Dear Reporter:

We have finalized the details of the 1996 Solid Minerals training seminars. Below are the dates and locations of these seminars. Please note that some dates have changed from those listed in our August 16, 1996, letter as we had problems scheduling conference rooms.

### **Phoenix, Arizona**

November 6-8

8:30a-5:00p (11/6-7), 8:30-noon (11/8)

BLM National Training Center

9828 North 31st Avenue; Phoenix, AZ 85051

(602) 906-5500

We reserved a block of individual rooms at the Ramada Inn Plaza, adjacent to the Training Center, at a \$70 daily rate. If you choose to stay there, please mention the MMS Solid Minerals training seminar when you reserve your room to receive the group rate.

Ramada Inn Plaza

12027 North 28th Drive

(602) 866-7000 or (800) 590-7007

### **Salt Lake City, Utah**

November 20-22

8:30a-5:00p (11/20-21), 8:30-noon (11/22)

Little America

500 S. Main Street; Salt Lake City, UT 84101

(801) 363-6781

ATTACHMENT 5

We reserved a block of individual rooms at Little America at a \$99 corporate daily rate. If you choose to stay there, please mention the MMS solid minerals training seminar when you reserve your room to receive the group rate.

**Reno, Nevada**

December 4-6

8:30a-5:00p (12/4-5), 8:30-noon (12/6)

Peppermill Hotel & Casino

2707 S. Virginia; Reno, NV 89502

(702) 826-2121

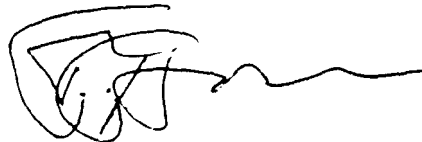
We will host our 1997 Denver seminar in mid to late February and will send you more information on it in a December letter.

If you plan on attending a training seminar in Phoenix, Salt Lake City, or Reno, and have not already contacted us, please call Cindi Smith-Wells at (800) 525-9167 or (303) 231-3561 by November 1, 1996. However, if we do not have enough participants for the Reno location, we may cancel the seminar. We will phone everyone by November 4th who expressed interest in that seminar in order to make other arrangements. Except for your own travel and related expenses, we provide all training to you at no charge.

The enclosure lists the general topics we will cover in each training seminar. All seminars will address both coal and non-coal reporting and valuation issues. We will host a workshop on the third day at each location to allow you to meet with us one-on-one and discuss any reporting or valuation issues or questions your company might have.

We look forward to hearing from you by November 1st and seeing you "on the road".

Sincerely,



**John J. Hovanec**  
Chief, Solid Minerals Staff  
Data Management Division

Enclosure

Enclosure

## TRAINING SEMINAR TOPICS

### Reporting topics will include:

- An overview of our royalty and production accounting computer systems and future upgrades.
- When and how to complete and submit forms to establish a royalty reporting structure with us.
- How to prepare production reference documents.
- When and how to submit, correct, and adjust royalties reported to us.
- When and how to report, correct, and adjust production and inventory data for mines and processing/storage facilities.

### Coal royalty valuation topics will include:

- Meeting the requirement of "arm's-length contract" in 30 CFR § 206.251 (1995).
- Non-arm's-length valuation procedures of 30 CFR § 206.257(c)(2) (1995).
- An overview of valuation under arms-length sales and a discussion of gross proceeds and various types of payments that are considered to be production payments.
- Meeting the marketable condition requirement at 30 CFR § 206.257(h) (1995).
- Transportation and Washing Allowances -- what reporting changed on March 1, 1996, and what is still required to properly claim an allowance.
- Transportation and Washing Allowances -- when does mining stop and

transportation or washing operations begin and what costs may be included in the allowance.

Non-coal solid minerals valuation issues will include:

- An overview of general valuation policy for arm's-length sales.
- The policy for determining the proper value and quantity of primary sodium or potassium products consumed internally to make secondary products.
- Valuing associated and related mineral byproducts recovered from phosphate, potassium, and sodium leases.
- Property determining the non-arm's-length value under 30 CFR § 206.301 (1995) for non-coal solid minerals sold to affiliated and related parties.
- Allowances for transportation, bagging and tagging, chemical reagents -- when are they applicable, and how to compute them.
- Other payments which may or may not be excluded from gross value.