

**CNG Producing  
Company**A **CNG** COMPANY

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**MALCOLM JOHNS**  
Vice President and General Counsel

July 31, 1998

Mr. David S. Guzy  
Chief, Rules and Publications Staff  
Royalty Management Program  
Minerals Management Service  
Building 86, Denver Federal Center  
Denver, Colorado 80225

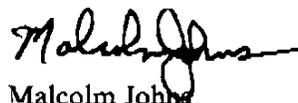
Re: Further Supplementary Proposed Rule on Crude Oil Valuation  
63 Fed. Reg. 38355 (July 16, 1998)

Dear Mr. Guzy:

CNG Producing Company, an active member of both the Independent Petroleum Association of America (IPAA) and the Domestic Petroleum Council (DPC), strongly endorses and adopts the joint comments filed today by IPAA and DPC.

As a significant independent offshore producer of oil and gas, CNG believes that subsea completion technology has the potential to increase the reserves that can be economically exploited in offshore waters. We therefore strongly urge attention to the Supplemental Comments attached to the submission of the IPAA and DPC. These comments address the problems caused by the MMS' refusal to grant allowances for the movement of production from wells where this technology is employed.

Sincerely,



Malcolm Johns