



# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

Royalty Management Program  
P.O. Box 17110  
Denver, Colorado 80217-0110

IN REPLY REFER TO:

FEB 3 1995

RPD/PRB  
Mail Stop 3122

TO OFFSHORE OPERATORS AND PAYORS ONLY

Dear Reporter:

The Minerals Management Service (MMS) is enhancing reporting requirements for reporters of offshore leases, agreements and pipeline systems/separation facilities to properly report drip condensate (i.e., scrubber/pipeline drip, retrograde condensate, drip liquid). Currently, the Bayou Black/Transco, Terrebonne/Trunkline, Iowa/TETCO Cameron, and VGS/Delta Gathering Station separation facilities in the Gulf of Mexico are separating oil/condensate and drip condensate from the stream before the gas flows to a gas plant operated by a different company. This letter provides guidelines on how to report this type of allocation to the Production Accounting and Auditing System (PAAS) and to the Auditing and Financial System (AFS) beginning with the January 1995 report period/sales month.

This situation occurs when large volumes of natural gas and relatively small volumes of liquid hydrocarbon streams are commingled. When the stream is cooled by the Gulf of Mexico on the way to shore, there is a transfer of components between phases. As a result, the relative quantities of gas and liquid recovered at these facilities are different from those measured offshore. At the onshore separation facility all liquids, including the drip condensate volume, are stripped from the gas stream prior to the inlet of the plant and not reflected in the gas plant's drip/scrubber volume. Therefore, these volumes/royalties are not being accounted for by MMS when the royalty for natural gas is determined after the gas is processed by a gas plant.

When an allocation is received for drip condensate from any of the systems identified above, MMS will expect reporters to report and pay on this volume. Specific reporting instructions are enclosed (Enclosure 1). By requiring all operators to report the allocated volumes, MMS fulfills its requirements to:

- account for 100 percent of the volume being recovered and measured through these "royalty meters";
- provide a more accurate audit trail; and
- resolve outstanding AFS/PAAS and Liquid Verification System (LVS) exceptions.

These new reporting requirements will affect the following reports:

- . the Oil and Gas Operations Report (OGOR), Part-B and/or Part-C for all reporters;
- . the Production Allocation Schedule Report (PASR) for the separation facilities and all upstream commingling points. The majority of these commingling points were confirmed on the Facility Measurement Information Form (FMIF) Confirmation Reports with 07/94 as the effective date and facility name of "Retrograde Meter". Please note, since MMS is not aware of contractual agreements between gas plants and purchasers, these drip condensate Facility Measurement Point (FMP) numbers were assigned to ALL approved gas measurement points where production is commingled with another lease(s) prior to entering the pipeline systems. A PASR must be submitted monthly beginning with the 01/95 report period on these FMP's, unless the Offshore Minerals Management (OMM) Surface Commingling and Production Measurement Section office in New Orleans is notified in writing and grants a waiver.
- the Report of Sales and Royalty Remittance, Form MMS-2014, for leases receiving an allocation from the separation facilities where the royalty determination point is after the gas is processed.

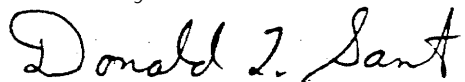
Because the system operator may not know the actual disposition of gas for each lease, they must allocate to all leases participating in the pipeline. The lease reporter must report these volumes and determine if royalties need to be paid on the drip condensate. This determination will be made based on the gas disposition as follows:

- . Reporters who sell their gas at the platform and do not retain rights to the liquids, using disposition code '01', do not owe royalties for the drip condensate. This product was part of the gas stream measured on the platform and is included in royalties reported for the unprocessed gas.
- Reporters who transfer their gas to a gas plant for processing prior to royalty determination, using disposition code '11' or '12', must pay royalties for the drip condensate.
- . Please note that all parties holding operating rights in your lease or agreement may have different sales contracts. Therefore, you may be required to report both disposition code '16' and '09' on the same report.

Revisions to Chapter 12, Special Reporting Situations, Example 4 and Appendix A, Disposition Codes '09' and '16' from the PAAS Reporter Handbook-Lease, Facility/Measurement Point, and Gas Plant Operators will be sent in the near future. Enclosures 2 and 3 provide Instructions and examples on how to report. Retroactive reporting not required, unless the properties and/or facility are involved in an MMS audit. In that case, you may be advised to modify your reports.

If you have any questions, please contact your production reporting contact or Ms. Beth Ann Becker of my staff at (303) 231-3391 or 1-800-525-7922.

Sincerely,

A handwritten signature in black ink that reads "Donald J. Sant". The signature is written in a cursive style with a large, prominent "D" at the beginning.

*Acting*

James W. Shaw  
Associate Director for Royalty Management

3 Enclosures

PRODUCTION AND SALES REPORTING INSTRUCTIONS  
FOR OFFSHORE DRIP CONDENSATE ALLOCATIONS

Reporters allocated a drip condensate volume, are required to report as follows (for clarification, changes have been shaded):

FOR PRODUCTION REPORTING - Offshore Operators Only

Oil and Gas Operations Report (OGOR)

Part-A:

Oil/condensate production reported represents the volume determined as cited in your OMM Commingling Approval. If you have any questions, please contact the OMM Surface Commingling and Production Measurement Section in New Orleans.

Gas production reported represents the volume determined as cited in your OMM Commingling Approval.

Part-B (disposition) Gas Transferred to a Gas Plant (see Enclosure 2):

Oil/condensate produced and reported on the Part-A would be disposed of using the proper disposition codes. Any oil/condensate allocations received will be reported using disposition code '01' (Direct Sales) for Bayou Black and Terrebonne, and code '10' (Produced into Facility) for Iowa and Delta with any sales reported on the OGOR-C. The allocated drip condensate volume and API gravity, received from the facility is reported using disposition code '16', Pipeline Drip/Scrubber Production on OGOR-B. In addition, the appropriate Sales Facility Measurement Point (FMP) number must be included (i.e., Bayou Black/Transco 20171092650; Terrebonne/Trunkline 20171012500; Iowa/TETCO Cameron 20170530900; and VGA/Delta 20170753510).

Because this drip condensate volume is not reflected in the oil production totals on the OGOR Part-A, adjust the same volume on a separate line using brackets and disposition code '13', Transferred from Facility.

Gas reported represents the volume of gas measured offshore and transferred to a gas plant for processing, with any remaining production, being disposed of using the appropriate codes (e.g., fuel, flare).

Part-B (disposition) Gas Directly Sold (see Enclosure 2):

Oil/condensate produced and reported on the Part-A would be disposed of using the proper disposition codes. Any oil/condensate allocations received will be reported using disposition code '01' (Direct Sales) for Bayou Black and Terrebonne, and code '10' (Produced into Facility) for Iowa and Delta with any sales reported on the OGOR-C. The allocated drip condensate volume received from the facility is reported using disposition code '09', Sales - Not Subject to Royalty. In addition, the appropriate Sales Facility Measurement Point (FMP) number must be included (i.e., Bayou Black/Transco 20171092650;

Terrebonne/Trunkline 20171012500; Iowa/TETCO Cameron 20170530900; and VGA/Delta 20170753510). Drip condensate sales for ONLY the Iowa and Delta oil/condensate injectors, can be reported either on Part-B or adjustment on Part-C.

Because this drip condensate volume is not reflected in the oil production totals on the OGOR Part-A, adjust the same volume on a separate line using brackets and disposition code '13', Transferred from Facility.

Gas reported represents the volume of gas measured offshore and transferred to a gas plant for processing, with any remaining production, being disposed of using the appropriate codes (e.g., fuel, flare).

Production Allocation Schedule (PASR)(see Enclosure 2):

Currently, the separation facility operator reports the total volume sold at the facility as the Sales/Transfer volume, and allocates back to either an upstream commingled allocation meter/point; lease/agreement; and/or OTHER SOURCES. The "OTHER SOURCES" field is currently used as a "catch-all" and may include "STATE", "DRIP CONDENSATE", and/or previously measured sales volumes. "OTHER SOURCES" will now only include:

- "STATE"
- previously measured sales volumes and/or
- terminated/expired/relinquished Lease(s) with remaining inventory

All drip condensate metering points will reflect the appropriate Output/Sales FMP number (e.g., 20171092650 for Bayou Black/Transco) in the header portion of the PASR. The drip condensate volume received from the system operator must be further allocated in the PASR detail portion to the appropriate MMS Lease(s)/Agreement(s) commingled at this metering point.

Gas Plant Operations Report (GPOR):

Gas plant operators will report only the scrubber volume measured just prior to the gas entering their facility, unless the same entity operates both facilities. In those cases only, the gas plant operator includes the total drip condensate volume (from the upstream separation facility and the inlet of the gas plant) on their GPOR, and no drip condensate will be reported on the OGOR's.

FOR ROYALTY REPORTING - Offshore Payors only

Report of Sales and Royalty Remittance, Form MMS-2014:

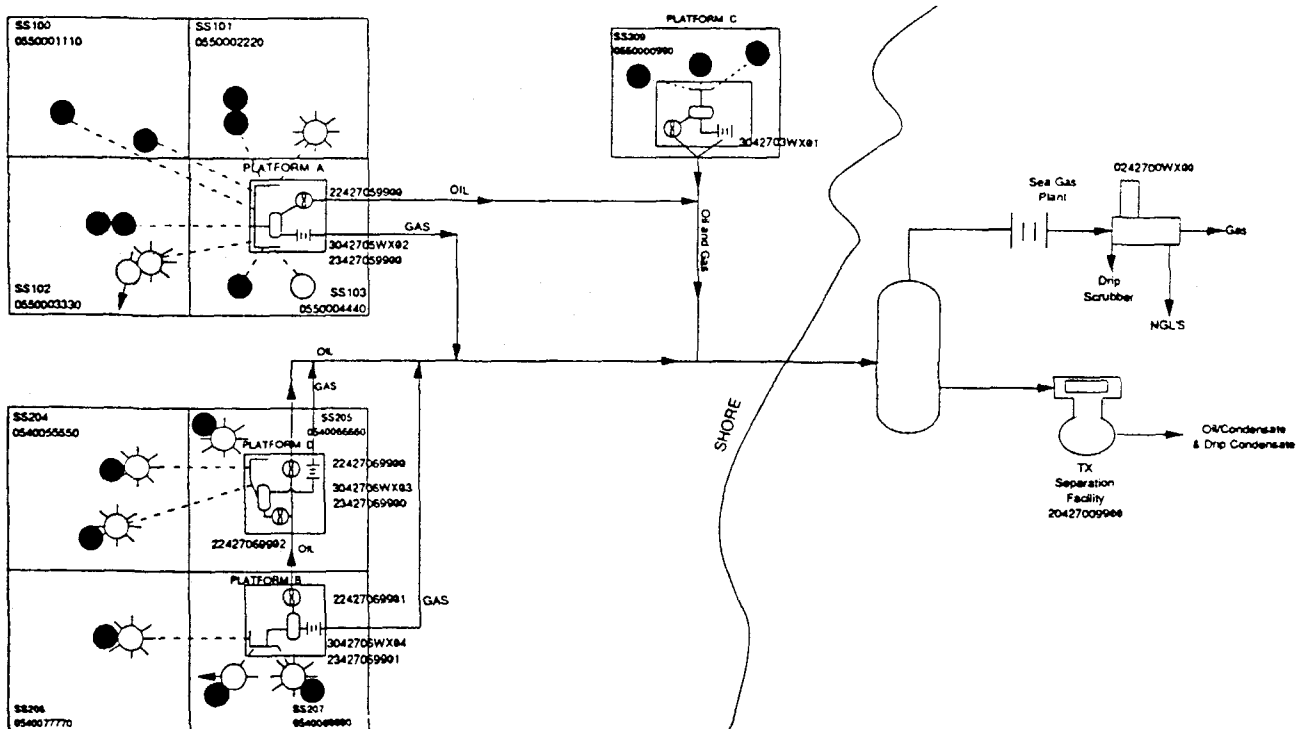
Report the allocated volume of drip condensate on which royalty is due, with a product code of '05' (Drip or Scrubber) reported in barrels. Failure to report this as indicated will create AFS/PAAS exceptions. In addition, a Payor Information Form (PIF) must be submitted to establish this selling arrangement on the lease, prior to submittal of the Form MMS-2014.

### 12.6 Example 4-Sales From a Separation Facility on a Oil/Gas Pipeline

In this situation, sales occur from a separation facility on a oil/gas pipeline. Key Considerations in this example are:

1. The separation facility is located downstream of the sales/transfer meters and prior to entering the inlet of the gas plant.
2. Several of the lessees (for example 0540088880) retain all the rights to NGL's, etc. (i.e., gas is transferred for processing prior to royalties being determined).
3. Several of the lessees (for example 0550000990) relinquish all rights at the lease site (i.e., gas is directly sold).
4. A mixture of Oil/Condensate and Drip condensate are sold directly from the separation facility. **NOTE:** Drip condensate is normally measured/reported as a gas (i.e., scrubber/pipeline drip at the inlet of the gas plant), but under these conditions is measured/reported in the oil/condensate column.
5. Separation facility and downstream gas plant are not operated by the same operator. Therefore, since the total drip condensate volumes will not be reported on the GPOR, the drip volume must be accounted for and reported on the OGOR's. Having the drip condensate from the separation facility reported on the GPOR and the OGOR would be double accounting.

Schematic



## 12.6 Example 4 (cont.)

### Highlights

#### OGOR

The completed OGOR Part-B for lease 0540088880 highlights the following information:

1. The disposition volume of the drip condensate attributable to the lease is reported by the lease operator using disposition code 16 (Drip/Scrubber Condensate) because that gas was transferred.
2. This volume is not allocated to well production on OGOR-A.
3. The metering point is required for disposition code 16 (i.e., normally the same FMP number assigned to the sales FMP for the facility).
4. API gravity is required.
5. Disposition code 13 (transferred from facility) is used to account for the additional volumes and is equal to the volume reported as disposition code 16. No metering point or API gravity/Btu is allowed. The volume is shown as a bracketed <> negative number.

The completed OGOR Part-B for lease 0550000990 highlights the following information:

1. The disposition volume of the drip condensate attributable to the lease is reported by the lease operator using disposition code 09 (Sales - Not Subject to Royalty) because that gas was directly sold at the offshore sales/transfer meter.
2. This volume is not allocated to well production on OGOR-A.
3. The metering point is required for disposition code 09 (i.e., normally the same FMP number assigned to the sales FMP for the facility).
4. API gravity not allowed.
5. Disposition code 13 (transferred from facility) is used to account for the additional volumes and is equal to the volume reported as disposition code 09. No metering point or API gravity/Btu is allowed. The volume is shown as a bracketed <> negative number.

## 12.6 Example 4 (cont.)

### Highlights

#### PASR

The completed PASR's for the separation facility and all upstream commingling meters have been provided.

1. The volume originally reported under "Other Sources" was drip condensate. The drip condensate is now allocated to the appropriate upstream commingling point or MMS Lease/Agreement Number.
2. The total volume reported for 0550000990 represents a combined total for both the oil/condensate and drip condensate allocated to this lease.
3. The PASR's for the upstream commingling points reflect the appropriate FMP number assigned to the separation facility.
4. For all the upstream commingling points, the total reflects the volume allocated by the separation facility, and further allocates this volume back to the appropriate leases measured at this point.



12.6 Example 4 (cont.)-Completed OGOR-B

(OMB 1010-0040)  
 (Expires May 31, 1985)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that this information is being collected to determine where production is measured and/or transferred for royalty determination purposes. MMS will use this information to assure that all production is accounted for properly.

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

OIL AND GAS OPERATIONS REPORT  
 PART B - PRODUCT DISPOSITION  
 (OGOR-B)

FEDERAL   
 or  
 INDIAN

REPORTER USE

MMS USE

REPORT TYPE: <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> MODIFIED	REPORT PERIOD: (4) MMY 11294	MMS OPERATOR NUMBER: (8) 1127451
OPERATOR NAME: (30) PITTS OIL COMPANY	OPERATOR LEASE, UNIT, OR COMMUNITIZATION NUMBER: (20) OCS 0099	
OPERATOR LEASE, UNIT, OR COMMUNITIZATION NAME: (30) SS3097PLATFORM C	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER: (11) 10550000990	AGENCY LEASE/AGREEMENT NUMBER: (20)

LINE NUMBER ACTION CODE (1)	DISPOSITION CODE (2)	METERING POINT (11)	GAS PLANT (11)	API GRAVITY/ BTU (8)	DISPOSITION VOLUMES		
					OIL/CONDENSATE (BBL) (9)	GAS (MCF) (9)	WATER (BBL) (9)
1	A01	20427009900		389	4315		
2	A09	20427009900		.	1023		
3	A13			.	<1023>		
4	A01	3042703WX01		1300		425290	
5	A20			.		25920	
6	A27			.			12427
7				.			
8				.			
9				.			
10				.			
TOTAL DISPOSITIONS (18)					4315	451210	12427

CHECK IF PART B IS CONTINUED

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Jean Robinson	TELEPHONE NUMBER: (10) 504 732 - 4272	EXTENSION NUMBER: (4)
AUTHORIZING NAME: (First, M.I., Last) (30) Jerry Jackson	TITLE: (30) Chief, Production Department	
AUTHORIZING SIGNATURE: <i>Jerry Jackson</i>	DATE: (8) MMYYY 1011395	COMMENTS: (80)

FORM MMS 454-B (REV. 1/82)

PAGE 2 OF 2

FOR ILLUSTRATIVE PURPOSES ONLY

Enclosure 2  
 Page 4 of 9

12.6 Example 4 (cont.)-Completed OGOR-B

(OMB 1010-0040)  
 (Expires May 31, 1995)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that this information is being collected to determine where production is measured and/or transferred for royalty determination purposes. MMS will use this information to assure that all production is accounted for properly.

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

OIL AND GAS OPERATIONS REPORT  
 PART B - PRODUCT DISPOSITION  
 (OGOR-B)

FEDERAL   
 or  
 INDIAN

MMS USE

REPORTER USE

REPORT TYPE: <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> MODIFIED	REPORT PERIOD: (4) MMY 1   2   9   4	MMS OPERATOR NUMBER: (9) 1   4   2   4   5
OPERATOR NAME: (30) All Gas	OPERATOR LEASE, UNIT, OR COMMUNITIZATION NUMBER: (20) OCS-G 8888	
OPERATOR LEASE, UNIT, OR COMMUNITIZATION NAME: (30) SS207 Platform B	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER: (11) 10   5   4   0   1   8   1   8   1   0	AGENCY LEASE/AGREEMENT NUMBER: (29)

LINE NUMBER ACTION CODE (1)	DISPOSITION CODE (2)	METERING POINT (11)	GAS PLANT (11)	API GRAVITY/ BTU (5)	DISPOSITION VOLUMES		
					OIL/CONDENSATE (BBL) (9)	GAS (MCF) (9)	WATER (BBL) (9)
1	A 0	120427009900		38.9	9621		
2	A 1	620427009900		38.9	3142		
3	A 1	3		.	<3142>		
4	A 1	113042706WX04	0242700WX00	.		321495	
5	A 2	0		.		5549	
6	A 2	7		.			49748
7				.			
8				.			
9				.			
10				.			
TOTAL DISPOSITIONS (18)					9621	327044	49748

CHECK IF PART B IS CONTINUED

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Bruce Button	TELEPHONE NUMBER: (10) 713 , 427 - 7424 ,	EXTENSION NUMBER: (4)
AUTHORIZING NAME: (First, M.I., Last) (30) Marie Leggett	TITLE: (30) Supervisor of All	
AUTHORIZING SIGNATURE: <i>Marie Leggett</i>	DATE: (6) MMDDYY 10   10   9   9   5	COMMENTS: (80)

FORM MMS-4054-B (REV. 1/92)

PAGE 2 OF 2

FOR ILLUSTRATIVE PURPOSES ONLY

Enclosure 2  
Page 5 of 9

12.6 Example 4 (cont.)-Completed PASR

OMB 1010-0040  
(Expires May 31, 1995)  
The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
SCHEDULE REPORT  
(PASR)

TX SEPARATION  
FACILITY

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY Y | 1 | 2 | 9 | 4 |

MMS OPERATOR NUMBER: (5) | F | 9 | 9 | 0 | 1 |

OPERATOR NAME: (30) TX OIL & GAS

FACILITY MEASUREMENT POINT NUMBER: (11) | 2 | 1 | 0 | 1 | 4 | 2 | 1 | 7 | 0 | 1 | 9 | 1 | 9 | 1 | 0 |

PRODUCT CODE: (2) | 0 | 1 |

OUTPUT FACILITY MEASUREMENT POINT: (11)

SALES FACILITY MEASUREMENT POINT: (11)

API GRAVITY/BTU: (5) | 3 | 8 | 9 |

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A	22427059900		7551	6402
02	A	22427069900		14932	11879
03	A		0550000990	5338	5338
04	A	23427059900		0	2599
05	A	23427069900		0	1359
06	A	23427069901		0	3240
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				27821	30868

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Marie Times

PHONE NUMBER: (10) ( 713 ) ( 225 - 4765 )

EXTENSION NUMBER: (4) ( 444 )

AUTHORIZING NAME: (First, M.I., Last) (30) Larry Datz

TITLE: (30) Production Supervisor

AUTHORIZING SIGNATURE: *Larry Datz*

DATE: (6) MMDDYY | 0 | 1 | 1 | 1 | 9 | 5 |

COMMENTS: (60)

12.6 Example 4 (cont.)-Completed PASR

OMB 1010-0040  
(Expires May 31, 1995)  
The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
SCHEDULE REPORT  
(PASR)

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY Y | 1 | 2 | 9 | 4 |

MMS OPERATOR NUMBER: (5) | F | 1 | 0 | 4 | 2 | 1 |

OPERATOR NAME: (30) GATEWAY EXP.

FACILITY MEASUREMENT POINT NUMBER: (11) | 2 | 1 | 2 | 1 | 4 | 2 | 1 | 7 | 0 | 1 | 5 | 1 | 9 | 1 | 0 |

PRODUCT CODE: (2) | 0 | 1 |

OUTPUT FACILITY MEASUREMENT POINT: (11)

SALES FACILITY MEASUREMENT POINT: (11) | 2 | 1 | 0 | 1 | 4 | 2 | 1 | 7 | 0 | 1 | 9 | 1 | 9 | 1 | 0 |

API GRAVITY/BTU: (5)

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0550001110	345	329
02	A		0550002220	2131	2099
03	A		0550003330	1948	1903
04	A		0550004440	3127	2071
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				7551	6402

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Barb Marshall

PHONE NUMBER: (10) ( 713 ) ( 555 - 1111 )

EXTENSION NUMBER: (4) ( 555 )

AUTHORIZING NAME: (First, M.I., Last) (30) Tedd Tampton

TITLE: (30) Lead Manager

AUTHORIZING SIGNATURE: *Tedd Tampton*

DATE: (6) MMDDYY | 0 | 1 | 1 | 0 | 9 | 5 |

COMMENTS: (60)

Enclosure 2  
Page 6 of 9

OMB 1010-0040  
 (Expires May 31, 1995)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

12.6 Example 4 (cont.)-Completed PASR

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

MMS USE

SS205  
 PLATFORM D #1

PRODUCTION ALLOCATION  
 SCHEDULE REPORT  
 (PASR)

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY Y 112914

MMS OPERATOR NUMBER: (5) F10141211

OPERATOR NAME: (30) GATEWAY EXP.

FACILITY/MEASUREMENT POINT NUMBER: (11) 2242171016191010

PRODUCT CODE: (2) 011

OUTPUT FACILITY/MEASUREMENT POINT: (11) 210412171019191010

SALES FACILITY/MEASUREMENT POINT: (11) 210412171019191010

API GRAVITY/BTU: (5)

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A	2242171016191010		11001	10099
02	A	2242171016191010		3931	1780
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				14932	11879

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Barb Marshall

PHONE NUMBER: (10) ( 713 ) ( 555 - 1111 )

EXTENSION NUMBER: (4) ( 555 )

AUTHORIZING NAME: (First, M.I., Last) (30) Tedd Tampion

TITLE: (30) Lead Manager

AUTHORIZING SIGNATURE: *Tedd Tampion*

DATE: (6) MMDDYY 10110495

COMMENTS: (60)

FORM MMS-4058 (REV. 1/92)

PAGE 1 OF 1

OMB 1010-0040  
 (Expires May 31, 1995)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

12.6 Example 4 (cont.)-Completed PASR

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

MMS USE

SS205  
 PLATFORM D #2

PRODUCTION ALLOCATION  
 SCHEDULE REPORT  
 (PASR)

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY Y 112914

MMS OPERATOR NUMBER: (5) F10141211

OPERATOR NAME: (30) GATEWAY EXP.

FACILITY/MEASUREMENT POINT NUMBER: (11) 2242171016191010

PRODUCT CODE: (2) 011

OUTPUT FACILITY/MEASUREMENT POINT: (11) 210412171019191010

SALES FACILITY/MEASUREMENT POINT: (11) 210412171019191010

API GRAVITY/BTU: (5)

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0540055550	2445	1000
02	A		0540066660	1486	780
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				3931	1780

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Barb Marshall

PHONE NUMBER: (10) ( 713 ) ( 555 - 1111 )

EXTENSION NUMBER: (4) ( 555 )

AUTHORIZING NAME: (First, M.I., Last) (30) Tedd Tampion

TITLE: (30) Lead Manager

AUTHORIZING SIGNATURE: *Tedd Tampion*

DATE: (6) MMDDYY 10110595

COMMENTS: (60)

FORM MMS-4058 (REV. 1/92)

PAGE 1 OF 1

Enclosure 2  
Page 7 of 9

12.6 Example 4 (cont.)-Completed PASR

OMB 1010-0040  
(Expires May 31, 1995)  
The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
SCHEDULE REPORT  
(PASR)

SS207  
PLATFORM B

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY 11294

MMS OPERATOR NUMBER: (5) F1421415

OPERATOR NAME: (30) All Gas & Oil

FACILITY/MEASUREMENT POINT NUMBER: (11) 224271069901

PRODUCT CODE: (2) 01

OUTPUT FACILITY/MEASUREMENT POINT: (11) 224271069900

SALES FACILITY/MEASUREMENT POINT: (11) 204271099900

API GRAVITY/BTU: (5)           

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0540077770	599	478
02	A		0540088880	10402	9621
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				11001	10099
BEGINNING INVENTORY (9)					
ENDING INVENTORY (9)					

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Bruce Button

PHONE NUMBER: (10) ( 713 ) ( 427 - 7424 )

EXTENSION NUMBER: (4) ( )

AUTHORIZING NAME: (First, M.I., Last) (30) Marie Leggett

TITLE: (30) Supervisor of All

AUTHORIZING SIGNATURE: Marie Leggett

DATE: (6) MMDDYY 011295

COMMENTS: (60)

12.6 Example 4 (cont.)-Completed PASR

OMB 1010-0040  
(Expires May 31, 1995)  
The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
SCHEDULE REPORT  
(PASR)

SS103  
PLATFORM A  
DRIP

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMY 11294

MMS OPERATOR NUMBER: (5) F1014211

OPERATOR NAME: (30) GATEWAY EXP.

FACILITY/MEASUREMENT POINT NUMBER: (11) 234271059901

PRODUCT CODE: (2) 01

OUTPUT FACILITY/MEASUREMENT POINT: (11) 204271099900

SALES FACILITY/MEASUREMENT POINT: (11) 204271099900

API GRAVITY/BTU: (5)           

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0550001110		23
02	A		0550002220		242
03	A		0550003330		1729
04	A		0550004440		605
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				0	2599
BEGINNING INVENTORY (9)					
ENDING INVENTORY (9)					

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Barb Marshall

PHONE NUMBER: (10) ( 713 ) ( 555 - 1111 )

EXTENSION NUMBER: (4) ( 555 )

AUTHORIZING NAME: (First, M.I., Last) (30) Tedd Tampon

TITLE: (30) Lead Manager

AUTHORIZING SIGNATURE: Tedd Tampon

DATE: (6) MMDDYY 0110895

COMMENTS: (60)

Enclosure 2  
Page 8 of 9

OMB 1010-0040  
 (Expires May 31, 1995)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

12.6 Example 4 (cont.)-Completed PASR

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
 SCHEDULE REPORT  
 (PASR)

SS205  
 PLATFORM D  
 DRIP

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMYY 12 94

MMS OPERATOR NUMBER: (5) F1014120

OPERATOR NAME: (30) GATEWAY EXP.

FACILITY/MEASUREMENT POINT NUMBER: (11) 213412171016191910

PRODUCT CODE: (2) 01

OUTPUT FACILITY/MEASUREMENT POINT: (11) 21014121710191910

SALES FACILITY/MEASUREMENT POINT: (11) 21014121710191910

API GRAVITY/STU: (5)

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0540055550	0	1001
02	A		0540066660	0	358
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				0	1359

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Barb Marshall

PHONE NUMBER: (10) ( 713 ) ( 555 - 1111 )

EXTENSION NUMBER: (4) ( 555 )

AUTHORIZING NAME: (First, M.I., Last) (30) Tedd Tampson

TITLE: (30) Lead Manager

AUTHORIZING SIGNATURE: *Tedd Tampson*

DATE: (6) MMDDYY 1011295

COMMENTS: (60)

FORM MMS-4058 (REV. 1/92)

PAGE 1 OF 1

OMB 1010-0040  
 (Expires May 31, 1995)  
 The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires that we inform you that this information is being collected to determine the percentage of product to be allocated back to each lease after being commingled. MMS will use this information to compute the amount of royalty due for each lease.

12.6 Example 4 (cont.)-Completed PASR

U.S. DEPARTMENT OF THE INTERIOR  
 Minerals Management Service  
 Royalty Management Program

MMS USE

PRODUCTION ALLOCATION  
 SCHEDULE REPORT  
 (PASR)

SS207  
 PLATFORM B  
 DRIP

REPORTER USE

REPORT TYPE:  ORIGINAL  
 MODIFIED

REPORT PERIOD: (4) MMYY 12 94

MMS OPERATOR NUMBER: (5) F14121415

OPERATOR NAME: (30) A11 Gas & Oil

FACILITY/MEASUREMENT POINT NUMBER: (11) 213412171016191910

PRODUCT CODE: (2) 01

OUTPUT FACILITY/MEASUREMENT POINT: (11) 21014121710191910

SALES FACILITY/MEASUREMENT POINT: (11) 21014121710191910

API GRAVITY/STU: (5)

LINE NUMBER	ACTION CODE (1)	METERING POINT (11)	MMS LEASE, UNIT, OR COMMUNITIZATION NUMBER (11)	VOLUMES	
				DELIVERED PRODUCTION (9)	SALES/TRANSFERS (9)
01	A		0540077770	0	98
02	A		0540088880	0	3142
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14		OTHER SOURCES			
15		OTHER SOURCES			
TOTALS: (10)				0	3240

BEGINNING INVENTORY (9)	ENDING INVENTORY (9)

WARNING: This is to inform you that failure to report accurately and timely in accordance with the statutes, regulations, or terms of the lease, permit, or contract may result in late payment charges, civil penalties, or liquidated damages being assessed without further notification. Intentional false or inaccurate reporting is subject to criminal prosecution in accordance with applicable Federal law(s).

CONTACT NAME: (First, M.I., Last) (30) Bruce Button

PHONE NUMBER: (10) ( 713 ) ( 427 - 7424 )

EXTENSION NUMBER: (4) ( )

AUTHORIZING NAME: (First, M.I., Last) (30) Marie Leggett

TITLE: (30) Supervisor of A11

AUTHORIZING SIGNATURE: *Marie Leggett*

DATE: (6) MMDDYY 1011495

COMMENTS: (60)

FORM MMS-4058 (REV. 1/92)

PAGE 1 OF 1

Enclosure 2  
Page 9 of 9

FOR ILLUSTRATIVE PURPOSES ONLY

A. ASSIGNED NUMBERS AND CODES

---

Code      Description type09      Sales - Not Subject to Royalty

This code is used to report that portion of sales upon which royalty is not due and is not reported to AFS. Use this code on the OGOR-B. API GRAVITY/BTU data are not allowed. METERING POINT is required to be entered. This code may be used on OGOR-C as an ADJUSTMENT CODE.

16      Pipeline Drip/Scrubber Production

This code is used when small liquid volumes are recovered from a wet gas stream during transportation and rights to liquids are retained by the lessee but volumes are not reported on the GPOR. METERING POINT and API GRAVITY/BTU data are required to be entered. This code is reported on OGOR-B ONLY.