



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program

P.O. Box 17110

Denver, Colorado 80217-0110

IN REPLY REFER TO:

RFD/RB
Mail Stop 3132

NOV 4 1996

Dear Reporter:

Effective immediately, the Gas Analysis Report (GAR), Form MMS-4055, will only be required when specifically requested by the Minerals Management Service. However, in order to assure we receive all information necessary to calculate royalties due, the British thermal unit (Btu) value of gas must also be reported on the Oil and Gas Operations Report (OGOR), Form MMS-4054, Part B, for:

disposition code 11, transferred to a facility, and

disposition code 12, transferred to a facility and returned to the lease.

The Btu is currently only required for gas sold directly from a lease (disposition code 01).

This change will streamline the production reporting process. The GAR's could still be required on those facilities requiring additional verification. We will notify you when a GAR is necessary. If you are required to submit a GAR you must submit it monthly by the 15th of the second month following the production month for each facility measurement point and/or lease specified.

Please ensure the gross Btu (adjusted for temperature and pressure) is reported monthly in the API Gravity/Btu field on the OGOR, Part B. If the field is not reported, the OGOR will reject and possibly subject you to an enforcement action. Additionally, you maybe required to again submit a GAR on a monthly basis.

The PAAS Reporter Handbook - Lease, Facility/Measurement Point, and Gas Plant Operators will be revised to reflect this change. If you have any questions, please contact Mr. Lawrence Barker at 1-800-634-6423, extension 3157 or your production reporting representative.

Sincerely,

Vernon B. Ingraham
Chief, Reports and
Financial Division