



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

DEC 23 1996

Dear Reporter:

The Minerals Management Service, Royalty Management Program, is streamlining production data reporting requirements. Effective immediately, you no longer need to differentiate between shut-in and producing well statuses for injection, water source, and water disposal wells on your Monthly Report of Operations (Form MMS-3160).

In the past, we required you to change the well status on your Form MMS-3160 each time you reported a nonproducing injection, water source, or water disposal well. We have modified our automated system to assume the well is shut-in if you report no volumes and no days produced. You must ensure the number of days producing/injecting is blank or zero when you report no volumes. The only exception is a water source well that may be producing but not at a rate that can overcome the existing line pressure. For this situation, you can report no volumes with days produced. The well statuses that no longer require the shut-in designation are:

WIW	Water Injection Well
GIW	Gas Injection Well
SIW	Steam Injection Well
WSW	Water Source Well
WDW	Water Disposal Well

We will continue to accept shut-in status codes if you choose to use them.

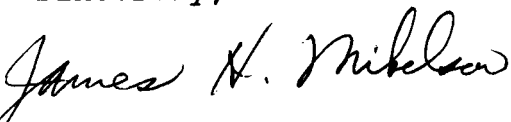
You must continue to report oil and gas wells as producing or shut-in. These statuses are:


POW	Producing Oil Well
OSI	Oil Shut-in
PGW	Producing Gas Well
GSI	Gas Shut-In

This change implements one of several recommendations by the Royalty Policy Committee to eliminate reporting unnecessary or duplicate production data. We will revise our **PAAS Onshore Oil and Gas Reporter Handbook** to reflect this change.

If you have any questions, please contact Ms. Jean Steffen at 1-800-525-7922, extension 3596 or your production reporting representative.

Sincerely,


James H. Michelson

 Vernon B. Ingraham
Chief, Reports and
Financial Division