



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
Minerals Revenue Management
P.O. Box 25165
Denver, Colorado 80225-0165
www.mrm.mms.gov

AUG 13 2004

Dear Operator:

In our "Dear Operator Letter" dated August 13, 2003, the Minerals Management Service (MMS) notified you of specific onshore Federal leases in Wyoming that were selected to participate in a crude oil Royalty in Kind (RIK) program. In accordance with the terms of that letter, we are notifying you of the termination of crude oil in-kind status of your onshore Federal leases in Wyoming.

The in-kind status of the leases listed in the enclosure terminates for crude oil on September 30, 2004, and the oil royalties will be payable in value rather than in kind, **effective October 1, 2004**. Please notify the appropriate working interests of the changes in royalty status for these leases.

You must continue to report crude oil production and royalties to MMS on the Oil and Gas Operations Report (OGOR). Effective October 1, 2004, you must report crude oil royalties in value on the Report of Sales and Royalty Remittance (Form MMS-2014) under the MMS reporting requirements specified in MMS regulations and the MMS Mineral Revenue Reporter Handbook at [http://www.mrm.mms.gov/Reporting Services/PDFDocs/RevenueHandbook.pdf](http://www.mrm.mms.gov/Reporting%20Services/PDFDocs/RevenueHandbook.pdf). Please visit our website at www.mrm.mms.gov for information regarding properties participating in RIK sales.

Sincerely,

Gregory W. Smith
Assistant Program Director
Royalty In Kind

Enclosure

TAKE PRIDE
IN AMERICA

**Listing of Properties
Royalty-in-Value
Effective October 1, 2004**

Enclosure

Line Code	Lease or Agreement Number	Lease or Agreement Name	Operator	Oil Type	Pipeline/Trucked	Winning Bidder
PSR0400	W 115090X	Alpha	Wellstar Corporation	GSC	88 Oil	In Value
PSR7100	66-15021/M1	East Sandbar	Wellstar Corporation	GSC	88 Oil	In Value
PSR9169	W 119861X	Prong Creek West	Ballard Petroleum	GSC	88 Oil	In Value
PSR9310	W 148363X	True Grit	Bellevue Resources	GSC	88 Oil	In Value
PSR9127	801000312A	Salt Creek (Tensleep)	Howell Petroleum	GSC	Rocky Mountain	In Value
PSR9200	892000537U	Sussex (Tensleep Amsden A-B)	Howell Petroleum	GSC	Rocky Mountain	In Value
PSR0700	W 125233X	Cambridge	Osborn Heirs	GSC	Belle Fourche	In Value
PSR1400	W 109088X	Dry Gulch	Duncan Oil	GSC	Belle Fourche	In Value
PSR1500	W 115054X	Falcon Ridge	Prima Exploration	GSC	Belle Fourche	In Value
PSR1600	W 106645X	Gibbs	True Oil	GSC	Belle Fourche	In Value
PSR1800	W 123878X	Indian Tree	Citation Oil and Gas	GSC	Belle Fourche	In Value
PSR1950	8910086440	Little Mitchell Creek	Citation Oil and Gas	GSC	Belle Fourche	In Value
PSR1952	0480421870	Cox, Fed. 14-11	True Oil	GSC	Belle Fourche	In Value
PSR2300	W 119637X	N. Breaks	Fancher Oil	GSC	Belle Fourche	In Value
PSR2400	8910209840	Pownall Ranch	Citation Oil and Gas	GSC	Belle Fourche	In Value
PSR3700	W 115064X	Winter Draw	Lario Oil & Gas	GSC	Belle Fourche	In Value
PSR3800	W 115093X	Wolf Draw	Merit Energy	GSC	Belle Fourche	In Value
PSR6700	State/Fee Unit 4	West Moran	North Star	GSC	Belle Fourche	In Value
PSR7300	4940002050	Camp Creek, Govt 6-1	True Oil	GSC	Belle Fourche	In Value
PSR7400	0490573180	Deep Draw, 14-17 Govt	True Oil	GSC	Belle Fourche	In Value
PSR7500	0490595810	Deep Draw, 41-19,44-18	True Oil	GSC	Belle Fourche	In Value
PSR7800	State/Fee Unit 1	Eitel	True Oil	GSC	Belle Fourche	In Value
PSR7850	0490891490	Little Mo, 33-23 Govt	True Oil	GSC	Belle Fourche	In Value
PSR7900a	049015548A	Mapes, Govt 43-28	True Oil	GSC	Belle Fourche	In Value
PSR8000	0490540140	Mapes, Govt 13-27	True Oil	GSC	Belle Fourche	In Value
PSR8100	W 125240X	North Slattery	True Oil	GSC	Belle Fourche	In Value
PSR8300	0490756740	North York, Fed. 32-32	True Oil	GSC	Belle Fourche	In Value
PSR8400	891020961A	Northwest Timber Creek	True Oil	GSC	Belle Fourche	In Value
PSR8500	State/Fee Unit 3	Rainbow Ranch	True Oil	GSC	Belle Fourche	In Value
PSR8600	W 135349X	South Slattery	True Oil	GSC	Belle Fourche	In Value

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PSR8700	84687U9540	Spring Hole	True Oil	GSC	Belle Fourche	In Value
PSR9000a	0491091550	West Gibbs - True Oil	True Oil	GSC	Belle Fourche	In Value
PSR9000b	0491091550	West Gibbs	Nance Petroleum Corp.	GSC	Equilon Trucking	In Value
PSR9000c	0491091550	West Gibbs	Black Hills	GSC	Equilon Trucking	In Value
PSR9100	W 116906X	York	True Oil	GSC	Belle Fourche	In Value
PSR9122	0491416500	Trend, Fed 7-1, 7-4 & 7-7	Trend Exploration	GSC	Belle Fourche	In Value
PSR9124	4940000590	Camp Creek, Norfolk	True Oil	GSC	Belle Fourche	In Value
PSR9182	W 140473X	Trout Pond	Ballard Petroleum	GSC	Belle Fourche	In Value
PSR9183	W 148329X	Glenn, Fed 1-5 & 2-5	Nance Petroleum Corp.	GSC	Belle Fourche	In Value
PSR9217	0490550500	Oshoto, Rodriguez 21-2	Fancher Oil	GSC	Belle Fourche	In Value
PSR9219	W 141479X	Tanner	Citation Oil and Gas	GSC	Belle Fourche	In Value
PSR9223	W 143300	Ammo Federal	Fancher Oil	GSC	Belle Fourche	In Value