OMB Control Number 1010-0129
Expiration Date: June 30, 2003

INVITATION FOR OFFER –PACIFIC ROYALTY-IN-KIND CRUDE OIL
IFO NO: 1435-02-02-RP-40363
January 2002 – June 2002/December 2002

Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is soliciting written offers (bids) from eligible and prequalified small refiners to purchase royalty oil produced from certain Federal offshore leases in the Pacific.

This sale is for a **six or twelve month** term beginning January 1, 2002. MMS will accept bids for either or both terms. Successful offerors will take custody of the royalty oil at the onshore delivery points, and will be responsible for all movement of royalty oil downstream of these points.

Offers must be made in writing and submitted via facsimile (fax number 303-275-7136) or email (crystel.tobar@mms.gov) **by 10:00 a.m. Mountain Time on November 9, 2001**. MMS will confirm receipt of all offers. Royalty oil sales packages will be awarded by 2:00 p.m. Mountain Time on November 13, 2001. Technical questions should be addressed to Crystel Tobar at 303-275-7282. Contracting questions should be addressed to Todd Leneau at 303-275-7385.

Offers[1]

Exhibit A identifies five packages of royalty oil offered for bid. Exhibit B provides further detail on properties, operators, delivery points, and other information pertinent to this IFO. The royalty volumes shown for each package represent MMS' most recent production data for properties behind the indicated delivery points. These volumes are only estimates of royalty oil available to successful offerors, and are not warranted volumes. You may call MMS at the above technical point of contact for a 1-year production history for royalty volumes associated with the delivery points in Exhibit A.

Exhibit A is the bid sheet to be completed and either faxed or emailed to Crystel Tobar as the official bid. Offerors must bid on the full royalty volume to be delivered by the operators of properties behind the indicated delivery points. Tiered bids that offer different prices based on volumes delivered are not acceptable. There will be no more than one award of royalty oil for each package. By submission of a bid, the offeror agrees to be bound by the terms of its signed MMS RIK Crude Oil General Terms and Conditions and this solicitation. MMS reserves the right to reject any bid.

Pricing Mechanisms

Offerors may submit bids on any of the methods authorized below for the respective crude types.

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[1] ***Offerors must be previously prequalified or provide prequalification documentation to MMS prior to submitting bids.*** See our website at http://www.mrm.mms.gov/rikweb/prequal.htm for a description of the prequalification process. Successful offerors must have a signed RIK Crude Oil General Terms and Conditions on file with MMS.

Santa Ynez Crude (Bid packages 1 through 4)**:**

(1) Offerors may submit bids as a fixed increment or decrement from the following pricing formula:

The **arithmetic average** of two sets of California posted prices, (a+b)/2, where:

a) The calendar month's average of the following Midway Sunset posted prices at 13° API: Chevron, Mobil, Equiva, and Unocal;

b) The calendar month's average of the following Buena Vista posted prices at 26° API: Chevron, Mobil, Equiva, and Unocal.

Calendar Month: The physical month of delivery.

Bids should be carried out to four decimal places. As an example, a bid may be $1.4598 over the average of the four Midway Sunset prices ($14.25) plus the average of the four Buena Vista postings ($16.75) divided by two. Thus, the value of the bid equals $16.9598 ($15.50 plus $1.4598).

(2) Offerors may bid a fixed percentage or fixed increment/decrement of the calendar month average New York Mercantile Exchange (NYMEX) price at 40° API, where:

Calendar month NYMEX: Arithmetic average of the daily settlement price for the "Light Sweet Crude Oil" front month futures contract reported by NYMEX during the Physical Month of Delivery (excluding weekends and holidays).

Physical Month of Delivery: The calendar month during which delivery of crude oil occurs.

Fixed percentage bids should be carried out two decimal places; e.g., 81.15% of NYMEX. Fixed increment/decrement should be carried out to four decimal places; e.g., $(4.2525) off NYMEX.

Dos Cuadras Crude (Bid package 5)**:**

(1) Offerors may submit bids as a fixed increment or decrement from the following pricing formula:

The calendar month's average of the following Ventura Avenue posted prices at 28° API: Mobil, Equiva, and Unocal.

(2) Offerors may bid a fixed percentage or fixed increment/decrement of the calendar month average New York Mercantile Exchange (NYMEX) price at 40° API (see above for definition of calendar month NYMEX).

Quality Adjustments

For payment, offerors will make appropriate quality adjustments to match the actual gravity of the delivered royalty oil by using Equiva's California posted price gravity adjustment table applicable to the month of production. If this table changes mid-month, the monthly average of the table will be used. For each oil type offered, this adjustment table applies to both of the allowed bidding methods. Specifically:

> Santa Ynez crude:
> Successful offerors using pricing formula number (1) will adjust their payment by accounting for the difference between the delivered royalty crude and 19.5° API (the average of Midway Sunset's 13° posted gravity and Buena Vista's 26° posted gravity). This adjustment will be made using the monthly average of Equiva's California posted price gravity adjustment table.
>
> Successful offerors using pricing formula number (2) will adjust their payment by accounting for the difference between the delivered royalty crude and 40° API (NYMEX WTI barrel gravity). This adjustment will be made using the monthly average of Equiva's California posted price gravity adjustment table. Adjustments for sulfur content are to be included in your bid(s).
>
> Dos Cuadras crude:
> Successful offerors using pricing formula number (1) will adjust their payment by accounting for the difference between the delivered royalty crude and 28° API (the posted gravity of Ventura Avenue crude). This adjustment will be made using the monthly average of Equiva's California posted price gravity adjustment table.
>
> Successful offerors using pricing formula number (2) will adjust their payment by accounting for the difference between the delivered royalty crude and 40° API (NYMEX WTI barrel gravity). This adjustment will be made using the monthly average of Equiva's California posted price gravity adjustment table. Adjustments for sulfur content are to be included in your bid(s).

Term

Contracts will be awarded for purchasing royalty oil for a period of six or twelve months, commencing on January 1, 2002, and continuing through June 30, 2002 or December 31, 2002.

Transportation and Scheduling of Royalty Oil

Successful offerors are responsible for transporting all royalty oil volumes downstream of the delivery points specified in Exhibit A. Successful offerors must nominate and schedule all volumes purchased through this IFO separately from all other volumes owned or controlled at each of the delivery points where royalty oil is received. Correspondingly, within ten days of execution of a Transaction Confirmation relative to this IFO, successful offerors must request in writing to all pipeline companies that will move royalty oil, that MMS royalty volumes should be separately itemized on pipeline statements or other pipeline documents. Successful offerors must make their own transportation arrangements.

The operators of properties offered in this IFO will use reasonable efforts, consistent with industry practice, to inform MMS and/or successful offerors regarding significant changes in royalty oil production levels and production shut-ins. Successful offerors, through customary industry practice, will communicate directly with MMS and the operator, and will make arrangements for the delivery and transfer of royalty oil from the identified properties. Successful offerors, at their expense, will make all necessary arrangements to receive delivery of royalty oil at the delivery point(s). Successful offerors are not responsible for costs of transportation upstream of the delivery point(s).

No later than five calendar days before the first day of each month, the MMS will notify successful offerors of the daily royalty oil volumes anticipated for the following month of production. Successful offerors understand that any such estimates are not warranties of actual deliveries to be made but are provided to facilitate royalty oil delivery planning. This will continue for each month of the term of this IFO.

Imbalances between delivery volumes and entitled volumes will be monitored jointly by MMS and the operator. Routine imbalances will be resolved by adjustments in the volume of royalty oil delivered to successful offerors in subsequent months. These adjustments will be reflected in communications from MMS to the successful offeror regarding the first-of-month availability of royalty oil. Imbalances not remedied within 90 days after the production month will be resolved by mutual agreement between MMS and the operator. MMS will consult with successful offerors in this process. The awarded price under this IFO may form the basis of resolution of certain extraordinary imbalances between MMS and operators. The rights and responsibilities of operators under RIK oil situations are outlined in MMS' "Dear Operator" letter included as Exhibit C.

Quality

All quality information in Exhibit B represents MMS' most recent data for the delivery points in the packages offered. Actual sulfur and gravity during the term of this IFO may vary.

Consideration of Offers

MMS may award a contract on the basis of initial offer(s) received without discussions. Accordingly, each initial offer should be submitted on the most favorable terms that the offeror could submit. However, MMS may negotiate with offerors in the event bids are similar, or unanticipated values are received. All information about the origin and value of bids received will remain confidential, except as noted above under Transportation and Scheduling of Royalty Oil with respect to resolution of extraordinary imbalances.

In the event that any offeror is the high bidder for packages whose volumes comprise more than 60% of the capacity of its refineries, MMS reserves the right to negotiate with small refiners to result in awards most advantageous to the Federal Government.

MMS will award 100% of the volume from an FMP. Bid packages 1 through 4 include properties measured for royalty purposes at the same FMP. Therefore, if any one of the bid packages 1 through 4 is not awarded, then none of the bid packages 1 through 4 will be awarded. These packages may be awarded to one or more successful offerors.

If awarded, MMS will award bid packages 1 through 4 for either a six or twelve month term but not both.

The MMS shall award a contract resulting from this solicitation to the offeror whose bid, in MMS' judgement, is most advantageous to the Federal Government. MMS will award to successful offerors by means of the MMS Crude Oil Transaction Confirmation.

In the event MMS does not receive acceptable bids, MMS reserves the right to reject all bids and hold a subsequent sale for any and all prequalified companies.

Letter of Credit or Bond

For awards exceeding the amount of unsecured credit issued by MMS, successful offerors will be required to provide secured financial assurance in the form of an Irrevocable Letter of Credit (ILOC), Bond, or other MMS-acceptable form of surety no later than five business days prior to first delivery of oil under the contract. The ILOC, Bond, or other surety instrument must be effective for a period beginning on the date of first delivery under the contract and ending two months after the contract expires.

The financial assurance amount shall be sufficient to cover the value of 60 days of deliveries of the estimated production of all royalty oil awarded, less the amount of unsecured credit issued by the MMS as previously notified. The value of the financial assurance should be calculated as the price/barrel using the bid amount applied to October 2001 market pricing, multiplied by the daily production (estimated in Exhibit A), multiplied by 60 days, less the amount of unsecured credit issued by MMS.

Please submit the calculated amount of financial assurance to Lawrence Cobb (Lawrence.Cobb@mms.gov) of the RIK Office for verification before application is made for an ILOC, Bond, or other surety instrument. Failure to provide adequate financial assurance will result in a loss of award unless the MMS Contracting Officer extends the date.

Significant and sustained changes in the value of crude oil during the term of the contract may result in changes in the amount of financial assurance.

A sample ILOC is at http://www.mrm.mms.gov/ReportingServices/PDFDocs/4071.pdf. For Bonds, use Contract Surety Bond Form MMS 4072 http://www.mrm.mms.gov/ReportingServices/PDFDocs/4072.pdf. The financial institution issuing the ILOC or surety company issuing the Bond must meet MMS requirements under 30 CFR Part 208.11 (2001). Direct questions regarding surety to Lawrence Cobb at 303-275-7294.

Governing Contract

This transaction is governed by the MMS RIK Crude Oil General Terms and Conditions, previously signed by the offeror and MMS. Only companies who have prequalified and signed the MMS RIK Crude Oil General Terms and Conditions may submit offers for consideration.

Documentation

As stipulated in the MMS RIK Crude Oil General Terms and Conditions, successful offerors must provide pipeline statements, invoices, and any other information necessary to support payments to MMS Crude Oil RIK Accounting by the 20th of the month following the month of production. The Crude Oil Transaction Confirmation provides points of contact for submission of this information.

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the information being collected under this solicitation is necessary to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate bids on sales of royalty production. The estimated burden to report is approximately one hour each for a bid document, letter of credit or bond, or financial statement or pre-qualification document. Suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, D.C. 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor and a person is not required to respond to, a collection of information unless it displays a currently valid OMB number.

3 Exhibits

Exhibit A – Bid Sheet
Exhibit B – RIK Property Profile Detail
Exhibit C – Sample Dear Operator Letter

Minerals Management Service
RIK Pacific Crude Oil Sale
IFO: 1435-02-02-RP-40363
January 2002 - June 2002/December 2002

Bid Pkg	Crude Type	Delivery Point	Estimated MMS Royalty Volume (bbls/d)	Bid 1/ Postings (+ or -) **6-mo.** Term	Bid 1/ NYMEX (+ or -) **6-mo.** Term	Bid 1/ NYMEX (% of) **6-mo.** Term	Bid 1/ Postings (+ or -) **12-mo.** Term	Bid 1/ NYMEX (+ or -) **12-mo.** Term	Bid 1/ NYMEX (% of) **12-mo.** Term
#1	Santa Ynez	Las Flores Canyon	1,200						
#2	Santa Ynez	Las Flores Canyon	3,400						
#3	Santa Ynez	Las Flores Canyon	2,625						
#4	Santa Ynez	Las Flores Canyon	1,500						
#5	Dos Cuadras	Rincon Plant	1,000						

1/ See "Pricing Mechanisms" from the IFO for complete details.

Santa Ynez Crude:

1) Offerors may submit bids as a fixed increment or decrement from the following pricing formula:
The arithmetic average of two sets of California posted prices, (a+b)/2, where:
a) The calendar month's average of the following four Midway Sunset posted prices at 13° API: Chevron, Mobil, Equiva, and Unocal.
b) The calendar month's average of the following Buena Vista posted prices at 26° API: Chevron, Mobil, Equiva, and Unocal.
Calendar Month: The physical month of delivery.

2) Offerors may bid a fixed percentage **or** fixed increment/decrement of the calendar month average NYMEX price at 40° API, where:
Calendar month NYMEX: Arithmetic average of the daily settlement price for the "Light Sweet Crude Oil" front month futures contract reported by NYMEX during the Physical Month of Delivery (excluding weekends and holidays).
Physical Month of Delivery: The calendar month during which delivery of crude oil occurs.

Dos Cuadras Crude:

1) Offerors may submit bids as a fixed increment or decrement from the following pricing formula:
The calendar month's average of the following three Ventura Avenue posted prices at 28° API: Mobil, Equiva, and Unocal.

2) Offerors may bid a fixed percentage **or** fixed increment/decrement of the calendar month average NYMEX price at 40° API, see above for definitions.

Your Name ______________________ Phone No. ______________

Company Name ______________________ Fax No. ______________

MMS Contacts:

Crystel Tobar	303-275-7282
Stacy Leyshon	303-275-7469
Dave Domagala	303-275-7255
Fax No.	303-275-7136

RIK Property Profile Detail

Exhibit B

Minerals Management Service
RIK Pacific Crude Oil Sale
IFO: 1435-02-02-RP-40363
January 2002 - June 2002/December 2002

Bid Package	Crude Type	Delivery Point	MMS Facility Measurement Point	Producing MMS Lease or Unit Agre. No. **(note 3)**	Operator	Estimated MMS Royalty Volume (bbls/day) **(note 1)**	Sulfur **(note 2)**	Gravity **(note 2)**
#1	Santa Ynez	Las Flores Canyon	20040833500	891-008979-A	ExxonMobil	1,200	4.83%	20.3
#2	Santa Ynez	Las Flores Canyon	20040833500	891-008979-B	ExxonMobil	3,400	4.83%	20.3
#3	Santa Ynez	Las Flores Canyon	20040833500	891-008979-C	ExxonMobil	2,625	4.83%	20.3
#4	Santa Ynez	Las Flores Canyon	20040833500	891-008979-D	ExxonMobil	1,500	4.83%	20.3
#5	Dos Cuadras	Rincon Plant	20041113000	088-000240-0 088-000241-0	Nuevo Energy Co.	1,000	1.09%	25.0 26.0
Total Estimated MMS Royalty bbls/day for all 5 Bid Packages						**9,725**		

Note 1: Production estimates provided by operators and generally represent average Aug.-Sep. 2001 production.
Note 2: Sulfur and Gravity data provided by the operator or pipeline and generally represent Aug.-Sep. 2001 production.
Note 3: Listing of leases within a Unit Agreement:

Bid Pkg	Unit Agreement	Leases
#1	891-008979-A	088-000180-0 088-000181-0 088-000187-0 088-000188-0 088-000190-0
#2	891-008979-B	088-000180-0 088-000181-0 088-000190-0 088-000191-0 088-000329-0
#3	891-008979-C	088-000182-0 088-000183-0
#4	891-008979-D	088-000193-0 088-000194-0 088-000195-0 088-000326-0

Exhibit C

MMS/MRM/RIK
Mail Stop 330G5

(Address)

Dear (Title, Name):

The Minerals Management Service (MMS) has selected one or more offshore Federal leases in the Pacific that you operate to be included in a Royalty in Kind (RIK) program in which we will take crude oil royalties in kind beginning January 1, 2002.

This letter provides the procedures and establishes the terms and conditions under which the United States (Lessor) will take crude oil royalties in kind. Our authority is the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. § 1353) and the royalty provisions contained in your Federal lease. For the purposes of this letter, Royalty Oil means the Federal lease oil and condensate production multiplied by the lease royalty rate. The volumes of crude oil taken in kind by the Lessor will reflect and be consistent with all grants of royalty relief.

Term

The Lessor will take all Royalty Oil in kind from the properties listed in the enclosure beginning January 1, 2002, and will continue taking royalties in kind until we notify you that in-kind status is terminated. We will provide Lessees and Operators with at least a 45-day prior written notice of termination of in-kind status.

Royalty Oil Delivery

You must deliver all Royalty Oil from the selected leases, including Royalty Oil from newly producing wells on these leases. In addition, you will make best efforts to notify the Lessor's designated point of contact of leases that, during this period of in-kind status, begin producing crude oil that flows to the facility measurement points (FMP) identified in the enclosure. Royalty oil from such new properties will be added to the RIK volumes at the existing delivery points only upon mutual consent of the purchaser and the Lessor.

Royalty Oil must be placed in marketable condition at no cost to the Lessor. Marketable condition means the condition generally acceptable to purchasers in the field or area. Questions on marketable condition should be directed to the Lessor's points of contact identified in this letter.

The delivery point for Royalty Oil produced from the properties in the enclosure is at the FMP or first interconnect into a main pipeline, as identified in the enclosure. The Lessor will take custody and responsibility for Royalty Oil beyond the delivery point. You can be reimbursed for transportation of Royalty Oil to any delivery points identified in the enclosure that are downstream of the FMP, as allowed in applicable MMS regulations, by taking a transportation deduction on the Report of Sales and Royalty Remittance (Form MMS-2014).

Fulfillment of Royalty Obligations

Delivery of the accurate volume of Royalty Oil (taking into account the effects of normal operational imbalances) in accordance with the terms of this letter will satisfy in full the Lessee's royalty obligation to the Lessor.

For properties where the Lessee has applied for deepwater royalty rate relief, you may use the proposed royalty rate in the interim before MMS/Offshore Minerals Management (OMM) approves the reduction. If OMM does not approve the royalty rate reduction, the resulting imbalance will be resolved in the same manner as described below for imbalances not remedied within 90 days (see "Balancing Account and Imbalances").

All rent or minimum royalty obligations remain the responsibility of the Lessee. If the Lessee owes minimum royalties, the Lessor will issue a bill including information supporting the calculation. The Lessee will have 30 days to review the bill and make payment or appeal the bill.

Lessor Obligation to Take

We agree to take 100 percent of the Royalty Oil delivered to the delivery point for the account of the Lessor. Using reasonable and customary industry practices, we will try to minimize imbalances with Operators and Lessees.

To facilitate timely and accurate custody transfer of Royalty Oil, we will communicate with you regarding arrangements for the transfer of Royalty Oil from the delivery point. The Lessee will not incur royalty-related penalties because of the Lessor's failure to take delivery of oil volumes as communicated by the Operator.

Communication with Lessor

No later than 10 calendar days before the first day of each month, you must notify the Lessor in writing via facsimile (303-275-7136) or e-mail addressed to our mailbox (rik.project@mms.gov) of the daily Royalty Oil volumes (Avails) anticipated for the following month of production for each of the delivery points identified in the enclosure. On this same schedule, for each of the delivery points, you will also provide any anticipated volume adjustments to resolve previous months' imbalances. The total volumes to be delivered to our purchaser at each of the delivery points must be indicated on the same schedule as a **volume net** of anticipated production plus or minus any adjustments. The Lessor understands that any such estimates are not warranties of actual deliveries but are provided to facilitate planning.

You must also use reasonable efforts, consistent with industry practice, to inform the Lessor as soon as practical regarding significant changes to the information listed in the enclosure; e.g., oil production levels, oil type, and/or royalty rates for the RIK contract properties.

Volume Reconciliation

You must send all volume allocation schedules provided to pipeline companies that address crude oil volumes at the delivery points in the enclosure within 5 days of their submittal to the pipeline companies. You, as the Operator, must provide the lease imbalance statement to MMS no later than 45 days after the end of the month of production, unless MMS approves an alternative timeframe for submission of the statement. We will monitor and reconcile royalty entitlements with the Royalty Oil deliveries you make. Reconciliation will involve communication between you and the Lessor. Upon project termination, you, as the Operator, must issue a final oil imbalance statement. You will settle in accordance with the section "Balancing Account and Imbalances." Volume allocation schedules and lease imbalance statements should be submitted to the rik.project@mms.gov mailbox.

Balancing Account and Imbalances

Imbalances between delivered and entitled volumes of royalty oil will be jointly monitored by you and MMS. You will take timely action to remedy such imbalances through adjustments to royalty oil volumes delivered to MMS. Such volume adjustments will be identified in your communication of royalty oil volumes anticipated before the month of production (see above under "Communication with Lessor").

Imbalances will be remedied in the production month following the month that the imbalance is identified. Imbalances not remedied within 90 days of the end of the production month will be resolved as follows:

- Mutually agreed upon make-up delivery schedule, or
- Cash out payment based on the contract price (at the delivery point) that MMS actually received (or would have received) from its Purchaser during the month or months that the imbalance occurred**.** Interest will accrue from 60 days after notification that cash out payment is due.

When the lease is no longer taken in kind or after cessation of production from a lease, imbalances will be cashed out based on the MMS contract price (at the delivery point) for the last month the lease is taken in kind. Interest will accrue from 60 days after the final month of delivery. Imbalances remaining at the time of any sale/assignment of properties identified in the enclosure will be settled in compliance with your Purchase and Sale Agreement assignments. Imbalance provisions will be reviewed 6 months from initial contract date.

Reporting

You must continue to report crude oil production on the Oil and Gas Operations Report (OGOR) under requirements specified in MMS regulations and the MMS *Minerals Revenue Reporter Handbook* at http://www.mrm.mms.gov/ReportingServices/PDFDocs/RevenueHandbook.pdf. You will not be required to report Royalty Oil for the RIK properties listed in the enclosure on the Form MMS-2014 for the term during which the Lessor takes royalty in kind. Reporting does not change for non-RIK leases.

Lessor's Designee

The Lessor may act by or through a duly authorized designee. In such event, we will provide prior written notification of a designee, including the person to contact. Notification will include specific duties that will be handled by the designee on our behalf. The Lessor also will provide written notification when the designee is no longer authorized to act on our behalf for the purposes of this letter. You are authorized to communicate with the designee as specified in the notification. You will not be required to direct communications to both the Lessor and our designee. For purposes of this letter, if we notify you that we will use a designee in the contract, references to the Lessor shall refer to such designee. The designee will agree in writing to comply with all provisions of this letter that are applicable to the Lessor when the designee acts on our behalf.

Audit

The Lessor may audit your records regarding all information relevant to volumes and qualities of Royalty Oil produced, measured, delivered, and, if applicable, transported. We reserve the right to examine your financial records for the subject properties related to any transportation allowances and quality banks prior to the delivery point.

Lessees, Operators, and revenue payors must maintain all records of transactions mentioned in the above paragraph in accordance with the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (Public Law 104-185 Section 115(f)).

Lessor Point of Contact

Copies of all correspondence between Operator and Lessor should be kept on file by the Operator. Points of contact for the Lessor are listed below:

Volume Avails (Anticipated Volumes) and Operator Imbalance Statements:
Mr. Larry Barker
Telephone: 303-275-7296; Fax: 303-275-7136;
E-mail: Larry.Barker@mms.gov
Or

Mr. Ted Drescher
Telephone: 303-275-7297; Fax: 303-275-7136;
E-mail: Theodore.Drescher@mms.gov

New Lease Production:
Ms. Crystel Tobar
Telephone: 303-275-7282; Fax: 303-275-7136;
E-mail: Crystel.Tobar@mms.gov
Or
Ms. Stacy Leyshon
Telephone: 303-275-7469; Fax: 303-275-7137;
E-mail: Stacy.Leyshon@mms.gov

Reporting Issues:
Mr. Andy Sandoval
Telephone: 303-231-3777; Fax: 303-231-3700
E-mail: Alfonso.Sandoval@mms.gov

Electronic Funds Transfer:
Mr. Joe Romero
Telephone: 303-231-3123; Fax: 303-231-3501;
E-mail: Joseph.Romero@mms.gov

We acknowledge that Operators and Lessees have given proper notice when using the telephone number or fax number provided to communicate with the Lessor. Any telephone communication regarding volumes must be confirmed by fax or e-mail no later than 1 business day after telephone communication occurs. The Lessor further agrees to make arrangements to receive such communications regarding oil scheduling issues during normal business hours. Operators and Lessees should communicate with one of the points of contact to answer any further questions.

The Paperwork Reduction Act

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by MMS to document fulfillment of royalty obligations on minerals removed from Federal lands and that we will use this information to maintain and audit lease accounts. We estimate the burden for reporting is 10 minutes per property per month. Comments on the accuracy of this estimate or suggestions for reducing this burden should be directed to the Information Collection Clearance Officer, Minerals Management Service, 1849 C Street, NW, MS 4230, Washington, DC 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas

Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(1,) (4)), and the Departmental Regulations (43 CFR 2). An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Sincerely,

Milton K. Dial
Assistant Program Director
for Royalty In Kind

Enclosure