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November 22, 1996

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RECEIVED

David S. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
P. O. Box 25165, MS 3101
Denver, CO 80225-0165

Re: **Comments on MMS Proposed "Amendments to Gas Valuation Regulations for Indian Leases", 61 FR 49894, September 23, 1996**

Dear Mr. Guzy:

MMS has requested comments to the proposed amendments to the regulations for valuation of gas produced from Indian leases. Amoco participated in the Negotiated Rulemaking Committee (Committee) process and shares the same concerns expressed in the comments submitted by COPAS and RMOGA. Foremost among those concerns is the fact that the proposed rule, as published, is not the product of the Committee. Amoco was not in total agreement with the report of the Committee, especially the results of the last meeting. However, the inclusion and re-write by the MMS of the Committee's work is not within the spirit of the objectives and guidelines of the Committee process.

The purpose of the Amendments to the Gas Valuation Regulations for Indian Leases was to add certainty and simplification to the process of calculation and payment of royalties, while preserving the lease terms. In Amoco's opinion, the goal was not accomplished through these amendments. Rather than restating the comments submitted by COPAS and RMOGA, Amoco strongly endorses their comments and requests the MMS reconsider the requirements of the proposed rule.

AMOCO PRODUCTION COMPANY

By: _____
Robert G. Leo, Jr.

cc: M. J. Stonecipher
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