



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Royalty Management Program
P.O. Box 25165
Denver, Colorado 80225-0165



*K. J. [unclear]
5/11/99*

IN REPLY REFER TO:

DAD/PSO 99-023/01/02/04/05a
Mail Stop 3006

Mr. Hugh V. Schaefer
Attorney and Counselor at Law
Trinity Place
1801 Broadway, Suite 720
Denver, Colorado 80202-3835

MAY 11 1999

Dear Mr. Schaefer:

This is in response to your December 17, 1998, Freedom of Information Act (FOIA) request (copy as Enclosure 1). We provided you an interim response to this request on May 5, 1999. In our telephone conversation of April 27, 1999, you requested additional documents relating to oil and coal contract examples, oil valuation case studies, and the audit approach documents for the crude oil portion of the manual.

Enclosure 2 contains an additional 115 pages from the "Crude Oil Premium auditing" training manual dated June 1997. These additional records were received from the Lakewood Compliance Division. We have redacted proprietary company data in these records and in some cases, entire pages have been withheld. Enclosure 3 is a listing of the documents withheld.

Our policy, in keeping with the spirit of FOIA, is the prompt release of records to the greatest extent possible. At the same time, we must protect the rights of individuals and the administrative processes surrounding such rights. The FOIA regulations require us to withhold information protected under FOIA exemptions at 43 CFR § 2.13 (1997) when disclosure is prohibited by statute or Executive Order, or if sound grounds exist to apply an exemption.

We have determined that a portion of the company data contained in the examples, case studies, and audit approach is privileged and confidential. In an effort to provide you with the most useful possible data, we have redacted the company names, leaving the computations and audit approach methodology intact. The redactions made and pages withheld are to protect the identity of the companies used in the examples for training purposes. The company information is being withheld pursuant to Exemption 4 of FOIA, which exempts from disclosure "... trade secrets and commercial or financial information obtained from a person and privileged or confidential." We have replaced the deleted information with the marking "X-4."

Our policy is to employ Exemption 4 of FOIA by withholding from public release any financial information that could jeopardize the financial standing and/or competitive position of those associated with this information. We believe that the public release of this information could jeopardize the competitive and financial standing of those parties associated with this information.

Rm file

Mr. Hugh V. Schaefer

2

In accordance with 43 CFR § 2.20(a)(1) (1997), we assess user fees to fulfill a FOIA request. Personnel charges cover our costs to conduct document searches and to review, identify, and delete privileged and confidential information. Other charges cover the direct costs of providing the material. Standard charges are:

Professional support	\$18.60/hour	Computer/mag tapes	\$25.00/cach
Clerical support	\$ 9.20/hour	CD-ROM	\$ 6.00/cach
Photocopies	\$.13/page	8 mm tapes	\$10.00/eách
Microfiche	\$.08/page	Computer Diskettes	\$ 1.25/each
Computer (CPU) time	\$35.00/minute (\$25.00 minimum)		

Fees for overdue bills include a \$35 administrative charge plus interest at the prevailing Treasury rate.

In our May 5, 1999, letter forwarding the interim response we told you we would add the cost of \$123.47 to fulfill the interim response to the cost to fulfill the final response. The cost to fulfill this final response is \$308.85. Therefore, Enclosure 4 is a bill for \$432.32.

If you have any questions, please contact me at (303) 231-3013.

Sincerely,

Original Signed By
Gregory K. Kann

Gregory K. Kann
Freedom of
Information Act Officer

Enclosures

bcc: RM File (705-16)
RM Chron/Lkwd
MMS FOIA Officer, MS 2200 (e.t.)
RMP FOIA Officer, MS 3006
PSO Chron, MS 3006

LMS:RMP/DAD/PSO:MS3006:DOstenson:05/07/99:303-231-3719:S:\FOIA\99-023a.doc
Finalized:lpm:05/10/99