PETROFINA DELAWARE INCORPORATED
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DALLAS, TEXAS 75221

August 15, 1996

**VIA FAX AND REGULAR MAIL**

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

**Re: Minerals Management Service Proposed Rulemaking for "Amendments to Gas Valuation Regulations for Federal Leases" 30 CFR Parts 202, 206, and 211; 60 FR 56007 (November 6, 1995) and 61 FR 25421 (May 21, 1996)**

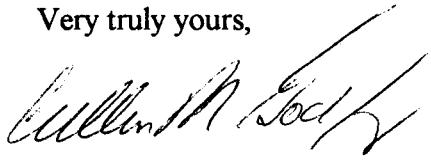
Dear Mr. Guzy:

Petrofina Delaware, Incorporated welcomes the opportunity to submit its written comments to the Minerals Management Service (MMS) on the MMS's May 21, 1996 proposal and the related options formulated at the June 12-14, 1996 meeting of the Federal Gas Valuation Negotiated Rulemaking Committee. Petrofina Delaware, Incorporated is a producer of gas from Outer Continental Shelf leases. As such, Petrofina Delaware, Incorporated has a significant interest in the outcome of this rulemaking.

Petrofina Delaware, Incorporated recognizes the need for an index-based valuation system for natural gas produced from Federal onshore and Outer Continental Shelf leases. However, the MMS must not lose sight of the fact that an index-based valuation system for natural gas will be unworkable unless it offers simplicity, clarity and a reduction of the administrative burden for all parties.

The American Petroleum Institute (API) is submitting lengthy comments that address in detail not only the Consensus Rule of the Federal Gas Valuation Negotiated Rulemaking Committee and the options provided by the MMS in its notice to reopen the public comment period on May 15, 1996 (61 FR 25421), but also the additional proposals that were formulated at the June 12-14, 1996 meeting of the Federal Gas Valuation Negotiated Rulemaking Committee. Petrofina Delaware, Incorporated endorses the comments of the API. Consequently, Petrofina Delaware, Incorporated supports the Consensus Rule, MMS Option No. 1 (if modified in the manner as suggested in API's comments), or the Unified Industry Proposals No. 1, 2 or 3. Finally, Petrofina Delaware, Incorporated urges the MMS to promulgate a final rule on this matter as soon as possible.

Very truly yours,



Cullen M. Godfrey
Vice President
Petrofina Delaware, Incorporated