P2 ENERGY SOLUTIONS
216 SIXTEENTH STREET, SUITE 1700 | DENVER, CO 80202-5142
MAIN: 303.292.0990 | FAX: 303.292.1812 | WWW.P2ES.COM

April 25, 2006

Sharron Gebhardt
Minerals Management Service
Minerals Revenue Management
Post Office Box 25165
Denver, Colorado 80225-0165

ATTN: RIN 1010-AC29- Entitlements vs Takes

P2 Energy Solutions – Enterprise Upstream – (a software provider to oil and gas companies who produce, value and remit proceeds to various owners – including the MMS) has reviewed the subject proposed rulemaking in the Federal Register, Volume 71, Number 67.

Although P2 Energy Solutions (P2ES) does not actually remit proceeds and file MMS 2014 reports directly, we do support these computations and filings (via our software) made by our oil and gas clients. P2ES support a relational database – where volumes are entered once and processed accordingly through dependent applications.

P2ES supports both Entitlements and Takes for all Federal (and Indian) royalty computations, remittances and reporting. From a purely software perspective, it matters not whether the subject property to be reported is 100% Federal Lease/Unit or a mixed Unit or Communization.

However, P2ES cannot support the proposed "Proportionate Takes" methodology. This change, if mandated by MMS, would entail significant accounting process changes by our clients and the software may also have to be modified to comply.

P2ES will defer to the oil and gas domestic industry and MMS on the preferred method - Entitlements and/or Takes – for MMS royalty computations and reporting.

Sincerely,

John Carlson
Senior Product Manager
P2 Energy Solutions
Enterprise Upstream
216 16th Street, 17th Floor
Denver, CO 80202