

Academic Component Institutions:
The University of Texas at Arlington
The University of Texas at Austin
The University of Texas at Brownsville
The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas-Pan American
The University of Texas at the Permian Basin
The University of Texas at San Antonio
Institute of Texas Cultures
The University of Texas at Tyler



Health Component Institutions:
The University of Texas Southwestern Medical Center at Dallas
The University of Texas Medical Branch at Galveston
The University of Texas Health Science Center at Houston
The University of Texas Health Science Center at San Antonio
The University of Texas M.D. Anderson Cancer Center
The University of Texas Health Center at Tyler

THE UNIVERSITY OF TEXAS SYSTEM
Office of General Counsel

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ORIGINAL

Pamela S. Bacon
Attorney

March 19, 1996

VIA TELECOPY (303) 231-3491

Mr. David S. Guzy
Chief Rules and Procedures Staff
MMS Royalty Management Program
Denver Federal Center, Building 85
P.O. Box 25165, Mail Stop 3101
Denver, CO 80225-0165

Re: Minerals Management Service (MMS), Advance Notice of Proposed Rulemaking;
60 FR 65610 (December 20, 1995)

Dear Mr. Guzy:

I am writing on behalf of The University of Texas System (U.T.) in response to the subject advance notice of proposed rulemaking. U.T. does not manage or collect royalty from any federal or Indian leases. U.T. manages approximately 2.1 million acres of state-owned lands, however, and is interested in methodologies for establishing the value of crude oil production.

U.T. believes that posted prices do not necessarily reflect, and are often lower than, the market value of oil. Prices received for royalty oil U.T. elects to take in kind support this conclusion.

We appreciate the opportunity to comment on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Bacon", written over a circular stamp.

Pamela S. Bacon

PSB:kic

xc: Mr. Ray Farabee

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