



Robert G. Leo, Jr.
Attorney

Amoco Corporation

Law Department
Amoco Building
1670 Broadway
Post Office Box 800
Denver, Colorado 80202
303-830-4386
Fax: 303-830-4160



August 16, 1996

David J. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
Royalty Management Program
P.O. Box 25165 M/S 3101
Denver, Colorado 80226-0165

**Re: Comments on MMS Proposal "Amendments to Gas Valuation
Regulations for Federal Leases", 30 CFR Part 202, 206, and 211;
60 FR 56007 (November 6, 1995) and 61 FR 25421 (May 21, 1996)**

Dear Mr. Guzy:

You have requested comments concerning the proposed federal gas valuation regulations. Amoco has been an active participant in the Federal Gas Valuation Negotiated Rule-making Committee and as such, feels very strongly that the MMS should follow the arduously negotiated Consensus Rule first developed by the Committee. We feel substantial deviation from the Consensus Rule is contrary to the philosophy of a negotiated rulemaking.

While we feel the Consensus Rule is still the most appropriate gas valuation methodology, Amoco has also participated in preparing comments on the proposed rule through industry associations API, RMOGA and NGSAA and would further urge you to follow those comments.

Very truly yours,


Robert G. Leo, Jr.

RGL/mmm