



United States Department of the Interior



MINERALS MANAGEMENT SERVICE
Minerals Revenue Management
P.O. Box 25165
Denver, Colorado 80225-0165
www.mrm.mms.gov

MMS/MRM/RIK
Mail Stop 330B2

MAY 15 2006

Dear Operator or Working Interest Owner:

In our "Dear Operator Letter" dated February 15, 2005, the Minerals Management Service (MMS) notified you of specific offshore Federal leases in the Gulf of Mexico (GOM) and the Pacific Outer Continental Shelf, that were selected to participate in a crude oil Royalty in Kind (RIK) program. In accordance with the terms of that letter, we are notifying you of the termination of crude oil in-kind status of certain offshore Federal leases in the GOM

The in-kind status of the leases listed in the enclosure terminates for crude oil on June 30, 2006, and the oil royalties will be payable in value rather than in kind, **effective July 1, 2006**. Please notify the appropriate working interests of the changes in royalty status for these leases.

You must continue to report crude oil production and royalties to MMS on the Oil and Gas Operations Report. Effective July 1, 2006, you must report crude oil royalties in value on the Report of Sales and Royalty Remittance (Form MMS-2014) under the MMS reporting requirements specified in MMS regulations and the MMS Mineral Revenue Reporter Handbook at http://www.mrm.mms.gov/Reporting_Services/PDFDocs/RevenueHandbook.pdf. Please visit our website at www.mrm.mms.gov for information regarding properties participating in RIK sales.

If you have any questions please call Crystel Edler at 303-231-3126 or Richard Fantel at 303-231-3502.

Sincerely,

Stacy Leyshon
Manager, Crude Oil Marketing
Royalty In Kind

Enclosure



Minerals Management Service									Enclosure
Royalty in Kind Program									
Properties Reverting to Royalty In Value Effective July 1, 2006									
MMS Facility Measurement Point Number	Oil Type	Custody Transfer Point (CTP)	Volume Metered at (FMP Location)	MMS Lease Number	Area	Blk	Royalty Rate	Lease or Agreement Operator	Working Interest Owner
20177153604	HLS	ST 130 AUX	ST 130 AUX	0540056600	GI	086	16.6667%	Chevron	Chevron
20177153604	HLS	ST 130 AUX	ST 130 AUX	0540056600	GI	086	16.6667%	Chevron	Box Exploration LLC
20177153604	HLS	ST 130 AUX	ST 130 AUX	0540056600	GI	086	16.6667%	Chevron	RBP Offshore LLC
20177153604	HLS	ST 130 AUX	ST 130 AUX	0550004560	ST	130	16.6667%	Chevron	Chevron
20177153604	HLS	ST 130 AUX	ST 130 AUX	0550004570	ST	131	16.6667%	Chevron	Chevron
20177153604	HLS	ST 130 AUX	ST 130 AUX	0550004590	ST	133	16.6667%	Chevron	Chevron
20177113600	HLS	SS 69 A	SS 69 A	0540035770	SS	069	16.6667%	Newfield Exploration Co.	Newfield Exploration Co.
20177113600	HLS	SS 69 A	SS 69 A	0540035770	SS	069	16.6667%	Newfield Exploration Co.	Bois D'Arc Properties LP
20177113600	HLS	SS 69 A	SS 69 A	0540067360	SS	065	16.6667%	Newfield Exploration Co.	Newfield Exploration Co.
20177113600	HLS	SS 69 A	SS 69 A	0540067360	SS	065	16.6667%	Newfield Exploration Co.	Bois D'Arc Properties LP
20177042201	HLS-SB	EC 272 D	EC 272 D	0540020470	EC	272	16.6667%	Chevron	Chevron