



RULES PROCESSING TEAM

APR 13 2005

April 13, 2005

Department of the Interior  
Minerals Management Service  
MS 4024  
381 Elden Street  
Hernden, VA 20170-4817

**Re: Oil, Gas and Sulphur Operations and Leasing  
In the Outer Continental Shelf – Cost Recovery  
RIN# 1010-AD 16**

To Whom It May Concern:

Reference is made to the proposed changes to the existing fees and the implementation of several new fees to be charged by the MMS.

As a relatively small operator and owner of leases in the OCS of the Gulf of Mexico, NCX Company, L.L.C. is opposed to the increase in fees. While we do understand the cost recovery aspect of the proposed fees, we believe that not only is the current fee structure fair, but that the bonus, rental, and royalty income collected by the MMS from the leases is more than adequate to fund the activities of the MMS. It would be not unlike the IRS charging a fee for filing your federal tax return. Most of these fees are for plans, documents or permits that are required by the MMS to operate in the OCS waters. Lease owners already pay bonus and rentals on leases that should be sufficient to recover any initial costs while royalties on production should be more than adequate to cover costs associated with producing leases.

As to the specific fees/fee increases:

**Change in Designation of Operator** – We believe this fee to be excessive. Also, when would it come into effect? Every time a DOO form is submitted with an assignment? Would each one of multiple owners need to submit the fee or only one? And which company would be responsible?

**Non-required Document Filing** – This fee seems really excessive. These documents are not adjudicated, merely placed in a file. We do not understand why this proposed fee would more than the fee for adjudicated lease transfers. It is also excessive when compared to recordation in parish/county courthouse records.

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**We would hope that the MMS would reconsider this proposal especially in light of the need for affordable energy for all Americans. Operators will, of course, be forced to pass along these costs to consumers.**

**Yours truly,**

**NCX COMPANY, L.L.C.**



**Thomas L. DeGenova**

**Director of Land**