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MMS: People Promoting Energy, the Environment, and the Economy

The Minerals Management Service (MMS), part of the Department of the Interior, is a key Federal agency helping secure America's energy future and quality of life through effective oversight of offshore energy production and mineral revenue collection both on and offshore.

An agency of about 1,700 people in 20 cities across the U.S., MMS has two primary programs: Minerals Revenue Management, and Offshore Energy and Minerals Management. The MMS manages energy development in over 1.76 billion offshore acres of Federal land called the Outer Continental Shelf (OCS) and annually disburses more than \$8 billion in minerals revenue.

With passage of the Energy Policy Act of 2005, MMS was named lead authority for renewable energy projects, such as wave, wind or current energy on Federal offshore lands, and other projects that make alternative use of existing oil and natural gas platforms.

Minerals Revenue Management

The MMS collects, accounts for and disburses mineral revenues from Federal and American Indian leases. Since its inception in 1982, MMS has collected and disbursed more than \$176 billion to Federal, state and American Indian accounts.

One of the highlights of MMS's efforts to ensure receipt of fair value for energy development on Federal lands is the "Royalty-in-Kind" program. The program generates increased revenues by receiving its oil and gas royalties in kind (in the form of product), rather than in cash, and

competitively selling the commodities in the marketplace. By reducing regulatory costs, reporting requirement, and improving overall business efficiencies, MMS is increasing revenues for the U.S. Treasury by about one to three percent more than cash royalties.

Offshore Energy and Minerals Management

In the complex world of managing oil and gas exploration, and development on the nation's OCS, MMS is carrying out its mission by employing the best scientists and engineers, funding far-reaching studies and enforcing the highest safety standards. Those high standards allow MMS to provide America's needed energy for a dynamic economy while simultaneously protecting the environment.

MMS is responsible for development of the 5-year OCS leasing program to ensure leasing, exploration, development, and production is conducted in a safe and environmentally sensitive manner.

From OCS waters in Alaska, the Pacific Ocean and Gulf of Mexico, MMS regulates the production of about 15 percent of the natural gas and 27 percent of the oil produced in the United States.

Deep water exploration is perhaps the most significant area of innovation in offshore energy production. Deep water oil and gas development in the Gulf of Mexico is a workhorse for U.S. domestic oil and gas production. The Gulf of Mexico Region annually produces more than 1.4

billion barrels of oil and 8 billion cubic feet of gas.

Furthermore, MMS is also responsible for all phases of mineral resource management on the OCS. Our scientists coordinate oceanographic research involving underwater archaeology, sea ice conditions in Alaska, deep-sea chemosynthetic communities, ocean currents and marine mammals.

Since it was founded in 1982, the MMS has funded over \$800 million in environmental studies and about \$20 million in studies evaluating offshore operations and safety technology.

MMS is moving forward in alternative energy by recently completing a programmatic environmental impact statement and issuing an interim policy for data collection and technology testing.

For more information on the Minerals Management Service, go to www.mms.gov.

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