



## NEWS RELEASE

U.S. Department of the Interior  
Minerals Management Service  
Office of Public Affairs

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### **MMS sets workshops on proposed Indian oil valuation rule**

The Minerals Management Service has scheduled three public workshops in March to gather comments and conduct preliminary consultation concerning the valuation of crude oil produced from American Indian mineral leases.

The public workshop dates and locations include:

- **March 8, Oklahoma City, OK.**, from 8:30 a.m. to 2 p.m. Central time, at the Sheraton Downtown in the Frontier Room, One North Broadway, Oklahoma City, OK 73102 (telephone number (405) 235-2780);
- **March 9, Albuquerque, NM.**, from 8:30 a.m. to 2 p.m. Mountain time, at the Wyndham Albuquerque in the Bernalillo Room, 2910 Yale Blvd. S.E., Albuquerque, NM 87106 (telephone number (505) 843-7000);
- **March 16, Billings, MT.**, from 8:30 a.m. to 2 p.m. Mountain time, at the Sheraton Billings Hotel in the Avalanche Room, 27 North 27<sup>th</sup> Street, Billings, MT 59101 (telephone number (406) 252-7400).

The workshops, announced today in a *Federal Register* notice, will allow for comments and consultation in anticipation of publishing a new proposed rule regarding royalty valuation for crude oil produced from Indian leases.

For the March workshops, MMS is seeking public input on a number of issues, including whether MMS should adopt certain changes that were included in the Federal crude oil valuation rule amendments published in May 2004 (i.e., using NYMEX prices adjusted for location and quality for oil that is not sold at arm's length, and using 1.3 times the Standard & Poor's BBB bond rate as the rate of return on undepreciated capital investment in calculating non-arm's-length transportation costs).

MMS also welcomes comments on whether MMS should revise the current Indian oil valuation rule to use arm's-length reported values for production from a reservation or other designated area; and whether MMS should collect information to use in the major portion calculations to distinguish the quality of the oil (e.g., sweet crude, sour crude, yellow wax crude).

The workshops will be open to the public without advance registration. Public attendance may be limited to the space available. MMS encourages a workshop atmosphere, and members of the public are encouraged to participate. Those wishing to make formal presentations should sign up to do so upon arrival. The minutes from each workshop will be posted on the MMS website at <http://www.mrm.mms.gov>. You may submit written comments to MMS following the workshops to: Mr. John Barder, Supervisory Minerals Revenue Specialist, Minerals Management Service, Minerals Revenue Management, Indian Oil and Gas Compliance and Asset Management, P.O. Box 25165, MS 396B2, Denver, CO 80225-0165. E-mail comments may be sent to [John.Barder@mms.gov](mailto:John.Barder@mms.gov); or faxed to (303) 231-3755.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS's collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with Fiscal Year 2004 disbursements of approximately \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for acquisition of state and federal park and recreation land, gets nearly \$1 billion a year.

### **MMS: Securing Ocean Energy and Economic Value for America**

**MMS Main Website:** [www.mms.gov](http://www.mms.gov)  
**Gulf of Mexico Website:** [www.gomr.mms.gov](http://www.gomr.mms.gov)