



NEWS RELEASE

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Stewardship award recognizes four companies

DENVER-Four energy companies are being recognized for exceptional performance in production reporting and timely payment of royalties to the Federal Government, the U.S. Minerals Management Service announced today in naming the recipients of its prestigious Mineral Revenues Stewardship Award.

ConocoPhillips, Kennecott Energy Company, Marathon Oil Company, and Wexpro Company will be among those companies recognized during the annual MMS Industry Awards Program and Luncheon scheduled April 26 in Houston, Texas. The Awards Program will be held at the InterContinental Houston, 2222 West Loop South, in Houston.

The Mineral Revenues Stewardship Award was established in 1987 to commend exceptional performance by companies that report production and pay royalties for Federal and Indian mineral leases. All told, more than 2,500 companies submit reports of mineral sales and production, and pay royalties for minerals that are produced from these leases. In addition to overall accuracy and timeliness of payments and reports, the companies receiving this award have also demonstrated noteworthy cooperation with the Minerals Revenue Management program in resolving issues related to reporting, compliance and enforcement.

During Fiscal Year 2004, ConocoPhillips submitted more than 359,000 lines of royalty and production data and paid approximately \$153.8 million in royalties to the MMS. ConocoPhillips demonstrated quality performance by submitting electronic reports and payments with a royalty reporting accuracy rate of 99.1 percent, and a production reporting accuracy rate of 96.3 percent. ConocoPhillips, with headquarters in Houston, is an international, integrated energy company operating in more than 40 countries with approximately 35,800 employees worldwide.

Kennecott Energy Company extracted approximately 125.5 million tons of coal from federal leases in three western states, and paid MMS a total of \$206 million in mineral royalties during FY 2004. Kennecott's nearly flawless record for reporting acceptance and timeliness rates, and its 100 percent timeliness rate for submittal of royalty payments, was a feat achieved by no other

company. Kennecott is one of the nation's largest coal mining companies based in the Rocky Mountain region of the United States.

Marathon Oil Company submitted more than 137,000 lines of royalty and production data during FY 2004 and paid more than \$84 million in royalties to the MMS. Marathon maintained quality performance by submitting electronic reports and payments with a royalty reporting accuracy rate of 97.9 percent, and a production reporting accuracy rate of 98.1 percent. Marathon, headquartered in Houston, is an integrated energy business with exploration and production activities in several countries.

Wexpro Company, which manages and develops properties on behalf of Questar Gas, a retail gas-distribution affiliate, submitted more than 28,000 lines of royalty and production data during FY 2004 and paid \$26.8 million in royalties. Wexpro boasted a royalty reporting accuracy rate of 99.9 percent and a production reporting accuracy rate of 98.8 percent. Their performance was further demonstrated by Wexpro's noteworthy cooperation and responsiveness in working with MMS to resolve reporting and compliance questions. The company is headquartered in Salt Lake City, Utah.

Individuals and companies who wish to attend the annual Industry Awards Program and Luncheon must register by Friday, April 15. Registration can be completed online at the MMS web page at: <http://www.mms.gov/awards>. Individuals and companies that require hotel reservations should contact the InterContinental Houston at (713) 627-7600.

The 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. The MMS 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 cooperative conservation, grants to states, and Federal land acquisition, gets nearly \$1 billion a year.

MMS Website: www.mms.gov

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