

**DEPARTMENT OF THE INTERIOR****Minerals Management Service****30 CFR Parts 225, 225a****Intent to Revise Regulations Governing the Sale of Royalty-in-Kind Crude; Request for Comments**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Notice of intent to revise regulations; request for comments.

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**SUMMARY:** Because those U.S. royalty oil contracts issued in 1980 will expire in mid-1983, MMS intends to proceed next year with a new sale offering of royalty crude oil. But, before advertising that offering to the public in October 1983, MMS wishes to revise pertinent regulations so as to simplify and streamline the Federal Government's process for selling its royalty crude. MMS, therefore, solicits suggestions from those interested in the royalty oil program in order to: (1) Ease the burden on producers and eligible refiners, and (2) improve the Federal Government's administration of the program.

**DATES:** Written comments specific to the existing regulations must be received no later than January 10, 1983.

**ADDRESSES:** Written comments may be mailed or delivered to Mr. Orie L. Kelm, Deputy Associate Director for Royalty Management, Minerals Management Service--MS660, 12203 Sunrise Valley Drive, Room 6A218 (USGS National Center), Reston, VA 22091.

**FOR FURTHER INFORMATION**

**CONTACT:** Mr. Orie L. Kelm, (703) 860-7511 (FTS 928-7511).

**SUPPLEMENTARY INFORMATION:**

Existing regulations (30 CFR Parts 225 and 225a) consist of sometimes conflicting or overlapping requirements. To eliminate these conflicts, MMS intends to simplify and clarify its policy so that uniform procedures can prevail for offering and allotting, then selling royalty crude, whether from onshore or offshore Federal leases. MMS is also interested in ways to streamline the application process for potential purchasers, to pro rate quantities of crude equitably and rapidly, and then to efficiently sell royalty crude at fair market value. To the extent that existing law permits, MMS proposes also to minimize reporting requirements for industry and to improve the efficiency of the billing and collection process. Any comments on improving the royalty crude allocation, rate, and administration process will be considered in the changes MMS is proposing.

Any revised operational procedures will also be made compatible with the computer-assisted financial and auditing systems currently being developed by MMS for royalty management.

**List of Subjects in 30 CFR Parts 225, 225a**

Administrative practice and procedure, Mineral royalties, Petroleum allocation, Royalty-in-kind crude oil sales.

Dated: November 8, 1982.

**Robert E. Boldt,**  
*Associate Director for Royalty Management, Minerals Management Service*

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