

[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

RIN 1010-AB57

Major Portion Prices and Due Date for Additional Royalty Payments on Indian Gas Production in Designated Areas Not Associated with an Index Zone

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of major portion prices for calendar year 2003.

SUMMARY: Final regulations for valuing gas produced from Indian leases, published on August 10, 1999, require MMS to determine major portion values and notify industry by publishing the values in the *Federal Register*. The regulations also require MMS to publish a due date for industry to pay additional royalty based on the major portion value. This notice provides the major portion values for the 12 months of 2003. The due date to pay is May 31, 2005.

ADDRESSES: See **FOR FURTHER INFORMATION CONTACT** section below.

FOR FURTHER INFORMATION CONTACT: John Barder, Indian Oil and Gas Compliance and Asset Management, MMS; telephone (303) 231-3702; FAX (303) 231-3755; e-mail to John.Barder@mms.gov; or Shawna Hopkins, Indian Oil and Gas Compliance and Asset Management, MMS; telephone (303) 231-3817; FAX (303) 231-3755; e-mail to Shawna.Hopkins@mms.gov. Mailing address: Minerals Management Service, Minerals Revenue Management, ONCAM, Indian Oil and Gas Compliance and Asset Management, P.O. Box 25165, MS 396B2, Denver, Colorado 80225-0165.

SUPPLEMENTARY INFORMATION: On August 10, 1999, MMS published a final rule titled “Amendments to Gas Valuation Regulations for Indian Leases,” (64 FR 43506) with an effective date of January 1, 2000. The gas regulations apply to all gas production from Indian (tribal or allotted) oil and gas leases, except leases on the Osage Indian Reservation.

The rule requires that MMS publish major portion prices for each designated area not associated with an index zone for each production month beginning January 2000, along with a due date for additional royalty payments. See 30 CFR 206.174(a)(4)(ii) (2004). If additional royalties are due based on a published major portion price, the lessee must submit an amended Form MMS-2014, Report of Sales and Royalty Remittance, to MMS by the due date. If additional royalties are not paid by the due date, late payment interest under 30 CFR 218.54 (2004) will accrue from the due date until payment is made and an amended Form MMS-2014 is received. The table below lists the major portion prices for all designated areas not associated with an index zone. The due date is May 31, 2005.

GAS MAJOR PORTION PRICES AND DUE DATES FOR DESIGNATED AREAS NOT ASSOCIATED WITH AN INDEX ZONE

MMS-Designated Areas	January 2003 (MMBtu)	February 2003 (MMBtu)	March 2003 (MMBtu)
Blackfeet Reservation	5.57	6.48	9.53
Fort Belknap	4.97	5.10	5.84
Fort Berthold	4.32	5.88	6.31
Fort Peck Reservation	3.55	5.25	7.96
Navajo Allotted Leases in the Navajo Reservation	4.37	4.50	5.82
Rocky Boys Reservation	3.75	4.65	6.76
Ute Allotted Leases in the Uintah and Ouray Reservation	2.90	3.21	5.05
Ute Tribal Leases in the Uintah and Ouray Reservation	3.20	3.68	6.47

MMS-Designated Areas	April 2003 (MMBtu)	May 2003 (MMBtu)	June 2003 (MMBtu)
Blackfeet Reservation	6.63	6.64	7.05
Fort Belknap	5.04	5.08	5.27
Fort Berthold	4.28	4.76	4.83
Fort Peck Reservation	4.43	4.29	4.97
Navajo Allotted Leases in the Navajo Reservation	3.65	4.02	4.88
Rocky Boys Reservation	4.04	4.16	4.57
Ute Allotted Leases in the Uintah and Ouray Reservation	3.19	4.04	4.42
Ute Tribal Leases in the Uintah and Ouray Reservation	3.51	4.39	4.83

MMS-Designated Areas	July 2003 (MMBtu)	August 2003 (MMBtu)	September 2003 (MMBtu)
Blackfeet Reservation	7.09	5.73	6.14
Fort Belknap	5.18	5.03	5.13
Fort Berthold	4.22	4.25	3.93
Fort Peck Reservation	4.69	4.71	4.47
Navajo Allotted Leases in the Navajo Reservation	4.66	3.87	4.31
Rocky Boys Reservation	4.04	3.62	3.76
Ute Allotted Leases in the Uintah and Ouray Reservation	4.60	4.11	4.24
Ute Tribal Leases in the Uintah and Ouray Reservation	4.24	3.94	4.05

MMS-Designated Areas	October 2003 (MMBtu)	November 2003 (MMBtu)	December 2003 (MMBtu)
Blackfeet Reservation	5.83	5.64	5.88
Fort Belknap	5.06	5.03	5.32
Fort Berthold	4.10	4.05	5.03
Fort Peck Reservation	4.10	4.15	4.90
Navajo Allotted Leases in the Navajo Reservation	3.88	3.79	4.23
Rocky Boys Reservation	3.44	3.38	3.94
Ute Allotted Leases in the Uintah and Ouray Reservation	4.11	3.77	4.10
Ute Tribal Leases in the Uintah and Ouray Reservation	3.84	3.63	4.24

For information on how to report additional royalties due to major portion prices, please refer to our Dear Payor letter dated December 1, 1999, on the MMS website address at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/991201.pdf>.

Date

Lucy Querques Denett
Associate Director for
Minerals Revenue Management