



U.S. Department of the Interior

# Office of Natural Resources Revenue

[www.onrr.gov](http://www.onrr.gov)

## Indian Oil Production/Sales Statistics

### Indian Oil Negotiated Rulemaking Committee

Presented by: John Barder, May 1, 2012

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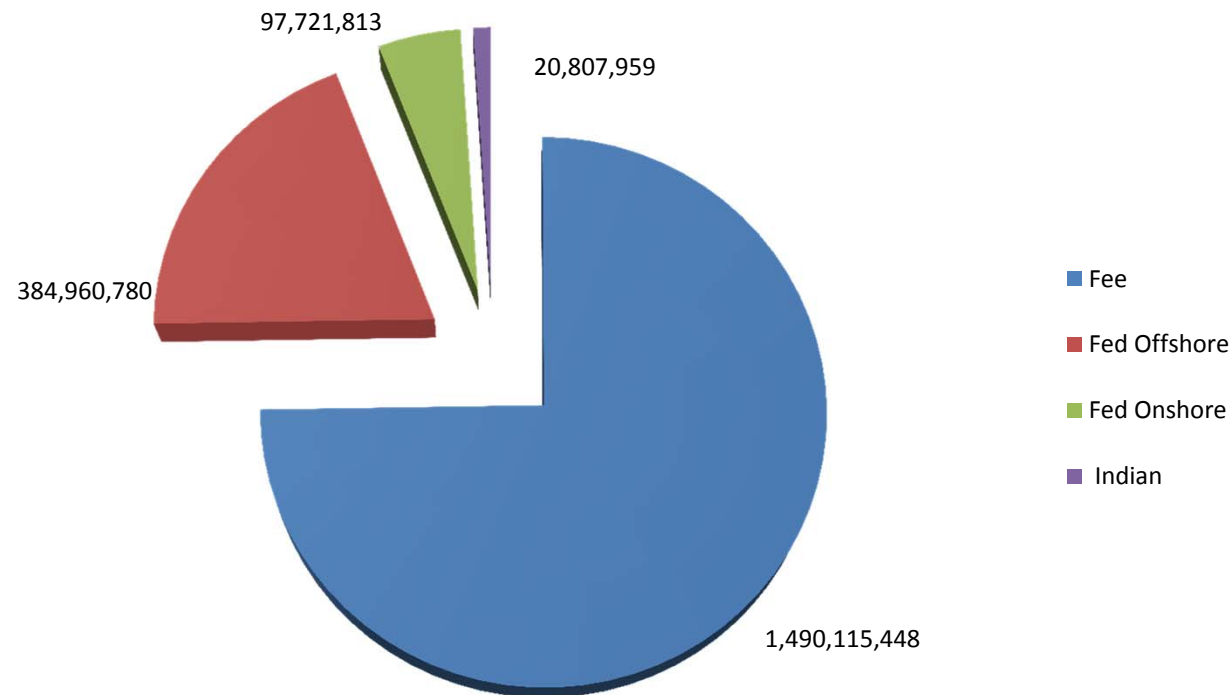
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# Breakdown of Oil Production/Sales in the United States for 2011

[www.onrr.gov](http://www.onrr.gov)

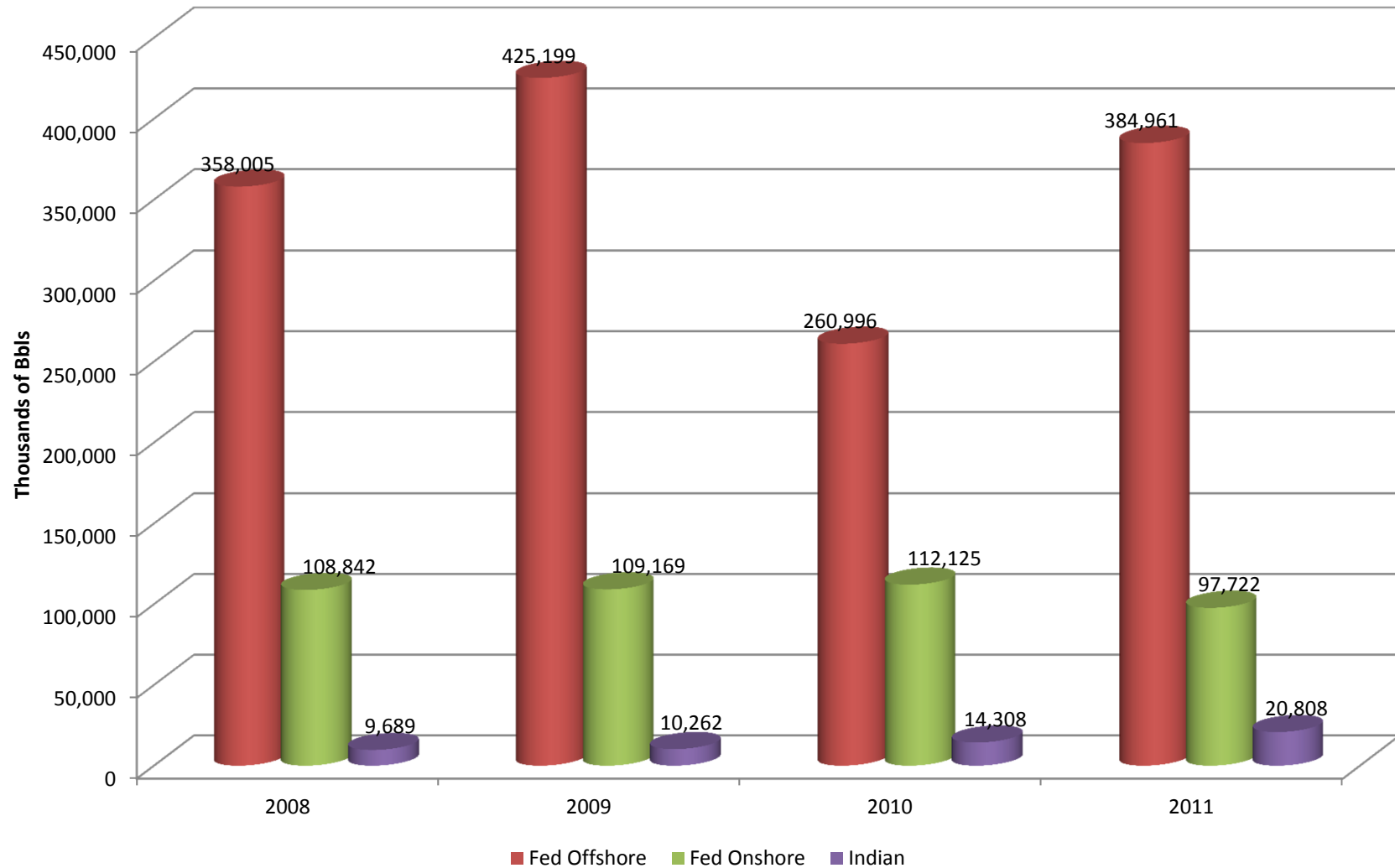
## 2011 Annual Oil Production





# Annual Oil Production

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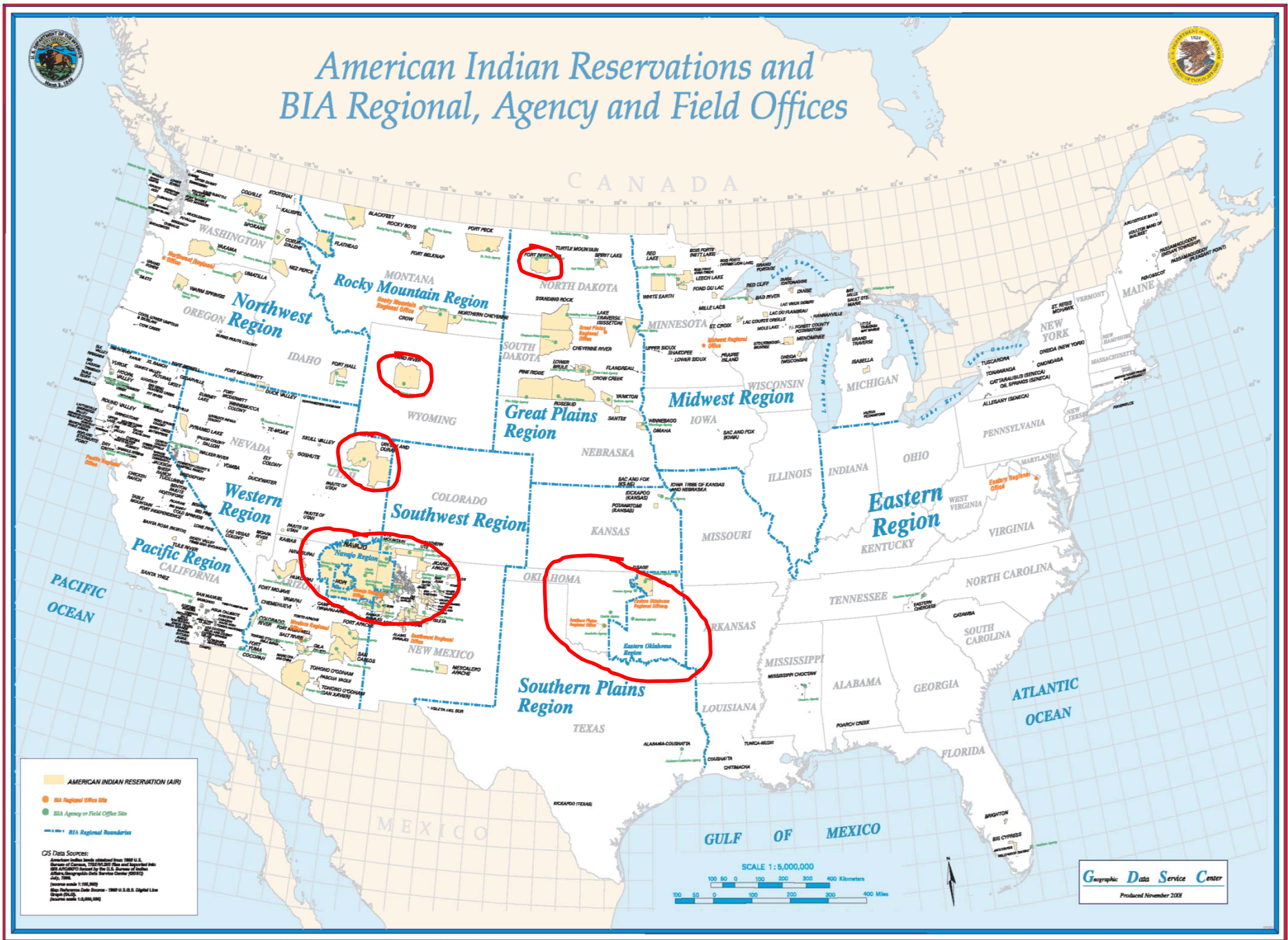
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# American Indian Reservations and BIA Regional, Agency and Field Offices

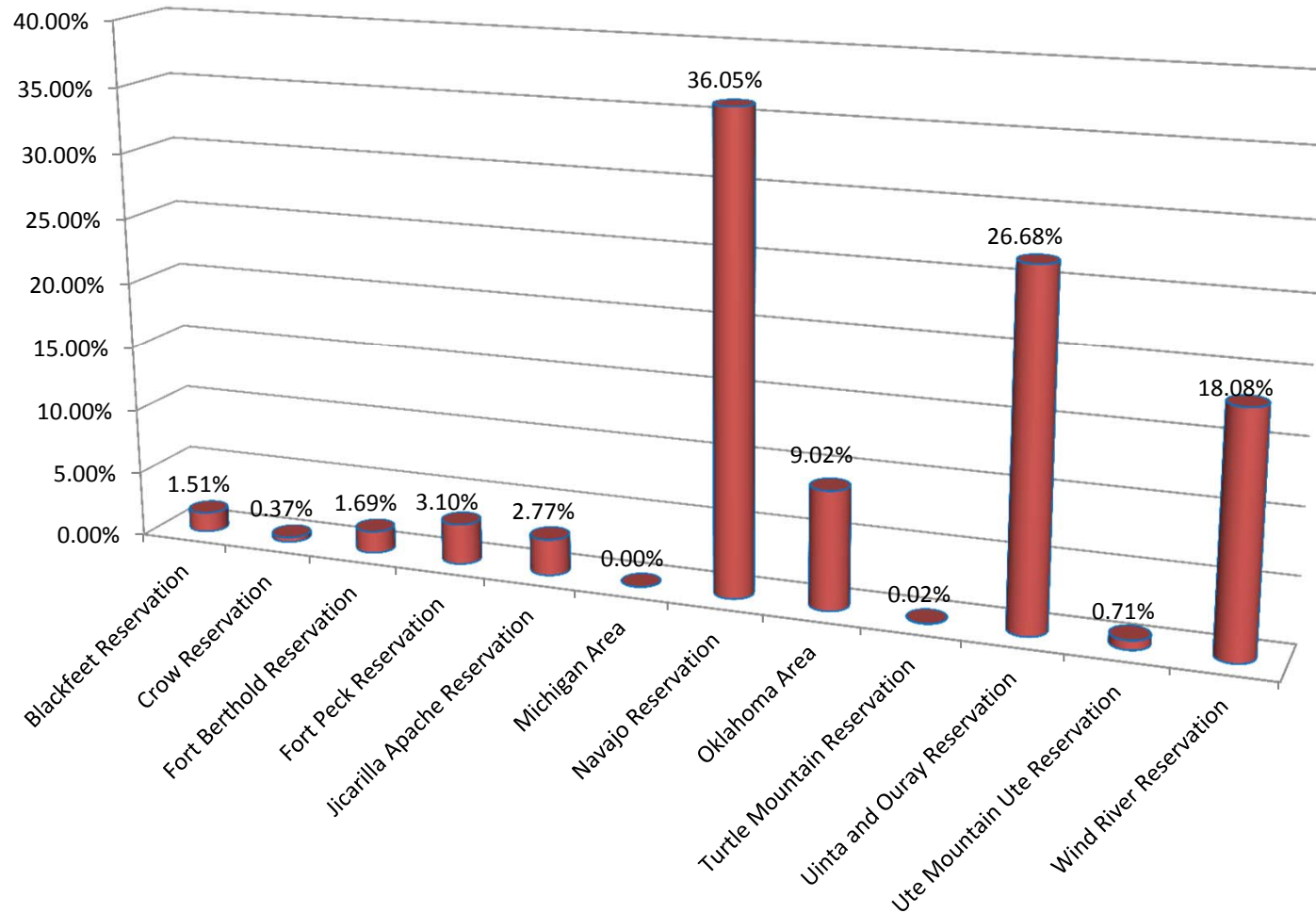


**CIS Data Sources:**  
 American Indian Reservations (AIR) - 1992 U.S. Census of American Indian and Alaska Natives, Bureau of Economic Analysis, U.S. Department of Commerce, Bureau of Economic Analysis, July 1992.  
 Census maps 1:500,000  
 Map Reference Data Source - 1992 U.S.S. Digital Line Graph (DLG)  
 National map 1:5,000,000



# Percent of Total Indian Oil Production for CY 2008

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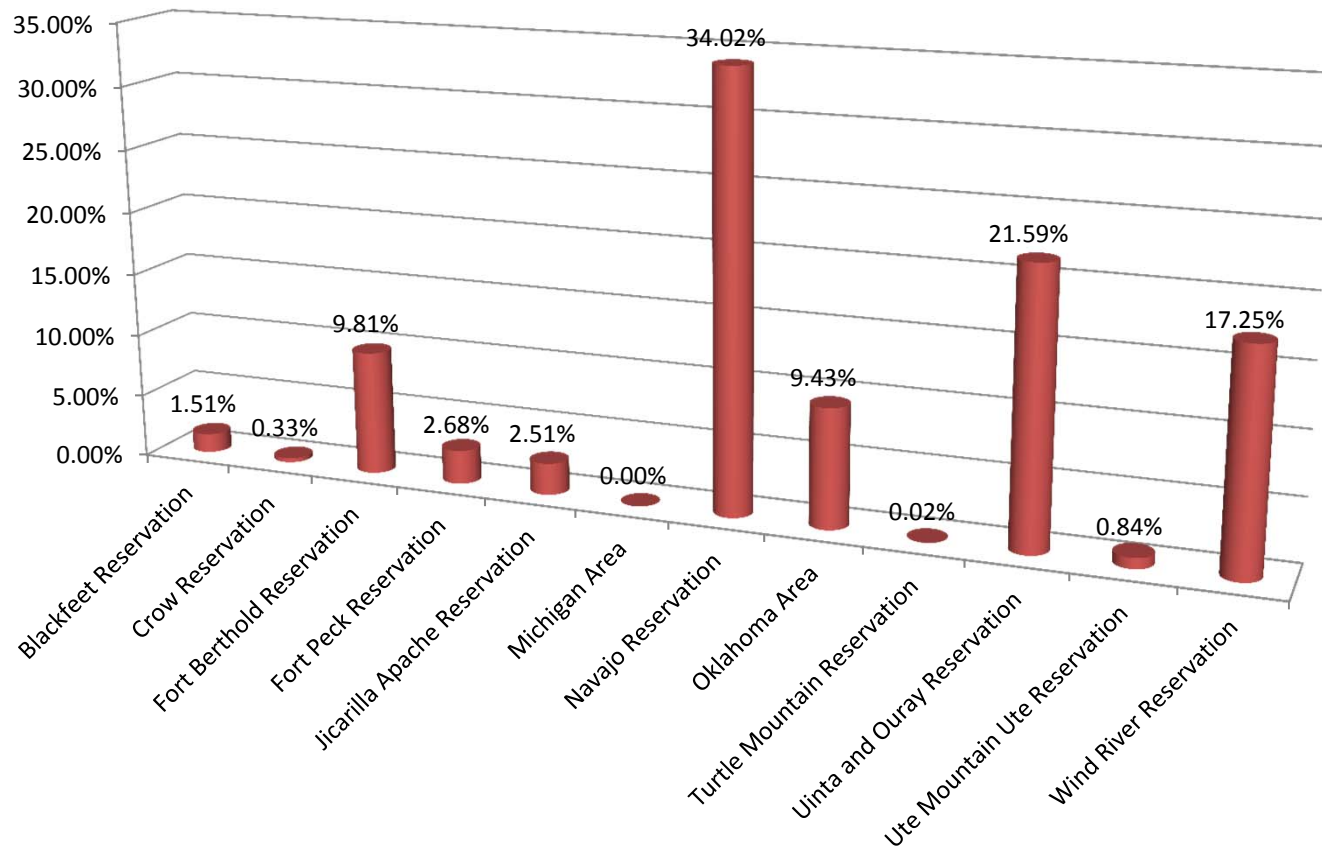


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# Percent of Total Indian Oil Production for CY 2009

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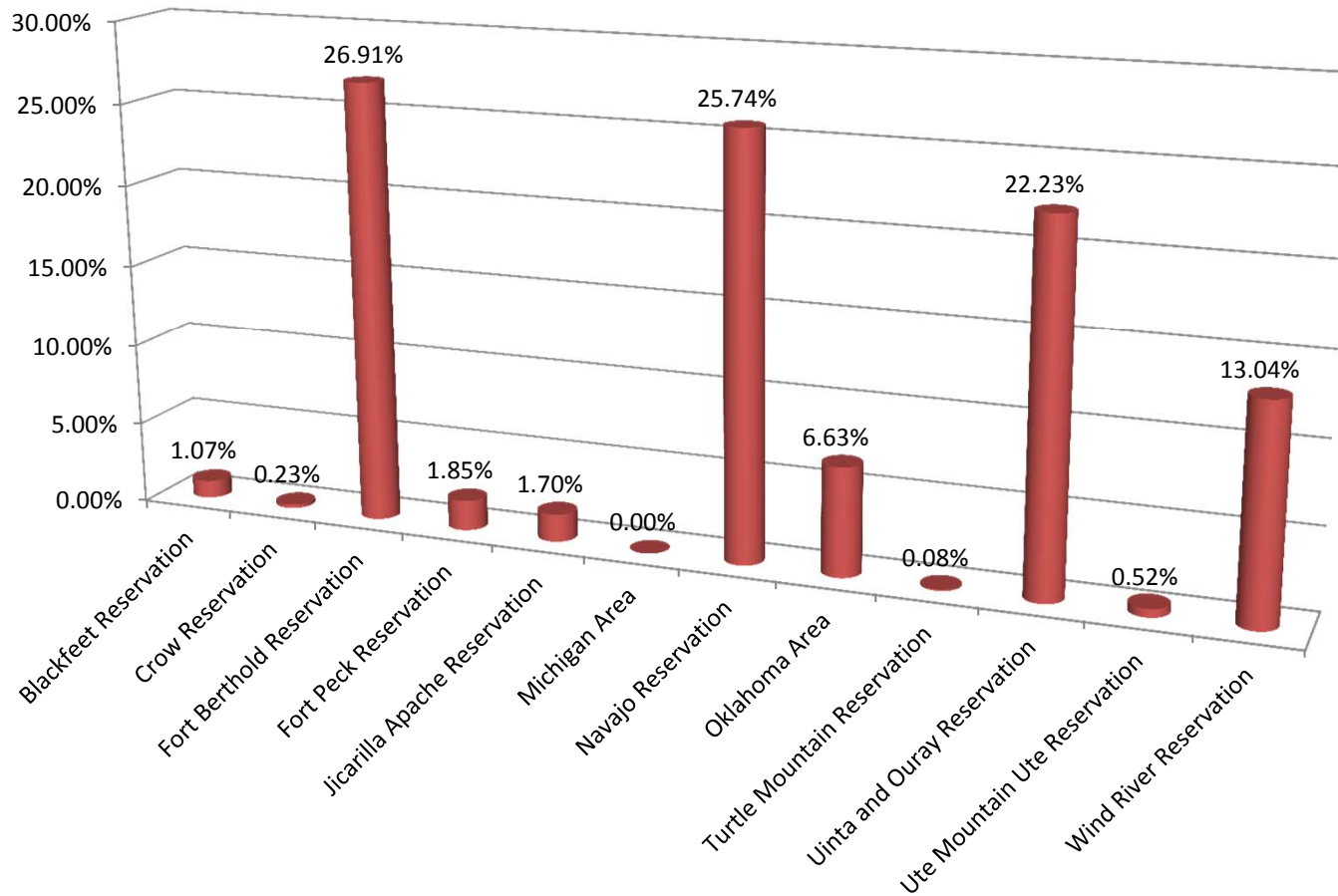


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# Percent of Total Indian Oil Production for CY 2010

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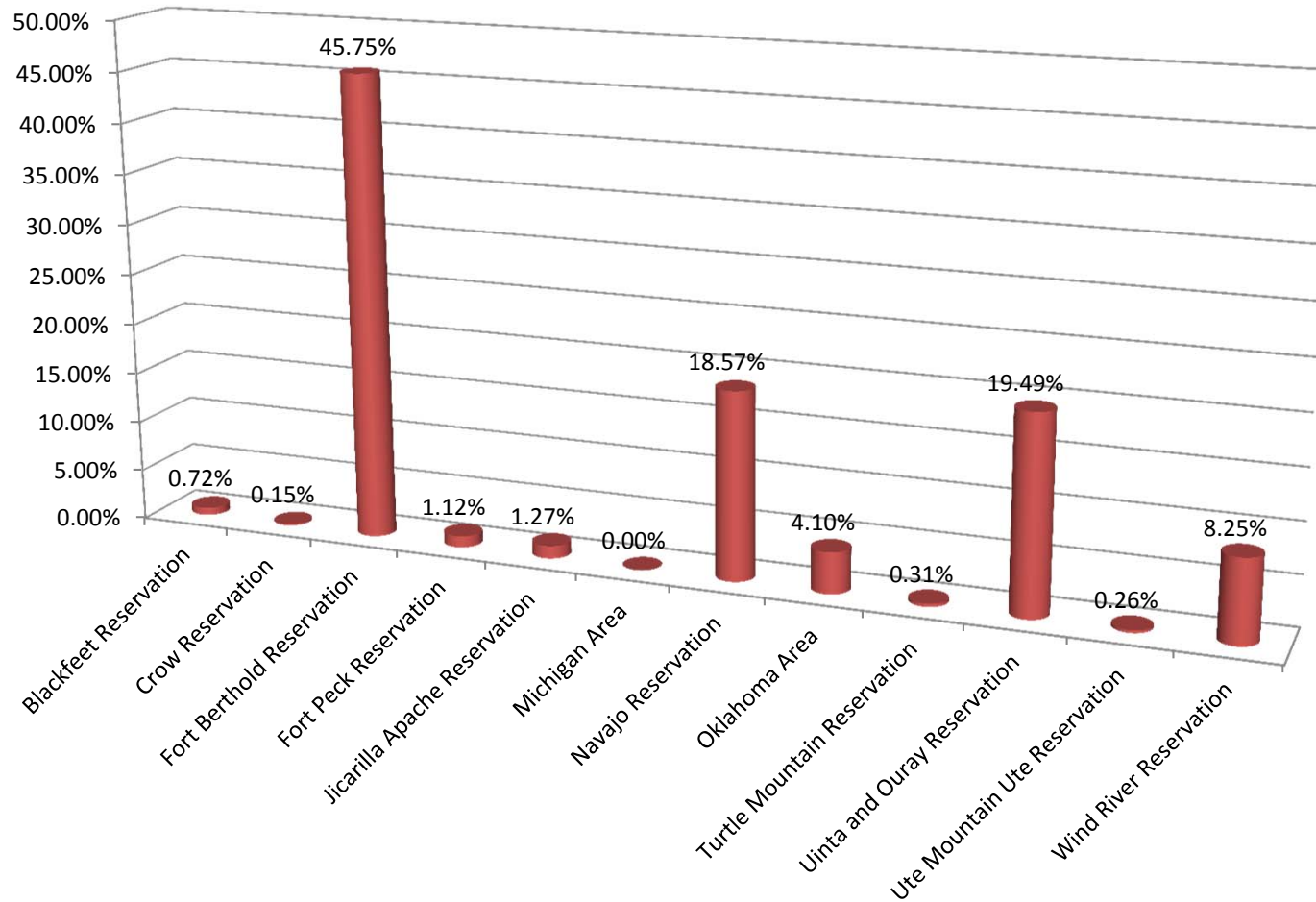


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# Percent of Total Indian Oil Production for CY 2011

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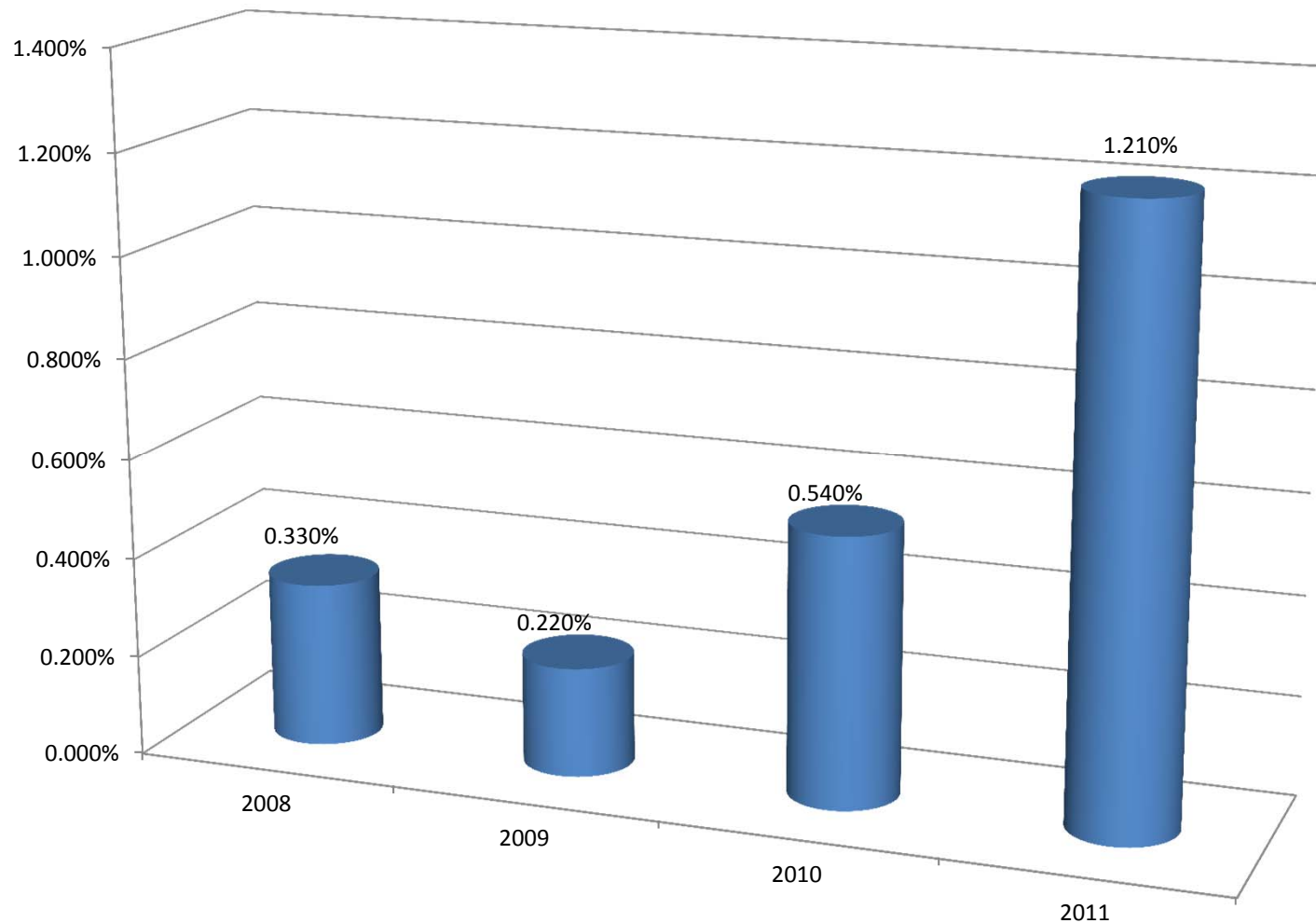
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# Transportation Costs as a % of Indian Royalty Value

www.onrr.gov



Note: The above figures do not include transportation factors. Transportation factors are not reported on MMS-2014 as a transportation allowance.

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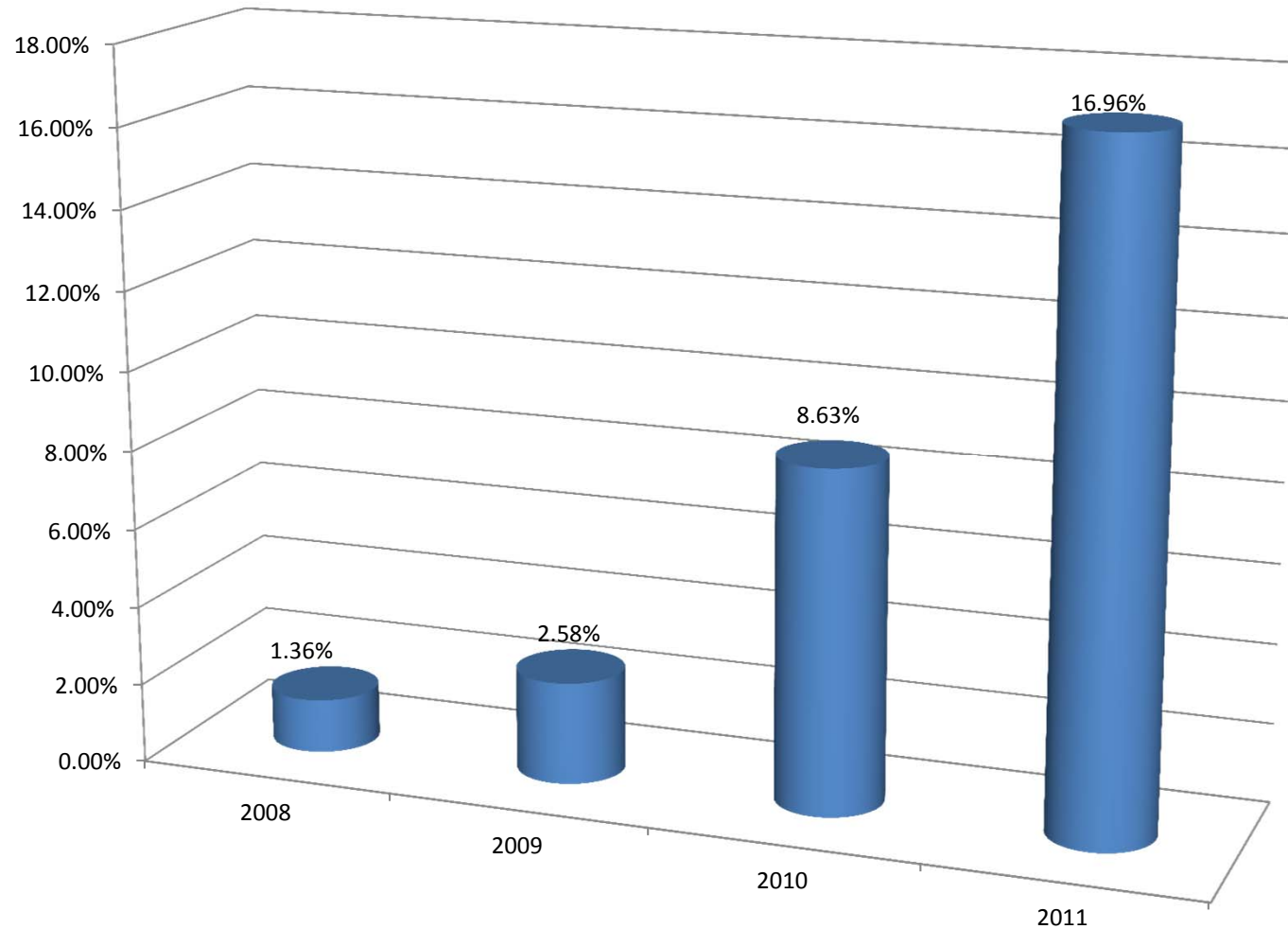


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# NARM % of Sales Value

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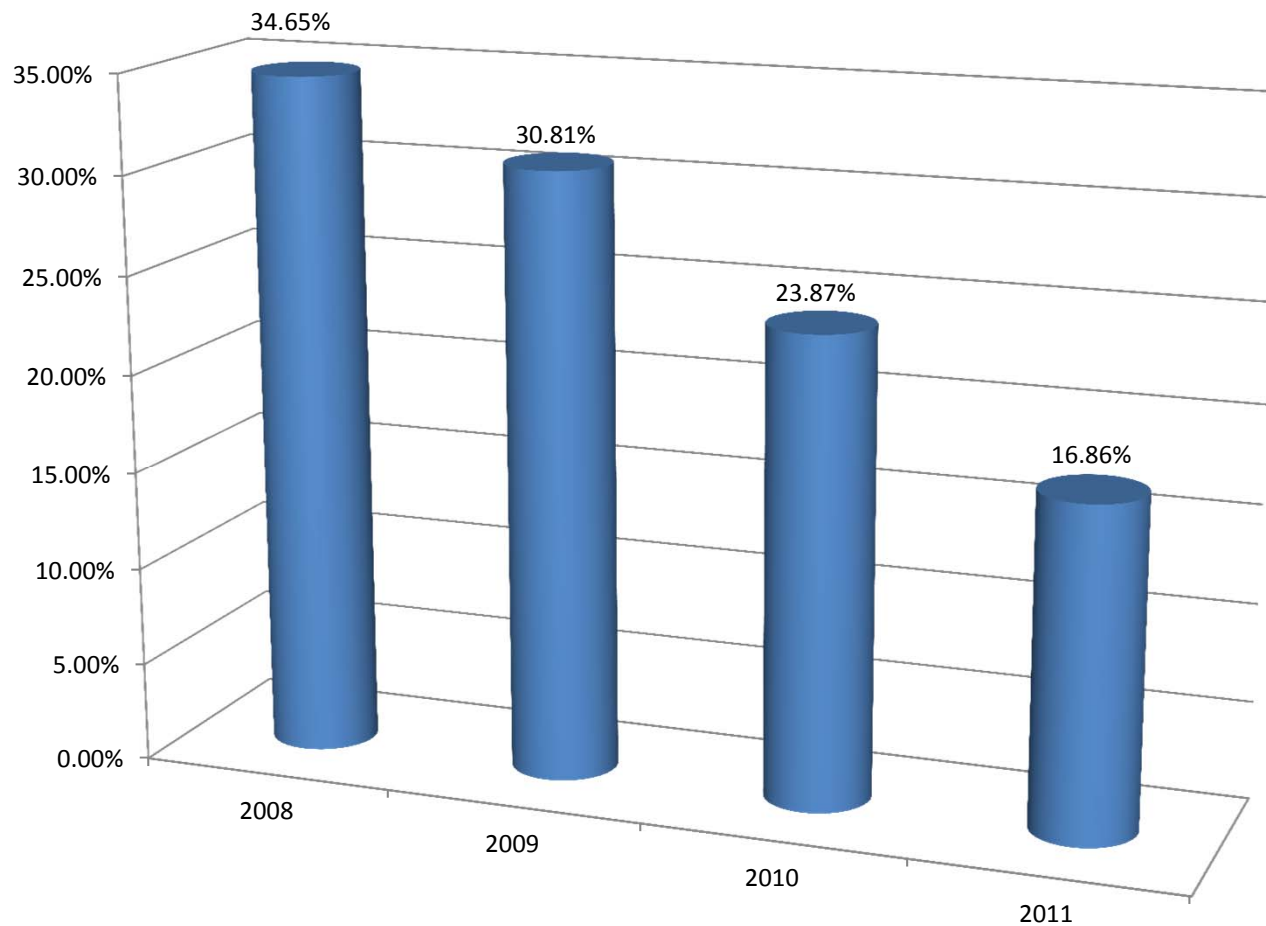


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# Indian RIK as a % of Total Indian Sales Value

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# Companies Reporting Royalty on Indian Oil for 2008 - 2011

[www.onrr.gov](http://www.onrr.gov)

- 267 total unique Indian oil royalty payors from 2008 – 2011.
- Blackfeet Reservation – 13 total payors with 6 of the payors paying over 90% of the royalty. In addition, one payor pays approximately 50% of the royalty.
- Crow Reservation – 3 total payors with one payor paying of 95% of the royalty.
- Fort Berthold – 30 total payors with six payors paying over 70% of the royalty.
- Fort Peck – 17 total payors with five payors paying over 73% of the royalty.
- Jicarilla Apache Reservation – 19 total payors with seven paying over 90% of the royalty.
- Michigan area – one payor pays 100% of the royalty.
- \*Navajo Reservation – 38 total payors with one payor paying over 83% of the royalty.
- Oklahoma – 144 total payors with 14 payors paying over 76% of the royalty.
- Turtle Mountain Reservation – 7 total payors with two payors paying over 76% of the royalty.
- Uintah & Ouray Reservation – 21 total payors with four payors paying over 80% of the royalty.
- Ute Mtn Ute Reservation – 17 total payors with six payors paying over 91% of the royalty.

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# Crude Oil Marketing & Transportation

Presented by: Dan Riemer  
May 1, 2012

# Overview

- **The Petroleum Supply Chain**
- **Where Oil is Found**
- **How Oil is Transported**
- **Where Oil is Refined**
- **How Market Price is Determined**
- **How Market Price Translates to Realized Price**

# Crude Oil: Quick Facts

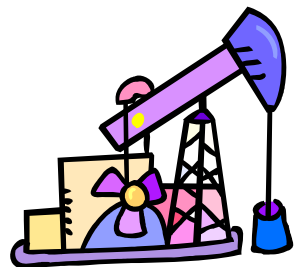
**Crude oil** is a naturally occurring liquid found in rock formations in the [Earth](#).

Fact 1: Crude oil must be found and extracted, or produced.

Fact 2: Crude oil must be stabilized for transportation.

Fact 3: Crude oil must be refined into usable products.

# The Petroleum Supply Chain



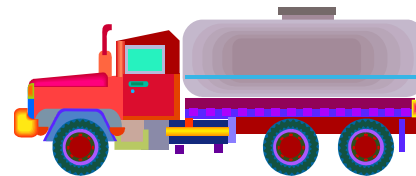
Exploration  
& Production



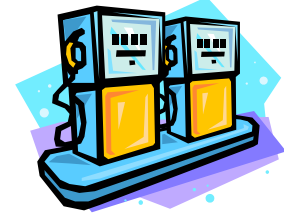
Transportation



Refining



Distribution

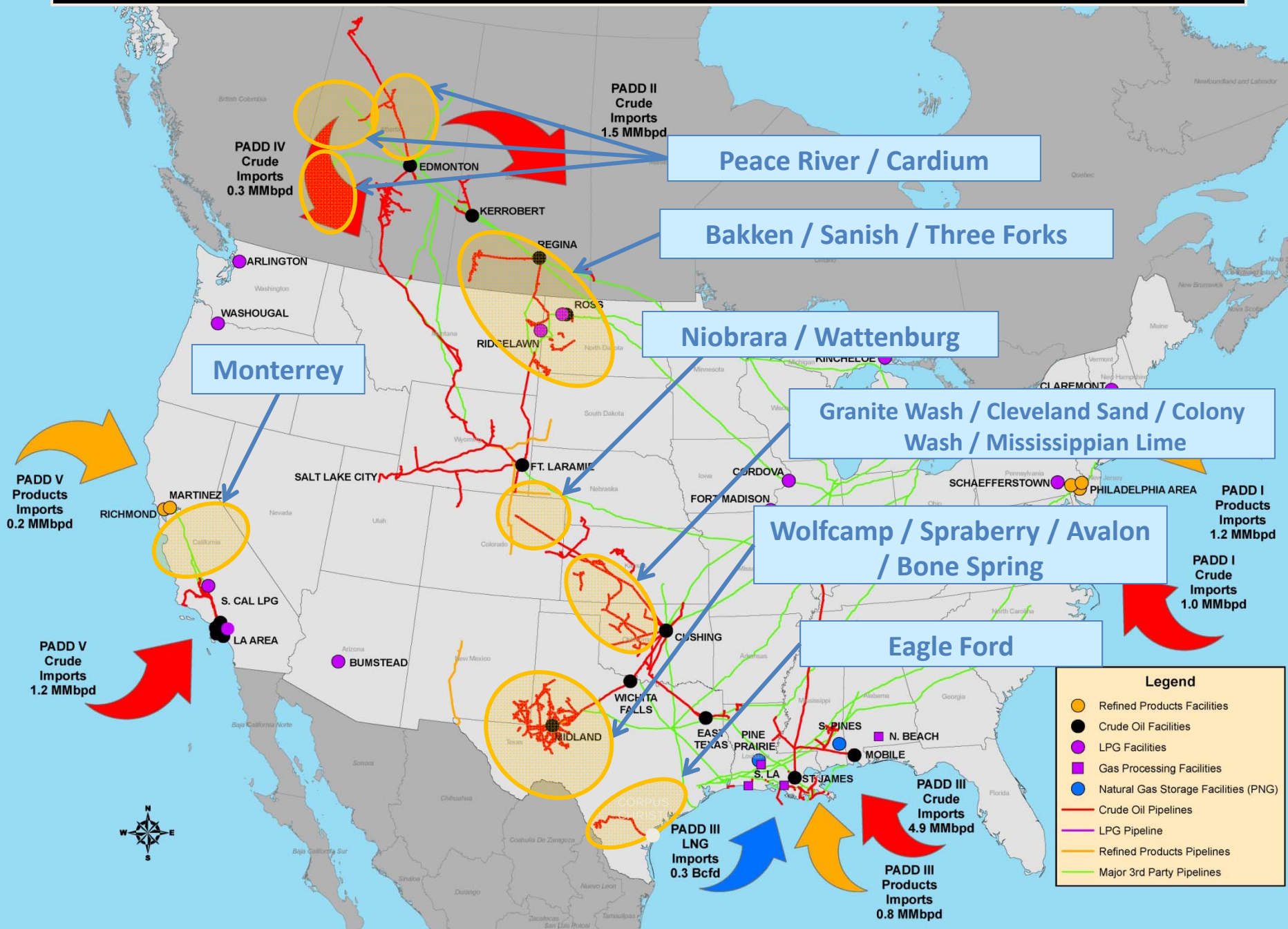


Marketing

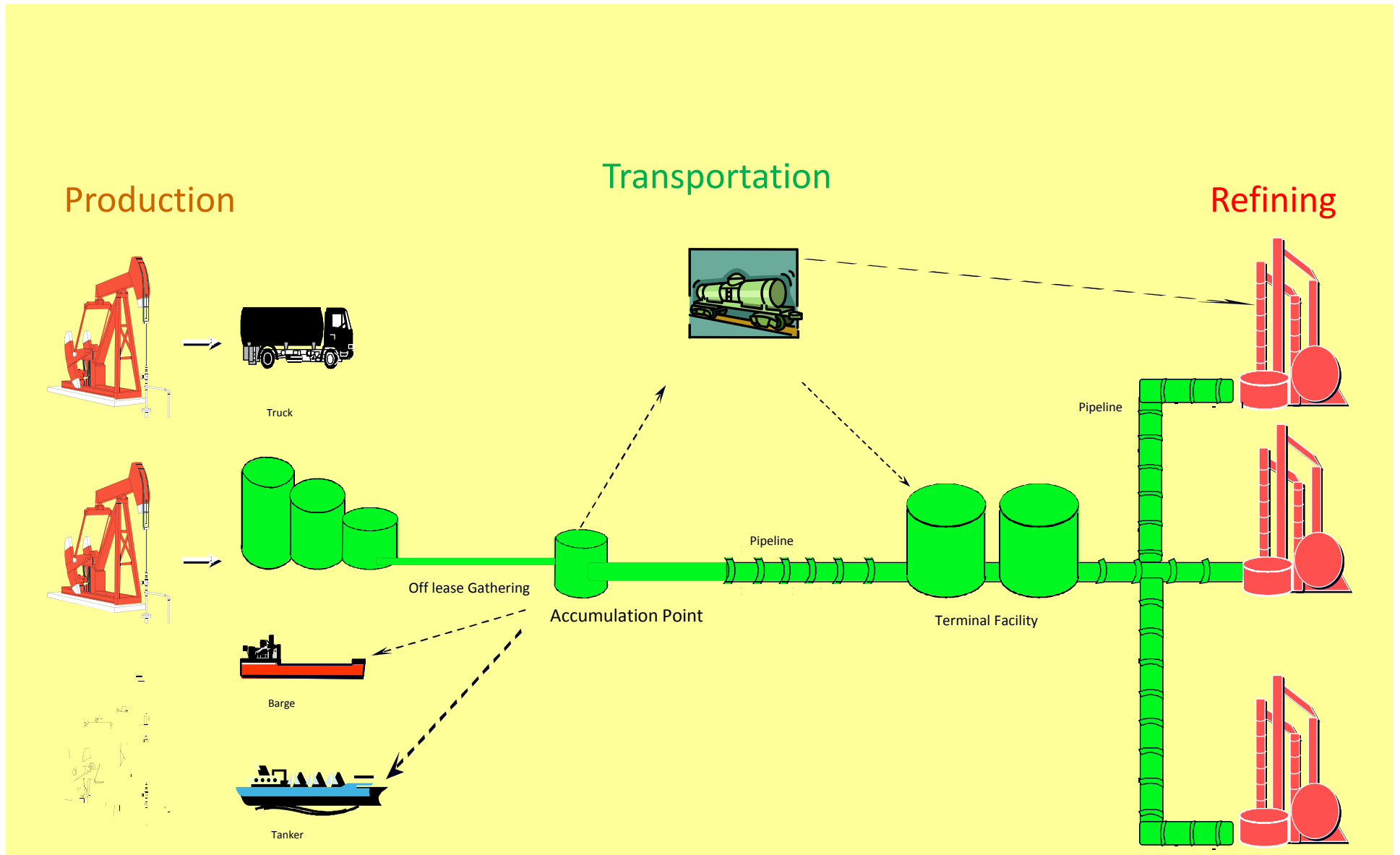




# Where Oil is Found: North American Crude Oil Resource Plays

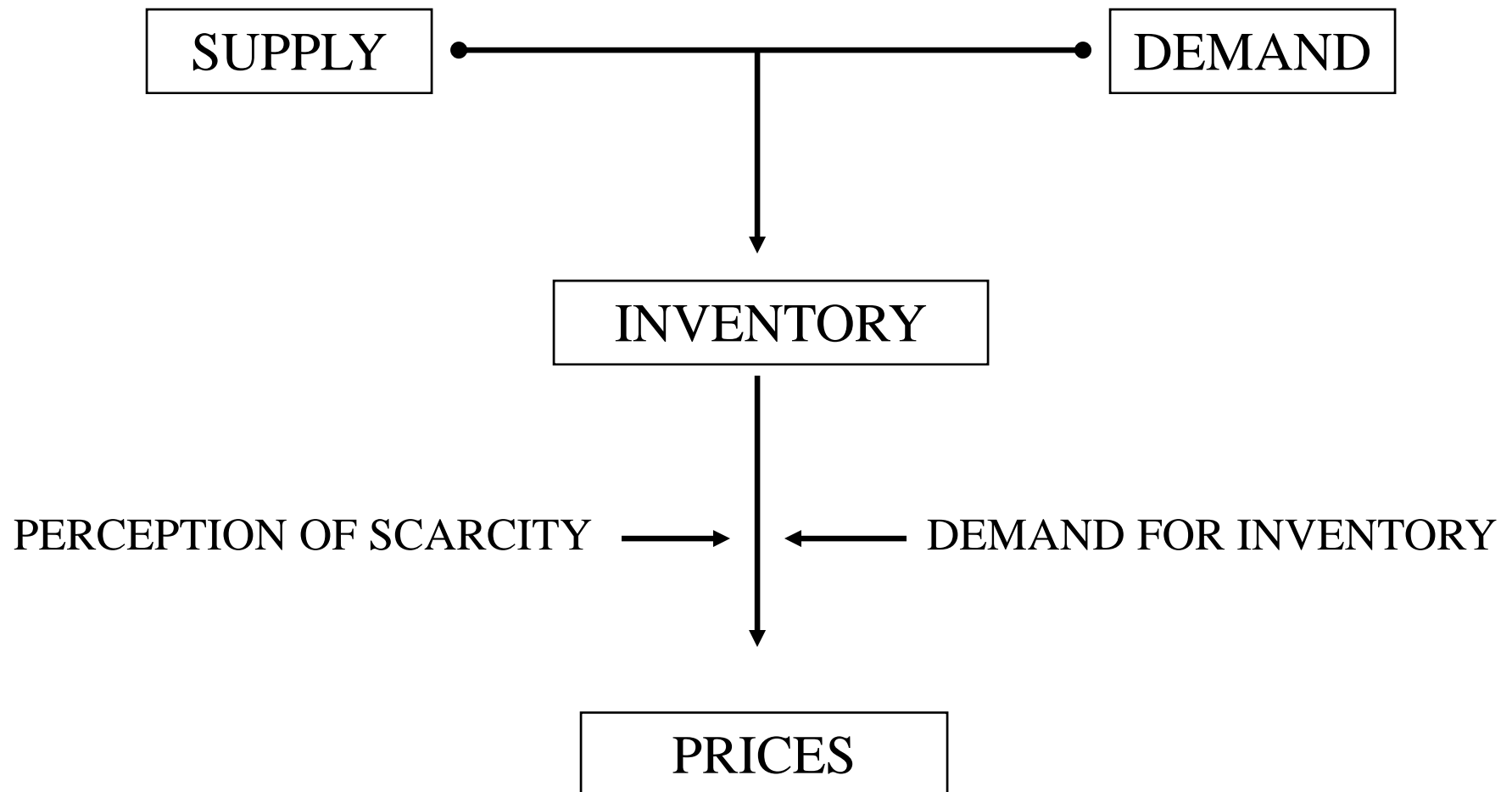


# How Oil Is Transported





# How Market Price is Determined



# Realized Price Formula

$$\begin{aligned} \text{Realized Price} = & \text{Benchmark Price} \\ & +/- \text{Market Adjustment} \\ & +/- \text{Location Adjustment} \\ & +/- \text{Quality Adjustment} \end{aligned}$$

Where:

- a) Realized Price is market price at facility measurement point (FMP)
- b) Benchmark Price is West Texas Intermediate (WTI), or NYMEX
- c) Market Adjustment is grade differential (Bakken, Wyoming Asphalt, Wyoming Sweet, West Texas Sour, Uinta Wax, etc.)
- d) Location Adjustment is transportation cost (actual or normalized)
- e) Quality Adjustment is actual gravity and sulfur premiums & discounts