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MMS ISSUES ADVANCE NOTICE OF PROPOSED RULEMAKING
FOR INDIAN GAS VALUATION REGULATIONS (#40062)

The Department of the Interior's Minerals Management Service (MMS) is considering amendments to its regulations regarding the valuation for royalty computation purposes of natural gas produced from Indian oil and gas leases.

In the August 4 edition of the Federal Register, the MMS invites comments for consideration in development of future regulations. Among the specific valuation issues for which MMS requests comments are: dual accounting, major portion analysis and valuation of gas sold under percentage-of-proceeds contracts.

Comments will be accepted until October 3, 1994, and should be addressed to the Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3901, Denver, CO 80225-0165.

"We believe that the regulations can be amended to provide easier and more consistent application, and to better reflect recent and continuing changes in both the industry and the marketplace," said acting MMS Director Cynthia Quarterman. "They can help to fulfill the Department of the Interior's trust responsibility by assuring that Indian Tribes and allottees will receive the maximum revenues to which they are entitled from their mineral resources."

The MMS is responsible for the collection, accounting for and disbursement of nearly \$4 billion annually in mineral revenues from Federal and Indian lands. In recent years more than \$150 million annually in mineral revenues have been collected from Indian leases. MMS also administers Federal natural gas, oil and mineral leasing, exploration and production on the Outer Continental Shelf.

-MMS-RMP-

Subject: PR-08/23/94 Gas Valuation/MMS Issues ANPR for Indian Gas Valuation Regulations (#40062)