

**U.S. Department of the Interior
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MMS SETS MEETINGS TO DISCUSS ROYALTY-IN-KIND PROGRAMS

The U.S. Department of the Interior's Minerals Management Service (MMS) today announced a series of public meetings to discuss ways to expand the federal royalty-in-kind (RIK) programs onshore and on the Outer Continental Shelf (OCS). In 1995, MMS conducted a Royalty Gas Marketing Pilot in the Gulf of Mexico, selling its royalty gas to competitively selected gas marketers. MMS's assessment of the pilot was that RIK was feasible and the pilot an operational success, but revenues were less than would have been collected if the royalties were paid in the usual manner.

MMS is now considering a variety of RIK scenarios built on lessons learned from the 1995 pilot. The general options being considered are: taking OCS and onshore oil production in-kind, and taking OCS natural gas in-kind. Following these workshops, there will be a second series of sessions on the issue of onshore gas RIK. This area presents significantly more complex marketing and transportation challenges that MMS needs to study prior to holding workshops. The meetings will provide a forum for MMS to solicit public input on the workability of the options presented.

The meetings, which will begin at 9:30 a.m. and are expected to end by 4:30 p.m., will be held as follows:

March 18, 1997 Houston, TX OCS Oil RIK
March 19, 1997 Houston, TX OCS Gas RIK
March 25, 1997 Casper, WY Onshore Oil RIK
April 1, 1997 New Orleans, LA OCS Oil RIK
April 2, 1997 New Orleans, LA OCS Gas RIK

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MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the OCS, and collects, accounts for, and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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