

**U.S. Department of the Interior  
Minerals Management Service  
Office of Communications**

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***NEWS RELEASE***

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**FOR** July 2, 1997  
**RELEASE:**

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**MMS PROPOSES ADDITIONAL CHANGES TO FEDERAL CRUDE OIL VALUATION RULE**

The U.S. Department of the Interior's Minerals Management Service (MMS) is revising its proposed rule regarding valuation of crude oil produced from Federal leases. The revised proposed rule will appear in the July 3, 1997, Federal Register. Comments from the public will be accepted until August 2, 1997.

The agency received more than 1,000 pages of comments on the rule as originally proposed. MMS Director Cynthia Quarterman noted that "issues were identified early in the public comment process that indicated to us that the proposed rule went beyond our intent. The purpose of the amendment is to clarify those areas."

The revisions would broaden the eligibility of using arm's-length transactions as oil value for royalty payments and clarify the procedures for collecting oil exchange information. MMS is also amending a list of aggregation points to include additional locations inadvertently left out of the earlier proposal.

MMS published a notice of proposed rulemaking on January 24, 1997, to amend its current Federal crude oil valuation regulations in Title 30, Code of Federal Regulations. The initial comment period expired March 24, 1997, and was twice extended until May 28, 1997. MMS will accept comments on the entire rule; however, those parties who previously commented on the proposed rule are urged to focus their attention and comments on the revised sections of the proposed rule during this comment period.

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

Editors Note: The Federal Register Notice can be found on the MMS website under the "What's New" heading.

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