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MMS SEEKS CONSTITUENT INPUT ON ALTERNATIVES TO CRUDE OIL VALUATION

The U.S. Department of the Interior's Minerals Management Service today announced that it will be holding workshops to discuss valuation alternatives to its recently proposed rulemaking for valuing crude oil production from federal leases. MMS also intends to issue a *Federal Register* Notice to request comments on these alternatives.

"After thoroughly reviewing more than 2,500 pages of comments submitted on the proposed and supplementary rulemakings, MMS has decided to request additional input on alternatives arising from those comments before proceeding with the rulemaking," said MMS Director Cynthia Quarterman. "Once we have had a chance to discuss these alternatives with our constituents during workshops, we will issue a further notice of proposed rulemaking."

On January 24, 1997, MMS published a notice of proposed rulemaking for valuing oil from federal leases. The notice requested comments on the proposal and suggestions for alternate methodologies. Public comments were heard in Lakewood, Colorado on April 15, 1997, and in Houston, Texas, on April 17, 1997. The comment period closed on May 28, 1997.

On July 3, 1997, MMS published a supplementary proposed rule responding to some of the more prevalent comments on the original proposed rule, mostly relating to whether sales qualify as arm's-length agreements and can be valued accordingly. The comment period for the supplementary proposal closed August 4.

The alternatives will be published in the *Federal Register* as early as next week and the workshops will be scheduled for late September or October.

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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