

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

NEWS RELEASE

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MMS PROPOSES REGULATIONS FOR BONUS BIDS

Today, the Department of the Interior's Minerals Management Service (MMS) published a proposed rule in the Federal Register regarding the use of electronic funds transfer (EFT) by oil and natural gas companies bidding on Outer Continental Shelf federal leases. The proposed rule will provide additional administrative flexibility to allow the agency to require EFT payment methods when appropriate, and will save time and money for government and industry.

Under the current rule, MMS does not have the authority to require bidders to use EFT to submit their 1/5 bonus bid payments. However, since August 1997, MMS has offered the option of using EFT to submit the 1/5 bonus bid payments, and for the last two Gulf of Mexico lease sales in August 1998 and March 1999, at least 90 percent of high bonus bids were submitted electronically. Since 1984, all lessees have been required to use EFT to pay the remaining 4/5 balance of their bonus payment and their first year rental payment after acquiring a lease.

MMS is seeking comments on this proposed rule for 30 days. Comments can be sent to Minerals Management Service, Mail Stop 4024, 381 Elden Street, Herndon, Virginia 20170-4817 and are due by April 30, 1999.

The MMS is the federal agency that manages the Nation's oil and gas and other mineral resources on the OCS and collects, accounts for, and last year disbursed about \$6 billion in revenues from Federal offshore mineral leases and from onshore mineral leases on Federal and Indian lands.

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