



**U.S. Department of the Interior
Minerals Management Service
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Press Release

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New Federal Rule Provides Rights-of-Use and Easement in Offshore Waters

Companies to Pay Fees by Acreage

A new Federal rule for oil and gas production in federal offshore waters now provides rights-of-use and easement. The rule is expected to make it easier for companies to gain access to areas adjacent to their producing oil and gas leases for production related uses such as pipelines and surface platforms. The rule also establishes fees on a per acre basis. The final rule was published by the Minerals Management Service on Friday, December 12, 2003 in the *Federal Register*.

“The changes will provide equity for the public by charging a fair rental fee for companies that request and are granted use of what can sometimes be a very large area,” said MMS Director Johnnie Burton. “We make difficult decisions every day in balancing America’s need for energy, fair value for use of Federal lands, and the protection of the environment. This is another decision that addresses all three goals,” Burton added.

The final rule amends MMS regulations governing oil and gas operations in the outer continental shelf to require lessees to pay a rental fee when they obtain an easement and increases the amount pipeline right-of-way holders pay.

When a company requires use of an area for a platform in connection with a pipeline or requires use of an off-lease area for purposes related to the operation of the lease, the company may obtain use of the area. Without this change in the regulations, there is no charge for a right-of-use and easement and the charge for an area associated with a pipeline right-of-way is a flat fee. According to the MMS, complex operations in deep waters have created situations where companies have requested use of several square miles for purposes related to a lease or a pipeline.

Relevant Web Sites:

MMS Federal Register Notices for 2003

<http://www.boem.gov>

MMS Outer Continental Shelf Regulations

<http://www.boem.gov>

Federal Register Notice (Note: this is in .pdf)

<http://www.boem.gov>

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal onshore and Indian leases. These revenues totaled nearly \$10 billion in 2001 and more than \$120 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

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MMS Internet website address: <http://www.boem.gov>