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MMS Incorporates Revenue Sharing Rules

Establishes Rules for Providing Funds to Coastal States

WASHINGTON □ The Minerals Management Service proposes to issue regulations for distribution of qualified Outer Continental Shelf revenues from certain federal Gulf of Mexico leases in accordance with the provisions of the Gulf of Mexico Energy Security Act of 2006 (GOMESA). The regulations document the formula and methodology for calculating and allocating revenues to the Gulf Producing States of Alabama, Louisiana, Mississippi, and Texas and their eligible coastal political subdivisions based on detailed parameters set by Congress.

“MMS is pleased to issue this regulation to implement the revenue sharing provisions of GOMSEA for these coastal states,” said MMS Director, Randall Luthi. “Alabama, Mississippi, Louisiana and Texas will all benefit from MMS lease sales.”

The first lease sale with immediate revenue sharing leases was Sale 224, held on March 19, 2008. GOMESA authorizes that 37.5 percent of all revenue including bonus bids, rentals and production royalty will be shared among the four States and their subdivisions. From that percentage and based on the actual location of the tracts bid on in that sale, the FY 2008 allocation of bonuses and first year rentals under this program would be a follows: Alabama – 30 percent, Mississippi – 27 percent, Louisiana – 32 percent, and Texas – 11 percent.

Qualified OCS revenues are allocated among the Gulf producing States based on a formula that incorporates the State’s proximity to certain tracts in the Gulf of Mexico Eastern Planning Area and a small section in the Central Planning Area.

Relevant Web Site:
Federal Notice: **Allocation and Disbursement of Royalties, Rentals, and Bonuses-- Oil and Gas, Offshore**

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