



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

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***NEWS RELEASE***

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**MMS ANNOUNCES PLANS FOR NEXT GULF OF MEXICO**

**ROYALTY-IN-KIND SALE**

The Department of the Interior's Minerals Management Service (MMS) will offer for sale, to the public, this spring, additional natural gas royalty production from the Outer Continental Shelf. This initiative is a continuation of the royalty-in-kind (RIK) pilot programs that MMS is pursuing to test the efficacy of taking royalties in kind as an alternative to the traditional cash basis for natural gas and crude oil royalty payments.

The MMS plans to expand the RIK pilot in the central Gulf of Mexico to nearly double the amount of natural gas previously offered. MMS will offer royalty gas on two additional pipeline systems, the Bluewater and Sea Robin systems, with about 200,000,000 cubic feet per day. The gas will be offered for sale to the highest bidder at or near the lease.

The MMS also plans to again offer approximately 265,000,000 cubic feet per day of royalty gas from properties connected to the Stingray, Pelican, High Island Offshore, and Transco North High Island systems. Royalty gas from these properties is currently under contracts that expire on March 31, 2000. MMS will request bids for the gas produced at the platform in exchange for gas delivered to an onshore pool. The gas from this pilot will continue to be delivered to the General Services Administration for distribution to Government agencies and sale of any excess volumes.

Details for the next sale are still being finalized. The Invitation for Bids will be posted on the MMS website on or about January 21, 2000. A tentative list of properties that are being considered for this sale is available on the web site at <http://www.mms.gov>

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MMS Internet website address: <http://www.mms.gov>  
24 hour Fax-on-Demand Service:(202) 219-1703