



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

NEWS RELEASE

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**MMS OPENS BIDDING FOR ROYALTY-IN-KIND OIL
FROM FEDERAL LEASES IN WYOMING**

The Department of the Interior's Minerals Management Service (MMS) announced today that approximately 3,700 barrels per day of royalty crude oil from Federal leases in Wyoming will be offered for sale by a competitive bidding process beginning July 1, 1998. The sale will involve royalty production taken from 185 Federal properties located in the Bighorn and Powder River Basins.

The Invitation for Bid (IFB) document for the first 6 months of production under the pilot will be posted to the Internet home page of the MMS Royalty Management Program (RMP), found at www.mrm.mms.gov -- under the "Our Future" icon. The following details regarding the sales will be found on the home page on or about July 1, 1998. The information will also be published in the Federal Register and oil and gas trade journals.

- List of Properties from which royalties will be taken in-kind
- For each property, average daily royalty volume, quality, location, transportation method (truck/pipeline), current transporter, and current operator
- Bid basis
- Reporting Requirements
- Terms and Conditions
- Contract format

Purchasers may bid on production from individual properties and/or on the entire packages of Wyoming sweet (about 1000 bbls/day), Wyoming sour (about 900 bbls/day), or Wyoming asphaltic sour (about 1800 bbls/day). Bids will be due to MMS and the State at the address cited in the IFB by July 31, 1998, and MMS and the State will notify successful bidders by August 15, 1998.

The MMS and the State will begin taking actual production on October 1, 1998. The Wyoming pilot is anticipated to last 2 - 3 years. The first phase of the pilot will market royalty production taken in-kind by competitive bidding over two successive 6-month terms. The MMS and the State anticipate retaining marketing agents to sell the royalty production in the second phase of the pilot beginning on October 1, 1999.

The MMS and the State of Wyoming are working together to make this joint offering of sale. For additional information, please contact Mr. Bonn Macy, MMS, at 202-208-3827 or Mr. Harold Kemp, State of Wyoming at 307-777-6643.

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 leases and Federal and Indian onshore mineral leases.

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