

The NewsRoom

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MMS Adjusts Fees Relating to Minerals Programs

WASHINGTON- The Minerals Management Service today published a final rule in the [Federal Register](#) which adjusts some existing fees and implements several new fees for services it currently provides to the offshore oil and gas industry. The estimated new and adjusted fees of \$1.65 million are necessary to recover MMS's actual costs of performing certain services relating to its minerals programs. This rule, which modifies 30 CFR parts 250 and 256, will take effect September 26, 2005.

MMS published a proposed rule to revise some existing fees and implement several new fees in the Federal Register on March 15, 2005. The comment period for the proposed rule closed on April 14, 2005. MMS received 23 sets of comments on the proposed rulemaking on 14 different issues, and these comments are addressed in the final rule.

In the final rule, MMS removed two proposed fee adjustments. The proposed adjustment to the document filing fee has been removed, leaving in effect the current fee amount of \$25 per lease affected. The proposed adjustment of the Pipeline Right-of-Way (ROW) Grant Application has also been removed. This fee was proposed to be lowered; however, further analysis proved that the current fee of \$2,350 accurately reflects the cost to MMS to provide that service.

MMS has updated its indirect cost rate from 15 to 21.5 percent, since the proposed rule was published, and, as required by OMB and Departmental guidance, has calculated those indirect cost rates in the new cost recovery fees. No specific comments addressing the indirect cost rate calculation were received.

Seven services provided by MMS will incur fees for the first time, one service will see a fee increase, and two services will see a fee decrease. The costs for two other services remain the same.

Service	Old Fee	Proposed Fee	New Fee
Change in Designation of Operator	none	\$140	\$150
Suspensions of Operations/ Suspensions of Production	none	\$1,700	\$1,800
500 feet from Lease/ Unit Line Production requests	none	\$3,100	\$3,300
Gas Cap Production Requests	none	\$4,000	\$4,200
Downhole Commingling Requests	none	\$4,600	\$4,900
Voluntary Unitization Proposal or Unit Expansion	none	\$10,000	\$10,700
Unitization Revision	none	\$720	\$760
Pipeline ROW Assignment	\$60	\$160	\$170
Non-required Document Filings.	\$25	\$170	\$25
Record Title/ Operations Rights (Transfer)	\$185	\$160	\$170
Pipeline Right of Way Grant Applications	\$2,350	\$1,100	\$2,350
Pipeline conversion of Lease Term to ROW	\$300	\$180	\$200

Revenues collected under the final rule would be used by MMS to recover the actual costs of these activities, which are critical for oil and gas exploration and development, and for protecting the environment and promoting safety in the OCS. Federal agencies are authorized to recover costs of providing services to non-federal entities, such as industry, through provisions in the Independent Offices Appropriations Act of 1952 (IOAA) 31 USC 9701.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, as well as sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2004 disbursements of about \$8 billion and more than \$143 billion since 1982.

Relevant Web Sites:

[MMS Main Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior