



U.S. Department of the Interior
Minerals Management Service
Minerals Revenue Management

News Release

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MMS Streamlines Process, Announces Prequalification Guidelines For Upcoming Royalty In Kind Crude Oil Sales

The U.S. Department of the Interior's Minerals Management Service has developed guidelines for mandatory "prequalification" of bidders that will streamline the process for upcoming Royalty In Kind Crude Oil sales.

Scheduled for this summer are three federal RIK crude oil sales, two in the Gulf of Mexico and one in Wyoming. One of the Gulf of Mexico sales will be exclusively for eligible, small refiners. To participate in any of these sales, prospective bidders will be required to be prequalified.

Invitations For Offer to participate in the Gulf of Mexico sales will be issued in July and in August for the Wyoming sale.

"Not unlike the prequalification process that often eases domestic real estate transactions, our new requirements will add certain assurances while expediting the process for both MMS and competing bidders," said Associate Director for Minerals Revenue Management Lucy Querques Denett.

The prequalification process consists of three steps: submitting financial documentation to MMS for obtaining a line of credit, demonstrating market experience and responsibility as a bidder, and signing the MMS Base Contract - RIK Crude Oil General Terms and Conditions.

Information about prequalification is available on MMS's Internet website at <http://www.mrm.mms.gov/rikweb//OilPreQualInst.htm>. For additional information and assistance contact MMS's Larry Cobb at (303)275-7294.

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 and Indian leases. These revenues totaled nearly \$8 billion last year and more than \$110 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 Website: <http://www.mms.gov>