

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Solicitation of Interest From Eligible Refiners for the Purchase of United States Royalty Crude Oil

AGENCY: Minerals Management Service, Interior.

ACTION: Notice.

During the last 2 years, a large number of royalty crude contracts (oil produced from Federal onshore leases taken in-kind by the government) have been terminated or canceled at the refiner's request. As a result, a considerable amount of the oil originally allocated for the royalty-in-kind program is not being allocated to refiners.

The purpose of this notice is to solicit expressions of interest from those refiners who are eligible to participate in the Federal royalty oil program for the purchase of unallocated oil that is currently available.

If the Department determines, on the basis of response to this notice, that there is sufficient interest to reallocate the available royalty oil, contracts covering the allocated oil will be negotiated on the following basis:

1. The contract will be for the period from the date of execution to July 31, 1983.
2. The contract will contain an irrevocable clause requiring the refiner to take all crude offerings allocated under the terms of the contract from specified points of delivery on a monthly basis. There will be no provision in the contract to allow the refiner to suspend or terminate the contract.

3. Other contract terms will be negotiated individually with each refiner.

Dates: Those refiners interested in this proposal should respond in writing no later than September 7, 1982.

Each response should include the following information:

1. Name and address of the refiner.
2. Statement indicating the refiner's eligibility under the program.
3. Location of the refinery or refineries for which royalty oil is sought.
4. The amount of royalty oil which is being requested, broken down by each refinery.
5. The point or points of delivery at which the refiner can pick up the crude.
6. A brief statement as to the refiners proposed method of payment for the royalty crude oil and an indication of the refiner's ability to obtain the necessary letter or letters of credit.

Letters indicating interest should be sent to: Robert E. Boldt, Associate Director for Royalty Management.