

# Mineral Revenue Collections

## January - March 1999



Photo courtesy of Shell Oil Company

# **Mineral Revenue Collections**

## **January - March 1999**

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## Executive Summary

Revenues from mineral leases on Federal and Indian lands fell 41.3 percent, or \$633.1 million, in the first quarter of Calendar Year (CY) 1999, in comparison with the first quarter of CY 1998 (tables 3 and 4, and figure 2). The decline was primarily attributed to lower oil and gas prices and to an absence of bonus collections from offshore competitive lease sales in the first 3 months of 1999.

Federal offshore revenues fell \$601.3 million, or 51 percent, during the period. Offshore royalties dropped 29.8 percent, or \$239.9 million. There were no bonus collections in the first quarter of 1999 in comparison to \$384.4 million in 1998 (tables 3 and 4, and figure 7). Offshore oil and gas royalties were both lower in 1999 due to falling prices. Offshore bonus collections will resume in the spring and summer of 1999 with two scheduled sales in the Gulf of Mexico.

Federal onshore revenues declined \$28.3 million, or 9.2 percent during the same period. A \$42.4 million decline in royalties was partially offset by a \$23.2 million increase in bonus collections (tables 3 and 4, and figure 10).

Revenues from Indian lands fell \$3.5 million, or 7.4 percent, during the period (tables 3 and 4, and figure 13). Declines in oil and gas royalties were offset, in part, by a moderate increase in coal royalties.

### **Coal Summary**

The U.S. Department of Energy (DOE) reports that the electric utility sector consumes over 90 percent of all coal in the United States. The DOE believes domestic coal demand will rise 2.7 percent in 1999. Mild weather over much of the country during the past fall and winter reduced coal consumption in electric utilities, leading to a large buildup in coal stocks. Part of the growing demand anticipated in 1999 will be satisfied by drawing down these stockpiles. The DOE projects that coal production in the western United States will rise 2.3 percent during the year.

Most Federal and all Indian coal leases are located in the western part of the Nation.

Federal and Indian coal royalties rose less than 1 percent, or \$676,080 in the first quarter of CY 1999 over corresponding levels in CY 1998 (tables 3 and 4, and figure 3). The growth is attributed to increasing production on Federal lands during the period.

### **Natural Gas Summary**

The DOE reports that mild winter weather and the resulting below-normal heating demand during the peak months of the recent heating season have left storage levels well above last year's figures. Natural gas storage at the end of March 1999 is estimated to be 160 billion cubic feet higher than it was a year ago. With abundant inventories and a normal cooling season forecast, the DOE projects that spring and summer injections in 1999 will be below comparable levels in 1998. Gas prices are not expected to rise until demand increases with the beginning of the heating season next fall.

Federal and Indian gas royalties fell 24.4 percent, or \$164 million, in the first quarter of CY 1999 in contrast to the first quarter in 1998 (tables 3 and 4, and figure 3).

### **Oil Summary**

The Organization of Petroleum Exporting Countries (OPEC), and non-OPEC countries declined to cut worldwide production in an effort to reduce supplies in 1998 and early 1999. Crude oil prices fell throughout 1998, including a nearly \$3 per barrel decline in December. New OPEC accords to cut production, signed March 23, 1999, began to cause a rebound in prices in April and May.

Federal and Indian oil royalties are down 36.1 percent, or \$110.7 million, in the first quarter of 1999 over corresponding levels in 1998 (tables 3 and 4, and figure 3).

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# Notice

This report is designed to provide a general record of collection activity during the period. Some information in this report necessarily includes estimated data that may change after publication. The report is subsequently not intended to be a final accounting of collections or disbursements. Detailed disbursement information is available to all States through explanation of payment reports mailed monthly to each State office. Final collection and disbursement information is published annually in *Mineral Revenues*.

Selected sales volume and sales value data in this report have not been adjusted to resolve distortions created by payors reporting on communitization or unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Sales volume and sales value information in *Mineral Revenues* is adjusted to accommodate these types of distortions. Time and resource constraints preclude adjustments in this quarterly report series.

Indian nonstandard lease and agreement collections are not available in the first three quarters of the year. These collections are subsequently added into the fourth quarter of each year in this report. Complete Indian nonstandard lease and agreement collections are published in *Mineral Revenues*.

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## About This Report

The Mineral Revenue Collections report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and Indian leases. The Minerals Management Service (MMS) Royalty Management Program (RMP) distributes the report on a quarterly basis to Congressional, Federal, State, Indian, and industry representatives.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current year collections and credits, and prior-year adjustments.

### ***Mineral Lease Revenues***

The report addresses four types of lease revenues: bonuses, rents, minimum royalties, and royalties.

- **Bonuses** — Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to lease.
- **Rents** — A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the rights to a lease while the lease is not in production.
- **Minimum Royalties** — A Federal lease may further contain a minimum royalty provision. Minimum royalty is the annual payment, on a per acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that year.

Minimum royalties are included under the entry “Other Revenues” in this report. “Other Revenues” includes settlement payments, gas storage fees, estimated payments, and recoupments in addition to minimum royalties.

- **Royalties** — A royalty is due when production begins. Royalty payments represent a stated share or percentage of the amount or the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

### ***Sales Volume and Sales Value***

Sales volume represents the quantity reported sold during the period. Sales value represents the dollar value of the commodity reported sold during the period.

Selected sales volume and sales value figures in *Mineral Revenues*, the final annual report, are adjusted to resolve distortions created by payors reporting on communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments. Time and resource constraints preclude a similar adjustment of sales volume and sales value in this quarterly report series.

### ***Revenue Collections and Disbursements***

Revenues collected from mineral leases on Federal lands are distributed to States, to the U.S. Department of the Treasury (Treasury), and to a number of designated special-purpose accounts administered by Federal agencies, depending on the land category and the applicable law involved. The Bureau of Indian Affairs (BIA) disburses revenues collected from Indian leases to the appropriate Indian Tribes and allottees.

Royalty payments are generally due on the last day of the month following the month of production, unless that day falls on a weekend or holiday.

Payments are then due on the first business day of the following month.

Since 1983, MMS has generally disbursed mineral revenues derived from leases on public domain lands and shared with the States in the month following receipt of the payment. Disbursements are made under the provisions of section 104 of the Federal Oil and Gas Royalty Management Act of 1982 which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191. The MMS deposits Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to Indian Tribes and allottees by BIA. Since revenues collected in one month are disbursed in the following month, collection totals in a given year will not equal disbursement totals for the same year.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases.

- **Offshore Lands** — Royalty, rent, and bonus revenues from Federal offshore mineral leases on the Outer Continental Shelf (OCS) are deposited to the General Fund of the Treasury through miscellaneous receipts. Under other applicable laws, specified amounts from total offshore revenues are transferred to the Land and Water Conservation Fund (LWCF) and the National Historic Preservation Fund (NHPF).

The LWCF, primarily administered by the National Park Service, provides revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Offshore mineral leasing provides approximately 70-90 percent of LWCF revenues.

The NHPF, administered by the National Park Service, is designed to expand and accelerate historic preservation plans and activities. The NHPF provides revenues for matching grants-in-aid to States and local governments, and funds the

National Trust for Historic Preservation. Offshore mineral leasing provides 100 percent of NHPF revenues.

Section 8(g) of the Outer Continental Shelf Lands Act (OCSLA) Amendments of 1978 provided that the States were to receive a “fair and equitable” division of revenues generated from the leasing of lands within 3 miles of the seaward boundary of a coastal State containing one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State.

The States and the Federal Government, however, could not reach agreement concerning the meaning of the term “fair and equitable.” Revenues generated within the 3-mile boundary were placed into an escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska were placed into a second escrow fund under section 7, beginning in December 1979.

Congress resolved the dispute over the meaning of “fair and equitable” in the OCSLA Amendments of 1985, Public Law 99-272. The law provides for the following distribution of section 8(g) revenues to the States:

- Disbursement of escrow funds in Fiscal Years (FY) 1986-87;
- A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State’s 8(g) zone.

Congress passed a second law, Public Law 100-202, permitting distribution of \$322.9 million in section 7 Beaufort Sea escrow funds to Alaska in FY 1988.

- **Public Domain Lands** — The majority of Federal lands are in the public domain. Under section 35 of MLA, States other than Alaska receive 50 percent of all royalties, rents, and bonuses collected from any public domain leases located within their respective boundaries.

Forty percent of remaining mineral revenues is deposited in the Reclamation Fund administered by the Bureau of Reclamation. The Reclamation Fund provides revenues to build, maintain, and operate water and associated power projects on arid and semiarid Western lands. Federal onshore mineral leasing provides approximately 40-50 percent of Reclamation Fund revenues.

The remaining ten percent of mineral revenues from public domain leases is directed into the General Fund of the Treasury through miscellaneous receipts.

Alaska receives 90 percent of all royalties, rents, and bonuses paid for mineral production on public domain leases in Alaska. The State also receives 50 percent of all mineral revenues generated from the National Petroleum Reserve Alaska.

- **Acquired Lands** — The MMS collects all royalties, rents, and bonuses from leases issued under the Mineral Leasing Act for Acquired Lands of 1947, 30 U.S.C. 351 *et seq.*, on behalf of a number of Federal agencies. Revenues are disbursed according to laws applicable to the lands.

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State in which the lease is located.

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by the U.S. Department of Agriculture is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county in which the lease is located.

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury.

Mineral revenues derived from leases on acquired National Wildlife Refuge lands are shared with the

county in which the lease is located, according to one of three alternative formulas prescribed by statute. The remainder is deposited in the General Fund of the Treasury.

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund.

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from mineral leases on acquired military lands issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases.

Receipts from other acquired lands are deposited in a general Treasury account.

- **Indian Lands** — The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual Indian allottees, with the following exceptions:
  - Oil and gas payments to four Tribes—the Jicarilla Apache, the Blackfeet, the Navajo Nation, and the Southern Ute—are made directly by the lease payor to financial institutions contracted by the Tribes to receive their mineral payments.
  - The BIA has authorized payors to make direct payments to selected individual Indian allottees.
  - The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
  - Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.
- **Alaska Native Lands** — Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the Region holds in several former Federal leases, are made directly by lease payors to the corporation.

## Products and Units of Measurement

<u>Product</u>	<u>Unit of Measurement</u>
Amethyst .....	Grams
Carbon Dioxide .....	Mcf (thousand cubic feet)
Coal .....	Short tons (2,000 pounds)
Copper .....	Short tons
Garnet Gem .....	Kilograms
Gas .....	Mcf
Gas Plant Products .....	Gallons
Geothermal and Heated Water Sources .....	Millions of British thermal units
Helium .....	Mcf
Nitrogen .....	Mcf
Oil .....	Barrels (42 U.S. gallons)
Phosphate .....	Short tons
Potash .....	Short tons
Quartz Crystals .....	Pounds
Sand and Gravel .....	Short tons
Sodium .....	Short tons
Sulfur .....	Short tons
All Other Solid Minerals .....	Short tons

NOTE: Sulfur is reported as either a fluid or solid mineral based on the method of extraction. Fluid mineral sulfur is produced by extracting the product from the oil and gas stream. All onshore sulfur and a limited amount of offshore sulfur are currently produced from the oil and gas stream. Solid mineral sulfur is extracted using the Frasch process. The majority of offshore sulfur is produced using the Frasch mining method.

Copper reported in pounds and sulfur reported in long tons have been converted to short tons in this report.

Sodium product figures include sodium borate and carbonate compounds.

# National Summary



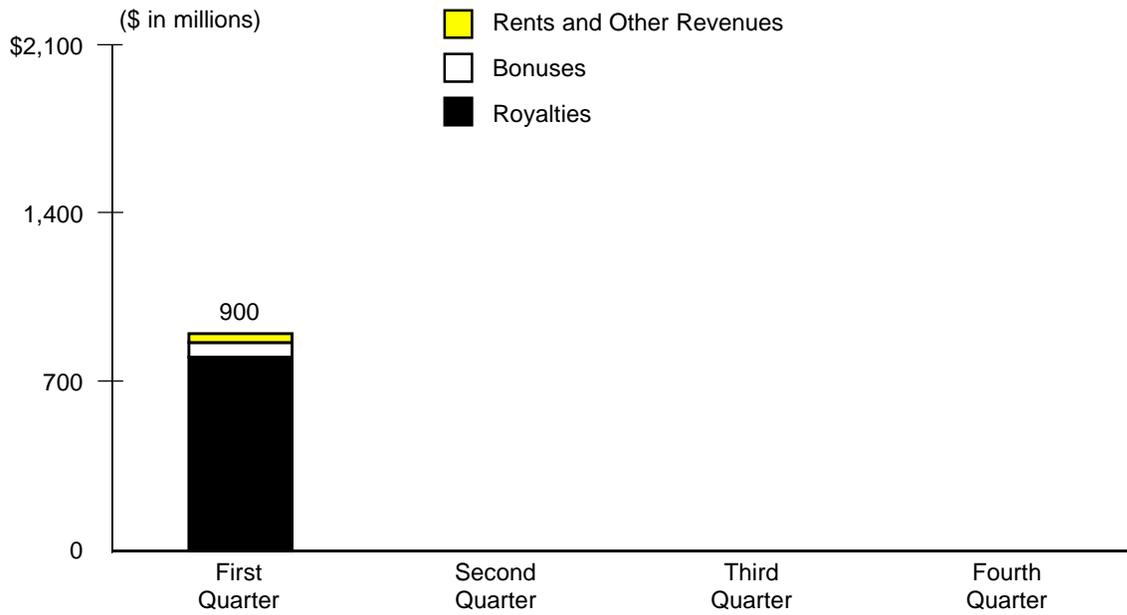
Photo courtesy of BP Amoco

**Table 1. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1999**

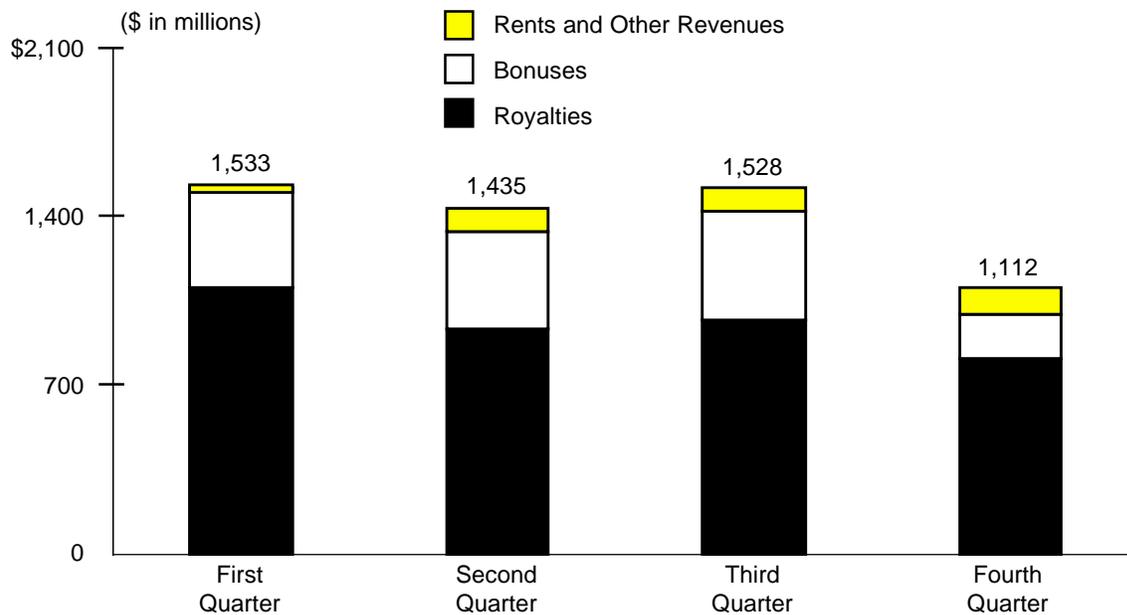
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 93,558,806	\$ ---	\$ ---	\$ ---	\$ 93,558,806
Gas Royalties . . . .	509,179,444	---	---	---	509,179,444
Oil Royalties . . . . .	196,015,364	---	---	---	196,015,364
Other Royalties . . .	<u>26,707,329</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>26,707,329</u>
Royalty Subtotal	\$ 825,460,943	\$ ---	\$ ---	\$ ---	\$ 825,460,943
Rents . . . . .	\$ 20,997,029	\$ ---	\$ ---	\$ ---	\$ 20,997,029
Bonuses . . . . .	\$ 55,578,204	\$ ---	\$ ---	\$ ---	\$ 55,578,204
Other Revenues . .	<u>\$ (2,155,814)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (2,155,814)</u>
<b>Total . . . . .</b>	<b>\$ 899,880,362</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 899,880,362</b>

**Table 2. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1998**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 92,882,726	\$ 73,973,075	\$ 89,994,060	\$ 88,884,310	\$ 345,734,171
Gas Royalties . . . .	673,146,192	555,434,317	588,103,995	474,243,255	2,290,927,759
Oil Royalties . . . . .	306,689,208	275,781,505	262,694,469	227,513,615	1,072,678,797
Other Royalties . . .	<u>41,833,431</u>	<u>37,262,837</u>	<u>38,362,464</u>	<u>31,465,085</u>	<u>148,923,817</u>
Royalty Subtotal	\$1,114,551,557	\$ 942,451,734	\$ 979,154,988	\$ 822,106,265	\$3,858,264,544
Rents . . . . .	\$ 33,575,228	\$ 81,039,121	\$ 63,440,344	\$ 120,590,958	\$ 298,645,651
Bonuses . . . . .	\$ 416,809,336	\$ 403,032,203	\$ 451,456,809	\$ 183,216,416	\$1,454,514,764
Other Revenues . .	<u>\$ (31,973,802)</u>	<u>\$ 8,795,756</u>	<u>\$ 33,934,940</u>	<u>\$ (13,797,849)</u>	<u>\$ (3,040,955)</u>
<b>Total . . . . .</b>	<b>\$1,532,962,319</b>	<b>\$1,435,318,814</b>	<b>\$1,527,987,081</b>	<b>\$1,112,115,790</b>	<b>\$5,608,384,004</b>



1999



1998

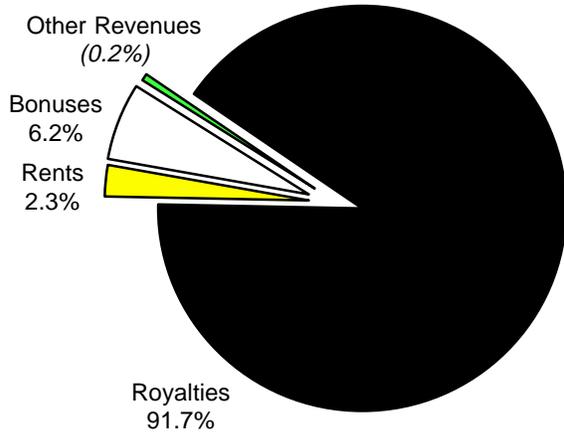
Figure 1. Revenues by source from Federal and Indian mineral leases, by quarter, Calendar Years 1998 and 1999

**Table 3. Revenues from Federal and Indian mineral leases, January - March, 1999**

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties .....	\$ ---	\$ 77,563,220	\$ 15,995,586	\$ 93,558,806
Gas Royalties .....	393,695,283	98,993,431	16,490,730	509,179,444
Oil Royalties .....	165,183,174	25,719,302	5,112,888	196,015,364
Other Royalties .....	<u>6,340,156</u>	<u>18,578,177</u>	<u>1,788,996</u>	<u>26,707,329</u>
Royalty Subtotal ...	\$ 565,218,613	\$ 220,854,130	\$ 39,388,200	\$ 825,460,943
Rents .....	\$ 11,271,864	\$ 9,450,827	\$ 274,338	\$ 20,997,029
Bonuses .....	\$ ---	\$ 55,578,204	\$ ---	\$ 55,578,204
Other Revenues .....	\$ <u>1,615,619</u>	\$ <u>(7,875,304)</u>	\$ <u>4,103,871</u>	\$ <u>(2,155,814)</u>
<b>Total .....</b>	<b>\$ 578,106,096</b>	<b>\$ 278,007,857</b>	<b>\$ 43,766,409</b>	<b>\$ 899,880,362</b>

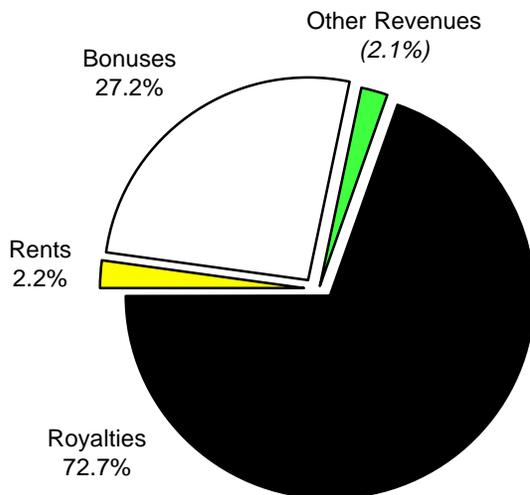
**Table 4. Revenues from Federal and Indian mineral leases, January - March, 1998**

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties .....	\$ ---	\$ 77,805,892	\$ 15,076,834	\$ 92,882,726
Gas Royalties .....	532,020,128	120,712,823	20,413,241	673,146,192
Oil Royalties .....	257,116,918	40,724,119	8,848,171	306,689,208
Other Royalties .....	<u>16,029,844</u>	<u>24,001,979</u>	<u>1,801,608</u>	<u>41,833,431</u>
Royalty Subtotal ...	\$ 805,166,890	\$ 263,244,813	\$ 46,139,854	\$ 1,114,551,557
Rents .....	\$ 23,098,324	\$ 10,308,170	\$ 168,734	\$ 33,575,228
Bonuses .....	\$ 384,415,416	\$ 32,393,920	\$ ---	\$ 416,809,336
Other Revenues .....	\$ <u>(33,276,075)</u>	\$ <u>322,401</u>	\$ <u>979,872</u>	\$ <u>(31,973,802)</u>
<b>Total .....</b>	<b>\$1,179,404,555</b>	<b>\$ 306,269,304</b>	<b>\$ 47,288,460</b>	<b>\$1,532,962,319</b>



Royalties	\$825,460,943
Rents	20,997,029
Bonuses	55,578,204
Other Revenues	<i>(2,155,814)</i>
<b>Total</b>	<b>\$899,880,362</b>

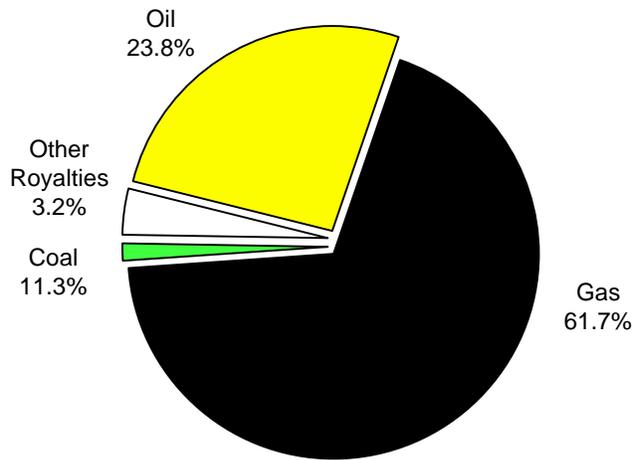
January - March, 1999



Royalties	\$1,114,551,557
Rents	33,575,228
Bonuses	416,809,336
Other Revenues	<i>(31,973,802)</i>
<b>Total</b>	<b>\$1,532,962,319</b>

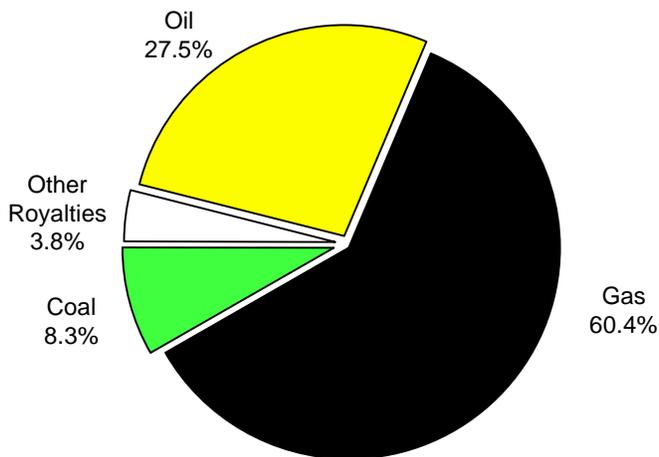
January - March, 1998

Figure 2. Revenues from Federal and Indian mineral leases by source, January - March, 1998 and 1999



Coal	\$ 93,558,806
Gas	509,179,444
Oil	196,015,364
Other Royalties	26,707,329
<b>Total</b>	<b>\$825,460,943</b>

January - March, 1999



Coal	\$ 92,882,726
Gas	673,146,192
Oil	306,689,208
Other Royalties	41,833,431
<b>Total</b>	<b>\$1,114,551,557</b>

January - March, 1998

Figure 3. Royalties from Federal and Indian mineral leases by commodity, January - March, 1998 and 1999

# Offshore Federal Mineral Revenues



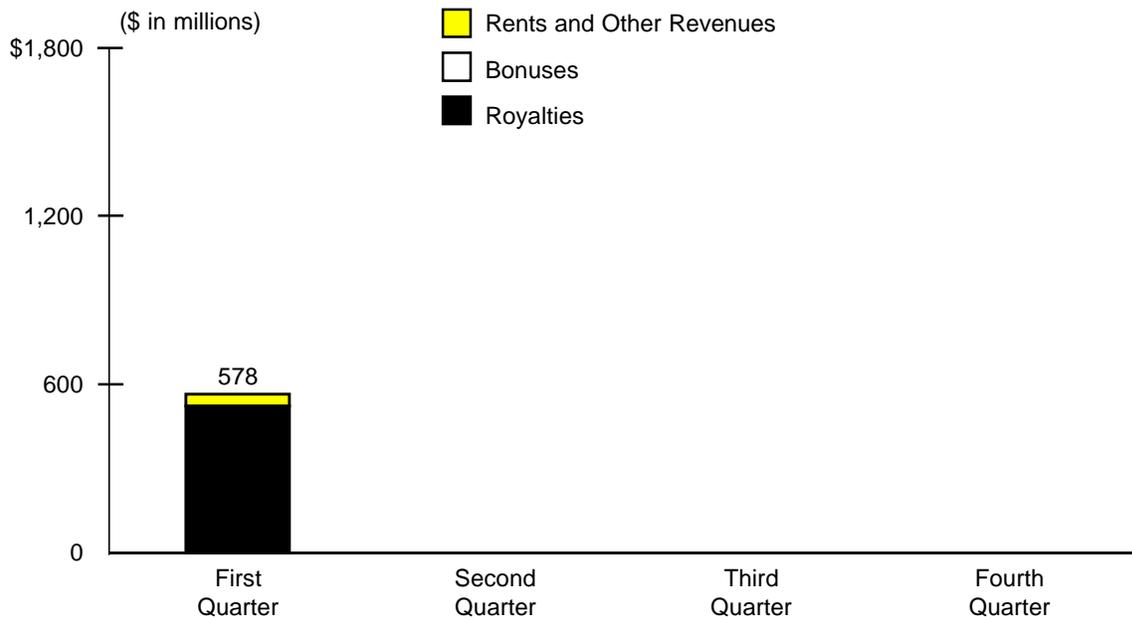
Photo courtesy of Global Marine Inc.

**Table 5. Revenues from OCS mineral leases, by quarter, Calendar Year 1999**

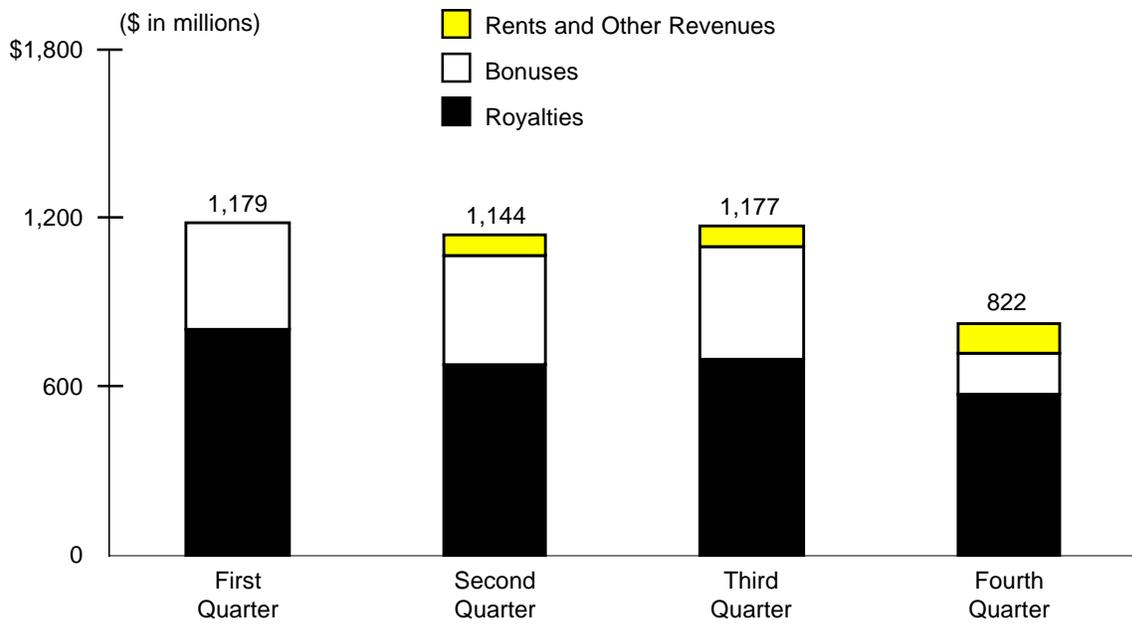
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . \$	---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties . . . .	393,695,283	---	---	---	393,695,283
Oil Royalties . . . . .	165,183,174	---	---	---	165,183,174
Other Royalties . . .	<u>6,340,156</u>	---	---	---	<u>6,340,156</u>
Royalty Subtotal	\$ 565,218,613	\$ ---	\$ ---	\$ ---	\$ 565,218,613
Rents . . . . .	\$ 11,271,864	\$ ---	\$ ---	\$ ---	\$ 11,271,864
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues ..	<u>\$ 1,615,619</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,615,619</u>
<b>Total . . . . .</b>	<b>\$ 578,106,096</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 578,106,096</b>

**Table 6. Revenues from OCS mineral leases, by quarter, Calendar Year 1998**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . \$	---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties . . . .	532,020,128	427,720,453	463,086,640	372,388,293	1,795,215,514
Oil Royalties . . . . .	257,116,918	235,185,441	224,345,770	191,859,230	908,507,359
Other Royalties . . .	<u>16,029,844</u>	<u>16,303,005</u>	<u>14,928,759</u>	<u>10,105,873</u>	<u>57,367,481</u>
Royalty Subtotal	\$ 805,166,890	\$ 679,208,899	\$ 702,361,169	\$ 574,353,396	\$ 2,761,090,354
Rents . . . . .	\$ 23,098,324	\$ 71,484,316	\$ 52,888,639	\$ 111,003,842	\$ 258,475,121
Bonuses . . . . .	\$ 384,415,416	\$ 387,470,345	\$ 396,661,984	\$ 151,785,166	\$ 1,320,332,911
Other Revenues ..	<u>\$ (33,276,075)</u>	<u>\$ 5,803,613</u>	<u>\$ 25,319,811</u>	<u>\$ (15,108,403)</u>	<u>\$ (17,261,054)</u>
<b>Total . . . . .</b>	<b>\$ 1,179,404,555</b>	<b>\$ 1,143,967,173</b>	<b>\$ 1,177,231,603</b>	<b>\$ 822,034,001</b>	<b>\$ 4,322,637,332</b>



1999



1998

Figure 4. Revenues by source from OCS mineral leases, by quarter, Calendar Years 1998 and 1999

**Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - March, 1999**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas</b>			
Alabama .....	32,587,554	\$ 67,548,984	\$ 10,402,540
California .....	7,627,779	18,079,075	2,891,276
Gulf of Mexico .....	1,226,640	2,810,595	212,797
Louisiana .....	971,510,498	1,992,938,237	309,531,876
Mississippi .....	4,392,078	8,643,637	1,430,566
Texas .....	<u>216,450,342</u>	<u>424,529,057</u>	<u>69,226,228</u>
Subtotal .....	1,233,794,891	\$ 2,514,549,585	\$ 393,695,283
<b>Gas Lost</b>			
California .....	---	\$ ---	\$ ---
Louisiana .....	<u>632,411</u>	<u>1,462,784</u>	<u>196,581</u>
Subtotal .....	632,411	\$ 1,462,784	\$ 196,581
<b>Gas Plant Products</b>			
Alabama .....	413,120	\$ 62,656	\$ 7,370
Alaska .....	---	---	---
California .....	3,822,760	988,328	12,222
Gulf of Mexico .....	---	---	---
Louisiana .....	274,664,922	64,063,128	5,978,327
Mississippi .....	---	---	---
Texas .....	<u>16,711,046</u>	<u>2,994,524</u>	<u>403,670</u>
Subtotal .....	295,611,848	\$ 68,108,636	\$ 6,401,589
<b>Oil</b>			
Alabama .....	6,962	\$ 47,273	\$ 7,857
Alaska .....	---	---	---
California .....	11,147,558	65,097,824	8,349,431
Gulf of Mexico .....	4	58	10
Louisiana .....	106,835,071	1,049,300,980	148,241,753
Mississippi .....	---	---	---
Texas .....	<u>5,353,859</u>	<u>57,735,969</u>	<u>8,584,123</u>
Subtotal .....	123,343,454	\$ 1,172,182,104	\$ 165,183,174
<b>Sulfur</b>			
Alabama .....	12,078	\$ 498,670	\$ 46,219
California .....	991	3,012	95
Louisiana .....	<u>(66,823)</u>	<u>(3,666,604)</u>	<u>(304,328)</u>
Subtotal .....	(53,754)	\$ (3,164,922)	\$ (258,014)
<b>Royalty Total .....</b>		<b>\$ 3,753,138,187</b>	<b>\$ 565,218,613</b>

**Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Alabama .....			\$ ---
Alaska .....			212,680
California .....			---
Florida .....			---
Gulf of Mexico .....			7,030,250
Louisiana .....			815,269
Mississippi .....			---
New York .....			---
North Carolina .....			---
Texas .....			3,213,665
<b>Rent Total</b> .....			<b>\$ 11,271,864</b>
<b>Bonuses</b>			
Alabama .....			\$ ---
Alaska .....			---
Gulf of Mexico .....			---
Louisiana .....			---
Mississippi .....			---
Texas .....			---
<b>Bonus Total</b> .....			<b>\$ ---</b>
<b>Other Revenues</b>			
Alabama .....			\$ (203,825)
Alaska .....			---
California .....			133,953
Gulf of Mexico .....			(123,000)
Louisiana .....			2,828,311
Mississippi .....			18,040
Texas .....			(1,037,860)
Virginia .....			---
<b>Other Revenues Total</b> .....			<b>\$ 1,615,619</b>
<b>Total Revenues</b> .....			<b>\$578,106,096</b>

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in Section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries are listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

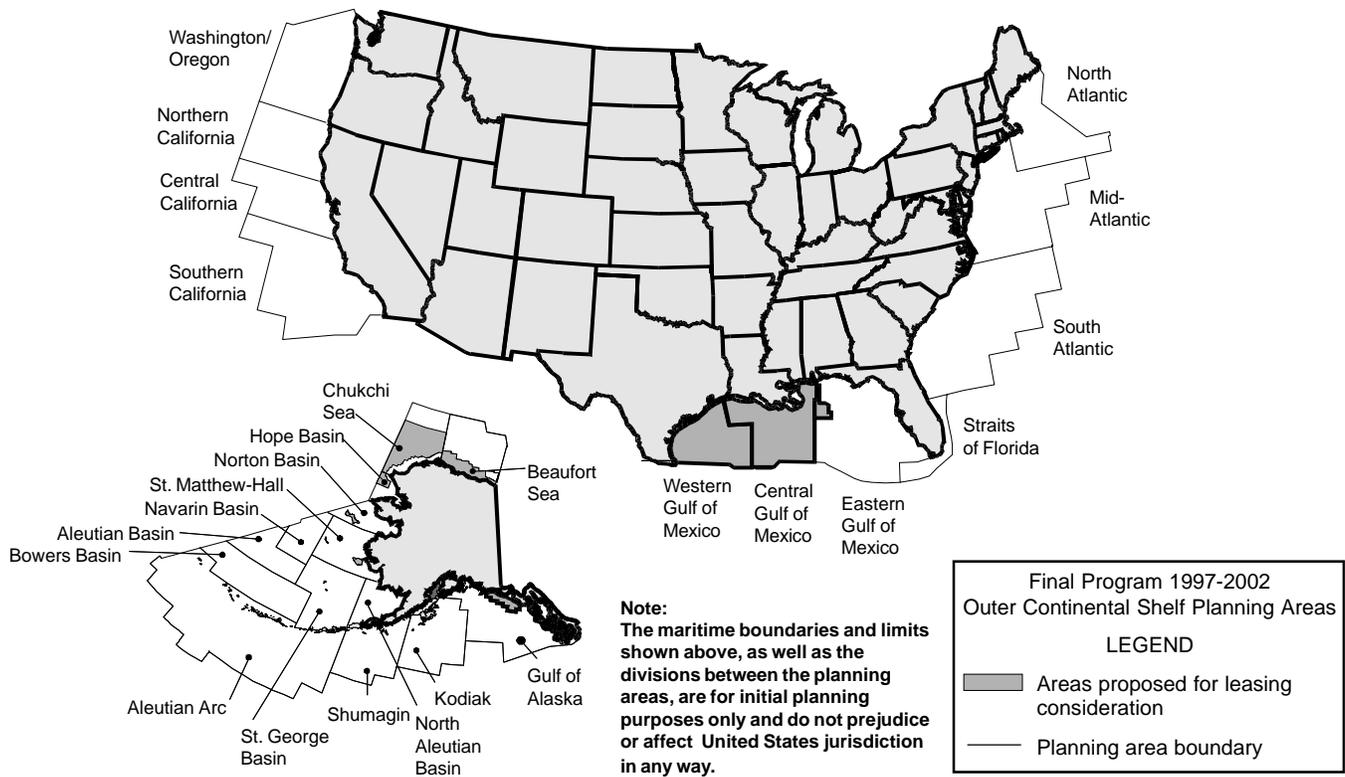


Figure 5. Map of OCS regions in current OCS oil and gas leasing program

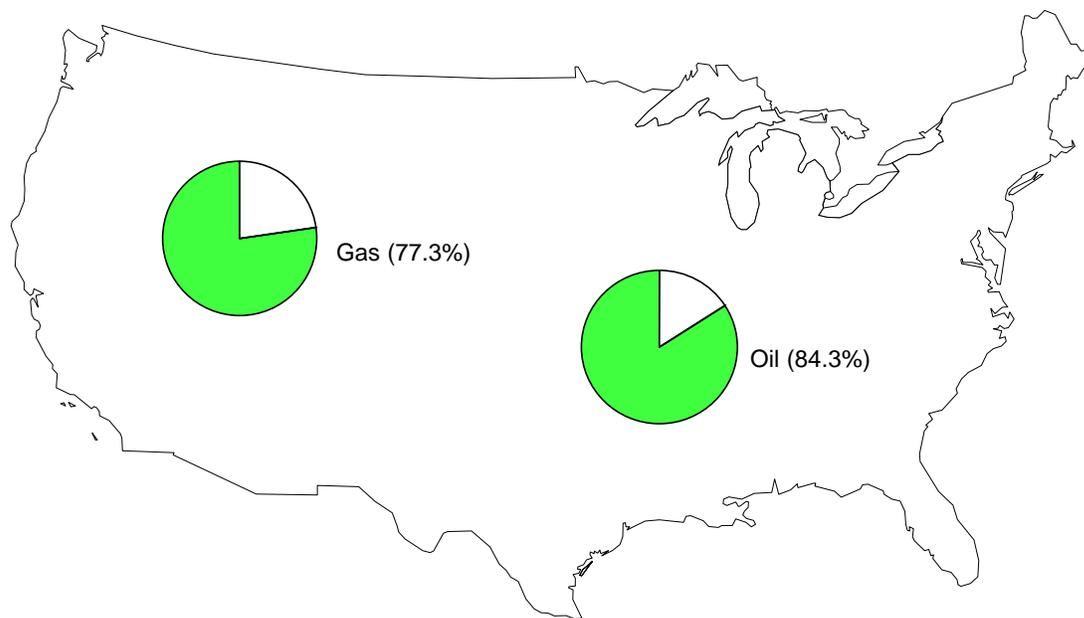
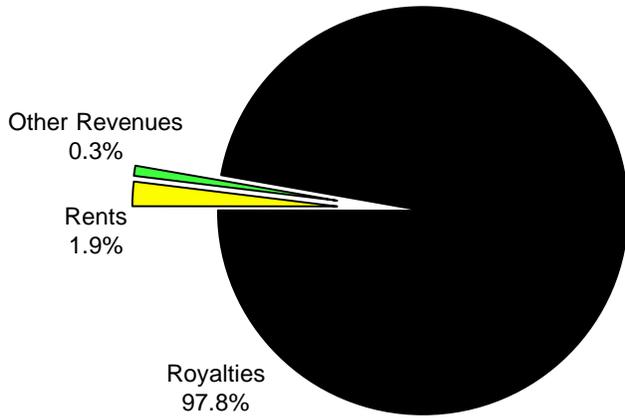
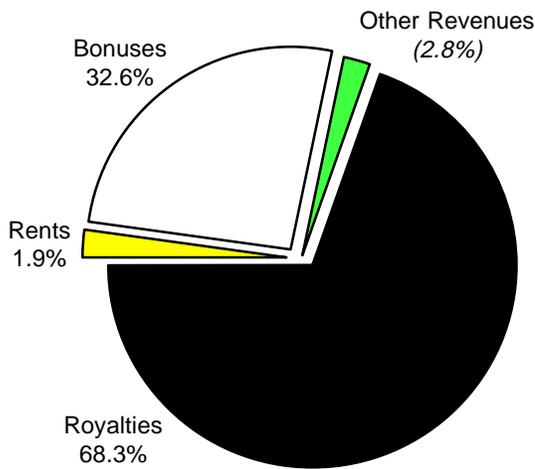


Figure 6. OCS royalties as a percentage of total Federal and Indian royalties from oil and gas, January - March, 1999



Royalties	\$565,218,613
Rents	11,271,864
Bonuses	---
Other Revenues	1,615,619
<b>Total</b>	<b>\$578,106,096</b>

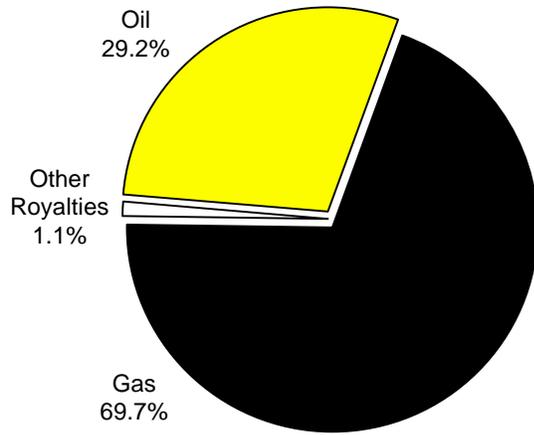
January - March, 1999



Royalties	\$ 805,166,890
Rents	23,098,324
Bonuses	384,415,416
Other Revenues	(33,276,075)
<b>Total</b>	<b>\$1,179,404,555</b>

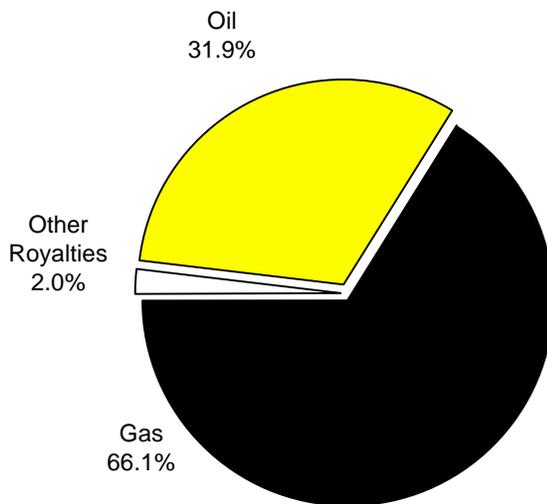
January - March, 1998

Figure 7. Revenues from OCS mineral leases by source, January - March, 1998 and 1999



Gas	\$393,695,283
Oil	165,183,174
Other Royalties	6,340,156
<b>Total</b>	<b>\$565,218,613</b>

January - March, 1999



Gas	\$532,020,128
Oil	257,116,918
Other Royalties	16,029,844
<b>Total</b>	<b>\$805,166,890</b>

January - March, 1998

Figure 8. Royalties from OCS mineral leases by commodity, January - March, 1998 and 1999

# Onshore Federal Mineral Revenues



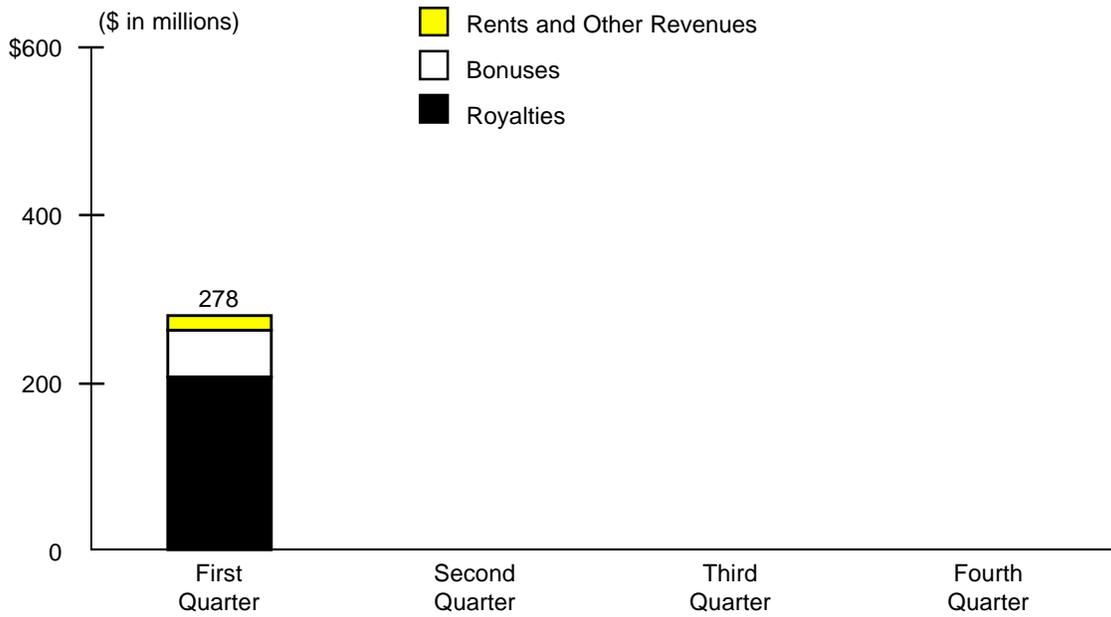
Photo courtesy of Texaco Inc.

**Table 8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1999**

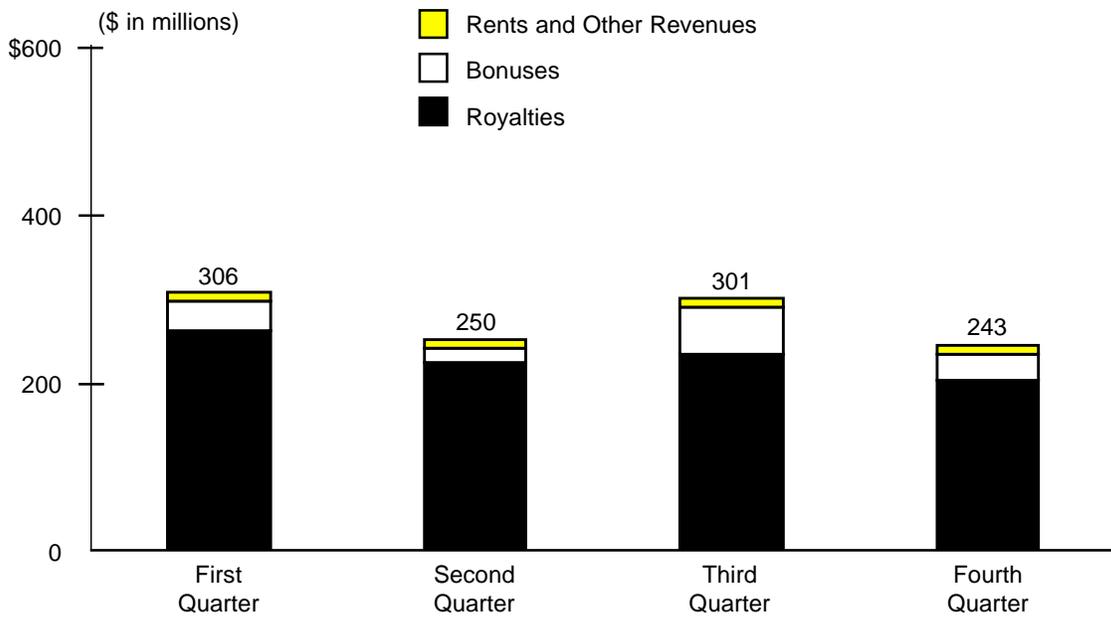
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 77,563,220	\$ ---	\$ ---	\$ ---	\$ 77,563,220
Gas Royalties . . . .	98,993,431	---	---	---	98,993,431
Oil Royalties . . . . .	25,719,302	---	---	---	25,719,302
Other Royalties . . .	18,578,177	---	---	---	18,578,177
Royalty Subtotal	\$220,854,130	\$ ---	\$ ---	\$ ---	\$ 220,854,130
Rents . . . . .	\$ 9,450,827	\$ ---	\$ ---	\$ ---	\$ 9,450,827
Bonuses . . . . .	\$ 55,578,204	\$ ---	\$ ---	\$ ---	\$ 55,578,204
Other Revenues . .	\$ (7,875,304)	\$ ---	\$ ---	\$ ---	\$ (7,875,304)
<b>Total . . . . .</b>	<b>\$278,007,857</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 278,007,857</b>

**Table 9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1998**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 77,805,892	\$ 63,137,570	\$ 74,552,948	\$ 69,815,858	\$ 285,312,268
Gas Royalties . . . .	120,712,823	109,268,859	106,126,102	85,089,228	421,197,012
Oil Royalties . . . . .	40,724,119	32,591,206	31,429,118	27,409,354	132,153,797
Other Royalties . . .	24,001,979	18,538,301	21,099,202	19,078,972	82,718,454
Royalty Subtotal	\$263,244,813	\$223,535,936	\$233,207,370	\$201,393,412	\$ 921,381,531
Rents . . . . .	\$ 10,308,170	\$ 9,317,628	\$ 10,263,381	\$ 9,330,533	\$ 39,219,712
Bonuses . . . . .	\$ 32,393,920	\$ 15,561,858	\$ 54,794,825	\$ 31,431,250	\$ 134,181,853
Other Revenues . .	\$ 322,401	\$ 1,221,243	\$ 3,144,755	\$ 391,749	\$ 5,080,148
<b>Total . . . . .</b>	<b>\$306,269,304</b>	<b>\$249,636,665</b>	<b>\$301,410,331</b>	<b>\$242,546,944</b>	<b>\$1,099,863,244</b>



1999



1998

Figure 9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1998 and 1999

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Carbon Dioxide</b>			
Colorado .....	64,373,162	\$ 38,216,933	\$ 2,386,236
New Mexico .....	2,737,382	1,122,390	140,995
Wyoming .....	3,188,884	996,542	1,272
Subtotal .....	70,299,428	\$ 40,335,865	\$ 2,528,503
<b>Clay</b>			
Alabama .....	20,867	\$ 41,734	\$ 1,669
<b>Coal</b>			
Alabama .....	551,932	\$ 25,587,017	\$ 1,894,655
Colorado .....	5,465,604	105,725,084	8,175,095
Kentucky .....	3,491	101,250	8,100
Montana .....	7,807,695	64,145,267	8,007,844
New Mexico .....	1,578,495	39,388,651	4,771,211
North Dakota .....	604,431	5,757,490	200,089
Oklahoma .....	188,345	5,356,673	137,708
Utah .....	6,413,694	115,602,867	7,783,421
Washington .....	288,803	8,086,660	582,240
Wyoming .....	74,537,184	367,856,352	46,002,857
Subtotal .....	97,439,674	\$ 737,607,311	\$ 77,563,220
<b>Cobalt</b>			
Missouri .....	12	\$ 31,991	\$ 854
<b>Copper</b>			
Missouri .....	3,579	\$ 1,040,904	\$ 28,235
<b>Gas</b>			
Alabama .....	277,785	\$ 526,795	\$ 57,142
Alaska .....	6,280,068	9,379,648	1,199,842
Arkansas .....	2,017,076	3,902,919	518,717
California .....	1,544,134	3,362,200	482,704
Colorado .....	18,025,753	34,404,481	4,049,215
Kansas .....	3,978,634	6,497,649	810,561
Kentucky .....	79,436	160,537	19,673
Louisiana .....	4,301,920	8,943,990	1,199,269
Michigan .....	1,238,021	2,567,390	332,892
Mississippi .....	316,613	621,711	77,996
Montana .....	4,370,040	8,550,548	1,030,530
Nebraska .....	13,285	25,020	1,564
New Mexico .....	266,801,220	441,823,921	48,799,857

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas (cont.)</b>			
New York .....	8,771	\$ 22,139	\$ 2,757
North Dakota .....	1,236,522	1,617,542	179,851
Ohio .....	177,349	419,784	52,863
Oklahoma .....	3,822,172	6,990,268	862,177
Pennsylvania .....	30,985	51,663	9,201
South Dakota .....	77,100	120,140	14,675
Tennessee .....	60	80	10
Texas .....	10,747,102	17,938,378	2,080,477
Utah .....	18,689,435	39,340,206	4,503,587
Virginia .....	89,955	178,110	22,531
West Virginia .....	325,830	698,794	83,423
Wyoming .....	<u>143,950,000</u>	<u>278,714,673</u>	<u>32,601,917</u>
Subtotal .....	488,399,266	\$866,858,586	\$98,993,431
<b>Gas Lost</b>			
California .....	3,919	\$ 6,165	\$ 771
Colorado .....	---	---	---
New Mexico .....	---	---	---
Wyoming .....	<u>(1,221)</u>	<u>(2,442)</u>	<u>(305)</u>
Subtotal .....	2,698	\$ 3,723	\$ 466
<b>Gas Plant Products</b>			
Alabama .....	124	\$ 27	\$ 11
Alaska .....	345,278	95,521	9,288
California .....	266,500	63,592	4,715
Colorado .....	9,910,171	3,038,073	227,788
Kansas .....	1,746,201	334,189	25,896
Louisiana .....	16,021,975	3,845,274	336,846
Michigan .....	376,391	89,252	7,753
Montana .....	770,962	157,424	9,052
New Mexico .....	204,936,244	42,109,301	3,203,191
North Dakota .....	647,096	136,406	9,667
Oklahoma .....	159,681	34,292	3,852
Texas .....	385,132	166,963	20,518
Utah .....	2,232,804	788,281	23,476
Wyoming .....	<u>68,053,230</u>	<u>13,095,485</u>	<u>524,769</u>
Subtotal .....	305,851,789	\$ 63,954,080	\$ 4,406,822
<b>Geothermal</b>			
California .....	1,926,075	\$ 24,075,939	\$ 2,474,804
Nevada .....	14,370	252,914	25,241
Utah .....	<u>267,900</u>	<u>629,566</u>	<u>62,957</u>
Subtotal .....	2,208,345	\$ 24,958,419	\$ 2,563,002

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gilsonite</b>			
Utah .....	3,377	\$ 960,044	\$ 62,415
<b>Hot Water</b>			
California .....	480,996	\$ 3,174,574	\$ 317,459
Nevada .....	4,270	16,228	1,622
New Mexico .....	4,993	5,742	574
Subtotal .....	490,259	\$ 3,196,544	\$ 319,655
<b>Langbeinite</b>			
New Mexico .....	384,814	\$24,495,978	\$ 662,700
<b>Lead</b>			
Missouri .....	72,683	\$32,331,863	\$ 810,402
<b>Limestone</b>			
Virginia .....	1,655	\$ 14,084	\$ 704
<b>Magnesium</b>			
Utah .....	8,086	\$ 135,519	\$ 4,065
<b>Nitrogen</b>			
North Dakota .....	11,452	\$ 2,290	\$ 279
Wyoming .....	---	---	---
Subtotal .....	11,452	\$ 2,290	\$ 279
<b>Oil</b>			
Alabama .....	24,753	\$ 223,849	\$ 27,883
Alaska .....	114,244	1,159,821	142,070
Arkansas .....	835	8,479	1,060
California .....	4,589,561	33,576,116	2,376,754
Colorado .....	1,291,666	13,979,528	1,757,759
Florida .....	1,928	23,893	2,987
Illinois .....	30,847	328,420	39,857
Kansas .....	45,837	469,936	50,900
Kentucky .....	2,424	23,032	481
Louisiana .....	204,787	2,537,310	305,247
Michigan .....	22,164	231,156	28,204
Mississippi .....	152,771	976,997	108,571
Montana .....	1,126,130	7,337,441	701,377
Nebraska .....	16,318	148,293	18,049

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Oil (cont.)</b>			
Nevada .....	189,624	\$ 1,578,672	\$ 177,569
New Mexico .....	6,968,095	74,984,165	7,555,240
North Dakota .....	1,542,136	15,501,611	1,808,136
Ohio .....	7,467	75,972	4,501
Oklahoma .....	68,996	516,867	50,683
Pennsylvania .....	---	---	---
South Dakota .....	51,021	635,068	78,963
Texas .....	143,485	1,307,563	105,670
Utah .....	1,126,346	9,196,126	924,259
West Virginia .....	3,684	37,672	4,709
Wyoming .....	<u>10,077,337</u>	<u>92,940,685</u>	<u>9,448,373</u>
Subtotal .....	27,802,456	\$257,798,672	\$25,719,302
<b>Oil Lost</b>			
California .....	(85,509)	\$ (723,463)	\$ (40,514)
Colorado .....	---	---	---
New Mexico .....	<u>543</u>	<u>6,163</u>	<u>770</u>
Subtotal .....	(84,966)	\$ (717,300)	\$ (39,744)
<b>Phosphate</b>			
Idaho .....	456,370	\$ 7,565,115	\$ 378,256
<b>Potash</b>			
California .....	---	\$ ---	\$ ---
New Mexico .....	362,931	37,684,234	745,019
Utah .....	<u>3,836</u>	<u>400,882</u>	<u>12,027</u>
Subtotal .....	366,767	\$ 38,085,116	\$ 757,046
<b>Purge Liquor</b>			
Wyoming .....	14,557	\$ 284,475	\$ 16,806
<b>Quartz Crystals</b>			
Arkansas .....	9,376	\$ 11,359	\$ 568
<b>Sand and Gravel</b>			
Nevada .....	614,399	\$ 2,709,501	\$ 129,785
<b>Sodium</b>			
Arizona .....	241	\$ 7,953	\$ 398
California .....	264,462	17,651,816	872,982
Colorado .....	28,497	3,738,472	186,924

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

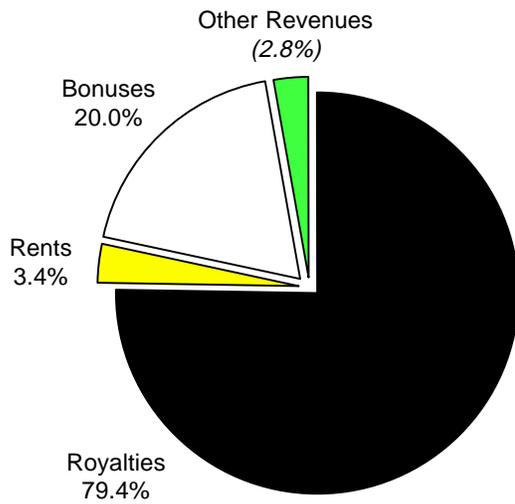
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Sodium (cont.)</b>			
New Mexico .....	58,672	\$ 99,136	\$ 4,697
Utah .....	3,441	23,065	692
Wyoming .....	<u>1,125,013</u>	<u>78,563,821</u>	<u>4,522,006</u>
Subtotal .....	1,480,326	\$ 100,084,263	\$ 5,587,699
<b>Sulfur</b>			
Alabama .....	90	\$ 3,814	\$ 477
California .....	940	5,640	282
Montana .....	163	1,360	44
New Mexico .....	1,567	6,682	300
North Dakota .....	182	281	12
Utah .....	---	---	---
Wyoming .....	<u>106,689</u>	<u>2,687,003</u>	<u>7,946</u>
Subtotal .....	109,631	\$ 2,704,780	\$ 9,061
<b>Trona Ore</b>			
Wyoming .....	2,984	\$ 172,367	\$ 8,651
<b>Zinc</b>			
Missouri .....	19,225	\$ 11,251,894	\$ 340,278
<b>Royalty Total .....</b>		<b>\$2,215,919,177</b>	<b>\$220,854,130</b>
<b>Rents</b>			
Alabama .....			\$ 4,021
Alaska .....			331
Arizona .....			114,925
Arkansas .....			11,575
California .....			106,094
Colorado .....			715,101
Florida .....			41
Georgia .....			---
Idaho .....			5,680
Illinois .....			688
Kansas .....			4,428
Kentucky .....			3,269
Louisiana .....			43,956
Maryland .....			---
Michigan .....			9,374
Minnesota .....			900
Mississippi .....			181,874
Missouri .....			(162,405)

**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents (cont.)</b>			
Montana			\$ 483,489
Nebraska			51
Nevada			484,259
New Mexico			630,636
North Dakota			169,916
Ohio			---
Oklahoma			68,328
Oregon			26,038
Pennsylvania			---
South Dakota			9,888
Texas			50,966
Utah			1,164,563
Virginia			90
Washington			14,480
West Virginia			1,267
Wisconsin			180
Wyoming			<u>5,306,824</u>
<b>Rent Total</b>			<b>\$ 9,450,827</b>
<b>Bonuses</b>			
Alabama			\$ ---
Arizona			---
Arkansas			4,354
California			---
Colorado			834,085
Idaho			13,230
Kansas			24,000
Kentucky			---
Louisiana			87,720
Michigan			10,888
Mississippi			(19,736)
Montana			301,133
Nevada			79,423
New Mexico			2,017,670
North Dakota			12,080
Ohio			---
Oklahoma			162,382
South Dakota			---
Texas			---
Utah			1,194,720
Wyoming			<u>50,856,255</u>
<b>Bonus Total</b>			<b>\$ 55,578,204</b>

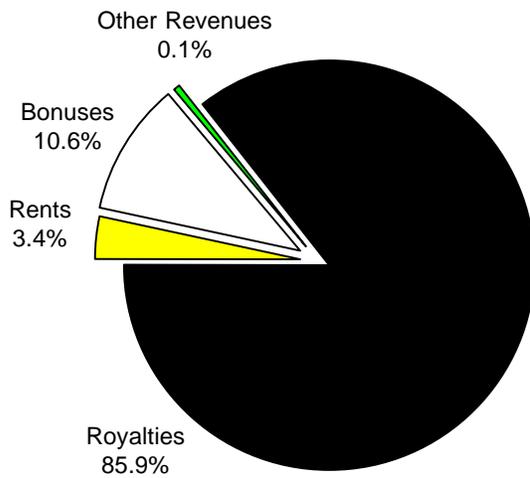
**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Other Revenues</b>			
Alabama			\$ 2,568
Alaska			65,838
Arkansas			12,951
California			109,310
Colorado			1,387,530
Florida			121
Georgia			---
Idaho			17,055
Illinois			---
Kansas			4,133
Kentucky			11,301
Louisiana			80,181
Maryland			731
Michigan			1,374
Minnesota			---
Mississippi			2,514
Missouri			(6,192)
Montana			107,190
Nebraska			6,724
Nevada			8,159
New Mexico			4,824,425
North Carolina			474
North Dakota			4,828
Ohio			1,704
Oklahoma			96,255
Pennsylvania			1,755
South Dakota			2,296
Texas			6,743
Utah			243,305
Virginia			---
West Virginia			5,913
Wyoming			<u>(14,874,490)</u>
<b>Other Revenue Total</b>			<b>\$ (7,875,304)</b>
<b>Total Revenues</b>			<b>\$278,007,857</b>



Royalties	\$220,854,130
Rents	9,450,827
Bonuses	55,578,204
Other Revenues	<u>(7,875,304)</u>
Total	\$278,007,857

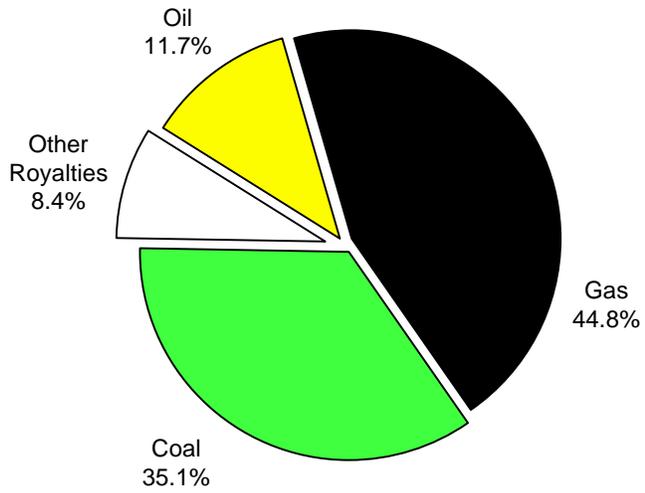
January - March, 1999



Royalties	\$263,244,813
Rents	10,308,170
Bonuses	32,393,920
Other Revenues	<u>322,401</u>
Total	\$306,269,304

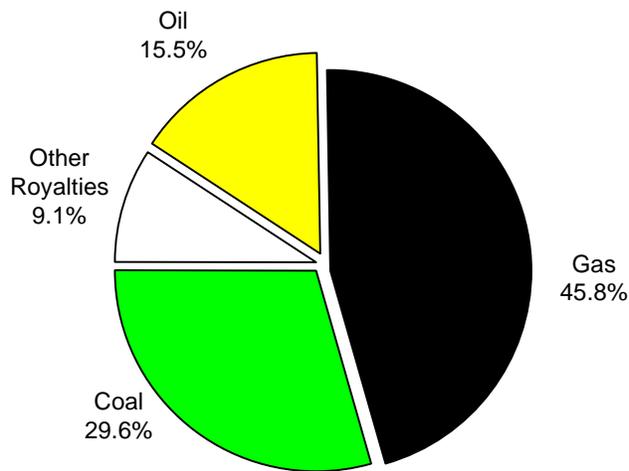
January - March, 1998

Figure 10. Revenues from Federal onshore mineral leases by source, January - March, 1998 and 1999



Coal	\$ 77,563,220
Gas	98,993,431
Oil	25,719,302
Other Royalties	18,578,177
<b>Total</b>	<b>\$220,854,130</b>

January - March, 1999



Coal	\$ 77,805,892
Gas	120,712,823
Oil	40,724,119
Other Royalties	24,001,979
<b>Total</b>	<b>\$263,244,813</b>

January - March, 1998

**Figure 11. Royalties from Federal onshore mineral leases by commodity, January - March, 1998 and 1999**

# Indian Mineral Revenues



Photo courtesy of Corel Corporation

**Table 11. Revenues from Indian mineral leases, by quarter, Calendar Year 1999**

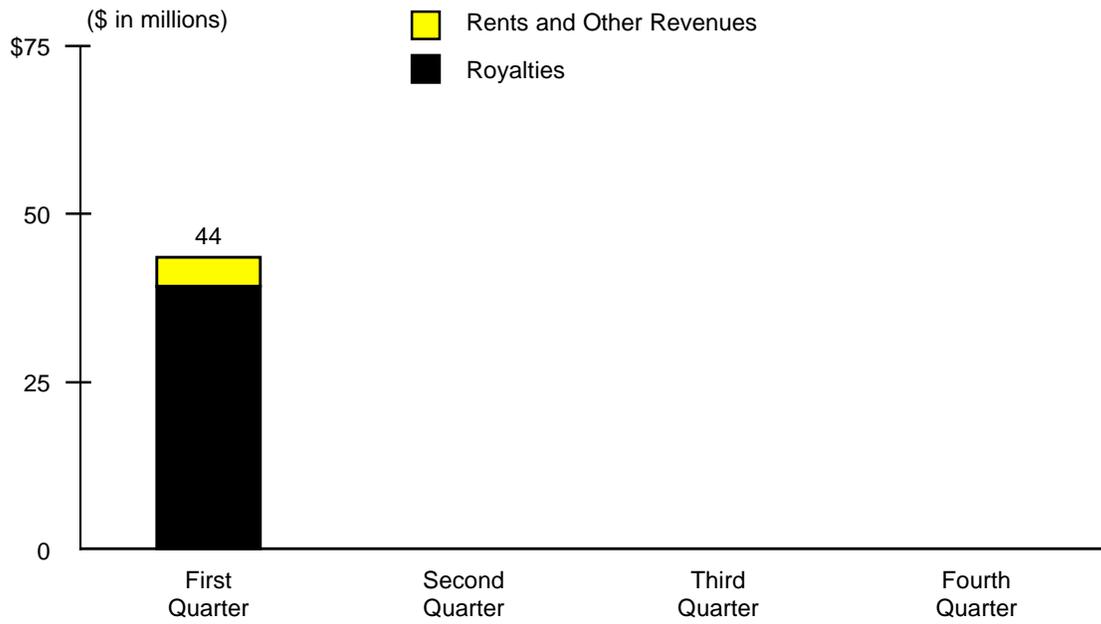
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 15,995,586	\$ ---	\$ ---	\$ ---	\$ 15,995,586
Gas Royalties . . . .	16,490,730	---	---	---	16,490,730
Oil Royalties . . . . .	5,112,888	---	---	---	5,112,888
Other Royalties . . .	<u>1,788,996</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,788,996</u>
Royalty Subtotal	\$ 39,388,200	\$ ---	\$ ---	\$ ---	\$ 39,388,200
Rents . . . . .	\$ 274,338	\$ ---	\$ ---	\$ ---	\$ 274,338
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues ..	<u>\$ 4,103,871</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 4,103,871</u>
<b>Total . . . . .</b>	<b>\$ 43,766,409</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 43,766,409</b>

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.

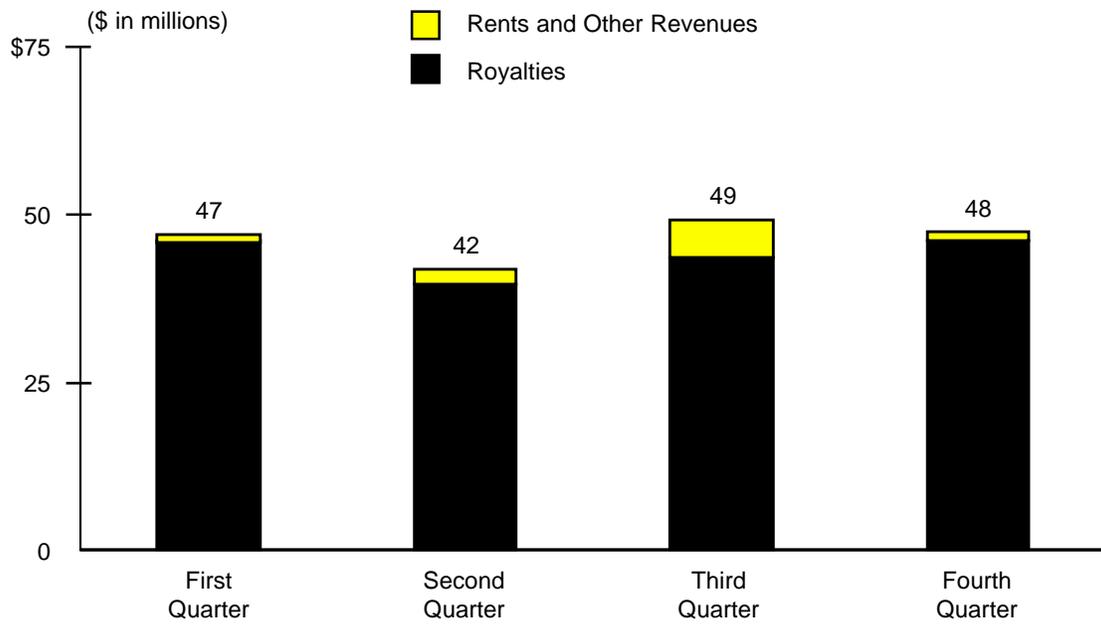
**Table 12. Revenues from Indian mineral leases, by quarter, Calendar Year 1998**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 15,076,834	\$ 10,835,505	\$ 15,441,112	\$ 19,068,452	\$ 60,421,903
Gas Royalties . . . .	20,413,241	18,445,005	18,891,253	16,765,734	74,515,233
Oil Royalties . . . . .	8,848,171	8,004,858	6,919,581	8,245,031	32,017,641
Other Royalties . . .	<u>1,801,608</u>	<u>2,421,531</u>	<u>2,334,503</u>	<u>2,280,240</u>	<u>8,837,882</u>
Royalty Subtotal	\$ 46,139,854	\$ 39,706,899	\$ 43,586,449	\$ 46,359,457	\$ 175,792,659
Rents . . . . .	\$ 168,734	\$ 237,177	\$ 288,324	\$ 256,583	\$ 950,818
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues ..	<u>\$ 979,872</u>	<u>\$ 1,770,900</u>	<u>\$ 5,470,374</u>	<u>\$ 918,805</u>	<u>\$ 9,139,951</u>
<b>Total . . . . .</b>	<b>\$ 47,288,460</b>	<b>\$ 41,714,976</b>	<b>\$ 49,345,147</b>	<b>\$ 47,534,845</b>	<b>\$ 185,883,428</b>

NOTE: Indian bonuses are collected by the Bureau of Indian Affairs.



1999



1998

Figure 12. Revenues by source from Indian mineral leases, by quarter, Calendar Years 1998 and 1999

**Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1999**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Coal</b>			
Arizona .....	4,501,322	\$ 98,668,969	\$12,333,621
Montana .....	1,394,432	8,188,910	582,483
New Mexico .....	<u>1,399,812</u>	<u>24,874,656</u>	<u>3,079,482</u>
Subtotal .....	7,295,566	\$131,732,535	\$15,995,586
<b>Copper</b>			
Arizona .....	5,523	\$ 2,298,304	\$ 212,823
<b>Gas</b>			
Arizona .....	20,333	\$ 30,065	\$ 5,001
Colorado .....	44,837,592	66,781,760	8,672,197
Montana .....	390,657	666,176	100,147
New Mexico .....	12,628,966	23,627,791	3,069,741
North Dakota .....	43,001	46,161	5,973
Oklahoma .....	5,153,284	10,866,521	1,833,636
Texas .....	3,305,981	6,691,323	1,303,123
Utah .....	1,196,844	2,750,862	396,493
Wyoming .....	<u>3,869,038</u>	<u>6,793,880</u>	<u>1,104,419</u>
Subtotal .....	71,445,696	\$118,254,539	\$16,490,730
<b>Gas Lost</b>			
Montana .....	1,386	\$ 2,331	\$ 291
<b>Gas Plant Products</b>			
Colorado .....	141,311	\$ 33,273	\$ 2,053
Montana .....	66,737	11,258	1,312
New Mexico .....	10,564,367	1,727,784	150,636
North Dakota .....	178,806	37,715	2,058
Oklahoma .....	1,578,584	318,014	48,990
Texas .....	6,862,367	1,392,719	186,725
Utah .....	962,466	230,992	23,192
Wyoming .....	<u>156,053</u>	<u>36,591</u>	<u>5,017</u>
Subtotal .....	20,510,691	\$ 3,788,346	\$ 419,983
<b>Gypsum</b>			
New Mexico .....	163,217	\$ 649,604	\$ 176,303

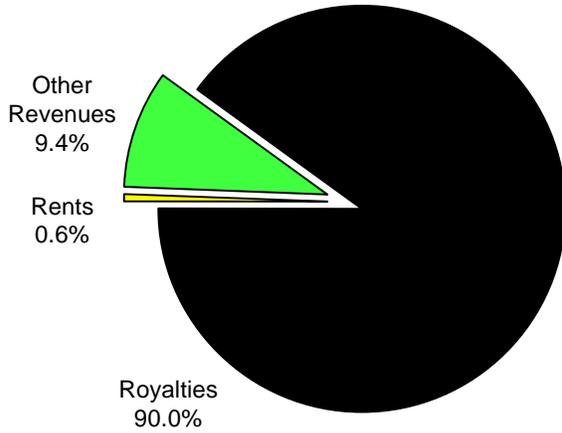
**Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Oil</i></b>			
Arizona .....	14,304	\$ 137,010	\$ 22,835
Colorado .....	25,485	265,381	39,891
Michigan .....	268	3,388	457
Montana .....	158,793	1,483,502	238,322
New Mexico .....	193,248	1,796,523	248,513
North Dakota .....	19,453	200,420	29,114
Oklahoma .....	372,962	3,695,568	556,269
South Dakota .....	589	2,752	550
Texas .....	170,873	1,867,002	365,338
Utah .....	1,947,399	20,156,760	2,943,900
Wyoming .....	434,582	3,112,555	667,699
Subtotal .....	3,337,956	\$ 32,720,861	\$ 5,112,888
<b><i>Oil Lost</i></b>			
Colorado .....	85	\$ 1,205	\$ 151
<b><i>Phosphate</i></b>			
Idaho .....	---	\$ ---	\$ ---
<b><i>Sand and Gravel</i></b>			
Arizona .....	515,597	\$ 2,399,953	\$ 392,392
California .....	336,741	1,149,216	280,983
Colorado .....	2,099	9,185	1,427
Nevada .....	88,254	408,484	43,245
New Mexico .....	304,477	838,613	206,215
Oklahoma .....	23,692	26,535	11,713
Utah .....	1,573	5,992	696
Washington .....	52,195	167,667	37,188
Subtotal .....	1,324,628	\$ 5,005,645	\$ 973,859
<b><i>Silica Sand</i></b>			
Arizona .....	12,642	\$ 283,810	\$ 5,563
<b><i>Sulfur</i></b>			
North Dakota .....	38	\$ 177	\$ 23
<b>Royalty Total .....</b>		<b>\$ 294,737,357</b>	<b>\$ 39,388,200</b>

**Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - March, 1999 (cont.)**

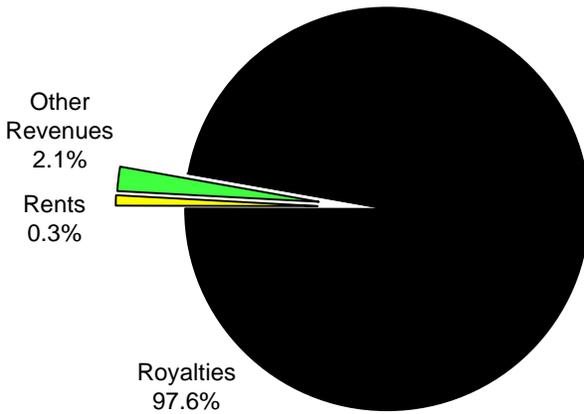
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Arizona .....			\$ 1,457
Colorado .....			2,070
Idaho .....			---
Michigan .....			(49)
Montana .....			20,219
New Mexico .....			160,019
North Dakota .....			2,116
Oklahoma .....			33,950
South Dakota .....			---
Utah .....			46,310
Wyoming .....			8,246
<b>Rent Total .....</b>			<b>\$ 274,338</b>
<b>Other Revenues</b>			
Arizona .....			\$ 330,637
California .....			31,789
Colorado .....			184,347
Idaho .....			---
Michigan .....			49
Montana .....			869
New Mexico .....			182,531
North Dakota .....			(690)
Oklahoma .....			3,387,053
Texas .....			---
Utah .....			(22,514)
Washington .....			---
Wyoming .....			9,800
<b>Other Revenues Total .....</b>			<b>\$ 4,103,871</b>
<b>Total Revenues .....</b>			<b>\$ 43,766,409</b>

NOTE: This table does not include sales volume, sales value, or revenues for Indian nonstandard leases and agreements.



Royalties	\$39,388,200
Rents	274,338
Other Revenues	4,103,871
<b>Total</b>	<b>\$43,766,409</b>

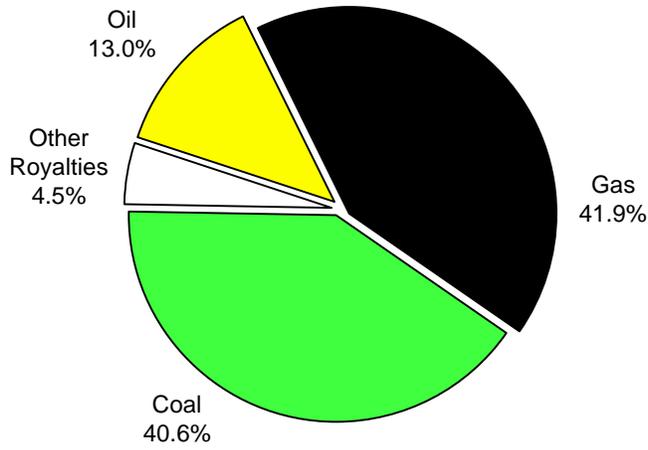
**January - March, 1999**



Royalties	\$46,139,854
Rents	168,734
Other Revenues	979,872
<b>Total</b>	<b>\$47,288,460</b>

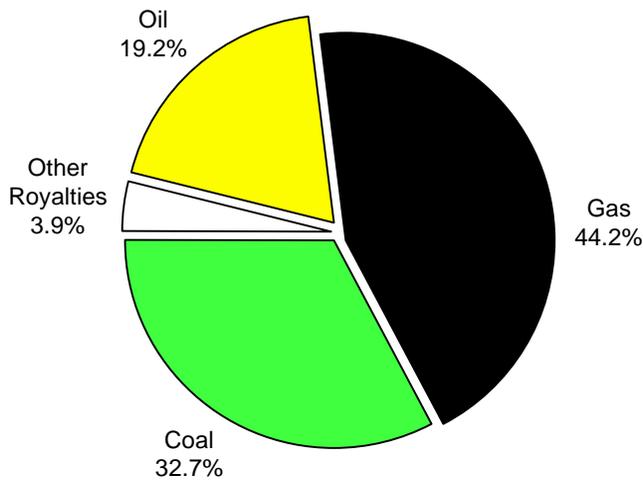
**January - March, 1998**

**Figure 13. Revenues from Indian mineral leases by source, January - March, 1998 and 1999**



Coal	\$15,995,586
Gas	16,490,730
Oil	5,112,888
Other Royalties	1,788,996
<b>Total</b>	<b>\$39,388,200</b>

January - March, 1999



Coal	\$15,076,834
Gas	20,413,241
Oil	8,848,171
Other Royalties	1,801,608
<b>Total</b>	<b>\$46,139,854</b>

January - March, 1998

Figure 14. Royalties from Indian mineral leases by commodity, January - March, 1998 and 1999

# Glossary

**Acquired lands** — Lands in Federal ownership that the Government obtained by deed through purchase, gift, exchange, or condemnation proceedings.

**Allowance** — An allowable deduction from value for royalty purposes.

**Auditing and Financial System** — A computer system application operated by the Minerals Management Service for collecting and disbursing royalties from producing leases and rents from nonproducing leases on Federal and Indian lands.

**Barrel/bbl** — A measure of volume for petroleum products. One barrel is equivalent to 42 U.S. gallons or 0.1589 cubic meters. One cubic meter equals 6.293 barrels.

**BIA** — Bureau of Indian Affairs. A Federal agency within the U.S. Department of the Interior responsible for facilitating the full development of the human and natural resource potential of Indian and Alaskan Native people to manage their own affairs under a trust relationship with the Federal Government.

**Bonus** — The cash consideration paid to the United States by the successful bidder for a mineral lease. The payment is made in addition to the rent and royalty obligations specified in the lease.

**Bureau of Land Management** — A Federal agency within the U.S. Department of the Interior that administers public lands and natural resources. Bureau of Land Management programs provide for the protection, orderly development, and use of public lands and resources under principles of multiple use and sustained yield.

**Business Information System** — A computer system application operated by the Minerals Management Service. The Business Information System is an enhanced version of the former State and Tribal Support System and is compatible with the post-Business Systems Planning Implementation

architecture. The Business Information System provides States, Indian Tribes, and other Federal agencies with access to Auditing and Financial System data and selected Production Accounting and Auditing System data.

**Competitive leasing** — The Federal Government issues leases on Federal onshore lands where there are known mineral deposits, or where inference of probable mineralization may be derived from knowledge of the geology of the land. The lands are offered for lease by competitive bidding following publication of the offer of the lands for lease. The lease is issued to the highest bidder at a sale by public auction. The Federal Government offers leases of certain Outer Continental Shelf tracts by competitive sealed bid. The bids are received, announced, and recorded, and the lease is generally issued to the highest bidder. See **Noncompetitive leasing**.

**Department of the Interior** — A Cabinet-level department in the Executive Branch of the Federal Government responsible for the administration of most of the nationally owned public lands and natural resources. The Department of the Interior is further responsible for American Indian reservation communities and for individuals who live in Island Territories under U.S. administration.

**Effective date** — The date a lease or assignment becomes effective. The effective date for a lease is the first day of the month after the issue date or, upon applicant request, the first day of the month of issuance. The effective date for an assignment is the first day of the month after proper filing of all required documents.

**Electronic data interchange** — A process designed to exchange information electronically to reduce paper report volume, reduce errors and expedite error correction, and provide a more current database.

**Explanation of payment reports** — A series of reports produced by the Minerals Management

Service Royalty Management Program, mailed twice each month to Indian Tribes and once each month to States. The reports for Indian allottees are produced and distributed twice each month by the Bureau of Indian Affairs with information supplied by the Royalty Management Program. The reports address the source and nature of mineral revenue disbursements.

**Federal land** — All land and interests in land owned by the Federal Government, including Outer Continental Shelf, public domain, acquired, and military lands.

**Federal Oil and Gas Royalty Management Act of 1982** — Federal Oil and Gas Royalty Management Act of 1982, 30 U.S.C. 1701 *et seq.* Public Law 97-451 enacted to ensure that royalties from oil and gas produced from Federal and Indian lands and the Outer Continental Shelf are properly collected and accounted for under the direction of the Secretary of the Interior.

**Federal Oil and Gas Royalty Simplification and Fairness Act** — Public Law 104-185, 110 Stat. 1700, enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects.

**FY** — Fiscal Year. A period of time used for accounting purposes. The Federal Government recognizes a fiscal year that begins October 1 of one year and ends September 30 of the following year.

**Indian allotment** — An allocation of a parcel of public lands or Indian reservation lands to an Indian for individual use. Revenue from mineral production from leases on Indian allotments is paid to the individual Indian allottee. See **Indian allottee**.

**Indian allottee** — Any Indian who holds title to land or an interest in land subject to Federal restrictions against alienation. See **Indian allotment**.

**Indian land** — Lands owned by Indians, including either Tribal lands held in trust by the United States or subject to Federal restrictions against alienation, or allotted land owned by an individual Indian with Federal restrictions against alienation. The Bureau of Indian Affairs monitors Indian leases.

**Lease** — A legal document executed between a landowner, as lessor, and a company or individual, as lessee, that conveys the right to exploit the premises for minerals or other products for a specified period of time over a given area.

**LWCF** — Land and Water Conservation Fund. The Land and Water Conservation Act of 1965 created a fund, currently administered by the National Park Service, to provide revenues for the Federal Government, State governments, and local governments to purchase parks and recreation areas and to plan, acquire, and develop land and water resources for recreational use. Approximately 10-30 percent of the legislated yearly minimum of \$900 million is provided through revenues from surplus property sales and receipts from the motorboat fuels tax. The remaining 70-90 percent of the legislated yearly minimum is provided from offshore mineral leasing under the provisions of the Outer Continental Shelf Lands Act, as amended.

**Mcf** — Thousand cubic feet.

**Military acquired lands** — Lands acquired with military funds under military acquisition laws.

**Mineral** — Naturally occurring organic or inorganic substances with characteristics and uses that bring them within the purview of mineral laws. Minerals may be obtained under applicable laws from public lands by purchase, lease, or preemptive entry.

**Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. 351 et seq.** — An act that extends mineral leasing laws, including the Mineral Leasing Act of 1920 and subsequent amendments, to all lands acquired by the United States, and authorizes mineral leasing on those lands. Mineral leases on acquired lands cannot be issued without the concurrence of the acquiring agency. The act requires disbursement of mineral receipts from acquired lands in the manner prescribed by legislation governing the type of land in question, including acquired national grasslands, and acquired national forest lands. See **MLA**.

**Minimum royalty** — An annual payment on a per-acre basis, required to maintain the rights to a lease

until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments are no longer required in that lease year.

**MLA** — Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 *et seq.* An act, with subsequent amendments, that promotes the production of coal, gas, oil, oil shale, phosphate, potassium, and sodium on Federal public domain lands. The act establishes procedures to explore and develop each of these minerals and specifies terms and conditions for issuing permits and leases. Rental and royalty terms are specified for each mineral, and general conditions are established for pipeline right-of-way, lease diligence, royalty disposition, and holding restrictions. The act requires sharing royalty and other lease revenues with the States. The Secretary of the Interior is authorized to promulgate rules and regulations to implement and enforce the act.

**MMS** — Minerals Management Service. A Federal agency within the U.S. Department of the Interior that administers the Offshore Minerals Management Program and the Royalty Management Program. The Offshore Minerals Management Program is responsible for the Outer Continental Shelf leasing program and for ensuring that exploration and production of the Nation's offshore mineral resources is conducted in a safe manner with concern for the environment. The Royalty Management Program is responsible for the accurate and timely determination, collection, and distribution of royalties from Federal and Indian lands, and bonuses and rents from Federal lands.

**Net profit share lease** — An Outer Continental Shelf lease that provides for payment to the United States of a percentage share of the net profits for production of oil and gas from the tract. The percentage share may be fixed in the notice of the lease sale or may be a variable of the bid, depending on the bidding system used for the lease sale.

**NHPF** — National Historic Preservation Fund. A fund, currently administered by the National Park Service, designed to expand and accelerate historic preservation plans and activities. NHPF provides revenues for matching grants-in-aid to States and local governments, and funds the National Trust for

Historic Preservation. Offshore mineral leasing provides 100 percent of fund revenues.

**Noncompetitive leasing** — Leases issued to qualified applicants for land not specifically known or presumed to contain mineral or petroleum deposits in quantity. See **Competitive leasing**.

**OCS** — Outer Continental Shelf. All submerged lands seaward and outside the area of lands beneath navigable waters. Lands beneath navigable waters are interpreted as extending from the coastline 3 nautical miles into the Arctic Ocean, the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico, excluding the coastal waters off Texas and western Florida. Lands beneath navigable waters are interpreted as extending from the coastline 3 marine leagues into the Gulf of Mexico off Texas and western Florida.

**OCSLA** — Outer Continental Shelf Lands Act of 1953, as amended, 43 U.S.C. 1331 *et seq.* An act that establishes procedures for U.S. jurisdiction over Outer Continental Shelf lands and authorizes the Secretary of the Interior to issue exploration permits and mineral leases for oil, gas, sulfur, and other mineral resources on those lands. The Secretary is authorized to implement alternative bidding systems, including net profit share leases, to promote development of marginal oil and gas deposits. Significant amendments were enacted into the original law in 1978 and 1985. See **Net profit share lease**.

**OPEC** — Organization of Petroleum Exporting Countries. Current members follow: Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

**Operator** — The individual, partnership, firm, or corporation having control or management of operations on a leased area or a portion thereof. The operator may be the lessee, designated agent of the lessee, a holder of rights under an approved operation agreement, or an agent of an operating rights holder.

**OTFM** — Office of Trust Funds Management. An office within the U.S. Department of the Interior responsible for the management and investment of

Tribal and Indian trust funds for the Office of Special Trustee for American Indians.

**Production Accounting and Auditing System** — An integrated system of both automated and manual applications operated by the Minerals Management Service to collect production and other operational data, and to ensure that royalties are paid on 100 percent of reported production.

**Public lands** — Any land and interest in land owned by the United States and administered by the Secretary of the Interior through the Bureau of Land Management and the Minerals Management Service, without regard to the manner through which the United States acquired ownership, except (1) lands located on the Outer Continental Shelf, and (2) lands held for the benefit of Indians, Aleuts, and Eskimos. The Bureau of Land Management considers acquired lands to be a category of public lands. The Minerals Management Service distinguishes public domain lands from acquired lands for purposes of various statutory revenue distributions. See **Acquired lands**.

**Rent** — Periodic payments made by the holder of a lease, during the primary lease term, for the right to use the land or resources for purposes established in the lease.

**Report month** — The month in which the Minerals Management Service receives production, sales, or royalty reports from operators and lessees.

**Royalty** — Payment, in value (money) or in kind (a volume of the commodity), of a stated proportionate interest in production from mineral deposits by the lessees to the lessor. The royalty rate may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-

scale royalty rate is based on average production and applies to all production from the lease.

**Royalty-in-kind** — A program operated under the provisions of the Mineral Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953. The Federal Government, as lessor, may take part or all of its oil and gas royalties “in kind” (a volume of the commodity) as opposed to “in value” (money). Under the oil royalty-in-kind program, the Government sells oil at fair market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices. In addition, the Minerals Management Service initiated three royalty-in-kind pilot programs in 1998, entering into contracts to sell selected Wyoming oil and selected Gulf of Mexico natural gas by competitive bid to gas marketers. The pilot was designed to reduce the administrative burden for both industry and the Government.

**RMP** — Royalty Management Program. See **MMS**.

**Sales value** — Proceeds received for the sale of a mineral.

**Sales volume** — The volume of mineral production measured at the royalty settlement point determined by the Bureau of Land Management for onshore production and the Minerals Management Service for offshore production.

**Treasury** — U.S. Department of the Treasury. A Cabinet-level department in the Executive Branch of the Federal Government responsible for the financial resources of the United States. The Treasury is responsible for regulating national banks, determining international economic policy, collecting income taxes and customs duties, reporting Government daily financial transactions, and manufacturing coins and bills for circulation.

# Appendix

## Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving toward International System Units, often referred to as metric units. The following table provides factors for converting measurements to inch-pound or metric units. To obtain the metric equivalent, multiply the inch-pound unit by the conversion factor. To obtain the inch-pound equivalent, multiply the metric unit by the conversion factor.

<b>To convert from inch-pound unit</b>	<b>Multiply by</b>	<b>To equal metric unit</b>
acre .....	0.4047 .....	hectare
barrel (42 U.S. gallons) .....	0.1589 .....	cubic meter
barrel (42 U.S. gallons) .....	0.136 .....	metric ton
cubic foot .....	0.0283 .....	cubic meter
gallon .....	3.785 .....	liter
mile .....	1.609 .....	kilometer
ton, long (2,240 U.S. lb.) .....	1.016 .....	metric ton
ton, short (2,000 U.S. lb.) .....	0.9072 .....	metric ton
<b>To convert from metric unit</b>	<b>Multiply by</b>	<b>To equal inch-pound unit</b>
cubic meter .....	6.293 .....	barrel (42 U.S. gallons)
cubic meter .....	35.33 .....	cubic foot
hectare .....	2.471 .....	acre
kilometer .....	0.6215 .....	mile
liter .....	0.2642 .....	gallon
metric ton .....	7.33 .....	barrels (42 U.S. gallons)
metric ton .....	0.9843 .....	long ton (2,240 U.S. lb.)
metric ton .....	1.1023 .....	short ton (2,000 U.S. lb.)



As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.