

# Mineral Revenue Collections

January - December 1999



Photo courtesy of Chevron Corporation, Dennis Harding

# **Mineral Revenue Collections**

## **January - December 1999**

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## Executive Summary

Revenues from mineral leases on Federal and American Indian lands fell 18.7 percent, or \$1 billion, from \$5.6 billion in 1998 to \$4.6 billion in 1999 (tables 3 and 4, and figure 2). The decline was primarily attributed to reduced bonus collections from offshore competitive lease sales and lower gas prices. The decline was offset, in part, by higher coal and oil royalties. Domestic and international crude oil prices rose through the last 3 quarters of 1999 as a result of an agreement in March 1999 by the Organization of Petroleum Exporting Countries (OPEC) to reduce production in an effort to stimulate prices.

Federal offshore revenues fell over \$1.1 billion, or 26.2 percent, in 1999. Offshore royalties were down 3 percent, or \$83 million; however, bonus collections fell 81.1 percent, or over \$1 billion (tables 3 and 4, and figure 7). Offshore bonus receipts reached a 12-year high during the period 1997-98 with nearly 16 million offshore acres leased. Bonus revenues fell in 1999 with depressed oil and gas prices in the first half of the year and the record levels of offshore leasing in 1997-98 in the Gulf of Mexico that depleted the available inventory of unleased tracts.

Federal onshore revenues increased \$93.7 million, or 8.5 percent in 1999. Royalties rose 3.5 percent while bonus collections jumped 41.6 percent, or \$55.9 million. Bonus receipts were up as a result of a National Petroleum Reserve Alaska oil and gas lease sale during the year (tables 3 and 4, and figure 10).

American Indian revenues fell \$7.6 million, or 4.1 percent, in 1999. Oil and gas royalties were moderately lower (tables 3 and 4, and figure 13).

### **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. Sales volume on Federal and American Indian lands rose 11.7 percent, or 43.4 million short tons, from 371.1 million short tons

in 1998 to 414.5 million short tons in 1999. Much of the growth was in Wyoming where over 75 percent of all Federal coal is produced. Phase II emission requirements in the Clean Air Act Amendments of 1990 have led many utilities to switch to low sulfur coal, primarily produced in the Powder River Basin.

Federal and American Indian coal royalties rose 7.7 percent, or \$26.7 million in 1999 (tables 3 and 4, and figure 3). The disparity between the 11.7 percent increase in sales volume and the 7.7 percent increase in royalties is due to lower coal prices. Gains in mining productivity have resulted in a downward trend in coal prices in recent years.

### **Natural Gas Summary**

The DOE reports that unusually mild winter weather and below-normal heating demand left natural gas storage levels well above 1998 figures. High cooling demand in the summer temporarily eroded supplies; however, fall injections and moderate weather caused monthly spot prices to again fall from August to December. Federal and American Indian gas royalties fell 4.7 percent, or \$107.6 million in 1999 (tables 3 and 4, and figure 3).

### **Oil Summary**

The OPEC declined to cut oil production to reduce supplies and stimulate prices in 1998 and early 1999. The cartel finally signed accords to reduce production in March 1999. The DOE reports that oil prices rose from a low monthly average of \$9.39 per barrel in December 1998 to over \$26 in December 1999.

Federal oil royalties rebounded in a similar manner from the severe slump in the first part of 1999. Fourth quarter oil royalty collections were up 78.3 percent over first quarter collections in 1999. For the year, cumulative oil royalties were up 2 percent or \$21.7 million (tables 1 and 2, and figure 3).

---

# 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.

American 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 American 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 American Indian leases. The Minerals Management Service (MMS) Royalty Management Program distributes the report on a quarterly basis to Congressional, Federal, State, American 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** — 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 a 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.

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 volume of a commodity reported sold during the year. Sales value represents the dollar value of the commodity reported sold during the year. Selected sales volume and sales value figures in the annual ***Mineral Revenues*** report are adjusted to resolve distortions that may be created by 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 American Indian leases to the appropriate American Indian Tribes and allotted tract mineral owners.

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 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.

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 American Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to American Indian Tribes and individual American Indian lessors by BIA.

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). The LWCF, 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 National Historic Preservation Fund (NHPF), administered by the National Park Service, is designed to expand and accelerate historic preservation plans and activities. The annual funding authorization of \$150 million to the NHPF expired at the end of Fiscal Year (FY) 1997. A transfer of \$150 million was erroneously made in FY 1998 and recovered in FY 1999. No further transfers to the NHPF will be made.

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 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 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 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.

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 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 where 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 where 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.

- **American Indian Lands** — The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing American Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual American Indian lessors, 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 American Indian lessors.
  - 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



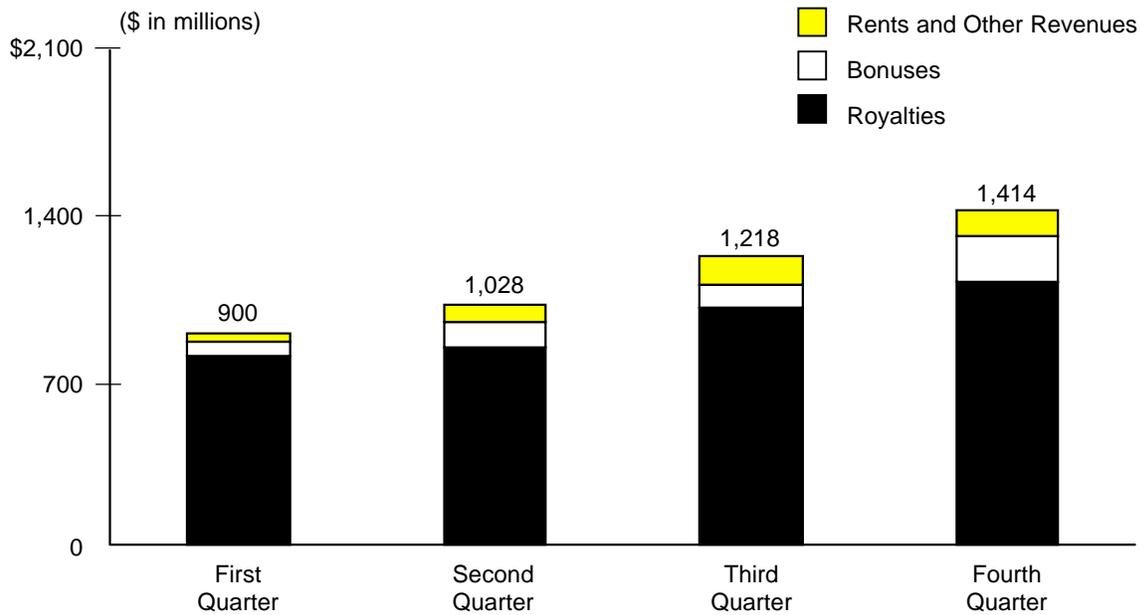
Photo courtesy of Texaco Inc.

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

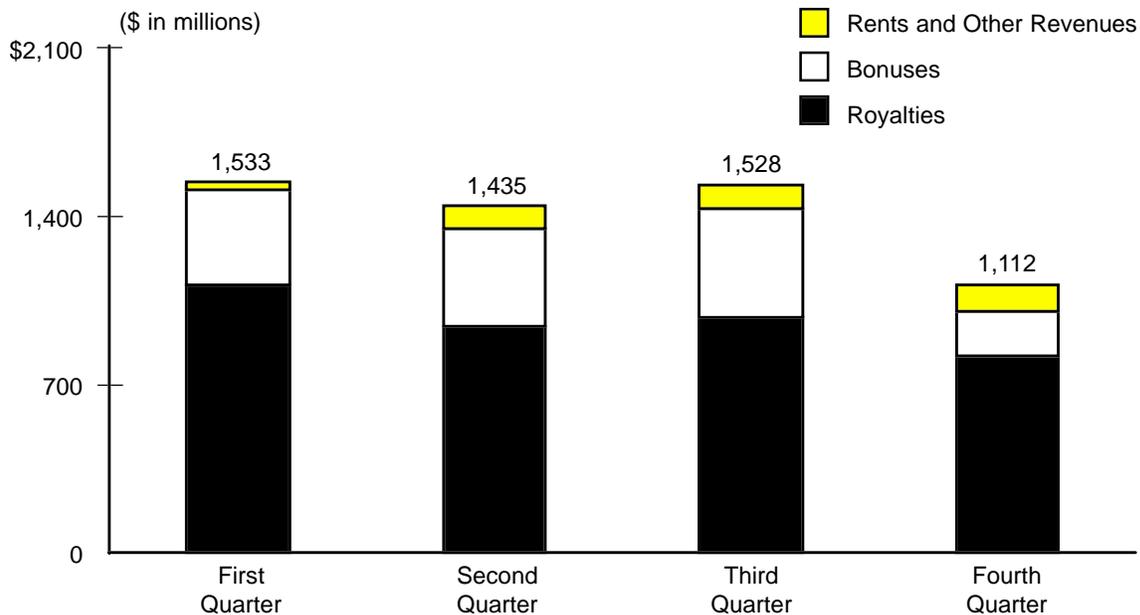
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . .	\$ 93,558,806	\$ 96,651,585	\$ 82,210,517	\$ 99,971,756	\$ 372,392,664
Gas Royalties . . . .	509,179,444	462,096,130	585,435,172	626,602,276	2,183,313,022
Oil Royalties . . . . .	196,015,364	246,788,504	302,017,421	349,513,541	1,094,334,830
Other Royalties . . .	<u>26,707,329</u>	<u>33,583,173</u>	<u>41,492,494</u>	<u>52,238,756</u>	<u>154,021,752</u>
Royalty Subtotal	\$ 825,460,943	\$ 839,119,392	\$1,011,155,604	\$1,128,326,329	\$3,804,062,268
Rents . . . . .	\$ 20,997,029	\$ 75,652,980	\$ 86,328,343	\$ 66,017,269	\$ 248,995,621
Bonuses . . . . .	\$ 55,578,204	\$ 111,238,362	\$ 94,701,926	\$ 177,798,231	\$ 439,316,723
Other Revenues . .	\$ <u>(2,155,814)</u>	\$ <u>1,996,396</u>	\$ <u>26,082,337</u>	\$ <u>41,894,686</u>	\$ <u>67,817,605</u>
<b>Total . . . . .</b>	<b>\$ 899,880,362</b>	<b>\$1,028,007,130</b>	<b>\$1,218,268,210</b>	<b>\$1,414,036,515</b>	<b>\$4,560,192,217</b>

**Table 2. Revenues from Federal and American 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

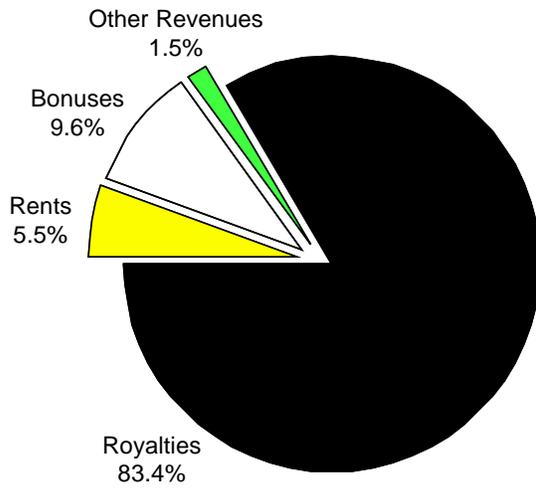
Figure 1. Revenues by source from Federal and American Indian mineral leases, by quarter, Calendar Years 1998 and 1999

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

	Federal Offshore	Federal Onshore	American Indian	Total
Coal Royalties .....	\$ ---	\$ 311,760,661	\$ 60,632,003	\$ 372,392,664
Gas Royalties .....	1,689,088,833	421,915,689	72,308,500	2,183,313,022
Oil Royalties .....	922,653,396	143,257,775	28,423,659	1,094,334,830
Other Royalties .....	<u>66,373,840</u>	<u>76,728,731</u>	<u>10,919,181</u>	<u>154,021,752</u>
Royalty Subtotal ...	\$2,678,116,069	\$ 953,662,856	\$172,283,343	\$ 3,804,062,268
Rents .....	\$ 207,452,954	\$ 40,612,236	\$ 930,431	\$ 248,995,621
Bonuses .....	\$ 249,257,630	\$ 190,059,093	\$ ---	\$ 439,316,723
Other Revenues .....	<u>\$ 53,561,802</u>	<u>\$ 9,180,255</u>	<u>\$ 5,075,548</u>	<u>\$ 67,817,605</u>
<b>Total .....</b>	<b>\$3,188,388,455</b>	<b>\$1,193,514,440</b>	<b>\$178,289,322</b>	<b>\$ 4,560,192,217</b>

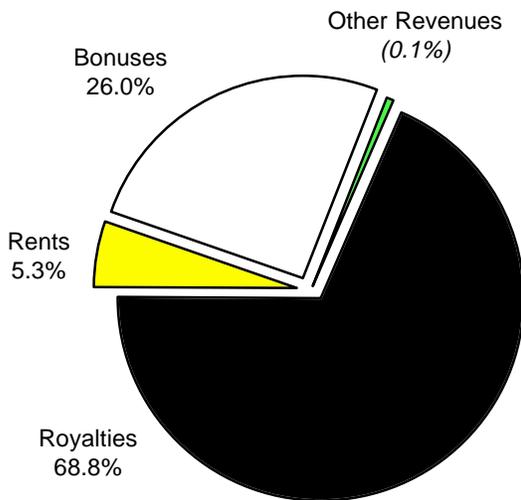
**Table 4. Revenues from Federal and American Indian mineral leases, January - December, 1998**

	Federal Offshore	Federal Onshore	American Indian	Total
Coal Royalties .....	\$ ---	\$ 285,312,268	\$ 60,421,903	\$ 345,734,171
Gas Royalties .....	1,795,215,514	421,197,012	74,515,233	2,290,927,759
Oil Royalties .....	908,507,359	132,153,797	32,017,641	1,072,678,797
Other Royalties .....	<u>57,367,481</u>	<u>82,718,454</u>	<u>8,837,882</u>	<u>148,923,817</u>
Royalty Subtotal ...	\$2,761,090,354	\$ 921,381,531	\$175,792,659	\$3,858,264,544
Rents .....	\$ 258,475,121	\$ 39,219,712	\$ 950,818	\$ 298,645,651
Bonuses .....	\$1,320,332,911	\$ 134,181,853	\$ ---	\$1,454,514,764
Other Revenues .....	<u>\$ (17,261,054)</u>	<u>\$ 5,080,148</u>	<u>\$ 9,139,951</u>	<u>\$ (3,040,955)</u>
<b>Total .....</b>	<b>\$4,322,637,332</b>	<b>\$1,099,863,244</b>	<b>\$185,883,428</b>	<b>\$5,608,384,004</b>



Royalties	\$3,804,062,268
Rents	248,995,621
Bonuses	439,316,723
Other Revenues	67,817,605
<b>Total</b>	<b>\$4,560,192,217</b>

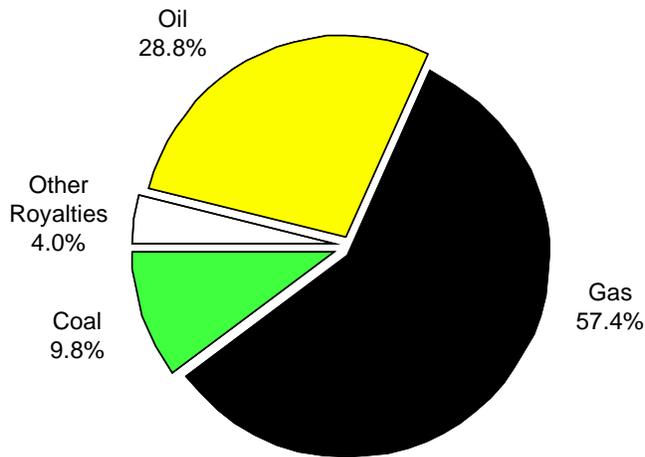
January - December, 1999



Royalties	\$3,858,264,544
Rents	298,645,651
Bonuses	1,454,514,764
Other Revenues	(3,040,955)
<b>Total</b>	<b>\$5,608,384,004</b>

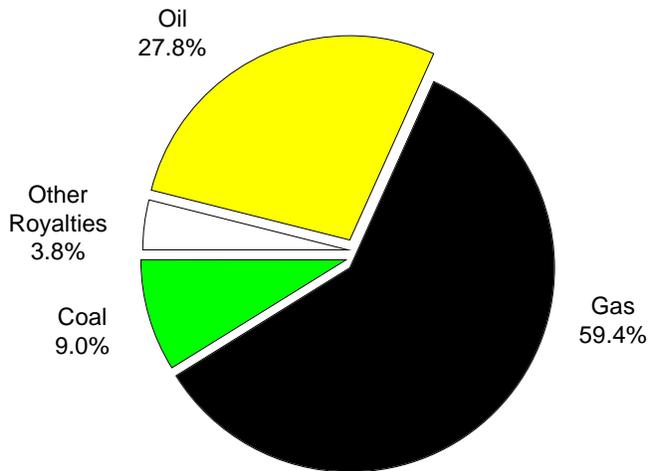
January - December, 1998

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



Coal	\$ 372,392,664
Gas	2,183,313,022
Oil	1,094,334,830
Other Royalties	154,021,752
<b>Total</b>	<b>\$3,804,062,268</b>

January - December, 1999



Coal	\$ 345,734,171
Gas	2,290,927,759
Oil	1,072,678,797
Other Royalties	148,923,817
<b>Total</b>	<b>\$3,858,264,544</b>

January - December, 1998

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

# Federal Offshore Mineral Revenues



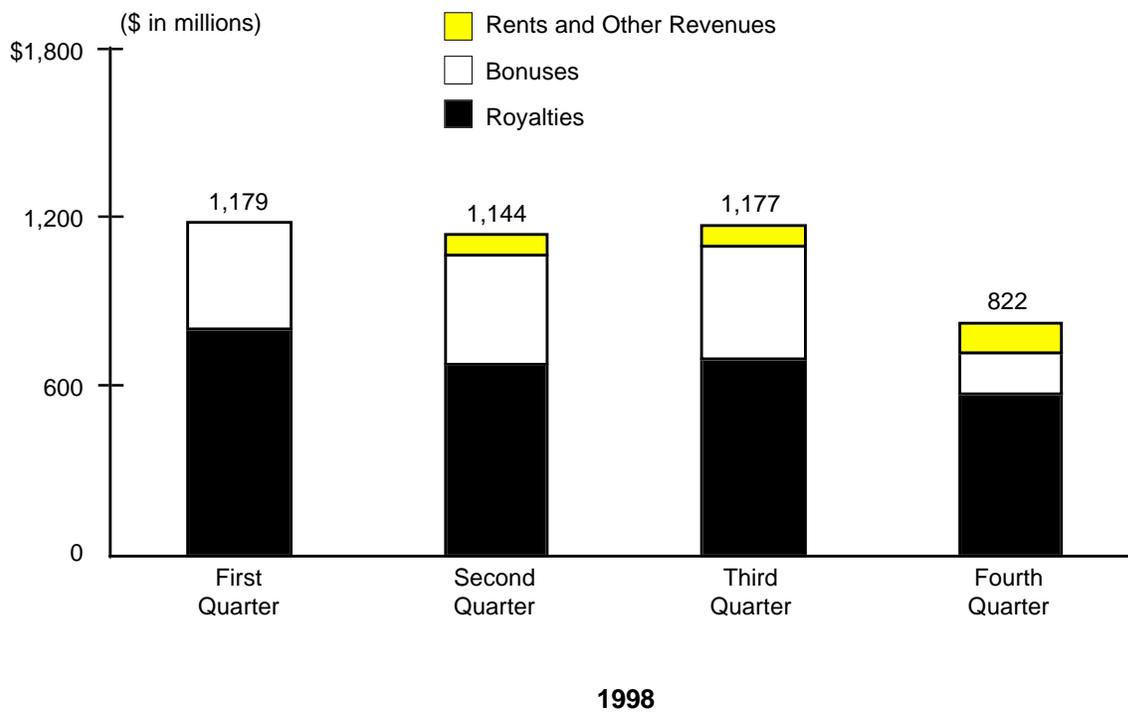
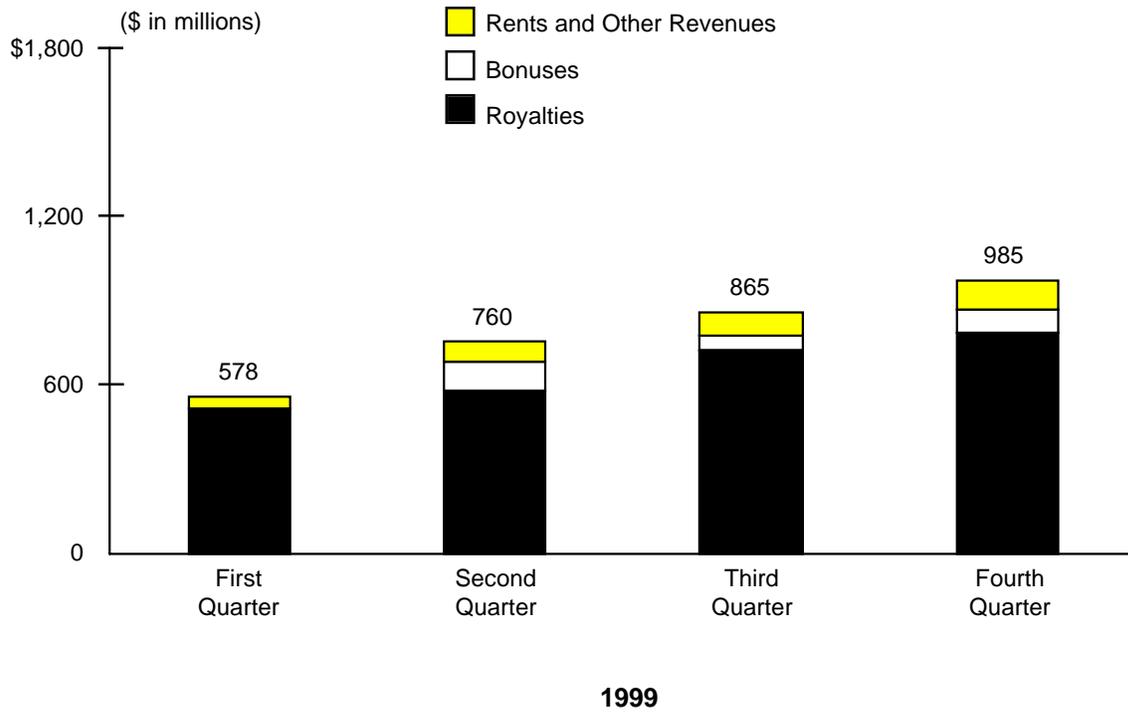
Photo courtesy of Chevron Corporation, Dennis Harding

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties . . . . .	393,695,283	362,121,501	457,043,164	476,228,885	1,689,088,833
Oil Royalties . . . . .	165,183,174	213,916,693	251,841,112	291,712,417	922,653,396
Other Royalties . . . . .	<u>6,340,156</u>	<u>14,066,149</u>	<u>21,064,248</u>	<u>24,903,287</u>	<u>66,373,840</u>
Royalty Subtotal . . . . .	\$ 565,218,613	\$ 590,104,343	\$ 729,948,524	\$ 792,844,589	\$ 2,678,116,069
Rents . . . . .	\$ 11,271,864	\$ 66,471,613	\$ 54,720,053	\$ 74,989,424	\$ 207,452,954
Bonuses . . . . .	\$ ---	\$ 100,335,209	\$ 58,774,616	\$ 90,147,805	\$ 249,257,630
Other Revenues . . . . .	<u>\$ 1,615,619</u>	<u>\$ 2,726,351</u>	<u>\$ 21,781,979</u>	<u>\$ 27,437,853</u>	<u>\$ 53,561,802</u>
<b>Total . . . . .</b>	<b>\$ 578,106,096</b>	<b>\$ 759,637,516</b>	<b>\$ 865,225,172</b>	<b>\$ 985,419,671</b>	<b>\$ 3,188,388,455</b>

**Table 6. Revenues from Federal offshore 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>



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

**Table 7. Summary of royalties, rents, bonuses, and other revenues from Federal offshore mineral leases, January - December, 1999**

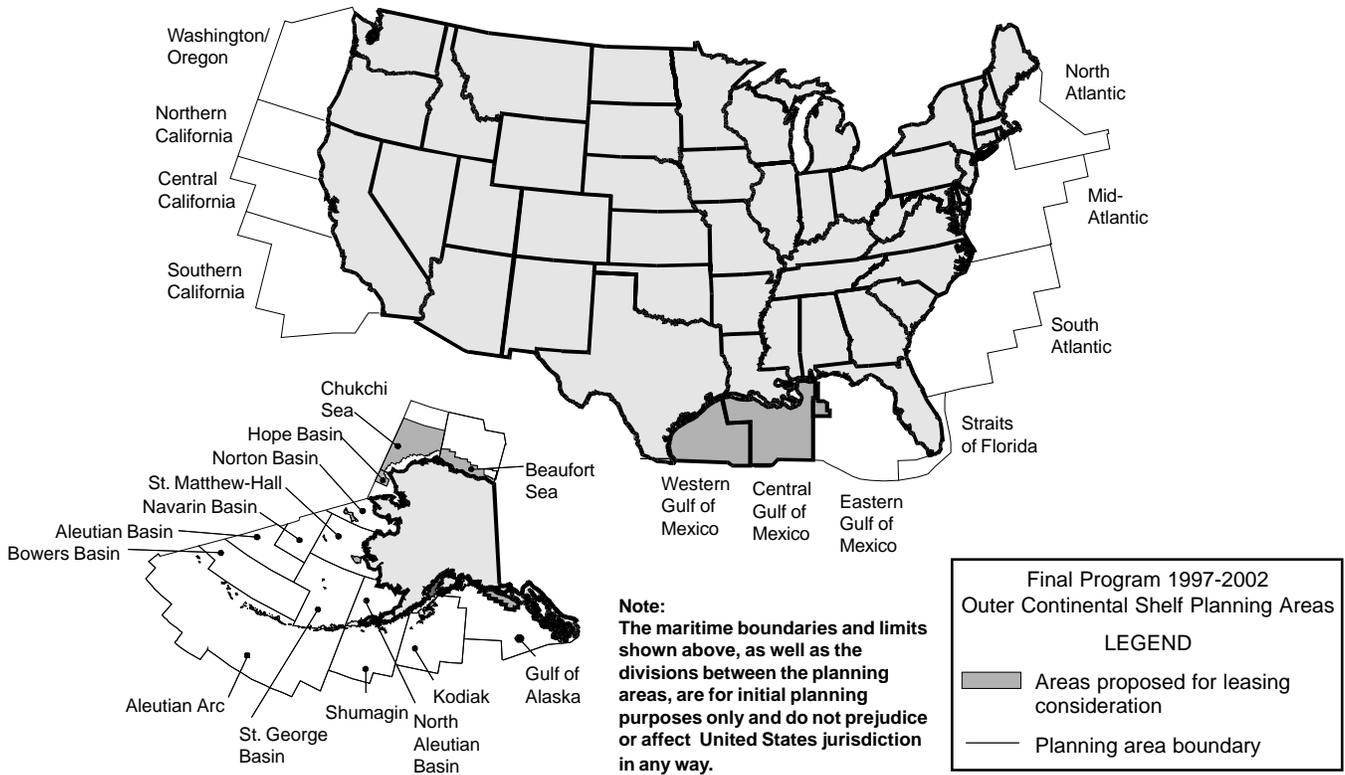
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas</b>			
Alabama .....	122,810,189	\$ 270,899,523	\$ 42,793,922
Alaska .....	---	---	---
California .....	37,559,924	98,058,485	14,821,571
Gulf of Mexico .....	11,958,287	27,714,664	2,032,593
Louisiana .....	3,986,679,508	8,705,709,002	1,340,535,822
Mississippi .....	19,066,235	39,522,134	6,539,476
Texas .....	816,201,668	1,744,366,927	282,365,449
Subtotal .....	4,994,275,811	\$10,886,270,735	\$1,689,088,833
<b>Gas Lost</b>			
California .....	---	\$ ---	\$ ---
Louisiana .....	1,412,294	3,241,412	422,561
Subtotal .....	1,412,294	\$ 3,241,412	\$ 422,561
<b>Gas Plant Products</b>			
Alabama .....	32,439,146	\$ 10,827,825	\$ 1,469,244
California .....	29,099,831	9,198,958	524,826
Louisiana .....	1,548,941,816	459,042,037	53,831,682
Texas .....	54,727,213	16,374,994	2,095,271
Subtotal .....	1,665,208,006	\$ 495,443,814	\$ 57,921,023
<b>Oil</b>			
Alabama .....	22,616	\$ 169,166	\$ 28,084
California .....	42,946,456	445,971,326	58,052,352
Gulf of Mexico .....	52	814	129
Louisiana .....	449,332,916	5,768,806,714	825,559,684
Texas .....	19,832,067	249,631,945	39,013,147
Subtotal .....	512,134,107	\$ 6,464,579,965	\$ 922,653,396
<b>Sulfur</b>			
Alabama .....	51,614	\$ 2,116,171	\$ 127,587
California .....	8,780	41,002	2,153
Louisiana .....	1,613,827	90,954,746	7,900,516
Subtotal .....	1,674,221	\$ 93,111,919	\$ 8,030,256
<b>Royalty Total .....</b>		<b>\$17,942,647,845</b>	<b>\$2,678,116,069</b>

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

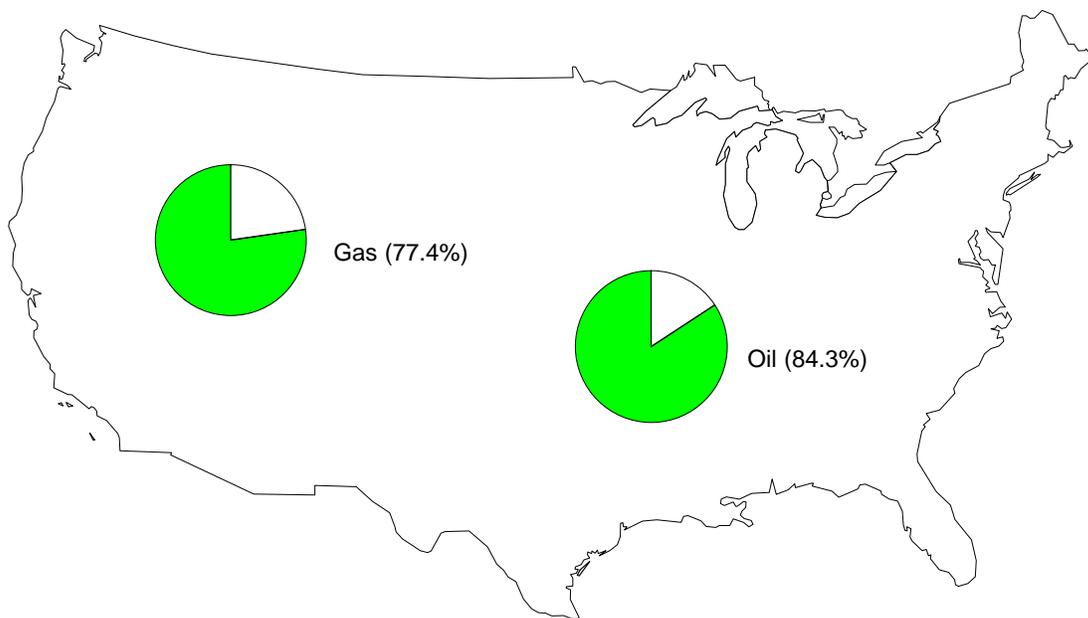
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Alabama .....			\$ 151,150
Alaska .....			1,369,389
California .....			2,049
Florida .....			30,346
Gulf of Mexico .....			147,688,060
Louisiana .....			40,463,226
Mississippi .....			238,240
New York .....			331,776
North Carolina .....			---
South Carolina .....			---
Texas .....			17,178,718
<b>Rents Total .....</b>			<b>\$ 207,452,954</b>
<b>Bonuses</b>			
Alabama .....			\$ ---
Alaska .....			---
Gulf of Mexico .....			194,444,762
Louisiana .....			30,269,964
Mississippi .....			---
Texas .....			24,542,904
<b>Bonuses Total .....</b>			<b>\$ 249,257,630</b>
<b>Other Revenues</b>			
Alabama .....			\$ 1,453,059
Alaska .....			49,136
California .....			1,194,232
Gulf of Mexico .....			96,921
Louisiana .....			49,219,184
Mississippi .....			49,721
Texas .....			1,499,549
<b>Other Revenues Total .....</b>			<b>\$ 53,561,802</b>
<b>Total Revenues .....</b>			<b>\$3,188,388,455</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.

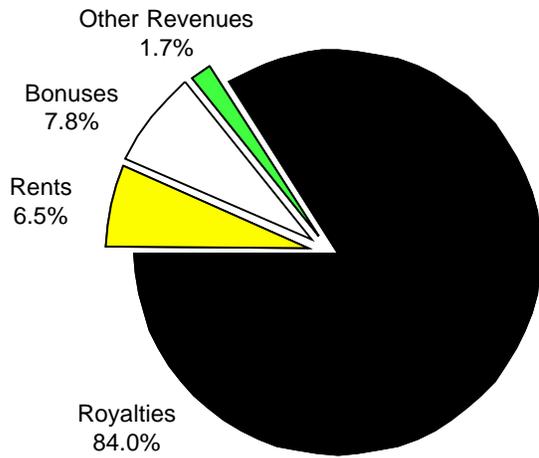
Royalty collections from oil from offshore lands in the Gulf of Mexico began declining in May of Calendar Year (CY) 1999. The Royalty Management Program (RMP) is taking oil royalties "in kind" (a volume of the commodity) rather than "in value" (cash) to replenish the Department of Energy Strategic Petroleum Reserve. The RMP will take approximately 14 million barrels in-kind in CY 1999 and an additional 14 million barrels in the first half of CY 2000. This will equate to approximately 100 million barrels in sales volume in CY 1999 and an additional 100 million barrels in sales volume in the first half of CY 2000. The payors report sales volume for the leases; however, the payors do not report sales value or royalty value for the leases. This materially reduces oil sales value and oil royalty value in the table for affected States and areas in the Gulf of Mexico.



**Figure 5. Map of Federal offshore regions in current Federal offshore oil and gas leasing program**

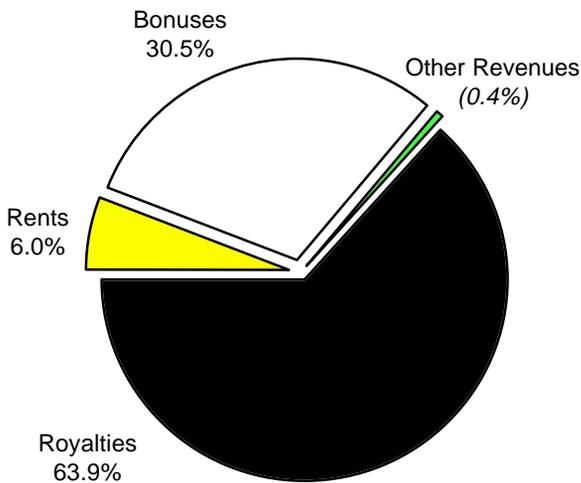


**Figure 6. Federal offshore royalties as a percentage of total Federal and American Indian royalties from oil and gas, January - December, 1999**



Royalties	\$2,678,116,069
Rents	207,452,954
Bonuses	249,257,630
Other Revenues	53,561,802
<b>Total</b>	<b>\$3,188,388,455</b>

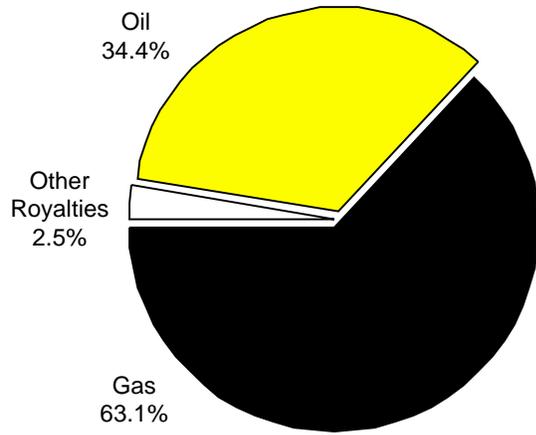
January - December, 1999



Royalties	\$2,761,090,354
Rents	258,475,121
Bonuses	1,320,332,911
Other Revenues	(17,261,054)
<b>Total</b>	<b>\$4,322,637,332</b>

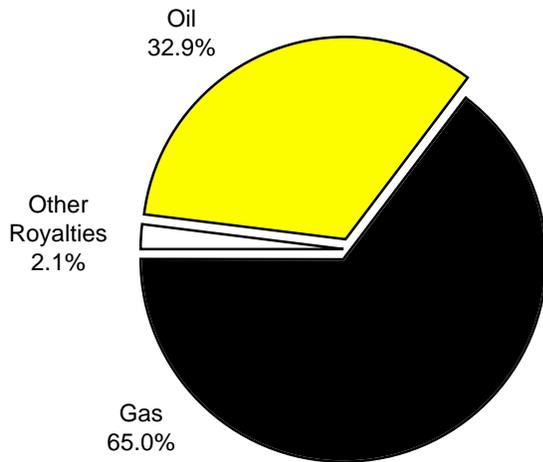
January - December, 1998

Figure 7. Revenues from Federal offshore mineral leases by source, January - December, 1998 and 1999



Gas	\$1,689,088,833
Oil	922,653,396
Other Royalties	66,373,840
<b>Total</b>	<b>\$2,678,116,069</b>

January - December, 1999



Gas	\$1,795,215,514
Oil	908,507,359
Other Royalties	57,367,481
<b>Total</b>	<b>\$2,761,090,354</b>

January - December, 1998

**Figure 8. Royalties from Federal offshore mineral leases by commodity, January - December, 1998 and 1999**

# Federal Onshore Mineral Revenues



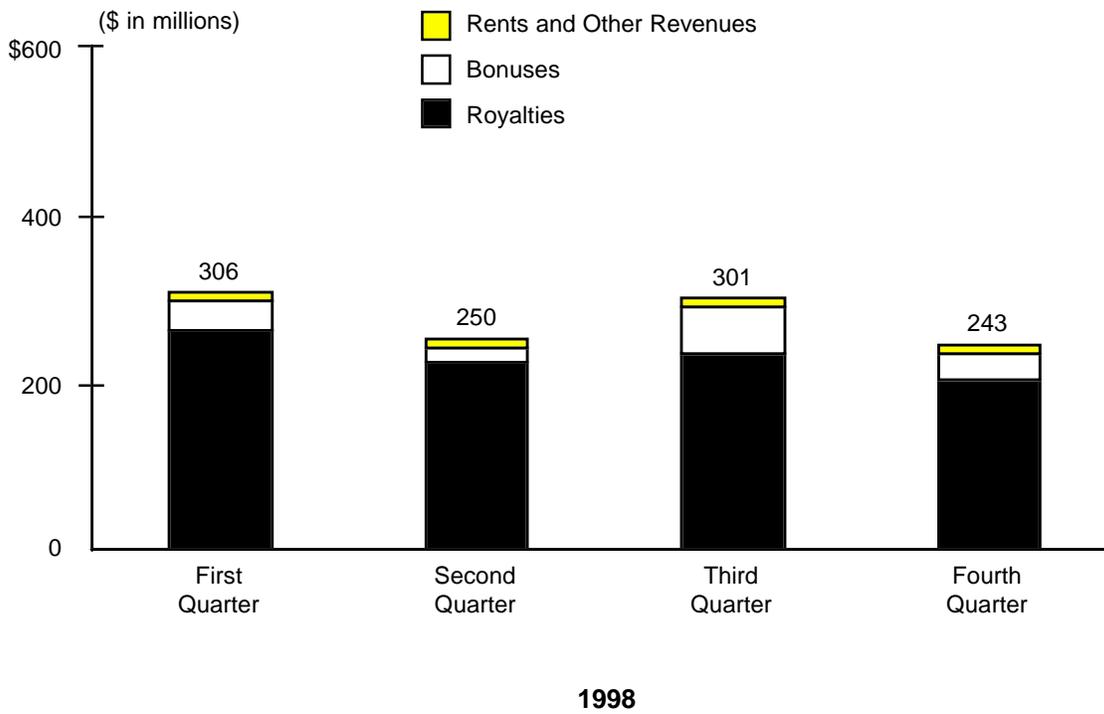
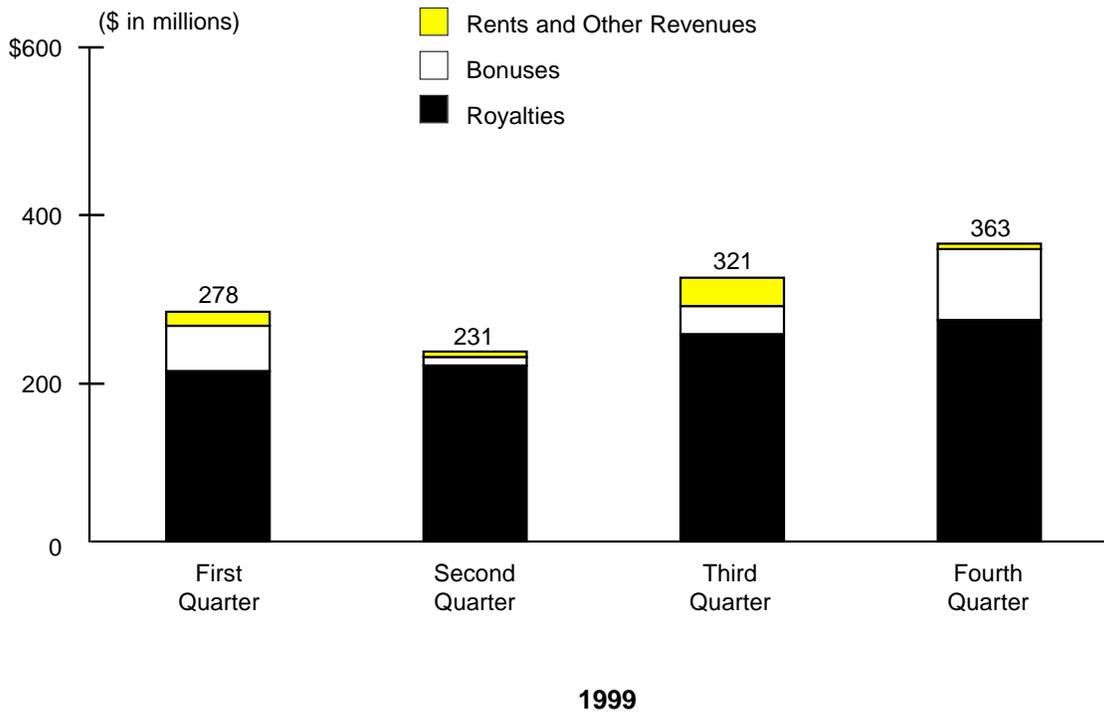
Photo courtesy of BP Amoco Corporation

**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	\$ 80,155,729	\$ 77,089,347	\$ 76,952,365	\$ 311,760,661
Gas Royalties . . . .	98,993,431	85,719,638	112,972,171	124,230,449	421,915,689
Oil Royalties . . . . .	25,719,302	29,403,771	42,199,648	45,935,054	143,257,775
Other Royalties . . .	<u>18,578,177</u>	<u>17,242,145</u>	<u>17,856,847</u>	<u>23,051,562</u>	<u>76,728,731</u>
Royalty Subtotal .	\$220,854,130	\$212,521,283	\$250,118,013	\$270,169,430	\$ 953,662,856
Rents . . . . .	\$ 9,450,827	\$ 8,952,534	\$ 31,574,287	\$ (9,365,412)	\$ 40,612,236
Bonuses . . . . .	\$ 55,578,204	\$ 10,903,153	\$ 35,927,310	\$ 87,650,426	\$ 190,059,093
Other Revenues . .	\$ <u>(7,875,304)</u>	\$ <u>(1,425,672)</u>	\$ <u>3,608,510</u>	\$ <u>14,872,721</u>	\$ <u>9,180,255</u>
<b>Total . . . . .</b>	<b>\$278,007,857</b>	<b>\$230,951,298</b>	<b>\$321,228,120</b>	<b>\$363,327,165</b>	<b>\$1,193,514,440</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 . . .	<u>24,001,979</u>	<u>18,538,301</u>	<u>21,099,202</u>	<u>19,078,972</u>	<u>82,718,454</u>
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 . .	\$ <u>322,401</u>	\$ <u>1,221,243</u>	\$ <u>3,144,755</u>	\$ <u>391,749</u>	\$ <u>5,080,148</u>
<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>



**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 - December, 1999**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Carbon Dioxide</b>			
Colorado .....	240,014,237	\$ 142,255,849	\$ 8,668,517
New Mexico .....	8,580,364	3,661,492	459,767
Wyoming .....	<u>22,122,551</u>	<u>7,063,489</u>	<u>10,462</u>
Subtotal .....	270,717,152	\$ 152,980,830	\$ 9,138,746
<b>Clay</b>			
Alabama .....	75,555	\$ 151,110	\$ 6,044
Wyoming .....	<u>---</u>	<u>---</u>	<u>---</u>
Subtotal .....	75,555	\$ 151,110	\$ 6,044
<b>Coal</b>			
Alabama .....	684,136	\$ 31,648,188	\$ 2,342,573
Colorado .....	23,058,955	423,823,594	36,787,888
Kentucky .....	20,121	559,372	38,901
Montana .....	18,947,842	209,612,094	25,865,404
New Mexico .....	7,043,054	149,566,717	17,349,022
North Dakota .....	2,223,304	21,588,278	1,040,555
Oklahoma .....	575,098	16,199,635	441,447
Utah .....	22,904,713	477,492,630	31,520,284
Washington .....	1,351,028	40,053,611	2,923,324
Wyoming .....	<u>310,579,555</u>	<u>1,631,042,634</u>	<u>193,451,263</u>
Subtotal .....	387,387,806	\$3,001,586,753	\$311,760,661
<b>Cobalt</b>			
Missouri .....	15	\$ 31,991	\$ 854
<b>Copper</b>			
Missouri .....	10,326	\$ 5,048,911	\$ 120,017
<b>Gas</b>			
Alabama .....	964,972	\$ 1,917,719	\$ 237,972
Alaska .....	19,478,309	26,963,607	3,443,008
Arkansas .....	7,711,117	16,159,228	2,136,407
California .....	7,739,415	17,645,867	1,962,220
Colorado .....	70,207,395	135,422,649	15,786,157
Kansas .....	15,870,325	27,281,499	3,373,084
Kentucky .....	293,110	635,468	76,531
Louisiana .....	17,317,163	34,807,497	4,451,879
Michigan .....	5,108,600	11,067,148	1,353,519
Mississippi .....	1,225,278	2,697,244	340,579
Montana .....	13,466,576	31,107,790	3,739,156
Nebraska .....	9,049	16,803	1,050
New Mexico .....	1,133,506,891	1,927,533,426	220,166,912

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

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gas (cont.)</b>			
New York .....	36,013	\$ 88,560	\$ 11,037
North Dakota .....	4,347,298	6,598,650	717,430
Ohio .....	616,734	1,543,921	187,801
Oklahoma .....	14,638,807	28,231,480	3,354,704
Pennsylvania .....	184,052	224,544	28,225
South Dakota .....	338,026	517,246	63,678
Tennessee .....	58	79	10
Texas .....	35,110,976	70,506,360	8,230,489
Utah .....	97,972,726	151,235,743	17,829,522
Virginia .....	321,535	691,300	86,413
West Virginia .....	1,193,615	2,468,258	299,155
Wyoming .....	<u>595,415,611</u>	<u>1,172,981,513</u>	<u>134,038,751</u>
Subtotal .....	2,043,073,651	\$3,668,343,599	\$421,915,689
<b>Gas Lost</b>			
California .....	6,157	\$ 10,149	\$ 1,269
Wyoming .....	<u>8,307</u>	<u>18,411</u>	<u>2,294</u>
Subtotal .....	14,464	\$ 28,560	\$ 3,563
<b>Gas Plant Products</b>			
Alabama .....	6,558	\$ 2,099	\$ 833
Alaska .....	1,779,917	961,903	112,738
California .....	822,977	230,434	20,831
Colorado .....	43,947,992	12,484,293	1,078,182
Kansas .....	6,932,224	1,797,819	161,479
Louisiana .....	27,083,137	6,770,784	593,798
Michigan .....	780,294	265,300	24,089
Montana .....	4,651,023	1,350,676	85,031
New Mexico .....	876,977,725	213,874,199	17,785,610
North Dakota .....	1,752,207	475,641	43,409
Oklahoma .....	766,924	168,723	18,931
Texas .....	3,710,284	779,160	96,637
Utah .....	12,883,007	4,509,052	257,467
Wyoming .....	<u>164,604,552</u>	<u>29,628,819</u>	<u>3,264,280</u>
Subtotal .....	1,146,698,821	\$ 273,298,902	\$ 23,543,315
<b>Geothermal</b>			
California .....	5,135,342	\$ 64,191,780	\$ 7,473,887
Nevada .....	521,674	9,181,467	884,046
Utah .....	<u>836,661</u>	<u>1,924,321</u>	<u>192,432</u>
Subtotal .....	6,493,677	\$ 75,297,568	\$ 8,550,365

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

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Gilsonite</b>			
Utah .....	14,713	\$ 3,442,484	\$ 236,826
<b>Hot Water</b>			
California .....	8,580,616	\$ 14,587,048	\$ 1,458,707
Nevada .....	16,009	50,269	5,006
New Mexico .....	9,986	10,486	1,049
Subtotal .....	8,606,611	\$ 14,647,803	\$ 1,464,762
<b>Langbeinite</b>			
New Mexico .....	909,213	\$ 57,334,561	\$ 1,555,941
<b>Lead</b>			
Missouri .....	275,318	\$120,443,652	\$ 2,844,454
<b>Limestone</b>			
Virginia .....	3,840	\$ 33,094	\$ 1,655
<b>Magnesium</b>			
Utah .....	35,595	\$ 422,829	\$ 12,684
<b>Nitrogen</b>			
North Dakota .....	51,739	\$ 10,345	\$ 1,266
<b>Oil</b>			
Alabama .....	77,046	\$ 1,045,700	\$ 134,074
Alaska .....	403,235	6,063,353	747,907
Arkansas .....	6,245	15,806	1,976
California .....	18,181,753	201,680,953	12,655,262
Colorado .....	4,862,380	76,655,337	9,321,730
Florida .....	8,331	100,695	12,579
Illinois .....	78,851	1,064,046	124,137
Kansas .....	181,496	2,650,862	275,264
Kentucky .....	10,062	148,631	2,840
Louisiana .....	1,062,919	14,710,986	1,833,283
Michigan .....	73,997	1,123,700	134,457
Mississippi .....	589,612	6,905,402	768,491
Montana .....	3,397,273	42,172,094	4,368,933
Nebraska .....	58,849	811,080	97,828
Nevada .....	705,457	8,473,191	1,013,574

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

	Sales Volume	Sales Value	Royalties/ Revenues
<b><i>Oil (cont.)</i></b>			
New Mexico .....	28,206,754	\$ 407,251,656	\$ 39,641,045
North Dakota .....	5,815,798	83,016,283	10,366,199
Ohio .....	42,644	480,958	21,527
Oklahoma .....	242,866	2,678,172	277,113
Pennsylvania .....	1,098	14,982	192
South Dakota .....	198,696	2,690,756	334,281
Texas .....	417,250	6,546,959	690,850
Utah .....	3,733,344	50,722,396	5,324,102
West Virginia .....	11,882	186,408	23,212
Wyoming .....	<u>36,873,770</u>	<u>526,519,818</u>	<u>55,086,919</u>
Subtotal .....	105,241,608	\$1,443,730,224	\$143,257,775
<b><i>Oil Lost</i></b>			
California .....	(85,509)	\$ (723,463)	\$ (40,514)
New Mexico .....	<u>543</u>	<u>6,168</u>	<u>771</u>
Subtotal .....	(84,966)	\$ (717,295)	\$ (39,743)
<b><i>Phosphate</i></b>			
Idaho .....	5,766,795	\$ 94,057,370	\$ 4,702,869
<b><i>Potash</i></b>			
New Mexico .....	1,345,751	\$ 134,574,097	\$ 2,682,733
Utah .....	<u>10,115</u>	<u>1,062,727</u>	<u>32,167</u>
Subtotal .....	1,355,866	\$ 135,636,824	\$ 2,714,900
<b><i>Purge Liquor</i></b>			
Wyoming .....	61,883	\$ 1,175,847	\$ 70,241
<b><i>Quartz Crystals</i></b>			
Arkansas .....	19,832	\$ 21,815	\$ 1,091
<b><i>Sand and Gravel</i></b>			
Nevada .....	2,049,511	\$ 9,468,740	\$ 467,756
<b><i>Sodium</i></b>			
Arizona .....	241	\$ 7,953	\$ 398
California .....	875,975	64,251,294	3,175,423
Colorado .....	101,645	13,591,156	679,412

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

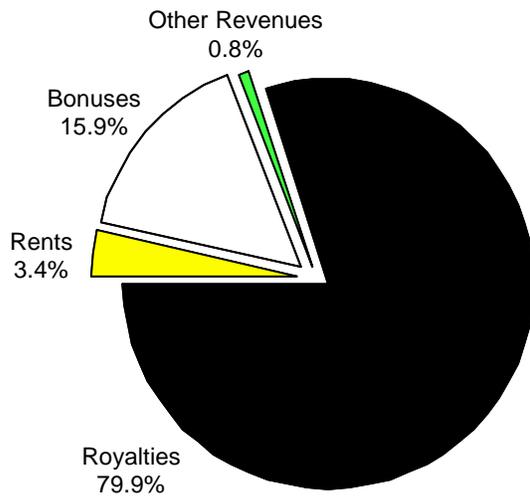
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Sodium (cont.)</b>			
New Mexico .....	526,145	\$ 1,015,459	\$ 50,408
Utah .....	4,460	39,003	1,170
Wyoming .....	<u>4,129,645</u>	<u>280,864,158</u>	<u>16,233,381</u>
Subtotal .....	5,638,111	\$ 359,769,023	\$ 20,140,192
<b>Sulfur</b>			
Alabama .....	293	\$ 12,022	\$ 1,503
California .....	1,429	9,603	480
Montana .....	5,424	45,673	1,452
New Mexico .....	5,099	95,402	5,972
North Dakota .....	783	1,893	238
Wyoming .....	<u>(46,605)</u>	<u>(1,185,634)</u>	<u>(16,006)</u>
Subtotal .....	(33,577)	\$ (1,021,041)	\$ (6,361)
<b>Trona Ore</b>			
Wyoming .....	10,223	\$ 576,732	\$ 29,163
<b>Zinc</b>			
Missouri .....	74,051	\$ 37,674,462	\$ 1,168,131
<b>Royalty Total .....</b>		<b>\$9,453,475,693</b>	<b>\$953,662,856</b>
<b>Rents</b>			
Alabama .....			\$ 21,053
Alaska .....			3,345,558
Arizona .....			128,607
Arkansas .....			372,349
California .....			398,028
Colorado .....			3,656,614
Florida .....			2,627
Idaho .....			14,167
Illinois .....			(287)
Kansas .....			16,335
Kentucky .....			9,031
Louisiana .....			266,952
Maryland .....			496
Michigan .....			133,069
Minnesota .....			1,828
Mississippi .....			664,445
Missouri .....			1,515
Montana .....			2,374,091

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

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents (cont.)</b>			
Nebraska .....			\$ 840
Nevada .....			2,072,350
New Mexico .....			2,783,890
North Dakota .....			710,432
Ohio .....			14,440
Oklahoma .....			253,929
Oregon .....			86,116
Pennsylvania .....			1,127
South Dakota .....			195,068
Texas .....			339,389
Utah .....			4,215,493
Virginia .....			1,398
Washington .....			68,649
West Virginia .....			113,525
Wisconsin .....			180
Wyoming .....			<u>18,348,932</u>
<b>Rents Total .....</b>			<b>\$ 40,612,236</b>
<b>Bonuses</b>			
Alaska .....			\$ 77,104,469
Arkansas .....			130,800
California .....			673,434
Colorado .....			8,483,996
Idaho .....			13,230
Kansas .....			31,220
Louisiana .....			339,783
Michigan .....			10,888
Mississippi .....			27,852
Montana .....			1,099,098
Nevada .....			250,875
New Mexico .....			3,389,355
North Dakota .....			100,167
Ohio .....			228
Oklahoma .....			372,097
South Dakota .....			1,600
Texas .....			335,097
Utah .....			6,771,397
Virginia .....			1,928
Washington .....			35,787
Wyoming .....			<u>90,885,792</u>
<b>Bonuses Total .....</b>			<b>\$190,059,093</b>

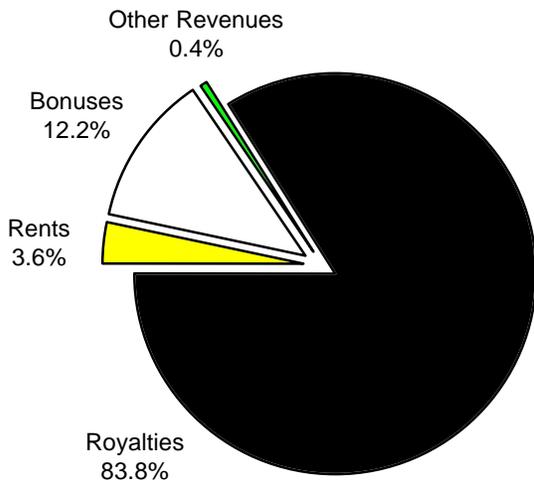
**Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - December, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Other Revenues</b>			
Alabama			\$ 148,320
Alaska			(29,560)
Arkansas			(11,155)
California			2,416,994
Colorado			1,871,941
Florida			1,889
Georgia			218
Idaho			105,328
Illinois			1,867
Kansas			23,531
Kentucky			31,044
Louisiana			69,848
Maryland			9,621
Michigan			6,457
Minnesota			48,660
Mississippi			41,536
Missouri			13,852
Montana			406,285
Nebraska			23,947
Nevada			27,267
New Mexico			10,139,871
North Carolina			474
North Dakota			77,854
Ohio			4,278
Oklahoma			111,930
Pennsylvania			19,914
South Dakota			98,873
Texas			61,282
Utah			901,105
Virginia			4,557
West Virginia			151,676
Wyoming			<u>(7,599,449)</u>
<b>Other Revenues Total</b>			<b>\$ 9,180,255</b>
<b>Total Revenues</b>			<b>\$1,193,514,440</b>



Royalties	\$ 953,662,856
Rents	40,612,236
Bonuses	190,059,093
Other Revenues	9,180,255
<b>Total</b>	<b>\$1,193,514,440</b>

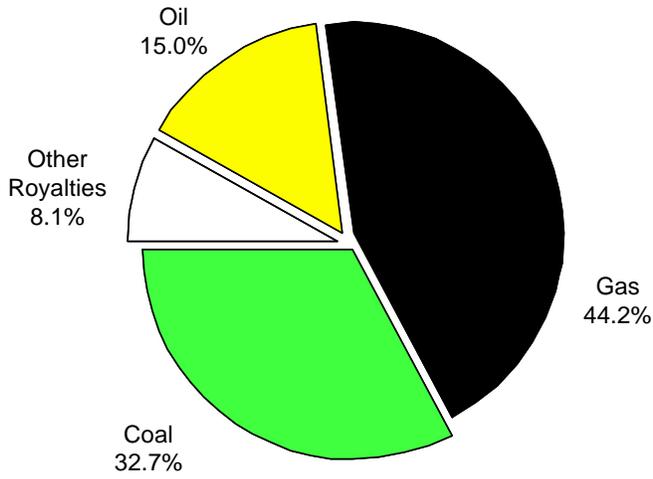
January - December, 1999



Royalties	\$ 921,381,531
Rents	39,219,712
Bonuses	134,181,853
Other Revenues	5,080,148
<b>Total</b>	<b>\$1,099,863,244</b>

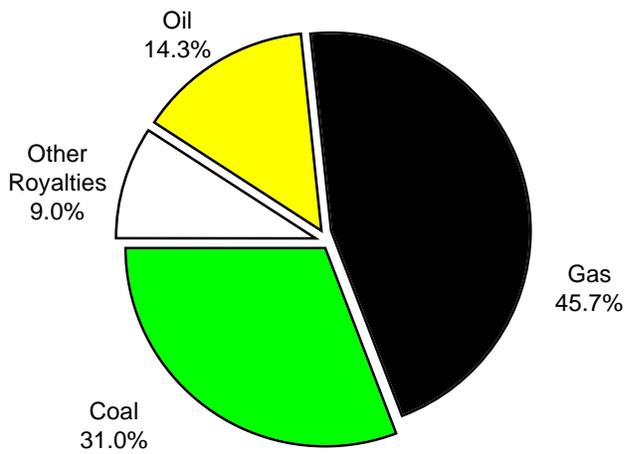
January - December, 1998

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



Coal	\$311,760,661
Gas	421,915,689
Oil	143,257,775
Other Royalties	76,728,731
<b>Total</b>	<b>\$953,662,856</b>

January - December, 1999



Coal	\$285,312,268
Gas	421,197,012
Oil	132,153,797
Other Royalties	82,718,454
<b>Total</b>	<b>\$921,381,531</b>

January - December, 1998

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

# American Indian Mineral Revenues



Photo courtesy of Corel Corporation

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

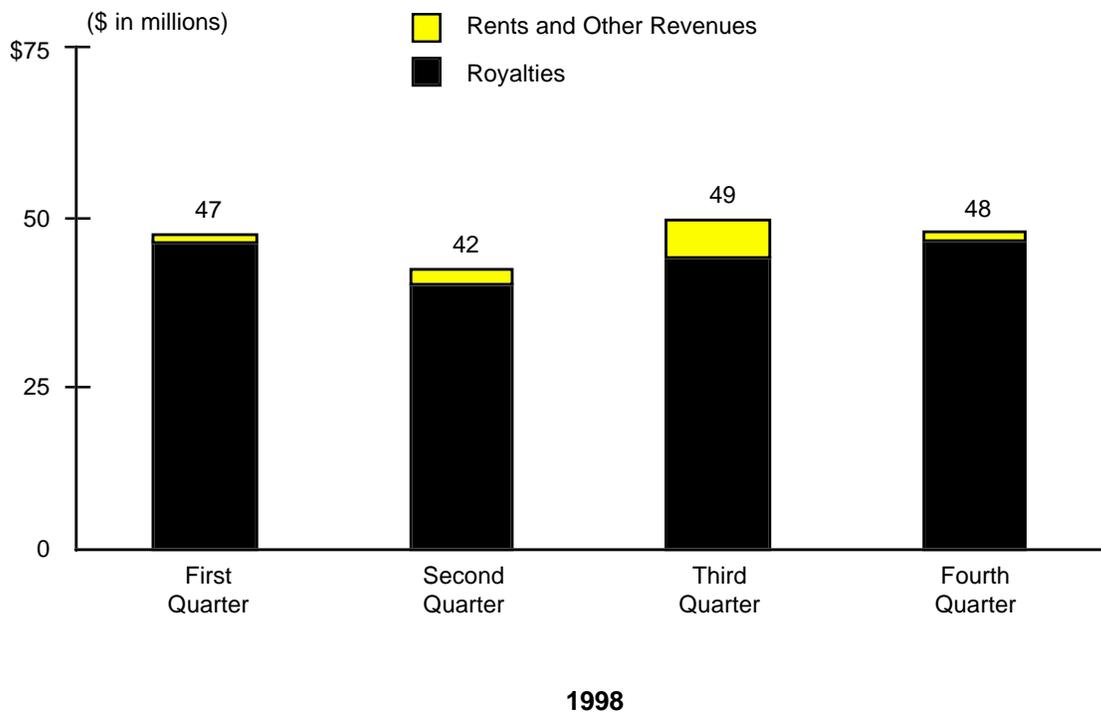
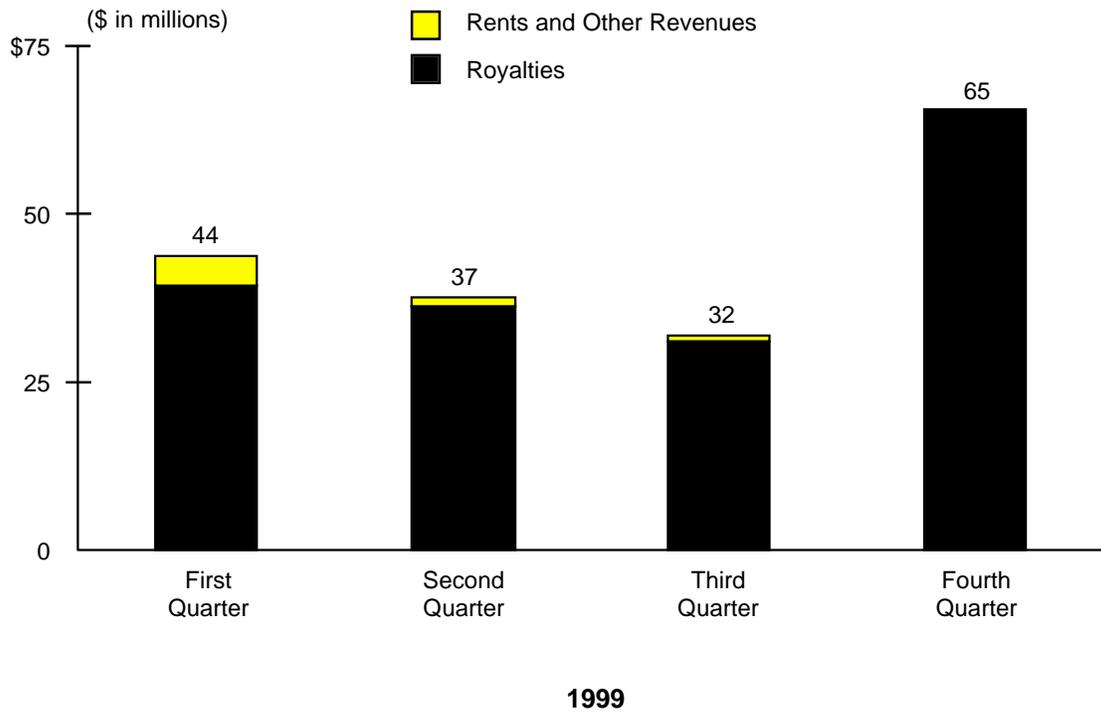
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties . . . . .	\$ 15,995,586	\$ 16,495,856	\$ 5,121,170	\$ 23,019,391	\$ 60,632,003
Gas Royalties . . . . .	16,490,730	14,254,991	15,419,837	26,142,942	72,308,500
Oil Royalties . . . . .	5,112,888	3,468,040	7,976,661	11,866,070	28,423,659
Other Royalties . . . . .	<u>1,788,996</u>	<u>2,274,879</u>	<u>2,571,399</u>	<u>4,283,907</u>	<u>10,919,181</u>
Royalty Subtotal . . . . .	\$ 39,388,200	\$ 36,493,766	\$ 31,089,067	\$ 65,312,310	\$ 172,283,343
Rents . . . . .	\$ 274,338	\$ 228,833	\$ 34,003	\$ 393,257	\$ 930,431
Bonuses . . . . .	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues . . . . .	<u>\$ 4,103,871</u>	<u>\$ 695,717</u>	<u>\$ 691,848</u>	<u>\$ (415,888)</u>	<u>\$ 5,075,548</u>
<b>Total . . . . .</b>	<b>\$ 43,766,409</b>	<b>\$ 37,418,316</b>	<b>\$ 31,814,918</b>	<b>\$ 65,289,679</b>	<b>\$ 178,289,322</b>

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

**Table 12. Revenues from American 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: American Indian bonuses are collected by the Bureau of Indian Affairs.



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

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

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Coal</b>			
Arizona .....	14,011,682	\$305,084,973	\$38,552,380
Montana .....	3,783,418	24,057,368	1,889,866
New Mexico .....	<u>9,281,474</u>	<u>161,518,047</u>	<u>20,189,757</u>
Subtotal .....	27,076,574	\$490,660,388	\$60,632,003
<b>Copper</b>			
Arizona .....	117,519	\$ 27,866,194	\$ 1,488,265
<b>Gas</b>			
Arizona .....	471,954	\$ 738,162	\$ 133,621
Colorado .....	175,964,481	274,893,944	37,566,416
Montana .....	1,645,516	2,629,565	399,720
New Mexico .....	55,525,787	110,134,856	14,207,310
North Dakota .....	130,123	193,884	25,097
Oklahoma .....	19,082,534	40,519,035	7,126,416
Texas .....	11,767,158	26,634,674	5,077,195
Utah .....	6,797,335	15,810,086	2,430,418
Wyoming .....	<u>17,767,881</u>	<u>32,117,984</u>	<u>5,342,307</u>
Subtotal .....	289,152,769	\$503,672,190	\$72,308,500
<b>Gas Lost</b>			
Montana .....	53,305	\$ 90,894	\$ 11,362
Utah .....	<u>(3,455)</u>	<u>(7,737)</u>	<u>(1,150)</u>
Subtotal .....	49,850	\$ 83,157	\$ 10,212
<b>Gas Plant Products</b>			
Arizona .....	506,837	\$ 144,521	\$ 28,904
Colorado .....	3,372,059	796,588	82,685
Montana .....	2,181,434	545,359	49,191
New Mexico .....	60,998,493	16,402,614	1,735,644
North Dakota .....	1,250,187	331,471	17,102
Oklahoma .....	8,202,693	1,476,485	235,601
Texas .....	23,537,852	6,094,724	822,992
Utah .....	3,929,517	1,100,790	121,324
Wyoming .....	<u>508,335</u>	<u>138,435</u>	<u>18,618</u>
Subtotal .....	104,487,407	\$ 27,030,987	\$ 3,112,061
<b>Gypsum</b>			
New Mexico .....	766,644	\$ 3,043,577	\$ 744,724

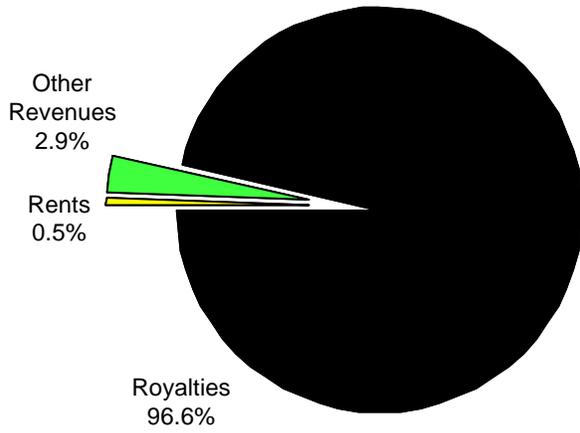
**Table 13. Summary of royalties, rents, and other revenues from American Indian mineral leases, January - December, 1999 (cont.)**

	Sales Volume	Sales Value	Royalties/ Revenues
<b>Molybdenum</b>			
Arizona .....	2	\$ 4,551	\$ 455
<b>Oil</b>			
Arizona .....	123,710	\$ 1,748,021	\$ 293,346
Colorado .....	87,292	1,336,444	202,112
Michigan .....	423	5,958	831
Montana .....	704,460	8,925,021	1,393,403
New Mexico .....	684,654	10,173,958	1,414,953
North Dakota .....	71,872	1,084,225	158,946
Oklahoma .....	1,318,056	19,725,868	2,968,737
South Dakota .....	4,331	43,630	8,726
Texas .....	643,543	10,385,829	1,857,259
Utah .....	6,047,774	89,690,392	14,706,913
Wyoming .....	<u>2,015,969</u>	<u>26,056,676</u>	<u>5,418,433</u>
Subtotal .....	11,702,084	\$ 169,176,022	\$ 28,423,659
<b>Oil Lost</b>			
Colorado .....	85	\$ 1,205	\$ 151
<b>Sand and Gravel</b>			
Arizona .....	3,282,371	\$ 16,019,393	\$ 2,635,190
California .....	1,674,495	8,087,022	1,521,978
Colorado .....	21,045	92,030	14,311
Nevada .....	343,509	1,691,122	168,320
New Mexico .....	1,251,007	3,697,462	864,467
Oklahoma .....	148,712	110,528	19,884
Utah .....	152,026	472,527	65,492
Washington .....	<u>402,861</u>	<u>1,500,943</u>	<u>253,659</u>
Subtotal .....	7,276,026	\$ 31,671,027	\$ 5,543,301
<b>Silica Sand</b>			
Arizona .....	44,810	\$ 1,005,940	\$ 19,716
<b>Sulfur</b>			
North Dakota .....	586	\$ 2,355	\$ 296
<b>Total Royalties .....</b>		<b>\$1,254,217,593</b>	<b>\$172,283,343</b>

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

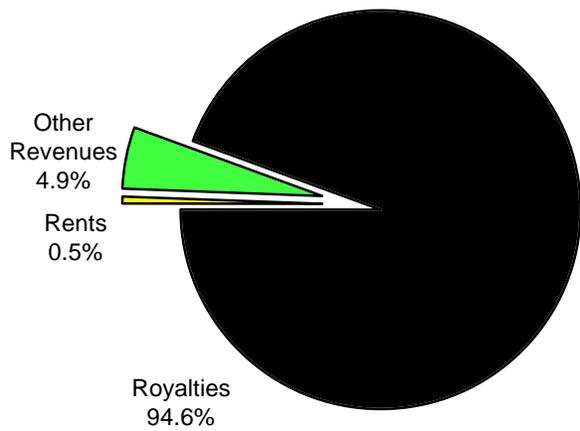
	Sales Volume	Sales Value	Royalties/ Revenues
<b>Rents</b>			
Arizona .....			\$ (33,791)
Colorado .....			82,118
Idaho .....			200
Michigan .....			98
Montana .....			17,479
New Mexico .....			432,442
North Dakota .....			6,509
Oklahoma .....			122,150
South Dakota .....			800
Utah .....			220,185
Wyoming .....			82,241
<b>Rents Total</b> .....			<b>\$ 930,431</b>
<b>Other Revenues</b>			
Arizona .....			\$ 761,174
California .....			36,789
Colorado .....			277,022
Idaho .....			1,200
Michigan .....			49
Montana .....			84,025
New Mexico .....			248,930
North Dakota .....			4,791
Oklahoma .....			3,530,086
Utah .....			52,899
Washington .....			6,000
Wyoming .....			72,583
<b>Other Revenues Total</b> .....			<b>\$ 5,075,548</b>
<b>Total Revenues</b> .....			<b>\$178,289,322</b>

NOTE: This table includes sales volume, sales value, and revenues for American Indian nonstandard leases and agreements.



Royalties	\$ 172,283,343
Rents	930,431
Other Revenues	5,075,548
<b>Total</b>	<b>\$ 178,289,322</b>

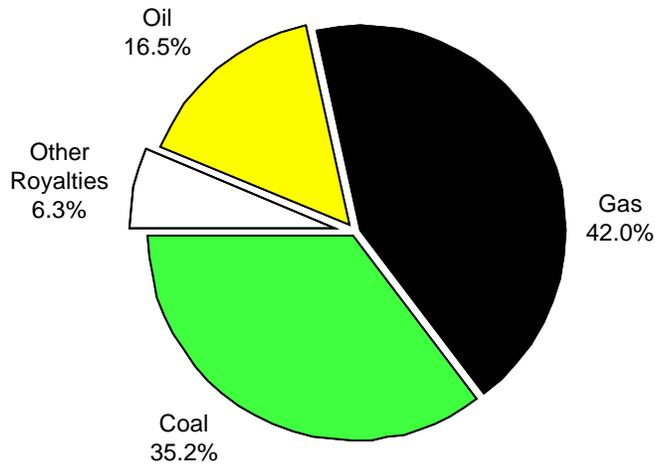
January - December, 1999



Royalties	\$175,792,659
Rents	950,818
Other Revenues	9,139,951
<b>Total</b>	<b>\$185,883,428</b>

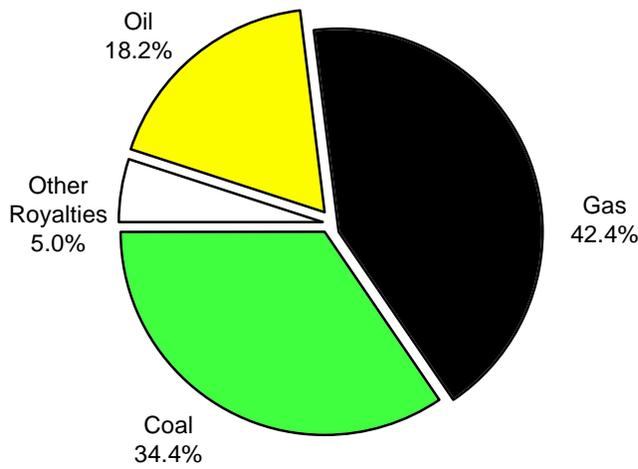
January - December, 1998

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



Coal	\$ 60,632,003
Gas	72,308,500
Oil	28,423,659
<u>Other Royalties</u>	<u>10,919,181</u>
<b>Total</b>	<b>\$172,283,343</b>

January - December, 1999



Coal	\$ 60,421,903
Gas	74,515,233
Oil	32,017,641
<u>Other Royalties</u>	<u>8,837,882</u>
<b>Total</b>	<b>\$175,792,659</b>

January - December, 1998

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

# Glossary

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

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

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

**American Indian land** — Lands owned by American 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 American Indian with Federal restrictions against alienation. The Bureau of Indian Affairs monitors American Indian leases.

**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 American 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 American 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, American 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**.

**Cook Inlet Region, Inc.** — One of 12 regional corporations established by the Alaska Native Claims Settlement Act in 1971 to manage real property and capital assets paid as compensation for the aboriginal land rights of Alaska Natives. The Cook Inlet Region,

Inc., maintains land holdings containing significant proven reserves of oil, natural gas, coal, and other mineral commodities.

**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.

**DOE** — U.S. Department of Energy. A Cabinet-level department in the Executive Branch of the Federal Government responsible for coordinating a comprehensive and balanced national energy plan. The Department of Energy is responsible for long-term research and development of energy technology; marketing Federal power; energy conservation; the nuclear weapons program; and a central energy data collection and analysis program.

**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.

**Explanation of payment reports** — A series of reports produced by the Minerals Management Service Royalty Management Program, mailed twice each month to American Indian Tribes and once each month to States. The reports for individual American Indian allotted tract mineral owners 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 American 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, 110 Stat. 1700** — Public Law 104-185 enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects. See **Federal Oil and Gas Royalty Management Act of 1982**.

**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.

**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 American Indian lands, and bonuses and rents from Federal lands.

**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 provided 100 percent of fund revenues through Fiscal Year 1997.

**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. A cartel whose current members include: Algeria, 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 American 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 American 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. The Minerals Management Service conducted a gas royalty-in-kind pilot program in 1995, entering into contracts to sell selected Gulf of Mexico natural gas by competitive bid to gas marketers. Two additional oil and gas pilot programs began in 1998, and a third gas pilot program began in 1999.

**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.