

Mineral Revenue Collections

January - June 1997



Photo courtesy of Basin Electric

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Contents

	<u>Page</u>
Executive Summary	vii
Notice	viii
About This Report	ix
Products and Units of Measurement	xii
National Summary	1
Offshore Federal Mineral Revenues	7
Onshore Federal Mineral Revenues	15
Indian Mineral Revenues	27
Glossary	35
Appendix	39

Figures

1. Revenues by source from Federal and Indian mineral leases, by quarter, Calendar Years 1996 and 1997	3
2. Revenues from Federal and Indian mineral leases by source, January - June, 1996 and 1997	5
3. Royalties from Federal and Indian mineral leases by commodity, January - June, 1996 and 1997	6

Contents (cont.)

	<u>Page</u>
Figures (cont.)	
4. Revenues by source from OCS mineral leases, by quarter, Calendar Years 1996 and 1997	9
5. Map of OCS regions in current OCS oil and gas leasing program	12
6. OCS royalties as a percentage of total Federal and Indian royalties from oil and gas, January - June, 1997	12
7. Revenues from OCS mineral leases by source, January - June, 1996 and 1997	13
8. Royalties from OCS mineral leases by commodity, January - June, 1996 and 1997	14
9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1996 and 1997	17
10. Revenues from Federal onshore mineral leases by source, January - June, 1996 and 1997 ...	25
11. Royalties from Federal onshore mineral leases by commodity, January - June, 1996 and 1997	26
12. Revenues by source from Indian mineral leases, by quarter, Calendar Years 1996 and 1997	29
13. Revenues from Indian mineral leases by source, January - June, 1996 and 1997	33
14. Royalties from Indian mineral leases by commodity, January - June, 1996 and 1997	34

Tables

1. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1997	2
2. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1996	2
3. Revenues from Federal and Indian mineral leases, January - June, 1997	4

Contents (cont.)

	<u>Page</u>
Tables (cont.)	
4. Revenues from Federal and Indian mineral leases, January - June, 1996	4
5. Revenues from OCS mineral leases, by quarter, Calendar Year 1997	8
6. Revenues from OCS mineral leases, by quarter, Calendar Year 1996	8
7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - June, 1997	10
8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1997	16
9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1996	16
10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997	18
11. Revenues from Indian mineral leases, by quarter, Calendar Year 1997	28
12. Revenues from Indian mineral leases, by quarter, Calendar Year 1996	28
13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1997	30

Executive Summary

Revenues from mineral leases on Federal and Indian lands rose 32.8 percent, or \$755 million, for the period January through June 1997, in comparison with the period January through June 1996 (tables 3 and 4, and figure 2). The increase was primarily attributed to higher oil and gas prices during the first 6 months of 1997 in contrast with the first 6 months of 1996. Additional bonus collections from competitive lease sales further contributed to the growth in revenues.

Offshore revenues increased \$598.4 million, or 34.9 percent, during January through June 1997, over the corresponding period in 1996. Royalties were up \$354.8 million and bonus collections rose \$252.8 million (tables 3 and 4, and figure 7).

Federal onshore revenues increased \$127.1 million, or 24.4 percent during the same period. Royalties jumped \$95.4 million and bonus receipts rose \$27.6 million (tables 3 and 4, and figure 10).

Indian revenues were up \$29.5 million, or 42.4 percent during the period. An increase in royalty and rent collections was offset, in part, by a prior period adjustment in other revenue income (tables 3 and 4, and figure 13).

Coal Summary

The electric utility sector is the largest consumer of coal in the United States. Coal prices to electric utilities fell in 1996 to their lowest level since 1979 and are expected to continue dropping through 1997. Continued gains in mining productivity have resulted in a downward trend for coal prices. Electric utility demand for low-sulfur Western coal has generally increased in recent years with the implementation of sulfur emission standards set by the Clean Air Act Amendments of 1990. Production of western coal is expected to surpass the production of Appalachian coal in 1997 for the first time in history.

Combined royalties from Federal and Indian coal were down 10.2 percent, or \$19.3 million in the first

6 months of 1997 when compared with the same period in 1996 (tables 3 and 4, and figure 3).

Natural Gas Summary

Gas prices rose significantly in 1996. The year began with a large price surge and ended with an even larger price surge due to unusually cold weather that depleted natural gas inventories.

Gas prices fell sharply in the first quarter of 1997 with milder winter weather and improved gas inventories. Prices stabilized in the second quarter with the seasonal replenishment of inventories and warmer weather in May and June that increased cooling demand, particularly in the south and northeastern sections of the United States.

Prices in the first 6 months of 1997, however, remained above prices in the first 6 months of 1996, resulting in an increase in Federal and Indian gas royalties of 32.8 percent, or \$359.3 million (tables 3 and 4, and figure 3).

Oil Summary

Average prices for crude oil generally rose in 1996, peaking in January 1997 at the highest level since 1990. Prices began to fall throughout the balance of the first quarter and in the second quarter as demand for heating oil and other petroleum products declined due to warmer weather in the United States and Europe.

Supplies from both the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC producers continued to grow in the first half of 1997 out-pacing demand. Iraqi production, under a United Nations agreement, further added to the surplus of oil. The U.S. crude oil supply rose to a 2-year high in June 1997.

Federal and Indian oil royalties were up 16 percent, or \$113.4 million from the first 6 months of 1996 to the first 6 months in 1997 (tables 3 and 4, 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 annual collection and disbursement information is published in the annual *Mineral Revenues* report.

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 the annual *Mineral Revenues* report 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 during 1996 have been added into the fourth quarter of that year in this report; 1997 collections were not available when the report was prepared. Complete Indian nonstandard lease and agreement collections are published in the annual *Mineral Revenues* report.

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 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, 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 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 in that year.

Minimum royalties are included under the entry “Other Revenues” in this report. “Other Revenues” include 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 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 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
Gas	Mcf
Gas Plant Products	Gallons
Geothermal Steam and Hot Water	Millions of British thermal units (MBTU's)
Helium	Mcf
Nitrogen	Mcf
Oil	Barrels (42 U.S. gallons)
Phosphate	Short tons
Potash	Short tons
Quartz Crystals	Pounds
Sand and Gravel	Cubic yards or short tons
Sodium	Short tons
Sulfur	Long tons (2,240 pounds) or 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.

Sodium product figures include sodium borate and carbonate compounds.

Copper reported in pounds has been converted to short tons in this report.

National Summary



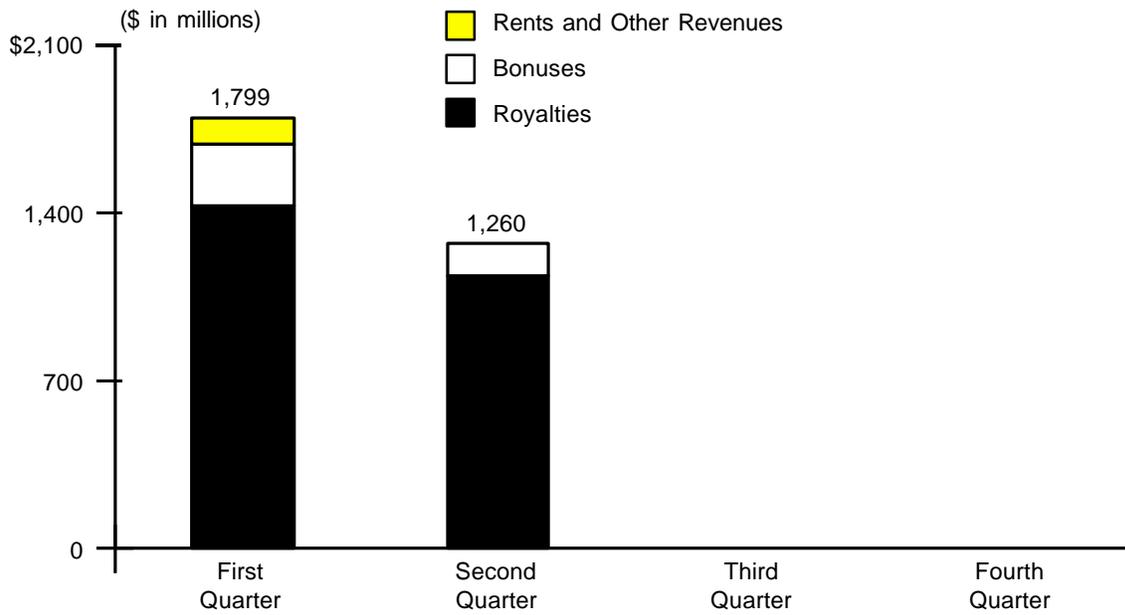
Photo courtesy of Amoco Corporation

Table 1. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1997

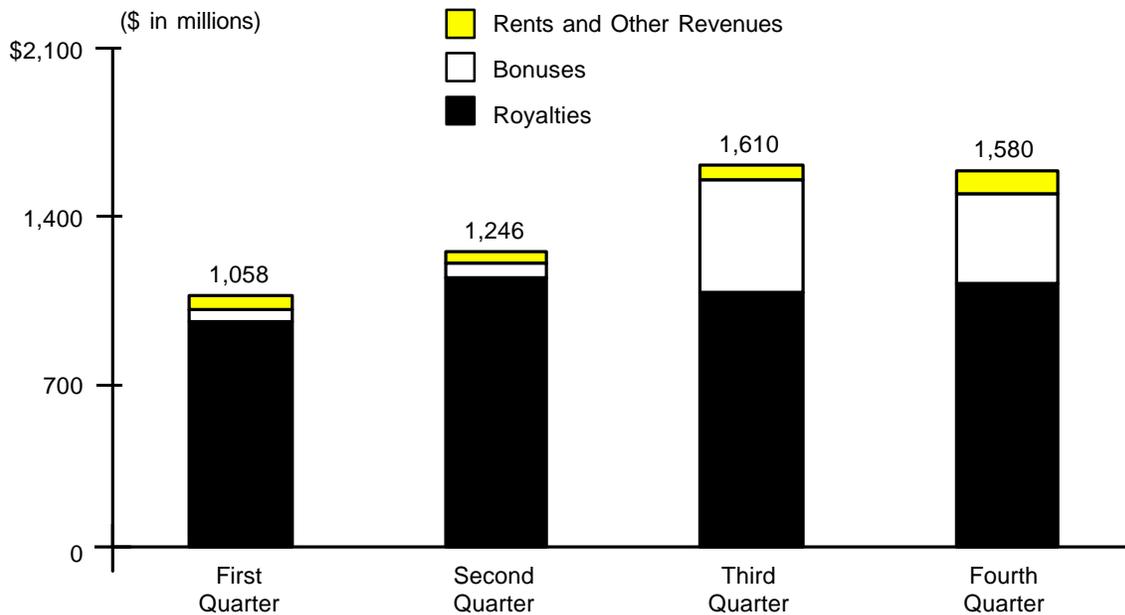
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 88,933,826	\$ 79,937,512	\$ ---	\$ ---	\$ 168,871,338
Gas Royalties	801,295,845	652,828,009	---	---	1,454,123,854
Oil Royalties	472,049,840	352,488,535	---	---	824,538,375
Other Royalties	<u>61,403,600</u>	<u>49,037,476</u>	<u>---</u>	<u>---</u>	<u>110,441,076</u>
Royalty Subtotal	\$1,423,683,111	\$1,134,291,532	\$ ---	\$ ---	\$2,557,974,643
Rents	\$ 22,425,155	\$ 54,698,332	\$ ---	\$ ---	\$ 77,123,487
Bonuses	\$ 256,231,663	\$ 131,352,856	\$ ---	\$ ---	\$ 387,584,519
Other Revenues	<u>\$ 96,370,001</u>	<u>\$ (59,997,648)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 36,372,353</u>
Total	\$1,798,709,930	\$1,260,345,072	\$ ---	\$ ---	\$3,059,055,002

Table 2. Revenues from Federal and Indian mineral leases, by quarter, Calendar Year 1996

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 101,460,950	\$ 86,692,371	\$ 87,734,106	\$ 89,061,346	\$ 364,948,773
Gas Royalties	472,563,115	622,302,141	568,776,802	560,253,204	2,223,895,262
Oil Royalties	335,611,963	375,481,061	370,351,066	418,079,678	1,499,523,768
Other Royalties	<u>41,208,326</u>	<u>47,099,177</u>	<u>47,124,380</u>	<u>44,939,116</u>	<u>180,370,999</u>
Royalty Subtotal	\$ 950,844,354	\$1,131,574,750	\$1,073,986,354	\$1,112,333,344	\$4,268,738,802
Rents	\$ 16,084,393	\$ 40,800,190	\$ 49,478,553	\$ 90,772,664	\$ 197,135,800
Bonuses	\$ 47,321,343	\$ 59,858,246	\$ 480,123,281	\$ 378,431,503	\$ 965,734,373
Other Revenues	<u>\$ 44,035,987</u>	<u>\$ 13,528,361</u>	<u>\$ 6,562,334</u>	<u>\$ (1,750,605)</u>	<u>\$ 62,376,077</u>
Total	\$1,058,286,077	\$1,245,761,547	\$1,610,150,522	\$1,579,786,906	\$5,493,985,052



1997



1996

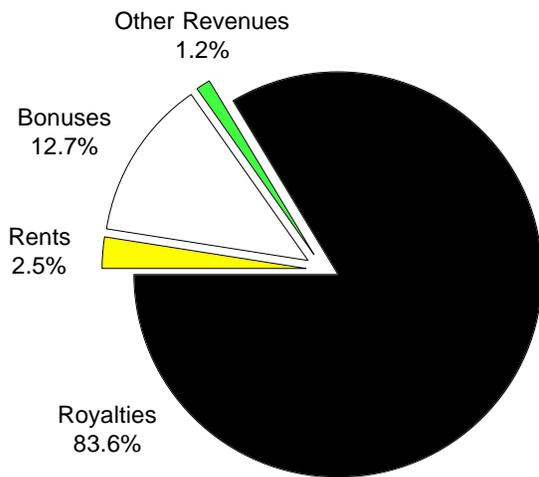
Figure 1. Revenues by source from Federal and Indian mineral leases, by quarter, Calendar Years 1996 and 1997

Table 3. Revenues from Federal and Indian mineral leases, January - June, 1997

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties	\$ ---	\$138,548,905	\$30,322,433	\$ 168,871,338
Gas Royalties	1,151,773,820	263,145,486	39,204,548	1,454,123,854
Oil Royalties	688,605,487	112,644,213	23,288,675	824,538,375
Other Royalties	<u>54,153,180</u>	<u>51,684,575</u>	<u>4,603,321</u>	<u>110,441,076</u>
Royalty Subtotal ...	\$1,894,532,487	\$566,023,179	\$97,418,977	\$2,557,974,643
Rents	\$ 58,342,253	\$ 18,195,656	\$ 585,578	\$ 77,123,487
Bonuses	\$ 337,139,308	\$ 50,445,211	\$ ---	\$ 387,584,519
Other Revenues	\$ <u>21,177,097</u>	\$ <u>13,996,763</u>	\$ <u>1,198,493</u>	\$ <u>36,372,353</u>
Total	\$2,311,191,145	\$648,660,809	\$99,203,048	\$3,059,055,002

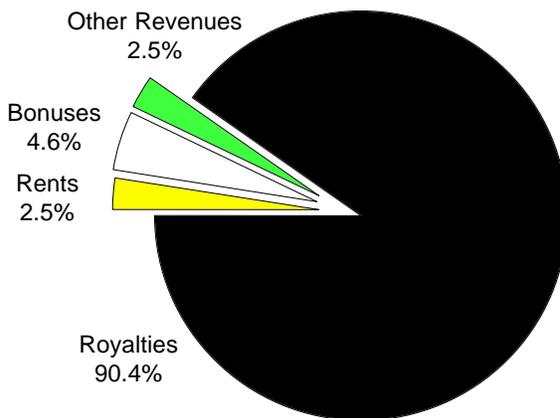
Table 4. Revenues from Federal and Indian mineral leases, January - June, 1996

	Federal Offshore	Federal Onshore	Indian	Total
Coal Royalties	\$ ---	\$157,584,506	\$30,568,815	\$ 188,153,321
Gas Royalties	926,210,302	152,065,441	16,589,513	1,094,865,256
Oil Royalties	577,487,372	113,704,998	19,900,654	711,093,024
Other Royalties	<u>36,009,045</u>	<u>47,223,387</u>	<u>5,075,071</u>	<u>88,307,503</u>
Royalty Subtotal ...	\$1,539,706,719	\$470,578,332	\$72,134,053	\$2,082,419,104
Rents	\$ 36,888,939	\$ 19,430,409	\$ 565,235	\$ 56,884,583
Bonuses	\$ 84,325,582	\$ 22,854,007	\$ ---	\$ 107,179,589
Other Revenues	\$ <u>51,889,647</u>	\$ <u>8,685,043</u>	\$ <u>(3,010,342)</u>	\$ <u>57,564,348</u>
Total	\$1,712,810,887	\$521,547,791	\$69,688,946	\$2,304,047,624



Royalties	\$2,557,974,643
Rents	77,123,487
Bonuses	387,584,519
Other Revenues	36,372,353
Total	\$3,059,055,002

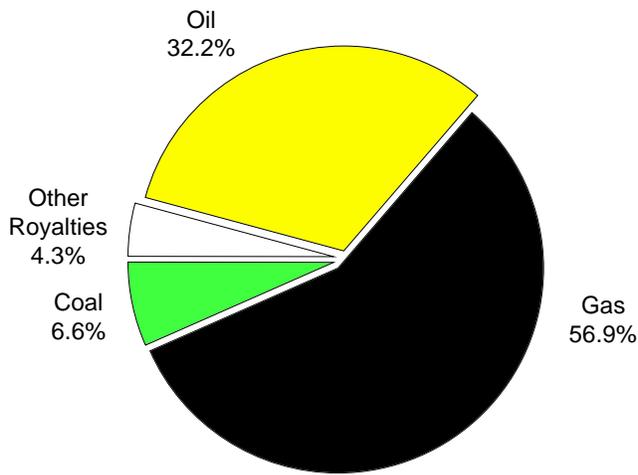
January - June, 1997



Royalties	\$2,082,419,104
Rents	56,884,583
Bonuses	107,179,589
Other Revenues	57,564,348
Total	\$2,304,047,624

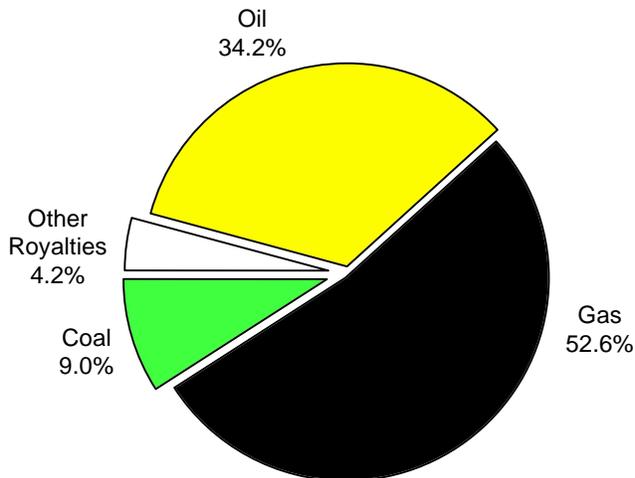
January - June, 1996

Figure 2. Revenues from Federal and Indian mineral leases by source, January - June, 1996 and 1997



Coal	\$ 168,871,338
Gas	1,454,123,854
Oil	824,538,375
Other Royalties	110,441,076
Total	\$2,557,974,643

January - June, 1997



Coal	\$188,153,321
Gas	1,094,865,256
Oil	711,093,024
Other Royalties	88,307,503
Total	\$2,082,419,104

January - June, 1996

Figure 3. Royalties from Federal and Indian mineral leases by commodity, January - June, 1996 and 1997

Offshore Federal Mineral Revenues



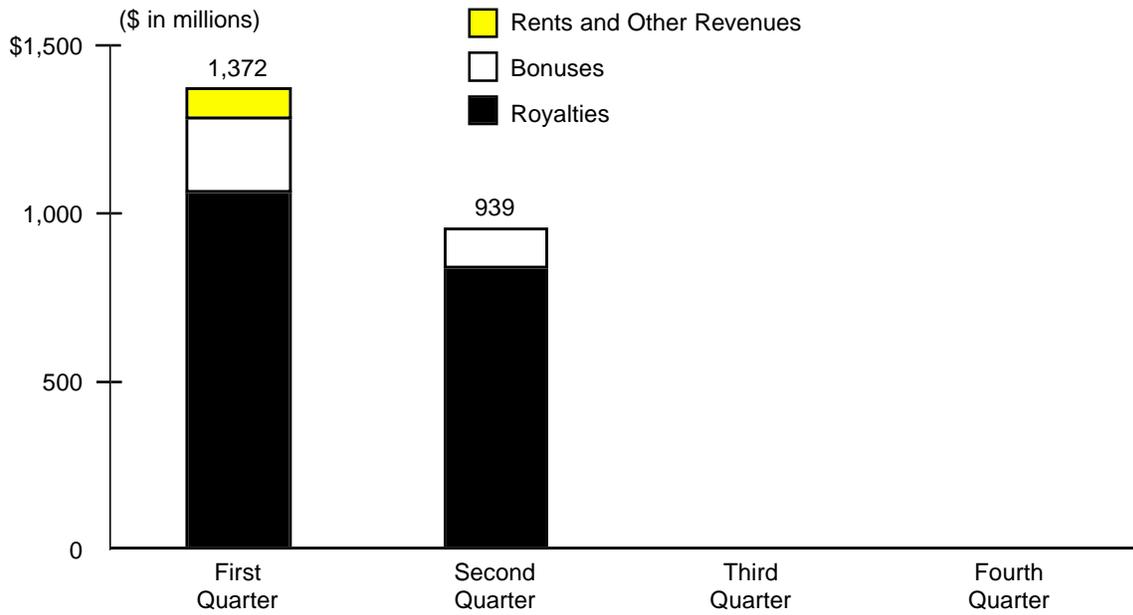
Photo courtesy of Amoco Corporation

Table 5. Revenues from OCS mineral leases, by quarter, Calendar Year 1997

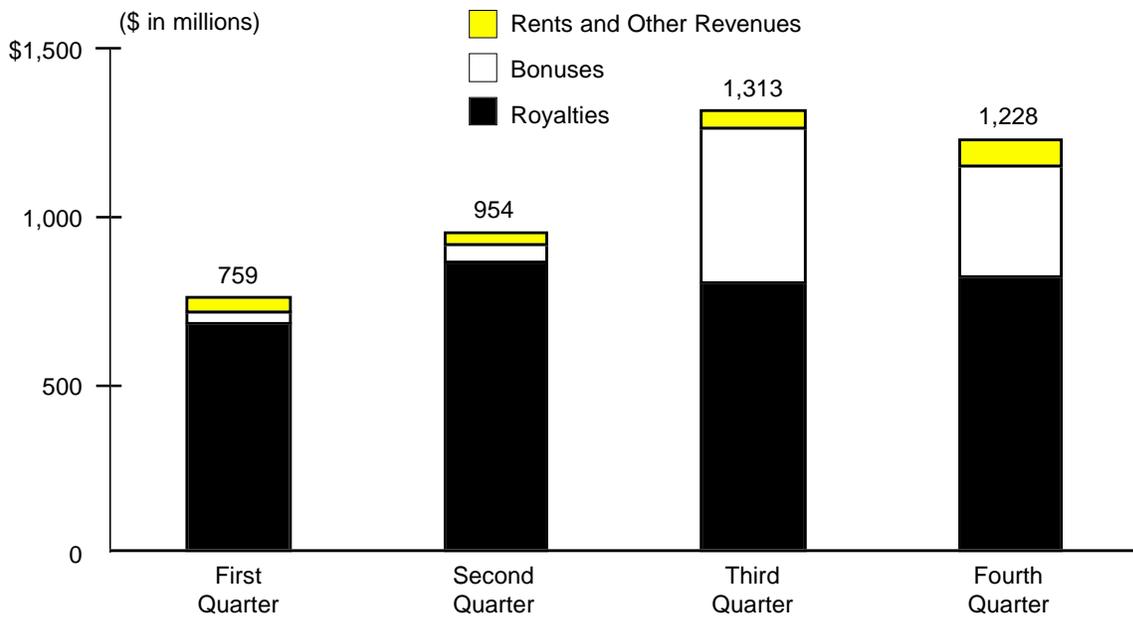
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties	632,254,850	519,518,970	---	---	1,151,773,820
Oil Royalties	396,181,827	292,423,660	---	---	688,605,487
Other Royalties . . .	<u>32,628,739</u>	<u>21,524,441</u>	---	---	<u>54,153,180</u>
Royalty Subtotal	\$1,061,065,416	\$ 833,467,071	\$ ---	\$ ---	\$1,894,532,487
Rents	\$ 12,783,858	\$ 45,558,395	\$ ---	\$ ---	\$ 58,342,253
Bonuses	\$ 219,513,134	\$ 117,626,174	\$ ---	\$ ---	\$ 337,139,308
Other Revenues ..	<u>\$ 78,380,488</u>	<u>\$(57,203,391)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 21,177,097</u>
Total	\$1,371,742,896	\$ 939,448,249	\$ ---	\$ ---	\$2,311,191,145

Table 6. Revenues from OCS mineral leases, by quarter, Calendar Year 1996

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gas Royalties	387,942,587	538,267,715	483,694,182	455,836,039	1,865,740,523
Oil Royalties	273,447,063	304,040,309	301,940,542	340,243,310	1,219,671,224
Other Royalties . . .	<u>17,588,719</u>	<u>18,420,326</u>	<u>20,163,649</u>	<u>24,402,166</u>	<u>80,574,860</u>
Royalty Subtotal	\$ 678,978,369	\$ 860,728,350	\$ 805,798,373	\$ 820,481,515	\$3,165,986,607
Rents	\$ 3,805,533	\$ 33,083,406	\$ 40,319,052	\$ 81,472,058	\$ 158,680,049
Bonuses	\$ 32,338,893	\$ 51,986,689	\$ 459,568,878	\$ 334,271,299	\$ 878,165,759
Other Revenues ..	<u>\$ 43,511,494</u>	<u>\$ 8,378,153</u>	<u>\$ 7,616,435</u>	<u>\$ (8,697,150)</u>	<u>\$ 50,808,932</u>
Total	\$ 758,634,289	\$ 954,176,598	\$1,313,302,738	\$1,227,527,722	\$4,253,641,347



1997



1996

Figure 4. Revenues by source from OCS mineral leases, by quarter, Calendar Years 1996 and 1997

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - June, 1997

	Sales Volume	Sales Value	Royalties/ Revenues
Gas			
Alabama	63,184,275	\$ 179,862,048	\$ 29,242,594
Alaska	---	---	---
California	16,613,640	57,094,709	9,001,571
Gulf of Mexico	346,138	1,145,444	185,733
Louisiana	1,918,452,929	5,549,786,720	885,632,813
Mississippi	5,357,226	15,825,113	2,718,822
Texas	<u>478,413,916</u>	<u>1,354,606,020</u>	<u>224,992,287</u>
Subtotal	2,482,368,124	\$7,158,320,054	\$1,151,773,820
Gas Lost			
California	---	\$ ---	\$ ---
Gulf of Mexico	---	---	---
Louisiana	56,075	176,540	22,329
Mississippi	---	---	---
Texas	---	---	---
Subtotal	<u>56,075</u>	<u>\$ 176,540</u>	<u>\$ 22,329</u>
Gas Plant Products			
Alabama	877,034	\$ 354,264	\$ 24,222
Alaska	---	---	---
California	12,184,137	5,895,917	362,964
Gulf of Mexico	---	---	---
Louisiana	772,820,767	341,989,294	46,210,801
Mississippi	---	---	---
Texas	<u>51,439,934</u>	<u>20,032,228</u>	<u>2,432,936</u>
Subtotal	837,321,872	\$ 368,271,703	\$ 49,030,923
Oil			
Alabama	13,629	\$ 107,705	\$ 17,776
Alaska	2,137	31,846	3,981
California	27,814,280	438,243,311	69,684,612
Gulf of Mexico	---	---	---
Louisiana	184,753,622	3,924,361,100	584,512,215
Mississippi	---	---	---
Texas	<u>9,992,320</u>	<u>220,645,428</u>	<u>34,386,903</u>
Subtotal	222,575,988	\$4,583,389,390	\$ 688,605,487
Oil Lost			
Louisiana	---	\$ ---	\$ ---
Texas	---	---	---
Subtotal	<u>---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Table 7. Summary of royalties, rents, bonuses, and other revenues from OCS mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Sulfur			
Alabama	11,421	\$ 639,530	\$ 50,748
California	1,195	2,186	60
Louisiana	<u>1,050,462</u>	<u>63,542,102</u>	<u>5,049,120</u>
Subtotal	1,063,078	\$ 64,183,818	\$ 5,099,928
Royalty Total		\$12,174,341,505	\$1,894,532,487
Rents			
Alabama			\$ 490,827
Alaska			148,424
Atlantic States			55,296
California			---
Florida			89,665
Gulf of Mexico			21,234,328
Louisiana			32,148,265
Mississippi			46,080
Texas			<u>4,129,368</u>
Rent Total			\$ 58,342,253
Bonuses			
Alabama			\$ ---
Alaska			---
Gulf of Mexico			207,341,796
Louisiana			43,133,464
Mississippi			---
Texas			<u>86,664,048</u>
Bonus Total			\$ 337,139,308
Other Revenues			
Alabama			\$ 987,999
Alaska			---
California			2,328,244
Gulf of Mexico			38,000
Louisiana			18,902,261
Mississippi			274,399
Texas			<u>(1,353,806)</u>
Other Revenues Total			\$ 21,177,097
Total Revenues			\$2,311,191,145

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.

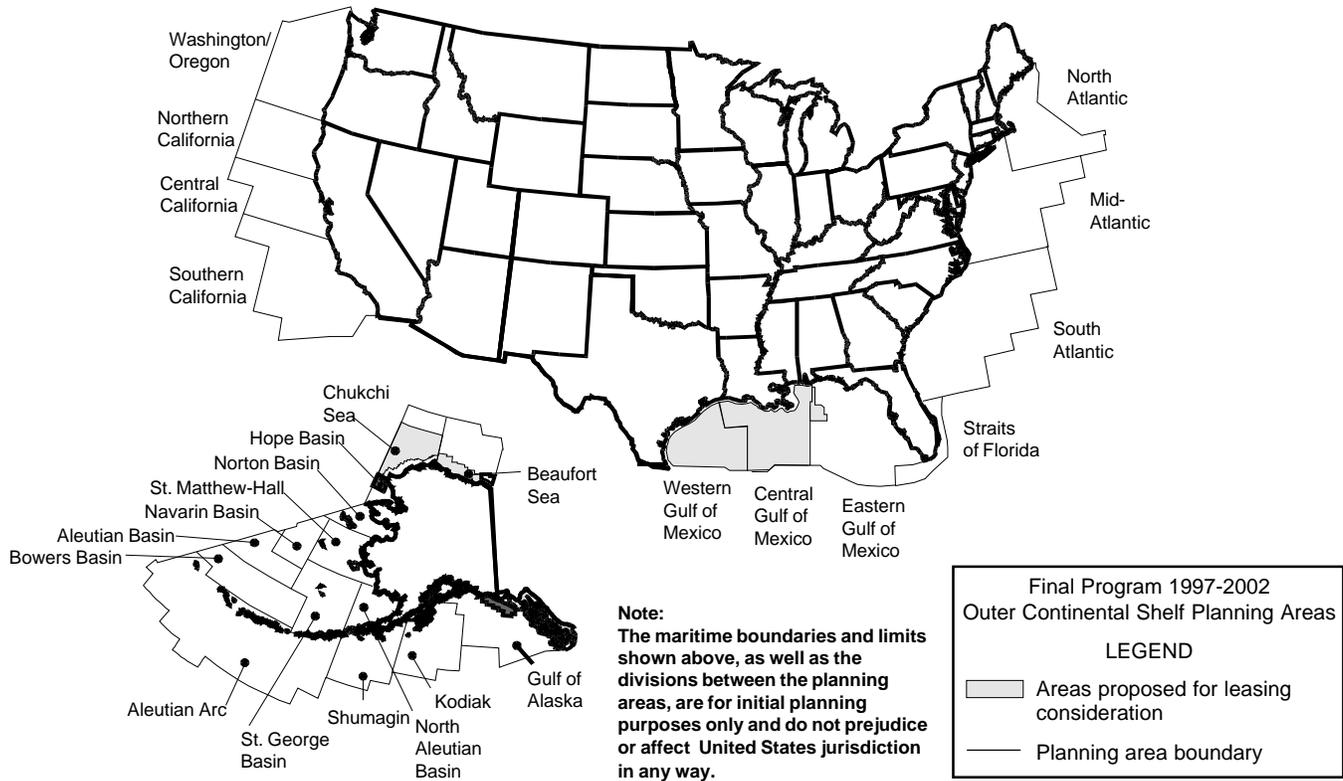


Fig. 5. Map of OCS regions in current OCS oil and gas leasing program

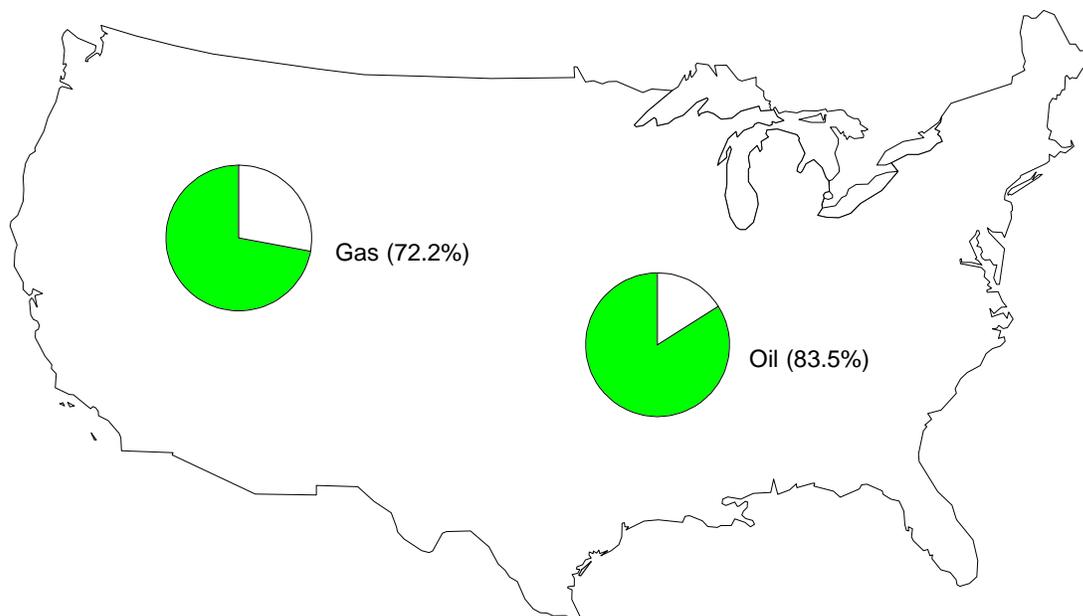
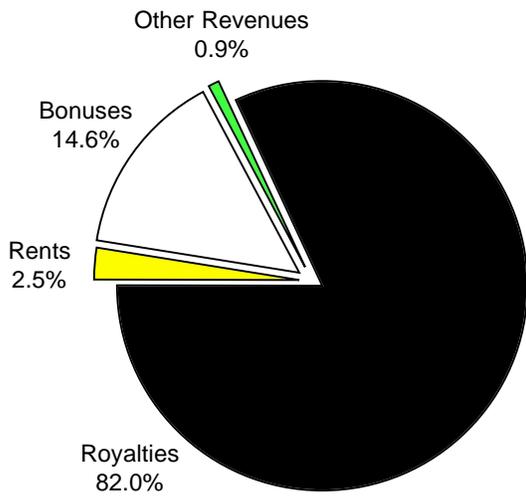
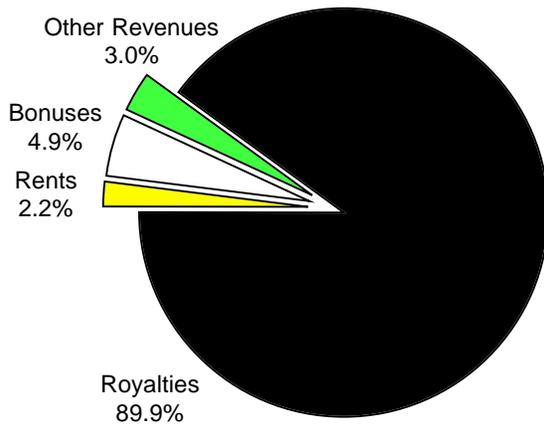


Figure 6. OCS royalties as a percentage of total Federal and Indian royalties from oil and gas, January - June, 1997



Royalties	\$1,894,532,487
Rents	58,342,253
Bonuses	337,139,308
Other Revenues	21,177,097
Total	\$2,311,191,145

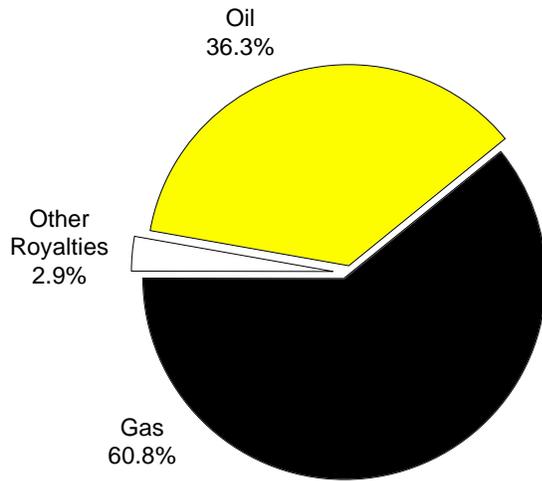
January - June, 1997



Royalties	\$1,539,706,719
Rents	36,888,939
Bonuses	84,325,582
Other Revenues	51,889,647
Total	\$1,712,810,887

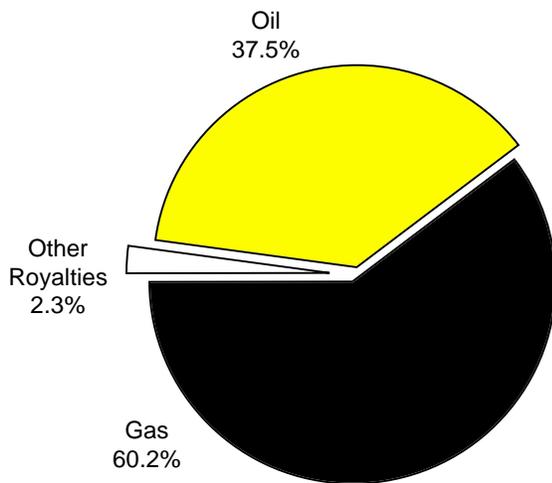
January - June, 1996

Figure 7. Revenues from OCS mineral leases by source, January - June, 1996 and 1997



Gas	\$1,151,773,820
Oil	688,605,487
Other Royalties	54,153,180
Total	\$1,894,532,487

January - June, 1997



Gas	\$ 926,210,302
Oil	577,487,372
Other Royalties	36,009,045
Total	\$1,539,706,719

January - June, 1996

Figure 8. Royalties from OCS mineral leases by commodity, January - June, 1996 and 1997

Onshore Federal Mineral Revenues



Photo courtesy of U.S. Department of Energy

Table 8. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1997

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 73,191,736	\$ 65,357,169	\$ ---	\$ ---	\$ 138,548,905
Gas Royalties	148,763,470	114,382,016	---	---	263,145,486
Oil Royalties	62,927,696	49,716,517	---	---	112,644,213
Other Royalties . . .	<u>26,729,641</u>	<u>24,954,934</u>	---	---	<u>51,684,575</u>
Royalty Subtotal	\$311,612,543	\$254,410,636	\$ ---	\$ ---	\$ 566,023,179
Rents	\$ 9,487,892	\$ 8,707,764	\$ ---	\$ ---	\$ 18,195,656
Bonuses	\$ 36,718,529	\$ 13,726,682	\$ ---	\$ ---	\$ 50,445,211
Other Revenues ..	<u>\$ 16,851,161</u>	<u>\$ (2,854,398)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 13,996,763</u>
Total	\$374,670,125	\$273,990,684	\$ ---	\$ ---	\$ 648,660,809

Table 9. Revenues from Federal onshore mineral leases, by quarter, Calendar Year 1996

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 82,449,140	\$ 75,135,366	\$ 71,726,490	\$ 72,573,906	\$ 301,884,902
Gas Royalties	77,714,676	74,350,765	70,234,415	87,596,324	309,896,180
Oil Royalties	52,981,200	60,723,798	58,194,657	60,522,041	232,421,696
Other Royalties . . .	<u>23,051,279</u>	<u>24,172,108</u>	<u>24,903,349</u>	<u>18,241,069</u>	<u>90,367,805</u>
Royalty Subtotal	\$236,196,295	\$234,382,037	\$225,058,911	\$238,933,340	\$ 934,570,583
Rents	\$ 12,011,128	\$ 7,419,281	\$ 9,082,573	\$ 9,068,881	\$ 37,581,863
Bonuses	\$ 14,982,450	\$ 7,871,557	\$ 20,554,403	\$ 44,160,204	\$ 87,568,614
Other Revenues ..	<u>\$ 4,148,925</u>	<u>\$ 4,536,118</u>	<u>\$ (1,387,718)</u>	<u>\$ 6,537,254</u>	<u>\$ 13,834,579</u>
Total	\$267,338,798	\$254,208,993	\$253,308,169	\$298,699,679	\$1,073,555,639

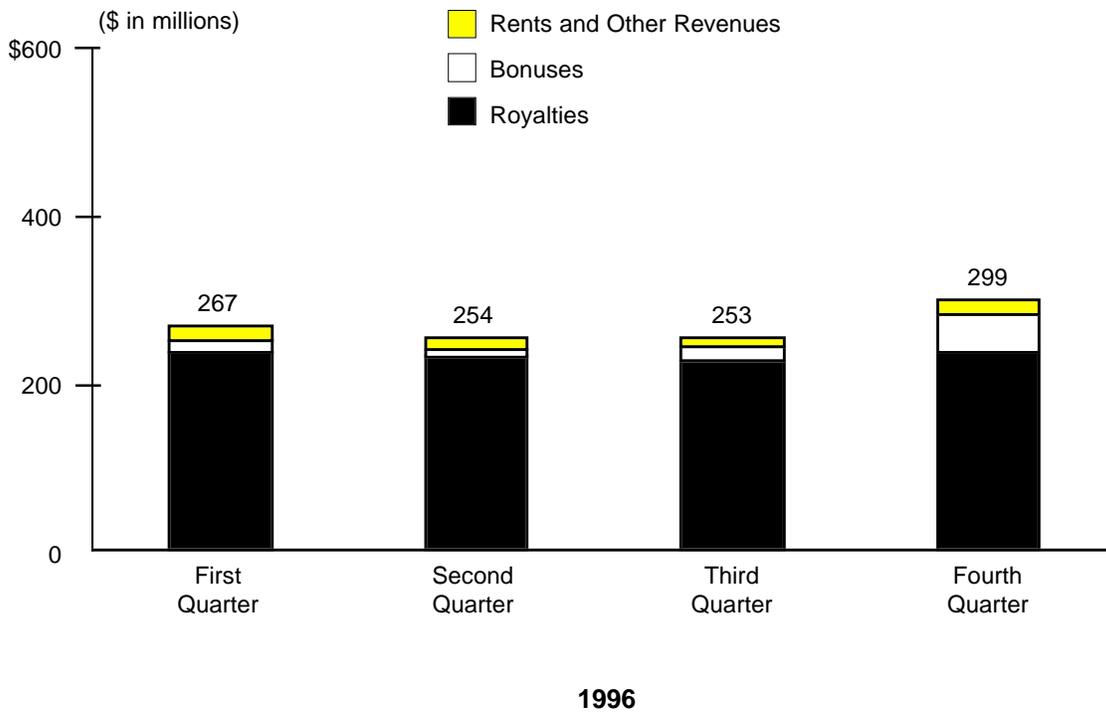
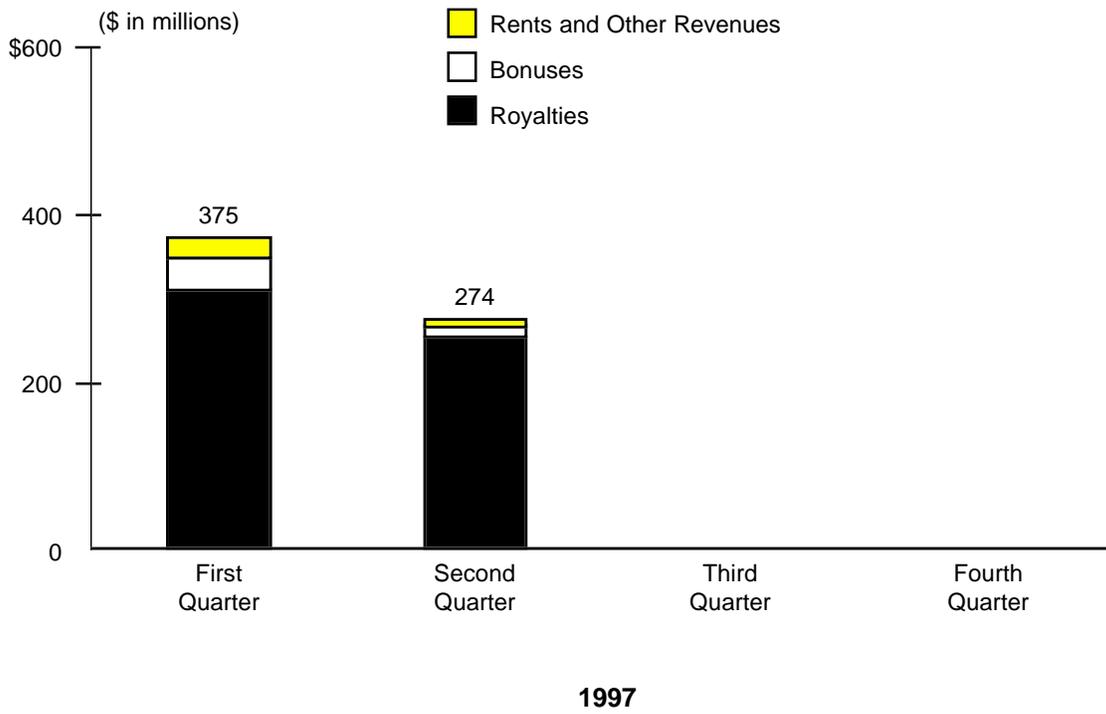


Figure 9. Revenues by source from Federal onshore mineral leases, by quarter, Calendar Years 1996 and 1997

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997

	Sales Volume	Sales Value	Royalties/ Revenues
Carbon Dioxide			
Colorado	131,401,917	\$ 77,417,630	\$ 4,109,566
New Mexico	6,618,776	2,595,081	322,396
Wyoming	<u>11,392,180</u>	<u>3,195,521</u>	<u>4,021</u>
Subtotal	149,412,873	\$ 83,208,232	\$ 4,435,983
Clay			
Alabama	30,542	\$ 61,084	\$ 2,441
Wyoming	<u>---</u>	<u>---</u>	<u>---</u>
Subtotal	30,542	\$ 61,084	\$ 2,441
Coal			
Alabama	131,890	\$ 6,217,406	\$ 457,852
Colorado	10,954,792	212,842,389	15,880,014
Kentucky	113,073	2,879,567	174,965
Montana	10,107,463	106,805,144	13,240,424
New Mexico	3,521,509	102,832,627	11,977,924
North Dakota	1,826,935	15,832,455	685,902
Oklahoma	281,441	8,306,046	221,112
Utah	12,985,632	270,225,677	18,696,115
Washington	682,347	17,395,976	1,238,228
Wyoming	<u>119,702,829</u>	<u>610,953,304</u>	<u>75,976,369</u>
Subtotal	160,307,911	\$1,354,290,591	\$138,548,905
Copper			
Missouri	9,133	\$ 5,593,085	\$ 191,536
Fluorspar			
Illinois	---	\$ ---	\$ ---
Gas			
Alabama	630,578	\$ 1,575,593	\$ 198,140
Alaska	11,077,820	18,063,439	2,318,363
Arkansas	4,740,823	12,220,969	1,642,737
California	6,691,666	19,528,225	1,847,067
Colorado	44,499,555	108,687,080	12,946,297
Kansas	9,350,645	22,911,961	2,874,092
Kentucky	129,048	315,078	39,067
Louisiana	8,446,196	26,018,810	3,402,992
Michigan	3,166,271	9,101,580	1,129,013
Mississippi	175,908	570,422	82,382

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Gas (cont.)			
Montana	5,906,418	\$ 14,361,141	\$ 1,712,561
New Mexico	482,585,468	1,193,613,994	137,594,972
New York	10,302	35,692	4,462
North Dakota	2,182,118	4,142,554	561,811
Ohio	463,199	1,209,656	145,656
Oklahoma	9,163,532	24,120,192	2,919,377
Pennsylvania	37,633	57,201	15,417
South Dakota	165,233	339,500	42,209
Tennessee	29	47	23
Texas	34,645,106	107,646,263	11,455,249
Utah	30,368,333	73,585,417	8,772,519
Virginia	214,604	667,561	84,713
West Virginia	790,057	2,755,699	342,976
Wyoming	<u>274,454,063</u>	<u>631,853,339</u>	<u>73,013,391</u>
Subtotal	929,894,605	\$2,273,381,413	\$263,145,486
Gas Lost			
California	35,066	\$ 57,616	\$ 7,202
New Mexico	<u>447</u>	<u>670</u>	<u>84</u>
Subtotal	35,513	\$ 58,286	\$ 7,286
Gas Plant Products			
Alabama	334	\$ 186	\$ 61
Alaska	198,697	136,779	9,975
California	1,923,689	971,331	95,869
Colorado	26,080,525	10,177,361	858,766
Kansas	2,431,389	1,226,482	123,108
Louisiana	10,116,386	4,483,448	398,588
Michigan	677,296	300,102	25,125
Montana	1,825,760	979,282	71,990
New Mexico	322,414,907	120,211,416	11,213,413
North Dakota	1,048,737	614,092	59,282
Oklahoma	261,647	106,037	12,079
Texas	2,137,787	824,399	104,110
Utah	15,704,726	5,554,577	443,054
Wyoming	<u>998,763,862</u>	<u>72,425,609</u>	<u>4,387,789</u>
Subtotal	1,383,585,742	\$ 218,011,101	\$ 17,803,209
Geothermal			
California	4,656,434	\$ 61,371,804	\$ 7,636,906
Nevada	989,499	22,006,455	2,234,569
Utah	<u>333,716</u>	<u>907,708</u>	<u>90,771</u>
Subtotal	5,979,649	\$ 84,285,967	\$ 9,962,246

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
<i>Gilsonite</i>			
Utah	1,072	\$ 435,295	\$ 25,803
<i>Hot Water</i>			
California	2,568,611	\$ 23,091,811	\$2,309,180
Nevada	4,087	15,572	1,557
New Mexico	5,172	6,414	641
Subtotal	2,577,870	\$ 23,113,797	\$2,311,378
<i>Langbeinite</i>			
New Mexico	398,410	\$ 33,923,633	\$ 678,473
<i>Lead</i>			
Missouri	142,906	\$ 72,973,669	\$1,963,714
<i>Limestone</i>			
Virginia	28,144	\$ 229,092	\$ 11,455
<i>Magnesium</i>			
Utah	13,575	\$ 209,651	\$ 6,290
<i>Nitrogen</i>			
North Dakota	43,603	\$ 19,162	\$ 2,341
Wyoming	27,002	125,139	13,304
Subtotal	70,605	\$ 144,301	\$ 15,645
<i>Oil</i>			
Alabama	46,319	\$ 964,609	\$ 126,771
Alaska	348,733	7,450,381	926,018
Arkansas	1,645	30,731	3,841
California	9,566,750	159,590,255	8,295,795
Colorado	2,869,783	63,850,509	8,420,878
Florida	5,588	112,259	14,032
Illinois	17,227	365,960	40,935
Kansas	161,562	3,534,346	363,384
Kentucky	6,219	131,876	2,703
Louisiana	342,071	6,567,767	729,022
Michigan	42,580	933,903	110,925
Mississippi	488,888	8,734,261	871,734
Montana	1,424,820	26,390,566	2,995,633
Nebraska	29,130	598,370	74,207

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Oil (cont.)			
Nevada	500,380	\$ 8,080,545	\$ 956,521
New Mexico	14,904,071	322,968,486	31,580,990
North Dakota	2,662,048	54,969,701	6,653,386
Ohio	16,672	308,993	25,142
Oklahoma	114,357	2,232,250	234,833
Pennsylvania	161	2,967	247
South Dakota	110,048	2,323,178	289,075
Texas	351,614	7,177,494	866,516
Utah	2,235,314	42,939,801	4,572,192
West Virginia	8,783	150,279	18,785
Wyoming	<u>21,016,884</u>	<u>417,657,078</u>	<u>44,470,648</u>
Subtotal	57,271,647	\$1,138,066,565	\$112,644,213
Oil Lost			
New Mexico	36	\$ 782	\$ 98
Oklahoma	<u>---</u>	<u>---</u>	<u>---</u>
Subtotal	36	\$ 782	\$ 98
Phosphate			
Florida	---	\$ ---	\$ ---
Idaho	<u>1,440,956</u>	<u>14,611,297</u>	<u>1,241,960</u>
Subtotal	1,440,956	\$ 14,611,297	\$ 1,241,960
Potash			
California	8,864	\$ 1,040,385	\$ 46,436
New Mexico	664,296	59,943,290	1,143,255
Utah	<u>14,624</u>	<u>1,149,210</u>	<u>34,476</u>
Subtotal	687,784	\$ 62,132,885	\$ 1,224,167
Purge Liquor			
Wyoming	21,542	\$ 523,141	\$ 29,350
Quartz Crystals			
Arkansas	42,685	\$ 93,153	\$ 4,658
Sand and Gravel			
Nevada	1,339,836	\$ 4,133,309	\$ 269,230
Sodium			
Arizona	95	\$ 3,135	\$ 157
California	545,521	38,645,455	1,905,038
Colorado	35,353	4,805,942	254,247

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

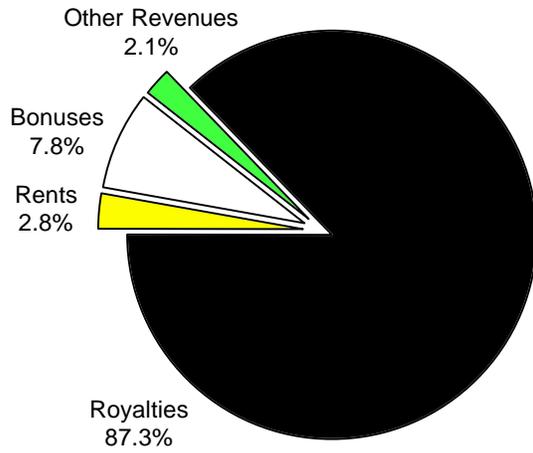
	Sales Volume	Sales Value	Royalties/ Revenues
Sodium (cont.)			
New Mexico	337,391	\$ 570,085	\$ 28,914
Utah	3,947	21,317	639
Wyoming	<u>1,831,689</u>	<u>156,014,765</u>	<u>8,707,545</u>
Subtotal	2,753,996	\$ 200,060,699	\$ 10,896,540
Sulfur			
Alabama	243	\$ 10,136	\$ 1,268
California	660	3,960	198
Montana	1,066	9,651	425
New Mexico	832	3,743	195
North Dakota	1,847	21,908	916
Wyoming	<u>75,665</u>	<u>1,964,256</u>	<u>28,285</u>
Subtotal	80,313	\$ 2,013,654	\$ 31,287
Trona Ore			
California	13,888	\$ 487,185	\$ 24,359
Wyoming	<u>10,227</u>	<u>652,030</u>	<u>34,020</u>
Subtotal	24,115	\$ 1,139,215	\$ 58,379
Zinc			
Illinois	---	\$ ---	\$ ---
Missouri	<u>29,850</u>	<u>14,713,806</u>	<u>513,447</u>
Subtotal	29,850	\$ 14,713,806	\$ 513,447
Royalty Total		\$5,587,407,703	\$566,023,179
Rents			
Alabama			\$ 40,634
Alaska			6,634
Arizona			29,636
Arkansas			100,912
California			216,896
Colorado			1,536,811
Florida			4,127
Idaho			15,801
Illinois			7,850
Indiana			---
Kansas			(11,331)
Kentucky			15,088
Louisiana			225,071
Maryland			---
Michigan			8,335

Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Rents (cont.)			
Minnesota			\$ 1,795
Mississippi			375,869
Missouri			9,519
Montana			919,187
Nebraska			851
Nevada			1,798,100
New Mexico			1,488,809
New York			----
North Carolina			----
North Dakota			465,192
Ohio			7,080
Oklahoma			115,233
Oregon			65,796
Pennsylvania			----
South Carolina			----
South Dakota			191,677
Tennessee			----
Texas			131,011
Utah			2,202,588
Virginia			1,324
Washington			36,068
West Virginia			2,361
Wisconsin			474
Wyoming			<u>8,186,258</u>
Rent Total			\$18,195,656
Bonuses			
Alabama			\$ 8,405
Arizona			640
Arkansas			42,503
California			---
Colorado			3,717,276
Idaho			17,167
Kansas			160
Kentucky			---
Louisiana			312,164
Mississippi			1,397,904
Montana			423,073
Nebraska			---
Nevada			516,401
New Mexico			12,925,866
North Dakota			5,094,703
Ohio			---
Oklahoma			366,297
South Dakota			142,659

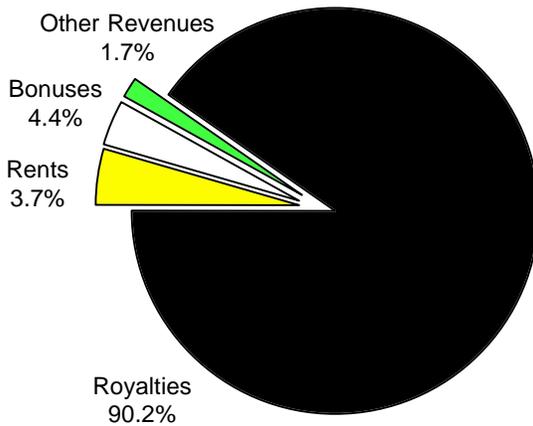
Table 10. Summary of royalties, rents, bonuses, and other revenues from Federal onshore mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Bonuses (cont.)			
Texas			\$ 107,171
Utah			3,357,273
Washington			15,154
Wyoming			<u>22,000,395</u>
Bonus Total			\$ 50,445,211
Other Revenues			
Alabama			\$ (347)
Alaska			81,824
Arizona			---
Arkansas			19,889
California			460,575
Colorado			661,989
Florida			1,971
Georgia			---
Idaho			36,053
Illinois			(516)
Kansas			23,397
Kentucky			15,470
Louisiana			10,880
Maryland			10,386
Michigan			31,889
Minnesota			---
Mississippi			(12,974)
Missouri			12,726
Montana			196,006
Nebraska			12,258
Nevada			27,558
New Mexico			1,381,357
North Carolina			474
North Dakota			546,782
Ohio			1,346
Oklahoma			27,326
Pennsylvania			11,947
South Dakota			4,316
Texas			16,228
Utah			644,912
Virginia			4,836
West Virginia			70,885
Wyoming			<u>9,697,320</u>
Other Revenues Total			\$ 13,996,763
Total Revenues			\$648,660,809



Royalties	\$566,023,179
Rents	18,195,656
Bonuses	50,445,211
Other Revenues	13,996,763
Total	\$648,660,809

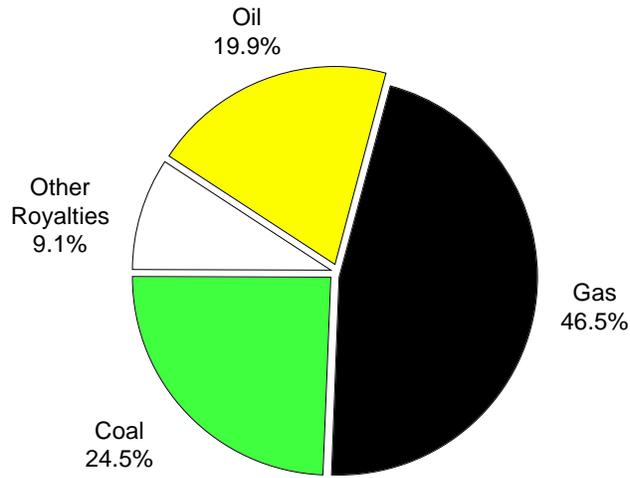
January - June, 1997



Royalties	\$470,578,332
Rents	19,430,409
Bonuses	22,854,007
Other Revenues	8,685,043
Total	\$521,547,791

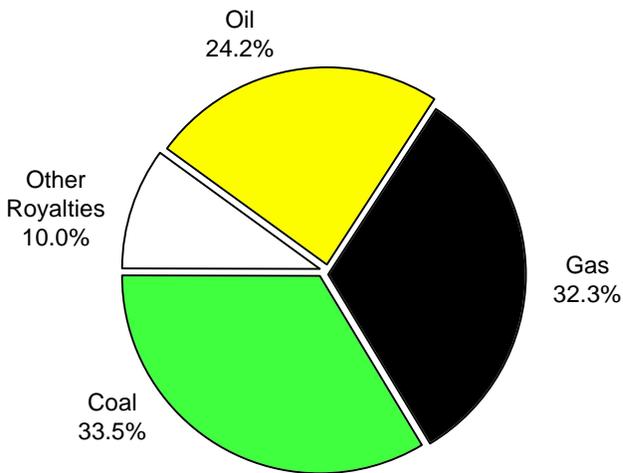
January - June, 1996

Figure 10. Revenues from Federal onshore mineral leases by source, January - June, 1996 and 1997



Coal	\$138,548,905
Gas	263,145,486
Oil	112,644,213
Other Royalties	51,684,575
Total	\$566,023,179

January - June, 1997



Coal	\$157,584,506
Gas	152,065,441
Oil	113,704,998
Other Royalties	47,223,387
Total	\$470,578,332

January - June, 1996

Figure 11. Royalties from Federal onshore mineral leases by commodity, January - June, 1996 and 1997

Indian Mineral Revenues



Photo courtesy of Corel Corporation

Table 11. Revenues from Indian mineral leases, by quarter, Calendar Year 1997

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 15,742,090	\$14,580,343	\$ ---	\$ ---	\$ 30,322,433
Gas Royalties	20,277,525	18,927,023	---	---	39,204,548
Oil Royalties	12,940,317	10,348,358	---	---	23,288,675
Other Royalties	<u>2,045,220</u>	<u>2,558,101</u>	<u>---</u>	<u>---</u>	<u>4,603,321</u>
Royalty Subtotal	\$ 51,005,152	\$46,413,825	\$ ---	\$ ---	\$ 97,418,977
Rents	\$ 153,405	\$ 432,173	\$ ---	\$ ---	\$ 585,578
Bonuses	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues	\$ <u>1,138,352</u>	\$ <u>60,141</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>1,198,493</u>
Total	\$ 52,296,909	\$46,906,139	\$ ---	\$ ---	\$ 99,203,048

Table 12. Revenues from Indian mineral leases, by quarter, Calendar Year 1996

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Coal Royalties	\$ 19,011,810	\$11,557,005	\$ 16,007,616	\$ 16,487,440	\$ 63,063,871
Gas Royalties	6,905,852	9,683,661	14,848,205	16,820,841	48,258,559
Oil Royalties	9,183,700	10,716,954	10,215,867	17,314,327	47,430,848
Other Royalties	<u>568,328</u>	<u>4,506,743</u>	<u>2,057,382</u>	<u>2,295,881</u>	<u>9,428,334</u>
Royalty Subtotal	\$ 35,669,690	\$36,464,363	\$ 43,129,070	\$ 52,918,489	\$ 168,181,612
Rents	\$ 267,732	\$ 297,503	\$ 76,928	\$ 231,725	\$ 873,888
Bonuses	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Other Revenues	\$ <u>(3,624,432)</u>	\$ <u>614,090</u>	\$ <u>333,617</u>	\$ <u>409,291</u>	\$ <u>(2,267,434)</u>
Total	\$ 32,312,990	\$37,375,956	\$ 43,539,615	\$ 53,559,505	\$ 166,788,066

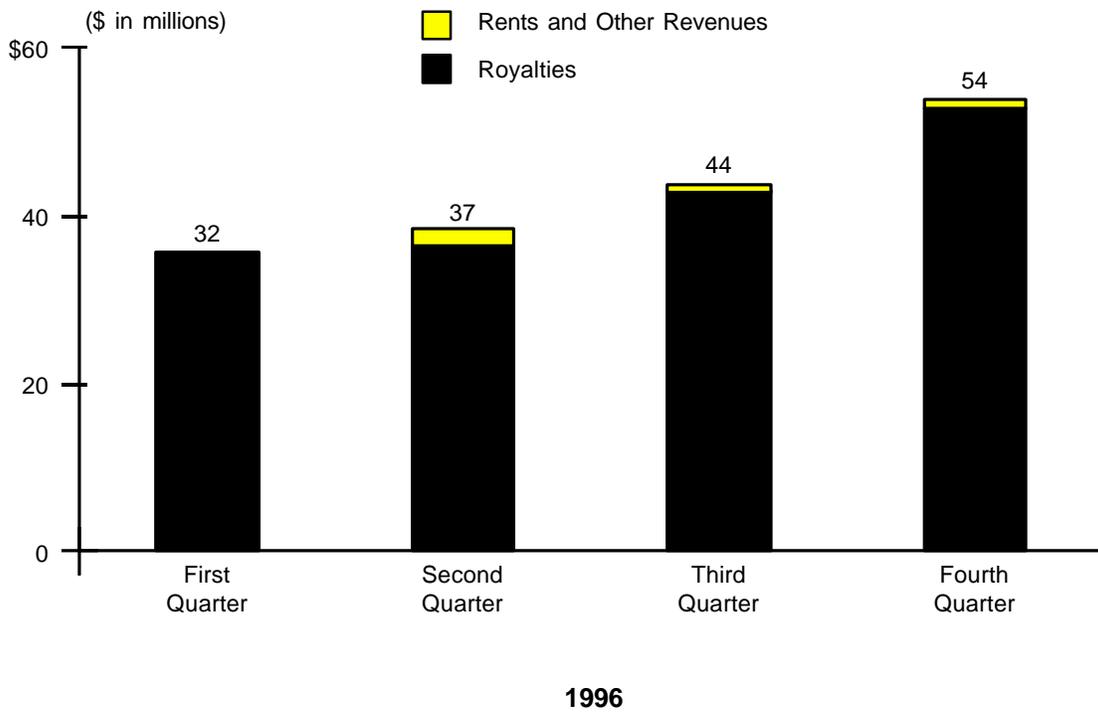
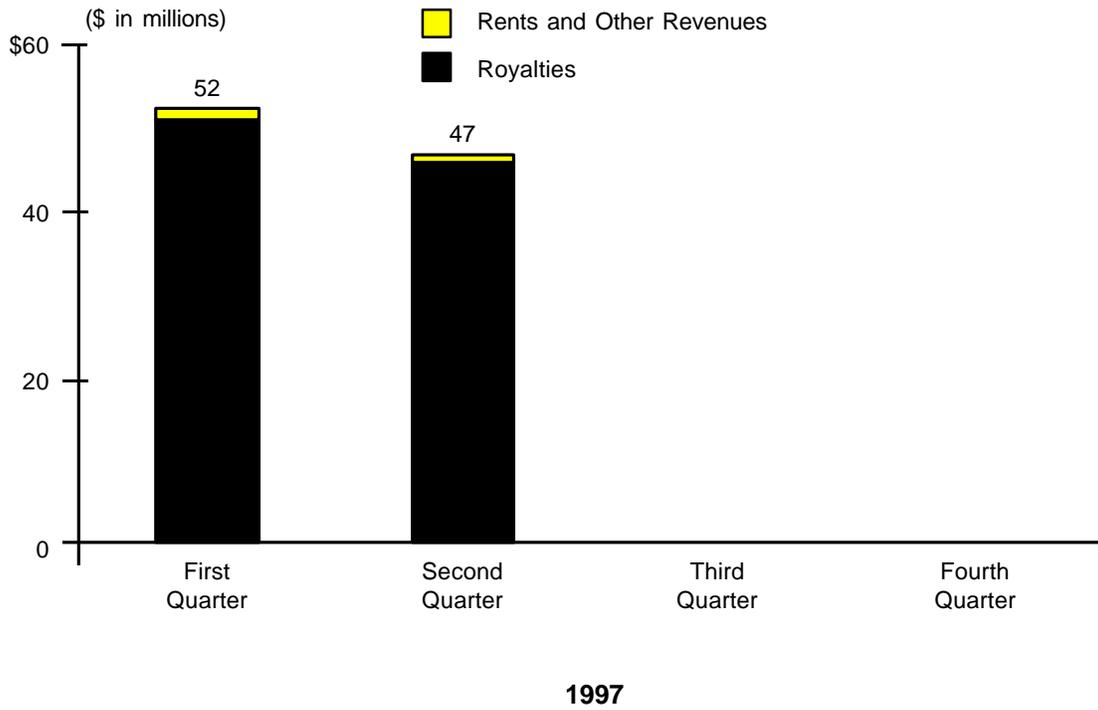


Figure 12. Revenues by source from Indian mineral leases, by quarter, Calendar Years 1996 and 1997

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1997

	Sales Volume	Sales Value	Royalties/ Revenues
Chat			
Oklahoma	69,010	\$ 69,010	\$ 20,816
Coal			
Arizona	5,616,072	\$120,240,106	\$14,537,029
Montana	2,558,372	13,932,922	1,303,865
New Mexico	<u>5,341,774</u>	<u>116,603,627</u>	<u>14,481,539</u>
Subtotal	13,516,218	\$250,776,655	\$30,322,433
Copper			
Arizona	10,077	\$ 7,019,392	\$ 854,260
Gas			
Arizona	32,590	\$ 66,550	\$ 10,025
Colorado	59,220,839	132,360,203	18,332,384
Montana	893,995	1,530,781	228,073
New Mexico	24,197,450	68,395,728	8,576,103
North Dakota	48,624	112,595	15,462
Oklahoma	13,323,013	28,887,548	4,884,086
Texas	5,386,532	16,560,207	3,455,662
Utah	2,888,612	8,580,948	1,289,935
Wyoming	<u>7,188,610</u>	<u>14,786,292</u>	<u>2,412,818</u>
Subtotal	113,180,265	\$271,280,852	\$39,204,548
Gas Lost			
Colorado	13,731	\$ 10,695	\$ 1,782
New Mexico	<u>70</u>	<u>158</u>	<u>20</u>
Subtotal	13,801	\$ 10,853	\$ 1,802
Gas Plant Products			
Colorado	261,123	\$ 114,894	\$ 10,593
Montana	99,385	46,631	2,591
New Mexico	31,013,754	11,125,140	1,191,727
North Dakota	119,453	53,823	3,257
Oklahoma	2,841,762	863,180	145,875
Texas	2,054,454	609,397	80,261
Utah	3,220,841	1,659,687	134,876
Wyoming	<u>152,496</u>	<u>76,415</u>	<u>3,212</u>
Subtotal	39,763,268	\$ 14,549,167	\$ 1,572,392
Gypsum			
New Mexico	459,132	\$ 1,836,530	\$ 422,402

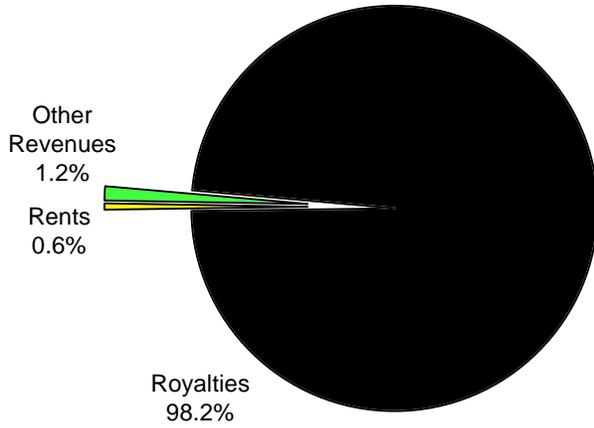
Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1997 (cont.)

	Sales Volume	Sales Value	Royalties/ Revenues
Limestone			
Oklahoma	49,438	\$ 212,089	\$ 5,438
Molybdenum			
Arizona	(16)	\$ (36,371)	\$ (3,639)
Oil			
Arizona	30,467	\$ 647,848	\$ 105,429
Colorado	76,947	1,612,388	244,424
Michigan	290	5,760	775
Montana	311,425	6,363,308	996,005
New Mexico	395,071	9,039,034	1,316,078
North Dakota	37,838	767,663	115,553
Oklahoma	887,050	19,223,377	2,935,819
South Dakota	1,916	31,709	6,342
Texas	478,783	10,683,920	2,271,351
Utah	3,905,439	81,250,463	12,363,056
Wyoming	<u>794,374</u>	<u>13,806,191</u>	<u>2,933,843</u>
Subtotal	6,919,600	\$143,431,661	\$23,288,675
Oil Lost			
Colorado	1	\$ 20	\$ 2
Phosphate			
Idaho	1,948	\$ 56,539	\$ 4,240
Sand and Gravel			
Arizona	1,071,397	\$ 5,259,801	\$ 803,172
California	634,028	3,639,132	572,436
Nevada	229,677	1,070,235	84,985
New Mexico	240,283	695,164	189,085
Oklahoma	7,200	14,562	4,105
Utah	6,664	10,332	3,332
Washington	<u>125,968</u>	<u>207,436</u>	<u>62,140</u>
Subtotal	2,315,217	\$ 10,896,662	\$ 1,719,255
Silica Sand			
Arizona	14,469	\$ 324,807	\$ 6,366
Sulfur			
North Dakota	(15)	\$ (108)	\$ (13)
Royalty Total		\$700,427,758	\$97,418,977

Table 13. Summary of royalties, rents, and other revenues from Indian mineral leases, January - June, 1997 (cont.)

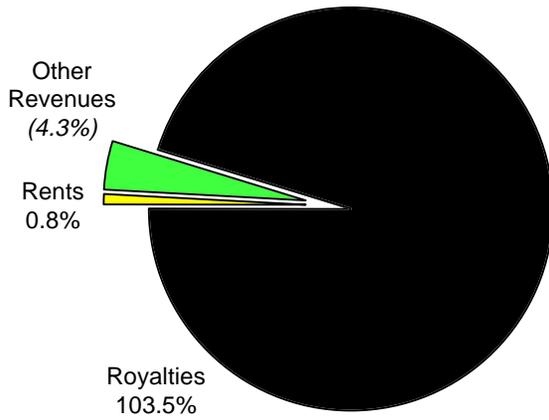
	Sales Volume	Sales Value	Royalties/ Revenues
Rents			
Arizona			\$ 130,702
California			---
Colorado			36,654
Idaho			---
Michigan			120
Montana			4,359
New Mexico			218,491
North Dakota			4,700
Oklahoma			49,637
South Dakota			---
Utah			127,283
Wyoming			13,632
Rent Total			\$ 585,578
Other Revenues			
Arizona			\$ 543,852
California			30,000
Colorado			839,307
Idaho			61,164
Montana			174,252
Nevada			(15,000)
New Mexico			(2,630,278)
North Dakota			22,790
Oklahoma			636,374
Texas			468,207
Utah			136,062
Washington			2,984
Wyoming			928,779
Other Revenues Total			\$ 1,198,493
Total Revenues			\$99,203,048

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



Royalties	\$97,418,977
Rents	585,578
Other Revenues	1,198,493
Total	\$99,203,048

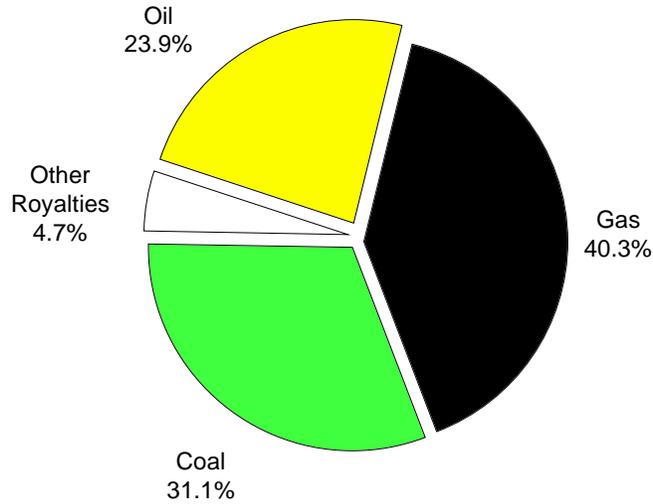
January - June, 1997



Royalties	\$72,134,053
Rents	565,235
Other Revenues	(3,010,342)
Total	\$69,688,946

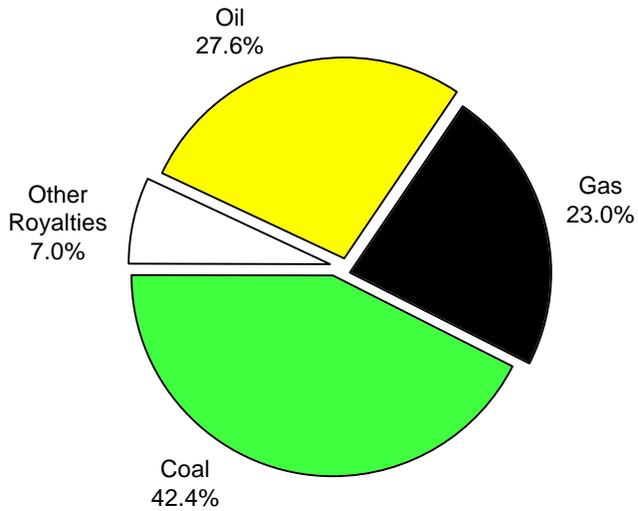
January - June, 1996

Figure 13. Revenues from Indian mineral leases by source, January - June, 1996 and 1997



Coal	\$30,322,433
Gas	39,204,548
Oil	23,288,675
Other Royalties	4,603,321
Total	\$97,418,977

January - June, 1997



Coal	\$30,568,815
Gas	16,589,513
Oil	19,900,654
Other Royalties	5,075,071
Total	\$72,134,053

January - June, 1996

Figure 14. Royalties from Indian mineral leases by commodity, January - June, 1996 and 1997

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 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 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 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 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.

Federal Oil and Gas Royalty Management Act of 1982 — Public Law 97-451, 30 U.S.C. 1701 *et seq.*, 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.

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, primarily 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 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 more than 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 of the 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 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. OTFM is responsible for professional, technical, and

managerial leadership of financial activities, programs, and functions associated with funds held in trust for individual Indians and Indian Tribes.

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, as amended, and the Outer Continental Shelf Lands Act of 1953, as amended. 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 Mineral 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. The pilot program was designed to reduce the administrative burden for both industry and the Government.

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 — 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 towards 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.

To convert from inch-pound unit	Multiply by	To equal metric unit
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
To convert from metric unit	Multiply by	To equal inch-pound unit
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.