



Minerals Revenue Management Transmittal Sheet



Document title: <i>Guide to Royalty Information</i>	Release No.: 3.0
	Transmittal No.: 3
	Dated: 09/24/01

For further information, contact: Paul Knueven, Manager, Regulations and FOIA Team, 303-231-3316

Explanation of material transmitted:

This guide explains how to obtain items published by MRM, how to obtain information from other sources, how to file a request under FOIA for other types of information, and how MRM processes your request.

Paul Knueven [original signature on file]

Manager, Regulations and FOIA Team

Filing instructions:

Release 3.0 replaces Release 2.0 in its entirety.

Guide to Royalty Information

Minerals Revenue Management



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

Guide to Royalty Information

Minerals Revenue Management

MMS/MRM Release 3.0

September 24, 2001

Written by:

Center for Excellence

Prepared by:

**American Management Systems
Operations Corporation, Inc.**

under Contract No. 1435-02-98-CT-40298

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

Any use of trade, product, or firm names is for descriptive purposes only and does not imply endorsement by the U.S. Department of the Interior. Names of persons and companies used in examples are fabricated and intended for illustration purposes only.

Abbreviations

API	American Petroleum Institute
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
CD	compact disc
DNR	(Louisiana) Department of Natural Resources
DOI	Department of the Interior
EIA	Energy Information Administration
FOIA	Freedom of Information Act
GOMR	Gulf of Mexico Region
LDWR	Louisiana Desktop Well Reference
LEAS	Louisiana Energy Access System
MB	megabyte
MMS	Minerals Management Service
MRM	Minerals Revenue Management
OMM	Offshore Minerals Management
RMMLF	Rocky Mountain Mineral Law Foundation
WOGCC	Wyoming Oil and Gas Conservation Commission

Contents

	<i>Page</i>
What is the Purpose of This Guide?	1
How MRM Fulfills Its Responsibilities	2
What Sources of Information are Available?	3
Organizations to Contact	3
U.S. Energy Information Administration	3
MMS Gulf of Mexico Region	4
Louisiana Department of Natural Resources, Office of Conservation, Oil and Gas Division	4
Wyoming Oil and Gas Conservation Commission	5
Other Sources	5
MRM Reading Room Records	6
RMMLF Gower Federal Service—Royalty Valuation and Management ..	6
MRM’s Internet Site	7
FOIA Public Reading Room	8
Requesting Information under FOIA	8
Routinely Withheld Information	11
Filing FOIA requests	12
Services and Fees	13
Payments and Fee Waivers	14
Release History	15

What is the Purpose of This Guide?

This guide will help you with some of your requests for information from the Federal Government. The Minerals Revenue Management (MRM) is a program within the Minerals Management Service (MMS), an agency of the U.S. Department of the Interior (DOI). MRM publishes this guide to explain how to:

- Obtain items MRM publishes and distributes through paper and/or electronic media; and how to receive further explanations of these items.
- Obtain information from sources other than MRM.
- File a request under the Freedom of Information Act (FOIA) for other types of information; and how MRM processes your request.

How MRM Fulfills Its Responsibilities

In fiscal year 2000, MRM collected and accounted for more than \$7 billion in revenues, which were disbursed to Federal, State, and Indian accounts in a timely manner.

MRM is responsible for ensuring that all revenues from Federal and Indian mineral leases are efficiently, effectively, and accurately collected, accounted for, verified, and disbursed to appropriate recipients in a timely manner. These revenues totaled \$7.8 billion for fiscal year 2000. In addition to a broad range of financial services, MRM has a comprehensive compliance and asset management program, including an automated compliance verification system. The program is staffed by MMS, State, and tribal auditors. The leasing and resource management services of the following Federal agencies support MRM's collection activities:

- **Offshore Minerals Management (OMM)** program within MMS is responsible for offshore leasing and associated operational functions, such as permit approval for drilling and production operations, production verification, onsite inspections, and enforcement.
- **Bureau of Land Management (BLM)** within DOI is the leasing agent for all onshore public and acquired Federal lands and the operational supervisor for Indian lands. Operational functions include permit approval for drilling and production operations, production verification, onsite inspections, and enforcement. BLM also is responsible for surface management of public lands. Other agencies, such as the U.S. Forest Service or the U.S. Army Corps of Engineers, manage the surface of certain acquired lands.
- **Bureau of Indian Affairs (BIA)** within DOI facilitates the full development of the human and natural resources of American Indian and Alaska Native people, who manage their own affairs under a trust relationship with the Federal Government. BIA administers all Indian leases and contracts, prepares and maintains title records, and distributes mineral revenues received from MRM to individual Indian mineral owners.

As these agencies issue leases and agreements, the data are transferred to MRM for collection of leasing revenues.

*You can obtain
free information
on the Internet.*

What Sources of Information are Available?

Most of the information related to energy and mineral resource production that MRM collects is available from other sources. In the interest of economic and efficient Government operations, we do not duplicate the efforts of these other sources. You can obtain free information more readily from Internet sites or by ordering paper publications from private sources or from Government sources other than MRM.

Organizations to Contact

Information is readily available from many sources, including the organizations described in the following sections.

U.S. Energy Information Administration

The U.S. Energy Information Administration (EIA) is an independent statistical and analytical agency within the U.S. Department of Energy. It publishes numerous reports that include data and analyses of production, prices, and consumption of petroleum, natural gas, coal, and electricity. You can review the information available by visiting EIA's Internet site at <http://www.eia.doe.gov>.

For further information, you may write to the following address:

National Energy Information Center, EI-30
Energy Information Administration
Room 1F-048
Forrestal Building
1000 Independence Avenue SW
Washington, DC 20585

Phone: (202) 586-8800

MMS Gulf of Mexico Region

The MMS Gulf of Mexico Region (GOMR) production and lease data are available at <http://www.gomr.mms.gov>. Products are available for downloading and are offered for sale on compact discs (CD). Included in its Public Information Catalog are reports on leases, pipelines, wells, reserves, platforms, composite polygons, and geographic mapping data. A description of the information available can be viewed at <http://www.gomr.mms.gov/homepg/pubinfo/cdrom/cdrom.html>. The self-contained CDs (with a copy of Adobe Acrobat Reader) include every monthly production report for Gulf of Mexico Federal leases from January 1947 through the most recent available data and show the amount of oil and natural gas produced according to lease, geographical area block, well, and month. GOMR also offers 50 years of Gulf of Mexico paleontological data (from January 1, 1947, through the most recent available data). More than 14,000 reports are in an Adobe Acrobat Reader-formatted, 40-megabyte (MB) file that contains reports prepared by both MMS and industry scientists. Copies may be ordered by mail, phone, or fax.

To order by mail, submit a written request to the following address:

Minerals Management Service
Gulf of Mexico OCS Region
Attention: Public Information (MS 5034)
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Phone: (504) 736-2519 or (800) 200-GULF

Fax: (504) 736-2620

Louisiana Department of Natural Resources, Office of Conservation, Oil and Gas Division

The Louisiana Desktop Well Reference (LDWR) provides a graphical well information system that may be of interest to oil and gas exploration and production companies, independent consultants, geologists, and engineers. LDWR incorporates several levels of well information from the Louisiana Department of Natural Resources (DNR) Production Audit and Reporting

System database and geographical information on a single CD. This includes a State map with all well locations and associated production and well completion information from January 1990 through the most recent available data. DNR also offers dial-up, online access to oil and gas information by way of the Louisiana Energy Access System (LEAS). Through LEAS, DNR provides customers with online access to specified services on its computer. You can get more information by visiting their Internet site at <http://www.bri.lsu.edu/project%20well%20ref.htm>.

Wyoming Oil and Gas Conservation Commission

In addition to a wealth of other information, the Wyoming Oil and Gas Conservation Commission (WOGCC) Internet site includes Wyoming State production data by field, Federal lease number, and American Petroleum Institute (API) well number. You can review the information available by visiting <http://wogcc.state.wy.us>.

For further information, you may write to the following address:

State Oil and Gas Supervisor
777 West First Street
P.O. Box 2640
Casper, WY 82602

Phone: (307) 234-7147
Fax: (307) 234-5306

Other Sources

Most resource-producing States offer similar data. There also are many commercial sources of data, including the reporters/payors who submit information to MRM. Although the Government cannot release information that could cause commercial harm, reporters/payors may decide to release their own data.

The Freedom of Information Act, which was passed in 1966, shifted the burden of proof from the individual to the Government—rather than proving a “need to know,” the public has “a right to know.”

MRM Reading Room Records

In keeping with the spirit of FOIA, it is MMS policy to make its records available to the public to the greatest extent possible. Four categories of records—MMS Director’s decisions, specific agency policy statements, administrative staff manuals, and previous FOIA releases that are likely to be the subject of requests in the future—must be made available in agency reading rooms, with indexing to facilitate public access. Most of MRM’s reading room records are offered for sale through the Rocky Mountain Mineral Law Foundation’s¹ (RMMLF) Gower Federal Service—Royalty Valuation and Management.² MRM has adopted this service as its official index.

RMMLF Gower Federal Service—Royalty Valuation and Management

Gower Federal Service—Royalty Valuation and Management is the comprehensive source of information on Federal and Indian royalties. It is updated with full-text copies of MMS Director’s decisions addressing Federal and Indian royalty valuation, management, and collection issues. These are supplemented with Payor Letters, Solicitor’s Opinions, and comprehensive manuals from periodic Special Institutes on Royalty Valuation and Management. These Special Institutes, co-sponsored by RMMLF and MRM, provide an up-to-date definitive analysis of legal, accounting, marketing, and management issues associated with the current valuation and payment of Federal and Indian (tribal and allotted) royalties under various Federal and Indian statutes, regulations, leases and agency orders, guidelines, and directives. RMMLF offers numerous royalty management publications for sale.

¹ The Rocky Mountain Mineral Law Foundation is a nonprofit, tax-exempt corporation (tax identification number: 84-6037688).

² The reading room requirement does not apply to any records that “are promptly published and offered for sale” 5 U.S.C. 552(a)(2). This issue is discussed in *FOIA UPDATE*, Vol. XVII, No. 4, Fall 1996: page 1, and Vol. XVIII, No. 1, Winter 1997: page 2, U.S. Department of Justice, Office of Information and Privacy.

You can obtain further information on publications by visiting RMMLF's Internet site at <http://www.rmmlf.org>. You may write to the following address:

Rocky Mountain Mineral Law Foundation
9191 Sheridan Blvd.
Suite 203
Westminster, CO 80031

Phone: (303) 321-8100

Fax: (303) 321-7657

MRM's Internet Site

Many records are publicly available on the MRM Internet site at <http://www.mrm.mms.gov>. The FOIA Web site address is <http://www.mrm.mms.gov/foia/foia.htm>. You can find background information for MMS at <http://www.mms.gov> and for DOI at <http://www.doi.gov>.

MRM's Internet site is organized with blue topic buttons on the left of the screen. By browsing through our electronic pages, you can learn how much money is derived annually from minerals production on Federal onshore and offshore lands—and how much is shared with States. We provide facts, figures, and technical papers on the Laws and Regulations and Statistics pages. We also provide news releases, Congressional testimony, regulations, *Federal Register* notices, proposed and final rules, comments on proposed regulations, and more. You can visit each of three offshore regions electronically to learn about MMS's involvement in offshore leasing, environmental, and scientific activities. Our Internet site is linked to the Internet sites of some of our important affiliates, including the Library of Congress, one of the world's greatest informational sources.

If you need additional assistance in reviewing MRM's information, contact our Public Affairs Officer, Michael Baugher. He can be reached weekdays in Denver, CO at (303) 231-3162 or by e-mail at michael.baugher@mms.gov.

*Our Web site is
linked to the
Library of
Congress.*

FOIA Public Reading Room

MRM's FOIA reading room is located in Building 85, Denver Federal Center, Lakewood, CO. Because the room is within a controlled access area, visitors must make an appointment to review records and make copies. You can make an appointment by calling Laurita Summerton at (303) 231-3628 or Diana Ostenson at (303) 231-3719.

Requesting Information under FOIA

The Freedom of Information Act (FOIA) (5 U.S.C. 552) generally provides that any person has a right to access Federal agency records unless the records are protected from disclosure by an exemption or exclusion. You do not need to demonstrate an interest in the records or justify the request. Information will be disclosed, with the exceptions noted in the law, regardless of the form or format of the record. When responding to a request under FOIA, MRM is not required to provide information already furnished or offered for sale by RMMLF Gower Federal Service or through other sources.

FOIA applies only to records in existence at the time we receive your request. We are not required to create records, conduct research, compile or analyze data, or answer questions to respond to FOIA requests. The records will not necessarily be made available in their entirety. Some identifying details and other privileged or sensitive information may be deleted. Parts may be withheld according to an exemption if disclosure is prohibited by statute or executive order or if the information involves any of the following FOIA exemptions:

1. Matters of national defense and foreign policy,
2. Internal personnel rules and practices,
3. Information exempted by other statutes,

Records will not necessarily be made available in their entirety.

4. Trade secrets, commercial or financial information (confidential business information),
5. Privileged interagency or intra-agency communications,
6. Personal information affecting an individual's privacy,
7. Records compiled for law enforcement purposes,
8. Records of financial institutions, and
9. Geological and geophysical information concerning wells.

MRM receives information requests from companies or individuals who originally submitted data to us and from other interested parties. Payors/reporters or their authorized representatives may request and receive copies of all the reference data, production data, and royalty data they submitted to us. The division or office that maintains the requested records processes such requests rather than the FOIA office.

For requesters unrelated to the submitters of the original information, MRM withholds sales/royalty value data as commercial or financial information (confidential business information) under exemption 4. Such data, when combined with widely available production information, can disclose a payor's pricing strategy and cause competitive harm. Similarly, solid minerals lease-level production data are considered confidential because such data reveal cost structure information. Combined with value data, mine production data disclose pricing strategies. We consult with the payors/reporters who submitted the information only if addressing unique situations.³

³ Under the regulations at 43 CFR 2.15(d)(4)(i) (2000), consultation is not required when MRM determines the request should be denied. Similarly, the regulations at 43 CFR 2.15(d)(4)(ii) (2000) provide that consultation is unnecessary when the information has previously been lawfully published or officially made available to the public.

Accordingly, we process requests for information from anyone other than the submitter without notification or consultation with the submitter as follows:

Indian tribal and allottee leases (except Indian Mineral Development Act leases, which are exempt from FOIA disclosure requirements):

- Oil and gas products—MRM releases all payor accounts, lease, production, and rental data. Annual sales/royalty values by commodity are available only in the summary reports on the Internet.
- Solid minerals products—MRM releases all payor accounts, lease, and rental/minimum or advanced royalty data. Annual production volumes by commodity are available only in the summary reports on the Internet.

Federal onshore and offshore leases:

- Oil and gas products—MRM releases all payor accounts, lease, production, and rental/minimum royalty data. Annual sales/royalty values by commodity are available only in the summary reports on the Internet.
- Solid minerals products—MRM releases all payor accounts, lease, and rental/minimum or advanced royalty data. Annual production volumes by commodity are available only in the summary reports on the Internet.

Routinely Withheld Information

MRM routinely withholds information as described in this section.

Indian tribal and allottee leases:

Oil and gas products—MRM withholds monthly and annual sales prices and sales/royalty values at the lease or lower level of detail.

Solid minerals products—MRM withholds monthly and annual sales prices, sales/royalty values, and monthly and annual production data at the lease or lower level of detail.

Federal onshore and offshore leases:

Oil and gas products—MRM withholds monthly and annual sales prices and sales/royalty values at the lease or lower level of detail unless it is over 10 years old.

Solid minerals products—MRM withholds monthly and annual sales prices, sales/royalty values, and monthly and annual production data at the lease or lower level of detail.

Voluntarily provided commercial/financial information:

Information voluntarily provided to assist MRM is routinely withheld if the submitter customarily treats the information as proprietary.

MRM has 20 days to respond to your FOIA request—after the scope of the request is determined and fees are authorized.

Filing FOIA requests

FOIA requests must be submitted in writing. Describe the material you want as specifically as possible. FOIA specifies two requirements for access requests. First, the requester must “reasonably describe” the records sought. Second, the request must be made in accordance with published DOI procedural regulations (43 CFR 2.14 (2000)). Under these regulations, a description of a requested record is sufficient if it enables an agency employee familiar with the subject area to locate the records with a “reasonable amount of effort.” Requests that are not filed in accordance with published regulations are not considered received until they have been identified as proper FOIA requests by the agency. Until then, the agency has no obligation to search, to meet deadlines, or to release documents. After we receive the appropriate fee authorization and agree on the scope of the request, MRM must respond to your written request within 20 days.

Before preparing a FOIA request, you may want to contact the MMS/MRM office(s) that you believe may have the records in order to discuss with them how to best describe the records/documents you are requesting. You may also contact the FOIA office for assistance in formulating your request and for help in determining if the records may already be publicly available.

To expedite your request, follow these instructions:

- Send a written request by mail, e-mail, or fax, and say your request is under FOIA.
- Describe the scope of the records you are requesting.
- State the category of your request for fee purposes—commercial, media, educational, or all others.
- Authorize fees up to the maximum amount you are willing to pay.
- Indicate how you qualify if requesting a fee waiver. (Please see 43 CFR 2.21 for criteria.)

- Specify the format in which you want your response, such as hard copy, diskette, CD, or magnetic tape.
- Provide a telephone number where we can reach you if we need additional information.

Submit a written request by e-mail to Laurita Summerton at laurita.summerton@mms.gov or by mail to:

Laurita Summerton
MMS/MRM
P.O. Box 25165
MS-320B2
Denver, CO 80225-0165

Phone: (303) 231-3628

Fax: (303) 231-3781

Services and Fees

It is the Government's policy to charge for goods and services provided beyond those received by the general public.⁴ This policy was incorporated in the Department's rule for processing FOIA requests (43 CFR 2.20 (2000)). Accordingly, you may have to pay for the time spent searching for, reviewing, and deleting proprietary data from the records you request. You also must cover the direct costs of the media used to provide the data.

⁴ OMB Circular No. A-25 (Revised), No. 6 *General Policy*.

The following charges are standard:

Service	Fee
Professional support	\$ 18.60/hour
Clerical support	\$ 9.20/hour
Photocopies	\$.13/page ⁵
Microfiche	\$.08/page
Computer/magnetic tapes	\$ 25.00/each ⁶
8-mm tapes	\$ 10.00/each
Computer diskettes	\$ 1.25/each
Compact discs	\$ 6.00/each
Computer time	\$ 35.00/minute

You are also responsible for fees on overdue bills. These include a \$35 administrative charge plus interest at the prevailing U.S. Treasury rate. We will send a bill with our response to your request.

Payments and Fee Waivers

Advance payment may be requested when fees are likely to exceed \$250 or if there is risk of nonpayment. Fees can be waived or reduced when the criteria established by regulations and Department guidance are met.⁷

⁵ Double-sided page counts as two pages.

⁶ Magnetic tapes may be returned for a credit toward your next FOIA request. We will not process a cash refund, unless the amount is sufficient to harm the person who overpaid the Government.

⁷ See 43 CFR 2.21 (2000) and the Acting Associate Solicitor's Memorandum dated May 30, 1997, available at <http://www.doi.gov/foia/feewaive.html>.

Release History

Release number	Release date	Revised chapters/sections	RMP originator	Preparer
1.0	08/17/98		RPS ^a	AMS/OC ^b
2.0	08/16/99		RPS ^a	AMS/OC ^b
3.0	09/24/01		Center for Excellence	AMS/OC ^b

a. Rules and Publications Staff.

b. American Management Systems Operations Corporation, Inc.



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.