

Mineral Revenues 1998

Report On Receipts From Federal And Indian Leases



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Executive Summary

The U.S. Department of the Interior and the royalty management staff of the Minerals Management Service (MMS) continued efforts to improve stewardship of the Nation's mineral resources in 1998.

Royalty Management Initiatives in 1998

The Royalty Management Program (RMP) continued progress on a reengineering initiative announced in April 1997. The initiative will identify customer needs and expectations and will design, develop, and implement new business processes with supporting automated systems for the 21st century.

The Federal Oil and Gas Royalty Simplification and Fairness Act was signed in August 1996, to improve the management of Federal mineral leases. The MMS has completed a number of initiatives including the publication of rulemaking in the Federal Register, the introduction of automated systems enhancements, the repeal of section 10 of the Outer Continental Shelf Lands Act Amendments, and the streamlining of billing and followup processes for production from oil and gas leases.

The MMS Director established a royalty-in-kind (RIK) Implementation Team in 1997 to pursue one RIK pilot program in Wyoming and two in the Gulf of Mexico. The three pilot programs are designed to demonstrate conclusively whether RIK programs are viable options for the Federal Government and to determine the optimal means for implementation.

The MMS continued efforts to improve product valuation in 1998. The MMS worked with various constituents throughout the year to review policies and procedures used to value oil and gas on Federal and American Indian lands. Although a few major issues remain unresolved, the MMS is committed to working with industry, the States, and the American Indian community to improve payment of royalties and to reduce administrative costs for all parties.

Revenue underpayment detection programs administered by RMP generated over \$137 million in Fiscal Year 1998. This included \$84.9 million in additional revenues and refund denials from collective Federal, State, and American Indian audit programs; \$32.7 million from

comparisons of sales reported to the Auditing and Financial System with corresponding production reported to the Production Accounting and Auditing System; and \$16.2 million in interest collections for late, insufficient, or erroneous mineral payments.

Federal and American Indian Mineral Revenues in 1998

Revenues from Federal and American Indian leases fell 16.6 percent, from \$6.7 billion in 1997 to \$5.6 billion in 1998. The decline was attributed to falling oil and gas prices in 1998 and to reduced collections from competitive oil and gas lease sales on the Outer Continental Shelf.

Federal and American Indian oil royalties were down 33.2 percent, or \$533.1 million, during the year. The U.S. Department of Energy (DOE) reports oil prices fell in the first half of the year due to abundant supplies of oil on world markets. The Organization of Petroleum Exporting Countries (OPEC) and non-OPEC countries declined to cut oil production in the fall in an effort to reduce supplies. Prices subsequently plunged over \$3 per barrel in December to a monthly average of \$9.39 per barrel.

Royalty collections from gas on Federal and American Indian lands fell 13.8 percent, or \$367 million, from 1997 to 1998. The DOE reports that unusually mild weather during the peak heating season in January through March reduced gas demand, creating large surpluses in inventories. Prices stabilized in the spring with a strong injection season before plummeting again in the summer. Severe storms that briefly disrupted production in the Gulf of Mexico in September and a cold snap in December caused prices to finally rebound in the last quarter of the year.

Federal and American Indian coal royalties fell \$6.4 million in 1998. The DOE advises that over 90 percent of coal produced in the United States during the year was consumed by the electric utility sector. Coal prices to the utilities fell to a 19-year low in 1998 as a result of continued gains in mining productivity.

Bonus receipts from competitive lease sales totaled nearly \$1.5 billion in 1998. Three offshore oil and gas lease sales accounted for over \$1.3 billion of that amount during the year.

Products and Units of Measurement

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

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

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

Sodium product figures include sodium borate and carbonate compounds.

About This Report

The Mineral Revenues report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and American Indian mineral leases. The Minerals Management Service, Royalty Management Program distributes the report annually to congressional, Federal, State, American Indian, and industry representatives. Many of the narratives, figures, and tables address current-year performance; however, 10 years of historical data are provided where appropriate as a service to our constituents.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current-year collections and credits, and prior-year adjustments. All tables and figures are annotated to indicate calendar or fiscal year data.

The Appendix on page 141 provides factors to convert measurements to either English (inch-pound) units or the International System of Units (metric).

Mineral Lease Revenues

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

- **Bonuses.** Leases issued in areas known or believed to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to 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.
- **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 cease.

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

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

Sales Volume and Sales Value

Sales volume represents the volume of a commodity reported sold during the year. Sales value represents the dollar value of the commodity reported sold during the year. Selected sales volume and sales value figures in this report have been adjusted to resolve distortions that may be created by communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments.

Other Minerals

Minerals referred to in this report as “Other” or as “Other Products” may include the following solid and fluid minerals: amethyst, asphalt, barite, bentonite, carbon dioxide, chat, clay, cobalt, copper, feldspar, fluorspar, garnet concession, garnet gem, garnet sands, gas lost, gas plant products, geothermal energy, gilsonite, gold, granite, gypsum, helium, hot water, iron ore, langbeinite, lead, leonardite, limestone, magnesium, molybdenum, nitrogen, oil lost, oil shale, phosphate, potash, potassium products, purge liquor, quartz crystals, salt, sand and gravel, scoria, silica sand, silver, soda ash, sodium products, sulfur, sylvite, trona ore, tungsten, uranium, wavellite, and zinc. Gas plant products include gasoline, liquid petroleum gas, propane, butane, and other gas commodities measured in gallons.

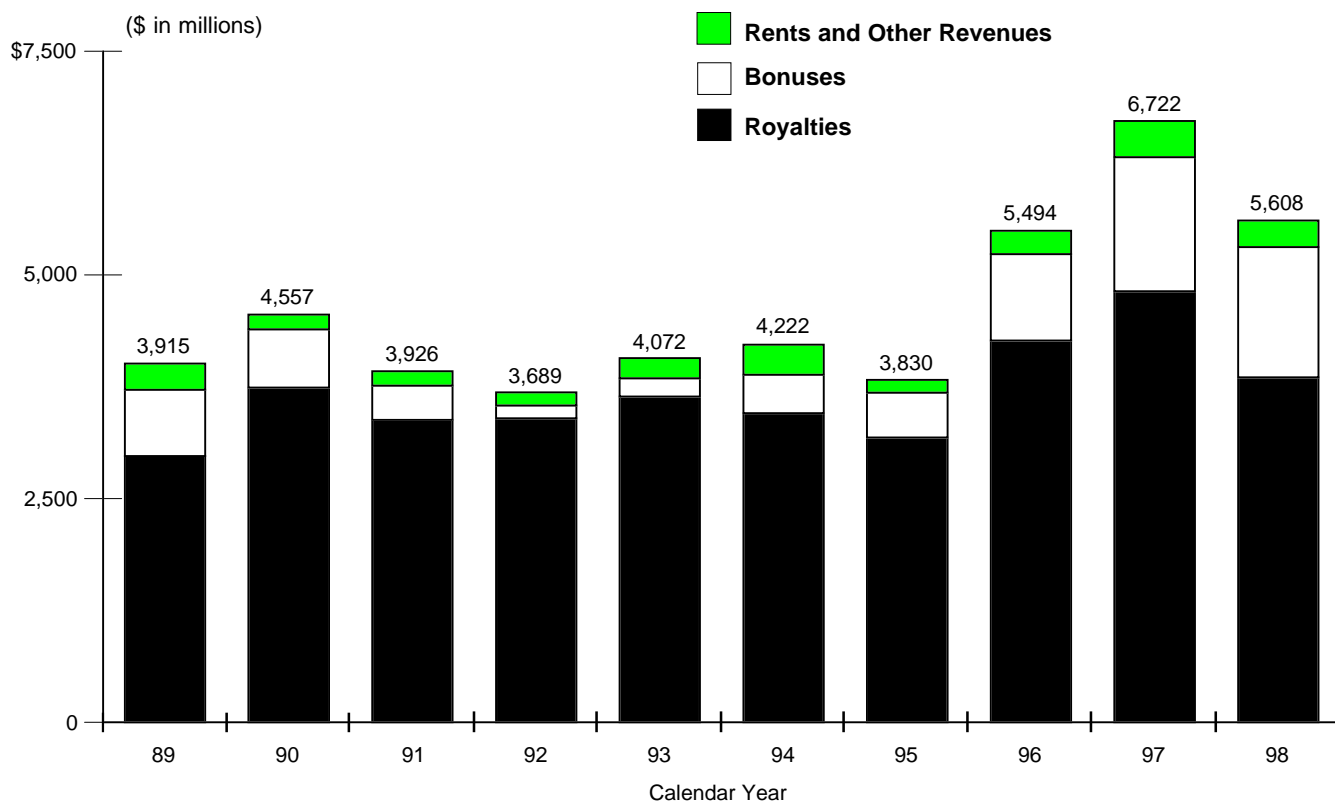


Figure 1. Revenues from Federal and American Indian leases by source, 1989-98

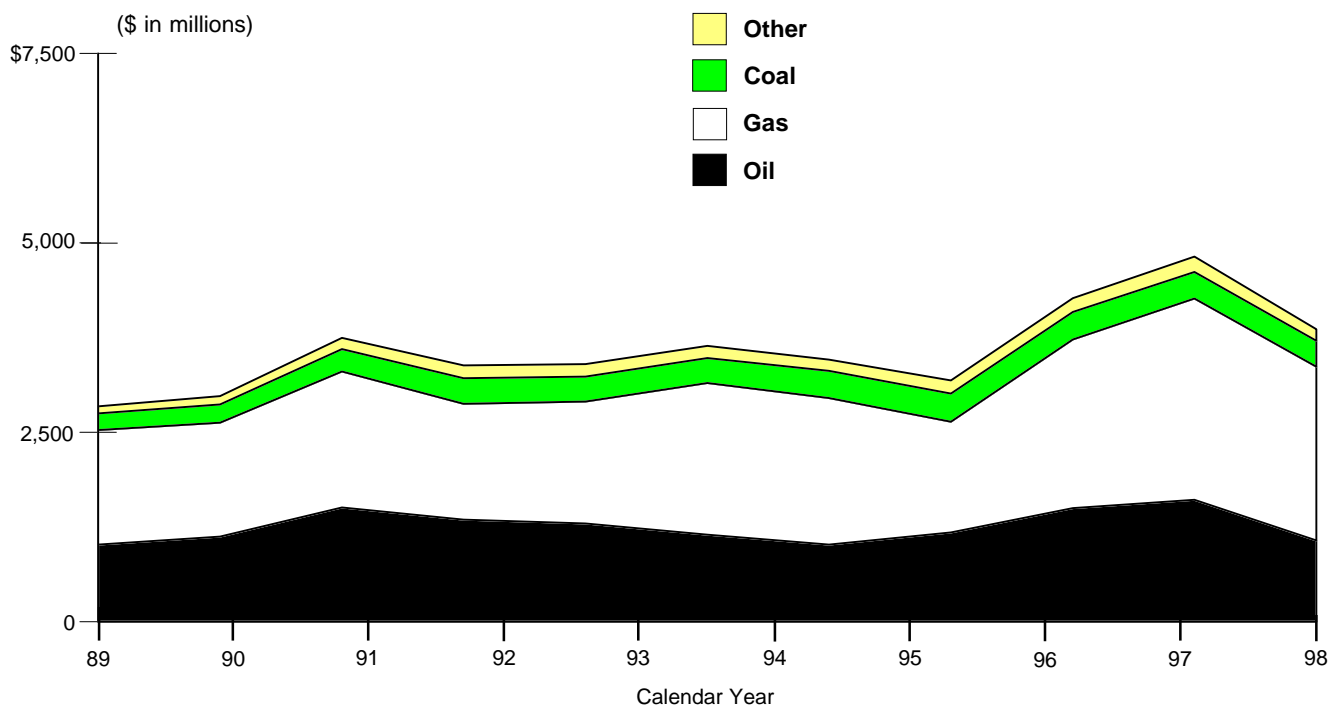


Figure 2. Royalties from Federal and American Indian leases by commodity, 1989-98

Mineral Revenues Management in 1998

The Minerals Management Service (MMS) is pleased to present the 1998 report on receipts from Federal and American Indian mineral leases. Collections were down 16.6 percent, from \$6.7 billion in 1997 to \$5.6 billion in 1998 (figure 1, and tables 2 and 3). The decline in revenues is due to lower oil and gas prices in 1998 and to reduced bonus receipts from competitive oil and gas lease sales on the Outer Continental Shelf (OCS).

The Royalty Management Program (RMP) continued efforts to improve accountability for the Nation's mineral revenues in 1998. The RMP pursued significant program initiatives during the year to resolve problems and to achieve its mission.

RMP Reengineering Project

The RMP undertook a compliance reengineering initiative in April 1996 to examine the current compliance strategy to determine the best approach for accomplishing future goals and objectives. The principal objective was to define and implement a cost-effective strategy to ensure that Federal and American Indian mineral lease revenues are paid to MMS in an accurate, timely manner.

Enactment of the Federal Oil and Gas Royalty Simplification and Fairness Act (RSFA) in August 1996 materially changed many historic RMP operating assumptions as well as some fundamental Federal oil and gas financial activities. Although immediate changes in processes and systems needed to be made to implement the law, it was apparent that long-term strategies, business processes, and aging systems had to be addressed for RMP to be cost-effective and responsive to customer requirements.

The MMS announced on April 1, 1997, that the effort would expand beyond compliance reengineering to a comprehensive reengineering of all RMP core business processes. A Program Reengineering Office was established in RMP to manage and coordinate the initiative. The MMS assembled a group of senior RMP managers from diverse disciplines to administer the project.

The initial redesign work, including prototype development and testing, was completed through a multidisciplinary team of MMS, State, and Tribal representatives, with

technical contract assistance. Consultations with customers have been critical in better defining future business approaches and processes.

The principal objective of the expanded initiative is to design, develop, and implement new core business processes, with supporting systems, for the 21st century. The systems and processes must be flexible and capable of meeting customer needs, including:

- Supporting the collection of royalties both in cash and in kind;
- Supporting delegated activities related to royalty administration;
- Empowering RMP to provide related financial services for other customers through franchising agreements; and
- Employing a variety of methodologies to value production.

The initiative includes:

- Mapping core business processes as they now exist;
- Benchmarking with other organizations to determine optimal practices;
- Identifying customer needs and expectations;
- Redesigning business processes for improvement;
- Developing, testing, and operational-modeling new business process designs;
- Acquisition of information technology solutions to support new business processes; and
- Implementing redesigned processes and support systems.

The RMP has been guided by the following stretch goals in the development of new business practices:

- Provide revenue recipients with access to their funds within 24 hours of the due date; and

- Assure compliance with applicable laws, lease terms, and regulations for all leases in the shortest possible time, under a 3-year statutory limit from the due date.

The RMP continues to pursue proactive communication to build consensus, obtain feedback and suggestions, and demonstrate progress in achieving goals. The strategy is directed toward employees, companies, and organizations with a vested interest in the royalty management process. The MMS remains committed to cost reduction and improved service in the royalty program.

RSFA

The RSFA was signed on August 13, 1996, to improve the management of revenues from Outer Continental Shelf (OCS) and Federal onshore mineral leases. The MMS has made significant progress in implementing RSFA, conducting over 20 outreach workshops with State and industry officials that addressed specific provisions of the law. The MMS has completed a number of initiatives.

The MMS has published the following rulemaking in the Federal Register:

- A final rule that addresses the delegation of royalty management functions to the States;
- A final appeals rule;
- A proposed marginal properties accounting and auditing relief rule; and
- An interim rule that addresses payment responsibility between lessees and designees.

The MMS has implemented the following automated systems enhancements:

- Software was modified to enable MMS to accept interest reports and payments from companies and begin payment of interest to companies who overpay royalties;
- A database was developed to collect information addressing designations of individuals to make royalty and other payments on behalf of operating rights owners or lease record title holders; and
- The MMS automated systems were modified to accommodate marginal property relief requirements mandated by RSFA.

The MMS has completed the following actions:

- The MMS implemented the repeal of section 10 of the Outer Continental Shelf Lands Act (OCSLA) Amendments, which addresses time limits on refunds;
- The MMS streamlined billing and followup processes for production from oil and gas leases after September 1, 1996, to comply with RSFA payment liability requirements; and
- The MMS resolved over 14,500 pre-RSFA and production volume exceptions within the 2-year period prescribed by RSFA. Between August 1996 and August 1998, MMS closed nearly 50,000 cases, collecting an additional \$54.4 million in royalties.

The MMS will publish at least five more regulations required by RSFA by the end of the year 2000. The MMS will continue consultations with constituents on a number of complex issues.

Royalty-In-Kind Pilot Programs

The Federal Government, under the provisions of the Mineral Leasing Act of 1920 and OCSLA, may take part or all of its oil and gas royalties “in kind” (a volume of the commodity) as opposed to “in value” (money). The MMS conducted a pilot program in the Gulf of Mexico in 1995 to assess taking the Federal share of natural gas royalties “in kind” rather than “in value.” The 1996 Final Report on the Royalty Gas Marketing Pilot indicated that a loss of revenue resulted.

An MMS Feasibility Study in 1997 concluded that, under the right conditions, royalty-in-kind (RIK) programs could generate additional revenues and be more efficient for government and industry. The 1997 study further concluded that a mandatory across-the-board RIK program would reduce Federal and State royalty revenues.

The MMS Director established an RIK Implementation Team in 1997 to study these issues. The team, based on the 1997 study recommendations, is pursuing the following RIK pilot programs:

- **Crude Oil in Wyoming.** The MMS began taking oil under this program in October 1998. The oil was delivered to successful bidders under an Invitation for Bids (IFB) issued in July 1998 for production from Federal leases in Wyoming. A second IFB, offering RIK crude oil to be taken from both State of Wyoming

and Federal leases beginning in April 1999, was developed in partnership with State officials and issued January 4, 1999. A third IFB offering RIK crude oil from both Federal and State properties was issued in July 1999.

- **Natural Gas in the Texas 8(g) Zone of the Gulf of Mexico.** Section 8(g) of the OCSLA Amendments of 1978 provided that the States were to receive a 27 percent share of revenues generated from the leasing of public lands within 3 miles of the seaward boundary of a coastal State. These lands contain one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State.

The program involves leases located in the 3-mile section 8(g) zone off the coast of Texas. The program commenced in December 1998 when MMS began taking natural gas for delivery to the General Services Administration for use by Federal agencies. The MMS is also exploring ways to market Federal and State gas production in a cost-effective manner pursuant to a Cooperative Agreement with the State of Texas General Land Office.

- **Natural Gas from Federal Leases in the Balance of the Gulf of Mexico.** This program, scheduled to start in the fall of 1999, will involve as much as 800 million cubic feet of natural gas per day to be taken from the balance of the Gulf of Mexico and will run 3 to 4 years.

Both the Wyoming and Texas 8(g) pilot programs are expected to last a minimum of 2 years and will provide the foundation for larger RIK pilot initiatives. The MMS has solicited participation from States affected by the pilot programs. The MMS is further evaluating the feasibility and efficiency of providing RIK production directly to other Federal agencies for consumption. The three pilot programs are designed to demonstrate conclusively if RIK programs are viable options for the Federal Government, and determine the optimal methods for implementation.

Automated Systems Initiatives

Information technology provides access to RMP information from individual workstations to enhance performance, productivity, and support RMP program initiatives. A brief description of some of the systems initiatives in 1998 follow.

- **Network Enhancements.** Networks allow information to be shared among people. The goal of the RMP network is to ensure a reliable means to move

information quickly and to permit growth to meet the changing requirements of a dynamic organization.

In 1998, RMP completed the installation of its high-speed metropolitan-area network that connects its offices in Denver and a wide-area network that connects remote Compliance, Indian Royalty Assistance, Tribal, and State offices. The RMP network currently provides services to over 1,200 attached workstations.

The RMP further completed consolidation of local area networks and network support throughout the program in 1998. Centralization has resulted in significant cost savings, improved efficiency, and will ensure effective support to employees. The consolidation standardizes hardware and software, minimizing the cost and disruption of network and personal computer maintenance and software upgrades. All MMS employees, as well as participating State and Tribal representatives, have received state-of-the-art telecommunications equipment.

- **Year 2000 Project.** Employees in the RMP Systems Management Division completed a comprehensive project in December 1998 to ensure that all RMP mission-critical systems will operate successfully in the year 2000 (Y2K). This effort included testing, analysis, and correction of software and hardware. The effort further involved extensive communication with data suppliers and recipients. Potential problems with incompatible incoming data were eliminated through a “windowing” routine that enabled RMP to achieve Y2K compliance without requiring a change in reporting requirements. Organizations and individuals who supply data to RMP were instructed to continue using existing reporting formats. The approach employed by RMP and the attendant results were validated by an independent external review.

Over 96 percent of RMP’s 158 nonmission-critical applications are Y2K compliant. The remainder will be compliant by the end of 1999. All RMP mainframe hardware and vendor software is Y2K compliant. Client/server hardware and vendor software are being upgraded, if necessary, as part of a 1999 deployment. Telecommunications equipment and embedded systems are 100 percent Y2K compliant throughout MMS.

Improved Services to American Indian Tribes and American Indian Mineral Owners

The U.S. Department of the Interior continues to emphasize its trust responsibilities in administering revenue collections

from American Indian mineral leases. The RMP continued efforts in 1998 to improve communications and the delivery of mineral services to American Indian Tribes and individual American Indian mineral owners (lessors of allotted lands).

- **Indian Minerals Steering Committee.** The Department chartered the Indian Minerals Steering Committee (IMSC) in January 1995. The IMSC is composed of members from the five Department bureaus that manage American Indian mineral leases, as well as members from the Office of the Secretary. The IMSC addressed the following issues in 1998:
 - Fractionation, a problem involving multiple owners with increasingly smaller ownership percentages in allotted leases as a result of lease heirship;
 - Pre-leasing processes and requirements, including drainage of American Indian lands;
 - Post-leasing problems, including off-lease measurement; and
 - Management of a pilot program under one Department manager in Farmington, New Mexico, to identify ways to improve services to American Indian mineral owners.

The MMS continued to support IMSC initiatives during the year. An IMSC subcommittee submitted recommendations in March 1998 to redesign the explanation of payment reports that individual American Indian mineral owners receive each month with their royalty payment. The Bureau of Indian Affairs (BIA), MMS, and the Office of Special Trustee for American Indians are assessing costs and time frames to implement the recommendations within each bureau's automated systems.

- **Office of Indian Royalty Assistance.** The RMP Office of Indian Royalty Assistance (OIRA) is responsible for coordinating and communicating with American Indian mineral lessors, and for advocating action and change. Personnel with OIRA completed the following initiatives in 1998:
 - Conducted 42 outreach meetings with individual American Indian mineral owners and an 11 additional meetings with Tribal officials.
 - Resolved 1,078 formal inquiries from individual mineral owners during the year. Many inquiries

required inter-bureau coordination to resolve complex issues, again demonstrating the seamless delivery of services to the American Indian community.

- Participated in a workgroup composed of officials with the Department, the Department of Health and Human Services, and selected Tribes to draft a self-determination procedural manual. The OIRA also participated in the Department's negotiated rulemaking committee that proposed self-governance regulations in February 1998 in the Federal Register.
- Continued to pursue payment agreements resulting from audits and appeals in conjunction with industry and the MMS Office of Enforcement. The payment agreement process allows American Indian mineral owners to receive their revenue in an expedient manner.

Product Valuation

The MMS continued to provide valuation guidance for fluid and solid minerals in 1998.

- **Federal Oil Valuation Rule.** In December 1995, MMS began an effort to revise the oil valuation rule due to the reliance of the existing rule on posted prices. The MMS prepared numerous drafts of the revised rule in response to public comment. The MMS published the initial proposed rule on January 24, 1997, followed by a supplemental proposed rule on July 3, 1997. The MMS reopened the public comment period on September 22, 1997, to solicit comments on several alternative valuation procedures suggested by constituents. The MMS published a second supplemental proposed rulemaking on February 6, 1998. Before MMS could consider comments on the revised proposal and publish a final rule, a rider was added to a Fiscal Year (FY) 1998 emergency supplemental spending measure in April 1998 that barred MMS from implementing the rule until October 1, 1998.

The MMS reopened the public comment period from July 9-31, 1998, in response to a request from several U.S. Senators and a review of all comments received throughout the rulemaking process. The MMS published a further supplemental proposed rule on July 16, 1998, in response to meetings with members of Congress and other interested parties. The General Accounting Office provided a positive report on MMS rulemaking efforts on August 19, 1998. The Supplemental Appropriations Bill for 1999 included language

prohibiting MMS from publishing a final rule until October 1, 1999.

The MMS once again reopened the public comment period on the proposed rule on March 13, 1999, and conducted additional public workshops seeking new ideas not discussed in previous workshops, to help move the rulemaking process forward while ensuring the public receives fair value for its resources. The comment period closed on April 27, 1999.

The MMS has continued to seek active participation in the rulemaking process from all interested constituents. A summary of MMS initiatives to determine a fair and reasonable valuation of oil follows:

- Published seven separate notices in the Federal Register to solicit public comment;
 - Conducted seventeen meetings and workshops in five States and the District of Columbia;
 - Received advice from five independent consultants to evaluate proposals; and
 - Conducted extensive discussions with a variety of MMS constituents, including members of Congress; numerous experts in the oil industry; and representatives from California, Colorado, Louisiana, Montana, New Mexico, and Wyoming.
- **American Indian Oil Valuation Rule.** The MMS initially planned to develop an American Indian oil valuation rule separate from the Federal rule, yet comparable in content. In 1997, MMS elected to develop an independent rule for valuing oil produced from American Indian leases due to MMS trust responsibilities and the unique lease terms contained in American Indian leases, particularly “major portion” provisions. The MMS worked with American Indian representatives to publish a proposed rule in the Federal Register on February 12, 1998, that would require payors to use the higher of the following criteria:
 - The average of the five highest daily New York Mercantile Exchange settlement prices for production in the current month, adjusted for location and quality differences;
 - The higher of the lessee’s or the affiliate’s arm’s-length gross proceeds, reduced by appropriate allowances; or

- A major portion value calculated by MMS after the reporting month. The major portion value would be the price at which 75 percent of the volume of oil, beginning with the lowest price, is bought or sold in the designated area. The designated area will normally be a reservation.

The MMS met with various constituents to discuss comments received and to obtain their feedback on potential changes to the rule. Congress placed a moratorium on publishing a final rule until October 1, 1999, similar to the Federal oil valuation rule. As of November 1999, Congress was considering further extending the moratorium for 180 days and requiring the General Accounting Office to review the issues involved in the rulemaking.

- **Federal Gas Valuation Rule.** The MMS remains committed to working with its constituents to explore alternative means to value natural gas; however, current efforts to publish revised oil valuation rules and attendant resource constraints have precluded further action with gas valuation rulemaking.
- **Indian Gas Valuation Negotiated Rulemaking Committee.** The MMS published a Notice in the Federal Register on February 7, 1995, to establish the Indian Gas Valuation Negotiated Rulemaking Committee (Indian Committee). The goal of the Indian Committee was to publish regulations that would maximize royalty revenues for American Indian Tribes and allottees consistent with the Secretary’s discretion to establish value. The regulations would further satisfy industry concerns by clarifying and reducing information requirements to compute royalty in an accurate, timely manner. The Indian Committee included representatives from MMS, BIA, American Indian mineral owners, and the oil and gas industry.

The Indian Committee agreed on a formula to value gas produced from American Indian lands using available public spot market index prices and a factor for transportation. The price, derived from the formula, would generally be applied to wellhead gas volume and would satisfy the gross proceeds and major portion calculations required by American Indian lease terms. The Indian Committee designed a method that would provide lessees with an option of performing dual accounting in its current form or applying a percentage increase to the index formula value to satisfy the dual accounting requirement in American Indian leases. Transportation allowance forms would no longer be

required in index zones when lessees choose to perform alternative dual accounting.

Lessees would continue monthly reporting of gross proceeds under the 1988 regulations for American Indian lands with no valid spot market index. The MMS would calculate and publish the major portion values in the Federal Register.

The MMS published a proposed rule in the Federal Register on September 23, 1996. The proposed rule represents recommendations from the Indian Committee and also contains two new forms for information collection on dual accounting and safety net values. The comment period on the proposed rule closed December 3, 1996. The comment period was reopened to address the gross proceeds requirements in the proposed rule dealing with the issue of gas contract settlements.

A final rule was submitted to the Office of Management and Budget for approval in April 1999. The MMS prepared the necessary Federal Register Notices, the Dear Payor Letter, and the system changes required to implement the rule. The MMS published a final rule in the Federal Register on August 10, 1999, with an effective date of January 1, 2000.

- **Impact of Federal Energy Regulatory Commission Order 636 on Transportation and Gas Marketing.** The MMS published a final regulation in the Federal Register on December 16, 1997, to clarify royalty implications of Federal Energy Regulatory Commission (FERC) Order 636. The regulation identifies which cost components or other charges are deductible, or related to transportation, and which costs are not deductible, or related to marketing. Deductible transportation costs include firm demand charges, commodity charges, banking fees, parking fees, and wheeling costs. Nondeductible marketing costs include long-term storage, aggregator fees, and intrahub title transfer fees.

The FERC issued Order 636 in April 1992 to enhance competition among suppliers and improve the industry’s ability to compete effectively for new markets. The Order mandated that interstate pipelines separate their sales and transportation services, negating the advantage that a particular pipeline company would have in the sale of its own gas as opposed to the gas of other suppliers. Pipelines must provide open access transportation services equal in quality whether the gas is purchased directly from the pipeline company or from another source. Each pipeline

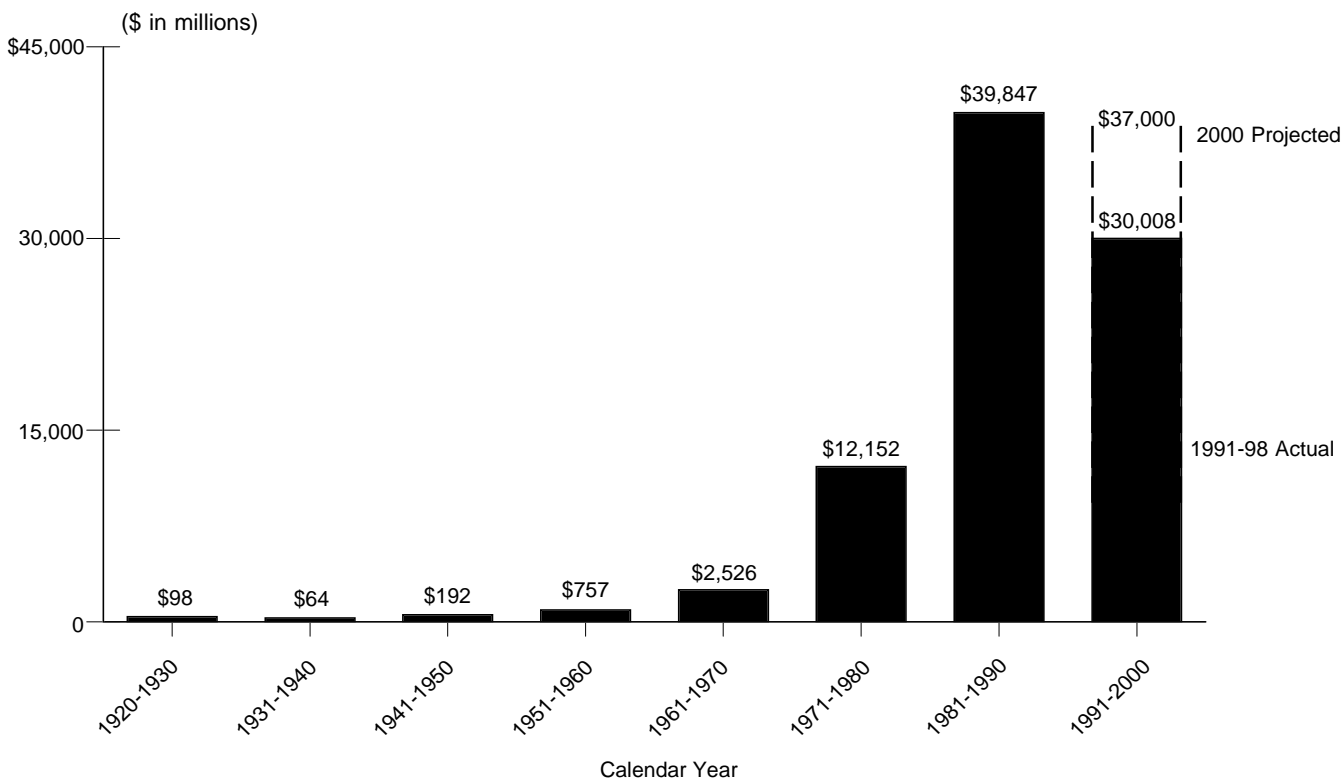


Figure 3. Royalties from Federal and American Indian leases, 1920-2000

was required to complete restructuring of its services by November 1, 1993.

The rulemaking modified the gas valuation regulations in conjunction with the proposed changes to the transportation allowance regulations. The MMS recognizes that certain lessee gas transportation arrangements result in financial transactions that are not directly associated with the gas value. Such transactions may not have royalty consequences. The proposed rulemaking encourages lessees to request valuation guidance from MMS if the lessee is unsure whether transactions result in additional royalty obligations. The final regulation applies to both arm's-length and non-arm's-length situations for valuing gas production and calculating transportation allowances. The final regulation became effective February 1, 1998.

The Independent Petroleum Association of America and the American Petroleum Institute filed suit against the Department in March 1998. The suits allege that the rule is illegal because it requires lessees to pay royalties based on more than the value of the gas at the wellhead and unilaterally changes the terms of the oil and gas lease. Motion and cross motion summary judgments were filed in September and December 1998.

Final simultaneous reply briefs were submitted February 11, 1999. The Plaintiffs' attorneys have contacted the Department of Justice (DOJ) about going to court with a date for oral argument. The DOJ is not opposed to approaching the court with a date, but DOJ will not join them in such a motion.

- Major Portion Initiatives.** The RMP developed a Major Portion Pricing Initiative in FY 1992 for American Indian leases. American Indian lease terms and valuation regulations require the value of gas to be the higher of either gross proceeds or the highest price paid or offered for a major portion of gas produced from a field or area. The RMP calculates major portion prices and compares them with prices reported by payors. The RMP issues "Orders to Pay" where appropriate. As a result of the effort, RMP has collected approximately \$7 million in additional royalties for Tribes and allottee groups.

Revenue Underpayment Detection Programs

Collections from audits, refund denials, and exception programs rose from \$76.5 million in FY 1997 to \$137 million in FY 1998 (table 1 and figure 5). Cumulative

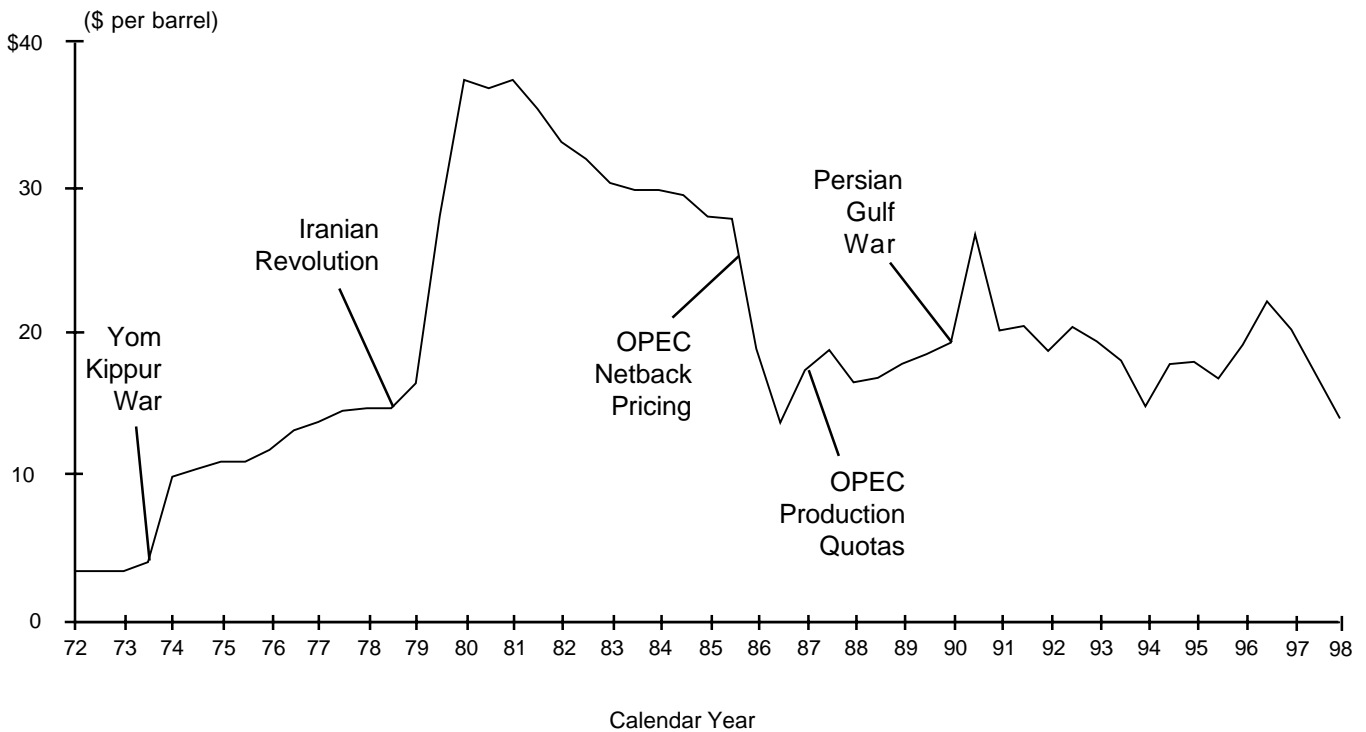


Figure 4. West Texas Intermediate crude oil prices, 1972-98
 (Source: Oil and Gas Journal Energy Database)

collections from the inception of the first of the revenue underpayment detection programs in October 1981 through the end of FY 1998 totaled over \$2 billion (table 1). A summary of program activity in FY 1998 follows.

- **Audit Program.** Audit collections and refund denials by RMP auditors totaled \$46.3 million during the year. Collections generated by funded and unfunded State and American Indian Tribal audit efforts added another \$38.6 million. The collective Federal, State, and Tribal audit programs resulted in additional revenues and refund denials of \$84.9 million (table 1 and figure 5).

The RMP maintained cooperative agreements that provided audit funding in FY 1998 to seven American Indian Tribes and 10 States under authority provided in sections 202 and 205 of the Federal Oil and Gas Royalty Management Act of 1982. Cooperative agreements under section 202 were in effect at the end of FY 1998 with the following Tribes:

- Blackfeet
- Jicarilla Apache
- Navajo Nation
- Shoshone and Arapaho
- Southern Ute
- Ute
- Ute Mountain Ute

Cooperative agreements under section 205 were in effect at the end of FY 1998 with the following States:

- California
- Colorado
- Louisiana
- Montana
- New Mexico
- North Dakota
- Oklahoma
- Texas
- Utah
- Wyoming

- **Auditing and Financial System / Production Accounting and Auditing System comparison.** The RMP continued to correct discrepancies, or exceptions, between sales volumes reported to the RMP Auditing and Financial System (AFS) by payors and production reported to the RMP Production Accounting and Auditing System (PAAS) by lease and agreement operators.

Revenues from comparisons of sales reported to AFS and corresponding production reported to PAAS rose 53.4 percent, or \$11.4 million, from \$21.3 million in FY 1997 to \$32.7 million in FY 1998 (table 1). The increase in revenues was due to automation and the continued streamlining of work processes by RMP.

Table 1. Revenues from principal Royalty Management Program underpayment detection programs, Fiscal Years 1982-98

	Revenues in Thousands of Dollars									
	Audit Program	AFS/PAAS Exceptions	AFS Exceptions	Allowance Exceptions	AFS/PAAS Liquidated Damages	OCS Recoup.	American Indian Recoup.	Improper Adjust.	Royalty Rate Monitor	Total
1982-88 . . .	\$ 455,806	\$ 25,804	\$ 31,535	\$ ---	\$ 338	\$ ---	\$ ---	\$ ---	\$ ---	\$ 513,483
1989 . . .	107,416	12,506	16,939	---	114	---	---	---	---	136,975
1990 . . .	65,966	18,529	14,528	---	124	---	---	---	---	99,147
1991 . . .	97,003	20,204	11,251	---	477	---	---	---	---	128,935
1992 . . .	122,670	22,984	21,641	2,210	781	104	104	---	---	170,494
1993 . . .	140,493	24,644	22,559	721	913	708	199	168	---	190,405
1994 . . .	267,787	19,174	15,836	2,179	884	447	186	190	---	306,683
1995 . . .	215,634	20,305	16,844	595	766	752	522	580	106	256,104
1996 . . .	39,728	18,370	13,283	---	4	416	209	542	366	72,918
1997 . . .	40,160	21,340	13,870	26	2	(15)	162	823	154	76,522
1998 . . .	<u>84,920</u>	<u>32,725</u>	<u>16,169</u>	<u>545</u>	<u>---</u>	<u>3</u>	<u>329</u>	<u>2,057</u>	<u>274</u>	<u>137,022</u>
Total . . .	\$ 1,637,583	\$ 236,585	\$ 194,455	\$ 6,276	\$ 4,403	\$ 2,415	\$ 1,711	\$ 4,360	\$ 900	\$ 2,088,688

- **AFS Exceptions.** The AFS exceptions identification program promotes accurate and timely reporting and payment. The program detects late payment of royalties, rents, and bills; insufficient estimated royalty payments; and discrepancies between payments and financial lease terms for rents, bonuses, advance royalties, and minimum royalties.

Interest collections totaled \$13.9 million in FY 1997 and \$16.2 million in FY 1998 (table 1).

- **Allowance Exceptions.** All transportation and processing allowances deducted from royalties are subject to RMP review. The RMP has continued to improve efforts to monitor these deductions from the inception of the first automated program in FY 1992.
 - Automated Allowance Tracking System. This system reviewed oil and gas transportation and gas processing allowance forms filed by payors. The MMS Director placed a moratorium on filing violations in the first quarter of FY 1994; however, collections for bills issued before the moratorium resulted in \$595,000 in FY 1995. No collections were made in FY 1996. A total of \$26,000 was

collected in FY 1997 from bills issued prior to the moratorium (table 1).

- Allowance Limit Exception Processing. The RMP implemented this program in the fourth quarter of FY 1994 to detect payors who exceed regulatory allowance limits. The automated program reviews royalty reports submitted by payors to determine compliance with regulatory allowance limits.

The program detected millions of dollars of allowance limit violations during the period March 1988 through FY 1997. The RMP developed a procedure to monitor collections resulting from exceptions detected by the program. The RMP subsequently collected \$545,000 in FY 1998 (table 1).

- **Liquidated Damage Assessments.** On October 1, 1995, RMP changed its assessment policy for late and incorrect reporting. Under the new policy, RMP no longer charges reporters for filing late royalty or production reports. Although assessments for late reporting will cease, RMP will continue to assess interest when payments are late.

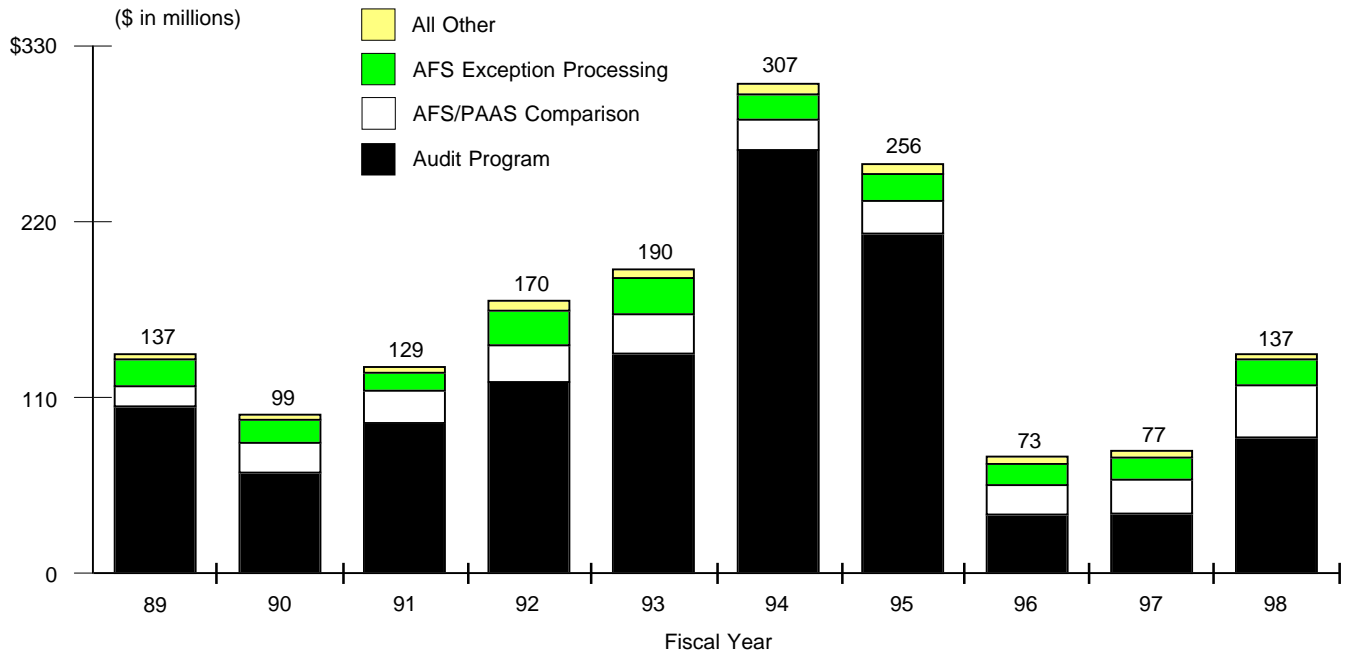


Figure 5. Revenues from RMP underpayment detection programs, FY 1989-98

Collections from late payments and erroneous royalty reports through AFS generated \$2,000 in FY 1997. There were no collections in FY 1998. Collections from operators for late payment or erroneous production reports through PAAS totaled less than \$500 in FY 1997. There were no collections in FY 1998 (table 1).

- **OCS Recoupments.** Section 10 of the OCSLA required a payor to file a request with RMP for a recoupment of an overpayment within 2 years of the original payment.

Payors who took a recoupment without authorization were contacted by RMP and were required to explain the recoupment within 30 days. Failure to respond to the notification or to justify the recoupment resulted in an assessment to recover the unauthorized amount.

Under the provisions of RSFA, payors will no longer be required to file a request for a recoupment with RMP. This provision will apply to payment receipt dates after August 12, 1996.

Collections totaled \$115,000 in FY 1997 from bills issued through August 12, 1996. The RMP also issued \$130,000 in credits in FY 1997, resulting in a net refund of \$15,000 during the year. The RMP collected \$3,000 in FY 1998 (table 1).

- **American Indian Recoupments.** Payors who take a recoupment of an overpayment on an American Indian lease cannot recoup more than 50 percent of the monthly revenue payment on an allotted lease or 100 percent of the monthly revenue payment on a Tribal lease. Collections from improper American Indian recoupments rose from \$162,000 in FY 1997 to \$329,000 in FY 1998 (table 1). The increase was primarily associated with unusually large collections from bills submitted to two different payors in FY 1998.
- **Improper Adjustments.** The RMP compares every credit line submitted by a payor with previous payment lines. Payors must have valid payments in order to take a credit adjustment. If payors take a credit that doesn't match previous payments, the adjustment is not valid and must be repaid. Collections from improper adjustments increased from \$823,000 in FY 1997 to nearly \$2.1 million in FY 1998 (table 1). Much of the increase was attributed to incorrect reporting on Federal offshore leases.
- **Royalty Rate Monitoring.** The RMP calculates a royalty rate from monthly sales information provided by

payors. The calculated royalty rate is compared with the royalty rate in the lease. If the calculated rate from the payor is lower than the lease rate, RMP notifies the payor of the error and allows 90 days to correct the mistake. The RMP bills payors for additional royalties based on the higher lease rate if the payor does not correct the error.

The RMP collected \$154,000 in FY 1997 and \$274,000 in FY 1998 from this effort (table 1). The increase was again due to incorrect reporting on Federal offshore leases.

Federal and American Indian Mineral Revenues

Revenues from Federal and American Indian leases fell 16.6 percent, from \$6.7 billion in 1997 to \$5.6 billion in 1998 (figure 1, and tables 2 and 3). The decline was due to falling oil and gas prices in 1998 and to reduced collections from competitive oil and gas lease sales.

Royalties were down 19.9 percent, or \$960.9 million, from 1997 to 1998. Coal royalties experienced a moderate drop while oil and gas royalties experienced sharp declines during the year (figures 1 and 2, and tables 2 and 3). Royalties are projected to generate over \$3.5 billion annually during the balance of the decade (figure 3).

Oil royalties fell 33.2 percent, from \$1.6 billion in 1997 to \$1.1 billion in 1998 (table 3 and figure 6). The U.S. Department of Energy (DOE) advises that average oil prices fell during the first 6 months of 1998 as a result of abundant domestic and international supplies. The situation was further aggravated in the autumn when the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC countries declined to cut worldwide production in an effort to reduce supplies. Crude oil prices fell nearly \$3 per barrel in December 1998.

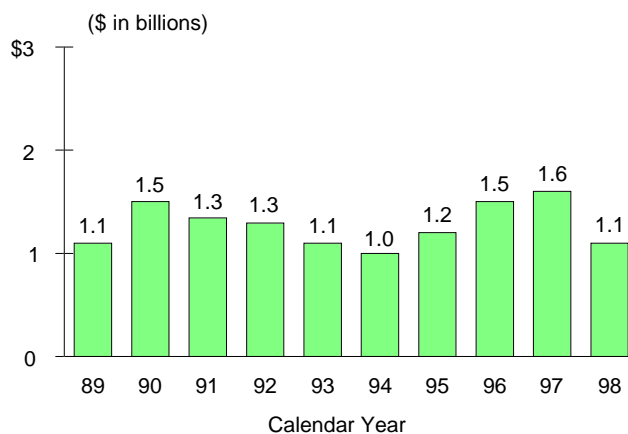


Figure 6. Oil royalties from Federal and American Indian leases, 1989-98

Gas royalties dropped 13.8 percent, from \$2.7 billion in 1997 to \$2.3 billion in 1998 (table 3 and figure 7). The DOE reports that natural gas prices fell in January and February 1998 due to warmer-than-expected winter weather conditions in the continental United States. With lower demand, gas inventories remained high throughout the peak heating season. Prices stabilized from March through May with a strong spring injection period. Prices fell again from June through September as a result of well-stocked gas inventories. Prices rebounded in the fall partially due to a hurricane in the Gulf of Mexico that temporarily shut in more than 70 percent of Gulf production for a brief period in September, and a cold snap that gripped much of the Nation in the last two weeks of December.

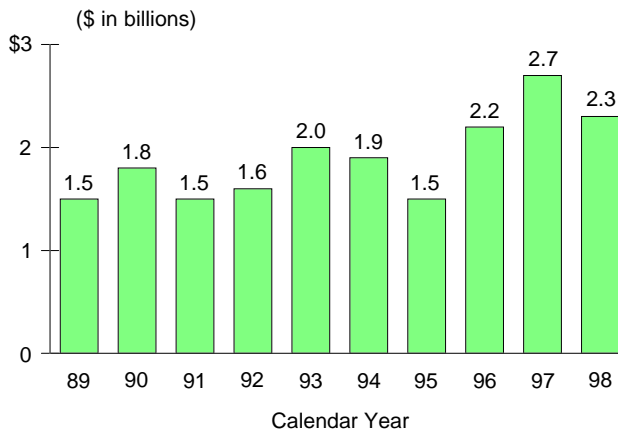


Figure 7. Gas royalties from Federal and American Indian leases, 1989-98

Coal royalties fell 1.8 percent, or \$6.4 million, from 1997 to 1998 (table 3 and figure 8).

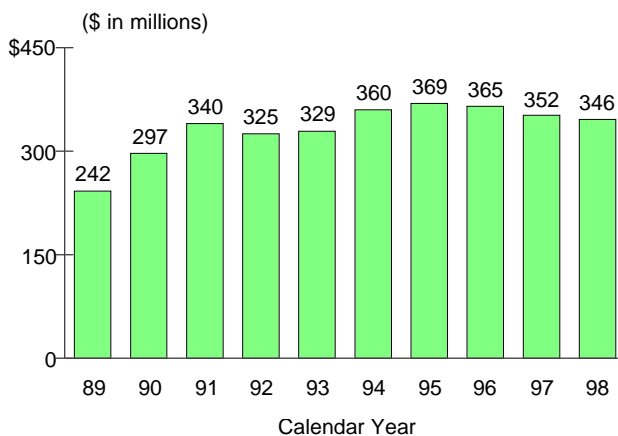


Figure 8. Coal royalties from Federal and American Indian leases, 1989-98

The DOE reports that coal production in the United States reached a record 1,118.7 million short tons in 1998.

Domestic coal production grew by 1.4 percent during the year. The electric utility sector consumes nearly 90 percent of all coal used in the United States. Coal prices to electric utilities fell in 1997 to their lowest level since 1979. Prices slowly stabilized in 1998. Gains in mining productivity have resulted in the downward trend for coal prices. The expected increase in coal prices from the effects of the Clean Air Act of 1990 have been more than offset by productivity gains.

Royalty collections from minerals other than oil, gas, and coal fell 26.7 percent, or \$54.4 million, from \$203.3 million in 1997 to \$148.9 million in 1998 (table 3 and figure 9). Much of the decline was associated with geothermal and heated water sources on Federal onshore lands and with gas plant products on Federal offshore, Federal onshore, and American Indian lands.

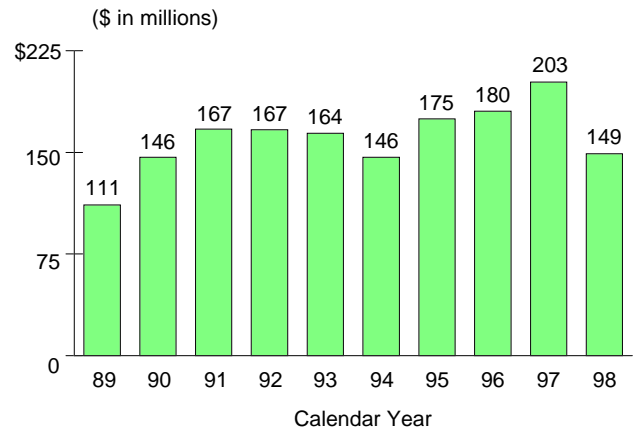


Figure 9. Other royalties from Federal and American Indian leases, 1989-98

Rent collections rose 12.3 percent, from \$266 million in 1997 to \$298.6 million in 1998. The increase was primarily attributed to additional oil and gas acreage resulting from recent competitive lease sales on Federal lands (figure 1, and tables 2 and 3).

Bonus collections from competitive lease sales dropped 2.8 percent, from nearly \$1.5 billion in 1997 to just over \$1.4 billion in 1998. A \$90.4 million decline in Federal offshore bonus receipts was offset, in part, by a \$48.2 million increase on Federal onshore bonus collections (tables 2, 3, and 20).

Collections from other revenues, including minimum royalties, settlement payments, gas storage fees, estimated payments, and recoupments, were down \$143 million from 1997 to 1998. Significant declines in Federal offshore and Federal onshore lands were offset, in part, by a modest increase on American Indian lands (tables 2 and 3).

Table 2. Revenues from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98

	Royalties	Rents	Bonuses	Other Revenues	Total
1982-89					
Federal Offshore	\$24,012,999,588	\$419,841,664	\$17,812,541,301	\$ 96,672,552	\$42,342,055,105
Federal Onshore	6,644,403,793	370,105,709	502,889,591	49,956,767	7,567,355,860
Indian	<u>1,031,440,264</u>	<u>3,907,982</u>	<u>---</u>	<u>18,254,297</u>	<u>1,053,602,543</u>
Total	\$31,688,843,645	\$793,855,355	\$18,315,430,892	\$164,883,616	\$50,963,013,508
1990					
Federal Offshore	\$ 2,684,799,523	\$ 79,339,130	\$ 584,301,918	\$ 19,298,248	\$ 3,367,738,819
Federal Onshore	906,932,447	62,054,404	63,619,572	3,920,033	1,036,526,456
Indian	<u>151,992,888</u>	<u>213,007</u>	<u>---</u>	<u>225,476</u>	<u>152,431,371</u>
Total	\$ 3,743,724,858	\$141,606,541	\$ 647,921,490	\$ 23,443,757	\$ 4,556,696,646
1991					
Federal Offshore	\$ 2,355,516,849	\$ 78,115,402	\$ 338,856,549	\$ 20,677,698	\$ 2,793,166,498
Federal Onshore	881,093,217	58,196,111	42,288,326	4,609,484	986,187,138
Indian	<u>145,185,355</u>	<u>199,280</u>	<u>---</u>	<u>1,620,636</u>	<u>147,005,271</u>
Total	\$ 3,381,795,421	\$136,510,793	\$ 381,144,875	\$ 26,907,818	\$ 3,926,358,907
1992					
Federal Offshore	\$ 2,377,178,820	\$ 59,698,811	\$ 84,784,975	\$ 39,743,046	\$ 2,561,405,652
Federal Onshore	865,437,216	36,977,532	58,185,736	9,552,915	970,153,399
Indian	<u>156,397,215</u>	<u>161,205</u>	<u>---</u>	<u>1,205,208</u>	<u>157,763,628</u>
Total	\$ 3,399,013,251	\$ 96,837,548	\$ 142,970,711	\$ 50,501,169	\$ 3,689,322,679
1993					
Federal Offshore	\$ 2,552,932,830	\$ 39,786,688	\$ 126,467,246	\$137,727,059	\$ 2,856,913,823
Federal Onshore	922,173,970	34,667,064	77,106,385	13,227,103	1,047,174,522
Indian	<u>166,371,356</u>	<u>297,825</u>	<u>---</u>	<u>1,562,844</u>	<u>168,232,025</u>
Total	\$ 3,641,478,156	\$ 74,751,577	\$ 203,573,631	\$152,517,006	\$ 4,072,320,370
1994					
Federal Offshore	\$ 2,403,114,323	\$ 39,866,586	\$ 331,367,072	\$140,936,824	\$ 2,915,284,805
Federal Onshore	892,722,601	32,890,789	97,454,815	121,800,924	1,144,869,129
Indian	<u>160,252,886</u>	<u>167,163</u>	<u>---</u>	<u>1,783,461</u>	<u>162,203,510</u>
Total	\$ 3,456,089,810	\$ 72,924,538	\$ 428,821,887	\$264,521,209	\$ 4,222,357,444

Table 2. Revenues from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98 (cont.)

	Royalties	Rents	Bonuses	Other Revenues	Total
1995					
Federal Offshore	\$ 2,206,739,815	\$ 87,323,860	\$ 414,007,620	\$ 15,682,654	\$ 2,723,753,949
Federal Onshore	829,922,509	33,818,519	87,027,906	10,331,443	961,100,377
Indian	146,401,447	525,784	---	(2,108,946)	144,818,285
Total	\$ 3,183,063,771	\$ 121,668,163	\$ 501,035,526	\$ 23,905,151	\$ 3,829,672,611
1996					
Federal Offshore	\$ 3,165,986,607	\$ 158,680,049	\$ 878,165,759	\$ 50,808,932	\$ 4,253,641,347
Federal Onshore	934,570,583	37,581,863	87,568,614	13,834,579	1,073,555,639
Indian	168,181,612	873,888	---	(2,267,434)	166,788,066
Total	\$ 4,268,738,802	\$ 197,135,800	\$ 965,734,373	\$ 62,376,077	\$ 5,493,985,052
1997					
Federal Offshore	\$ 3,539,463,975	\$ 228,353,729	\$ 1,410,684,424	\$ 80,725,907	\$ 5,259,228,035
Federal Onshore	1,074,492,915	36,725,742	85,975,504	51,561,280	1,248,755,441
Indian	205,226,131	938,093	---	7,638,934	213,803,158
Total	\$ 4,819,183,021	\$ 266,017,564	\$ 1,496,659,928	\$ 139,926,121	\$ 6,721,786,634
1998					
Federal Offshore	\$ 2,761,090,354	\$ 258,475,121	\$ 1,320,332,911	\$ (17,261,054)	\$ 4,322,637,332
Federal Onshore	921,381,531	39,219,712	134,181,853	5,080,148	1,099,863,244
Indian	175,792,659	950,818	---	9,139,951	185,883,428
Total	\$ 3,858,264,544	\$ 298,645,651	\$ 1,454,514,764	\$ (3,040,955)	\$ 5,608,384,004
1982-98					
Federal Offshore	\$48,059,822,684	\$1,449,481,040	\$23,301,509,775	\$585,011,866	\$73,395,825,365
Federal Onshore	14,873,130,782	742,237,445	1,236,298,302	283,874,676	17,135,541,205
Indian	2,507,241,813	8,235,045	---	37,054,427	2,552,531,285
Total	\$65,440,195,279	\$2,199,953,530	\$24,537,808,077	\$905,940,969	\$93,083,897,855

NOTE: The "Other Revenues" column was formerly titled "Minimum Royalties." The revenues in this column include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration. The increase in revenues in 1993-94 was due to additional collections from settlements. The decline in revenues in 1995 was due to a lower volume of settlement payments and to a number of recoupments for estimated royalty payments, particularly recoupments of estimated gas royalties. Estimated payments by many payors exceeded royalty obligations when gas prices fell in 1995. The decline in revenues in 1998 was again due to a lower volume of settlement payments and to a number of recoupments for estimated oil and gas royalty payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998.

Indian "Rents" in prior editions of this report included many of the revenue sources now listed under "Other Revenues." Indian "Rents" and "Other Revenues" are now listed separately. Indian bonus revenues are collected by BIA.

Table 3. Royalties, rents, and bonuses from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98

	Federal Offshore	Federal Onshore	Indian	Total
1982-89				
Coal Royalties	\$ ---	\$ 915,290,308	\$ 203,289,625	\$ 1,118,579,933
Gas Royalties	13,352,851,084	2,163,015,989	274,443,891	15,790,310,964
Oil Royalties	10,490,799,339	3,111,556,270	498,403,198	14,100,758,807
Other Royalties	169,349,165	454,541,226	55,303,550	679,193,941
Rents	419,841,664	370,105,709	3,907,982	793,855,355
Bonuses	17,812,541,301	502,889,591	---	18,315,430,892
Other Revenues	<u>96,672,552</u>	<u>49,956,767</u>	<u>18,254,297</u>	<u>164,883,616</u>
Total	\$42,342,055,105	\$7,567,355,860	\$1,053,602,543	\$50,963,013,508
1990				
Coal Royalties	\$ ---	\$ 236,067,011	\$ 60,791,496	\$ 296,858,507
Gas Royalties	1,539,364,756	225,489,863	29,750,975	1,794,605,594
Oil Royalties	1,090,953,312	362,642,855	52,207,285	1,505,803,452
Other Royalties	54,481,455	82,732,718	9,243,132	146,457,305
Rents	79,339,130	62,054,404	213,007	141,606,541
Bonuses	584,301,918	63,619,572	---	647,921,490
Other Revenues	<u>19,298,248</u>	<u>3,920,033</u>	<u>225,476</u>	<u>23,443,757</u>
Total	\$ 3,367,738,819	\$1,036,526,456	\$ 152,431,371	\$ 4,556,696,646
1991				
Coal Royalties	\$ ---	\$ 276,691,204	\$ 62,883,284	\$ 339,574,488
Gas Royalties	1,286,891,566	214,317,519	29,223,094	1,530,432,179
Oil Royalties	996,566,085	303,594,785	44,431,636	1,344,592,506
Other Royalties	72,059,198	86,489,709	8,647,341	167,196,248
Rents	78,115,402	58,196,111	199,280	136,510,793
Bonuses	338,856,549	42,288,326	---	381,144,875
Other Revenues	<u>20,677,698</u>	<u>4,609,484</u>	<u>1,620,636</u>	<u>26,907,818</u>
Total	\$ 2,793,166,498	\$ 986,187,138	\$ 147,005,271	\$ 3,926,358,907

Table 3. Royalties, rents, and bonuses from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98 (cont.)

	Federal Offshore	Federal Onshore	Indian	Total
1992				
Coal Royalties	\$ ---	\$ 259,543,930	\$ 65,918,888	\$ 325,462,818
Gas Royalties	1,333,786,723	243,635,393	34,630,655	1,612,052,771
Oil Royalties	968,052,702	280,355,318	46,386,064	1,294,794,084
Other Royalties	75,339,395	81,902,575	9,461,608	166,703,578
Rents	59,698,811	36,977,532	161,205	96,837,548
Bonuses	84,784,975	58,185,736	---	142,970,711
Other Revenues	<u>39,743,046</u>	<u>9,552,915</u>	<u>1,205,208</u>	<u>50,501,169</u>
Total	\$2,561,405,652	\$ 970,153,399	\$157,763,628	\$3,689,322,679
1993				
Coal Royalties	\$ ---	\$ 264,242,130	\$ 64,749,821	\$ 328,991,951
Gas Royalties	1,591,838,003	359,951,349	48,030,441	1,999,819,793
Oil Royalties	885,005,673	223,189,419	40,358,446	1,148,553,538
Other Royalties	76,089,154	74,791,072	13,232,648	164,112,874
Rents	39,786,688	34,667,064	297,825	74,751,577
Bonuses	126,467,246	77,106,385	---	203,573,631
Other Revenues	<u>137,727,059</u>	<u>13,227,103</u>	<u>1,562,844</u>	<u>152,517,006</u>
Total	\$2,856,913,823	\$1,047,174,522	\$168,232,025	\$4,072,320,370
1994				
Coal Royalties	\$ ---	\$ 291,270,611	\$ 68,904,413	\$ 360,175,024
Gas Royalties	1,544,996,745	342,371,752	47,497,637	1,934,866,134
Oil Royalties	799,238,495	182,580,905	32,734,330	1,014,553,730
Other Royalties	58,879,083	76,499,333	11,116,506	146,494,922
Rents	39,866,586	32,890,789	167,163	72,924,538
Bonuses	331,367,072	97,454,815	---	428,821,887
Other Revenues	<u>140,936,824</u>	<u>121,800,924</u>	<u>1,783,461</u>	<u>264,521,209</u>
Total	\$2,915,284,805	\$1,144,869,129	\$162,203,510	\$4,222,357,444

Table 3. Royalties, rents, and bonuses from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98 (cont.)

	Federal Offshore	Federal Onshore	Indian	Total
1995				
Coal Royalties	\$ ---	\$ 303,604,904	\$ 65,690,348	\$ 369,295,252
Gas Royalties	1,177,842,219	250,267,428	34,655,144	1,462,764,791
Oil Royalties	947,632,252	193,319,176	35,298,920	1,176,250,348
Other Royalties	81,265,344	82,731,001	10,757,035	174,753,380
Rents	87,323,860	33,818,519	525,784	121,668,163
Bonuses	414,007,620	87,027,906	---	501,035,526
Other Revenues	<u>15,682,654</u>	<u>10,331,443</u>	<u>(2,108,946)</u>	<u>23,905,151</u>
Total	\$2,723,753,949	\$ 961,100,377	\$144,818,285	\$3,829,672,611
1996				
Coal Royalties	\$ ---	\$ 301,884,902	\$ 63,063,871	\$ 364,948,773
Gas Royalties	1,865,740,523	309,896,180	48,258,559	2,223,895,262
Oil Royalties	1,219,671,224	232,421,696	47,430,848	1,499,523,768
Other Royalties	80,574,860	90,367,805	9,428,334	180,370,999
Rents	158,680,049	37,581,863	873,888	197,135,800
Bonuses	878,165,759	87,568,614	---	965,734,373
Other Revenues	<u>50,808,932</u>	<u>13,834,579</u>	<u>(2,267,434)</u>	<u>62,376,077</u>
Total	\$4,253,641,347	\$1,073,555,639	\$166,788,066	\$5,493,985,052
1997				
Coal Royalties	\$ ---	\$ 285,552,110	\$ 66,626,634	\$ 352,178,744
Gas Royalties	2,100,995,452	476,559,499	80,409,783	2,657,964,734
Oil Royalties	1,343,566,537	213,657,941	48,538,385	1,605,762,863
Other Royalties	94,901,986	98,723,365	9,651,329	203,276,680
Rents	228,353,729	36,725,742	938,093	266,017,564
Bonuses	1,410,684,424	85,975,504	---	1,496,659,928
Other Revenues	<u>80,725,907</u>	<u>51,561,280</u>	<u>7,638,934</u>	<u>139,926,121</u>
Total	\$5,259,228,035	\$1,248,755,441	\$213,803,158	\$6,721,786,634

Table 3. Royalties, rents, and bonuses from Federal and Indian mineral leases from inception of the Minerals Management Service, Calendar Years 1982-98 (cont.)

	Federal Offshore	Federal Onshore	Indian	Total
1998				
Coal Royalties	\$ ---	\$ 285,312,268	\$ 60,421,903	\$ 345,734,171
Gas Royalties	1,795,215,514	421,200,187	74,515,233	2,290,930,934
Oil Royalties	908,507,359	132,150,622	32,017,641	1,072,675,622
Other Royalties	57,367,481	82,718,454	8,837,882	148,923,817
Rents	258,475,121	39,219,712	950,818	298,645,651
Bonuses	1,320,332,911	134,181,853	---	1,454,514,764
Other Revenues	<u>(17,261,054)</u>	<u>5,080,148</u>	<u>9,139,951</u>	<u>(3,040,955)</u>
Total	\$ 4,322,637,332	\$ 1,099,863,244	\$ 185,883,428	\$ 5,608,384,004
1982-98				
Coal Royalties	\$ ---	\$ 3,419,459,378	\$ 782,340,283	\$ 4,201,799,661
Gas Royalties	27,589,522,585	5,006,705,159	701,415,412	33,297,643,156
Oil Royalties	19,649,992,978	5,235,468,987	877,806,753	25,763,268,718
Other Royalties	820,307,121	1,211,497,258	145,679,365	2,177,483,744
Rents	1,449,481,040	742,237,445	8,235,045	2,199,953,530
Bonuses	23,301,509,775	1,236,298,302	---	24,537,808,077
Other Revenues	<u>585,011,866</u>	<u>283,874,676</u>	<u>37,054,427</u>	<u>905,940,969</u>
Total	\$73,395,825,365	\$17,135,541,205	\$2,552,531,285	\$93,083,897,855

NOTE: The "Other Revenues" column was formerly titled "Minimum Royalties." The revenues in this column include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration. The increase in revenues in 1993-94 was due to additional collections from settlements. The decline in revenues in 1995 was due to a lower volume of settlement payments and to a number of recoupments for estimated royalty payments, particularly recoupments of estimated gas royalties. Estimated payments by many payors exceeded royalty obligations when gas prices fell in 1995. The decline in revenues in 1998 was again due to a lower volume of settlement payments and to a number of recoupments for estimated oil and gas royalty payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998.

Indian "Rents" in prior editions of this report included many of the revenue sources now listed under "Other Revenues." Indian "Rents" and "Other Revenues" are now listed separately. Indian bonus revenues are collected by BIA.

Table 4. Summary of revenues collected from Federal and Indian mineral leases, Calendar Years 1920-98

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties
Federal offshore	\$ ---	\$33,970,430,948	\$26,602,848,989	\$ 997,608,715
Federal onshore	3,590,102,525	6,326,797,462	8,929,844,470	1,628,093,112
Indian	<u>843,770,919</u>	<u>883,041,851</u>	<u>1,559,754,266</u>	<u>309,926,947</u>
Total	\$4,433,873,444	\$41,180,270,261	\$37,092,447,725	\$2,935,628,774

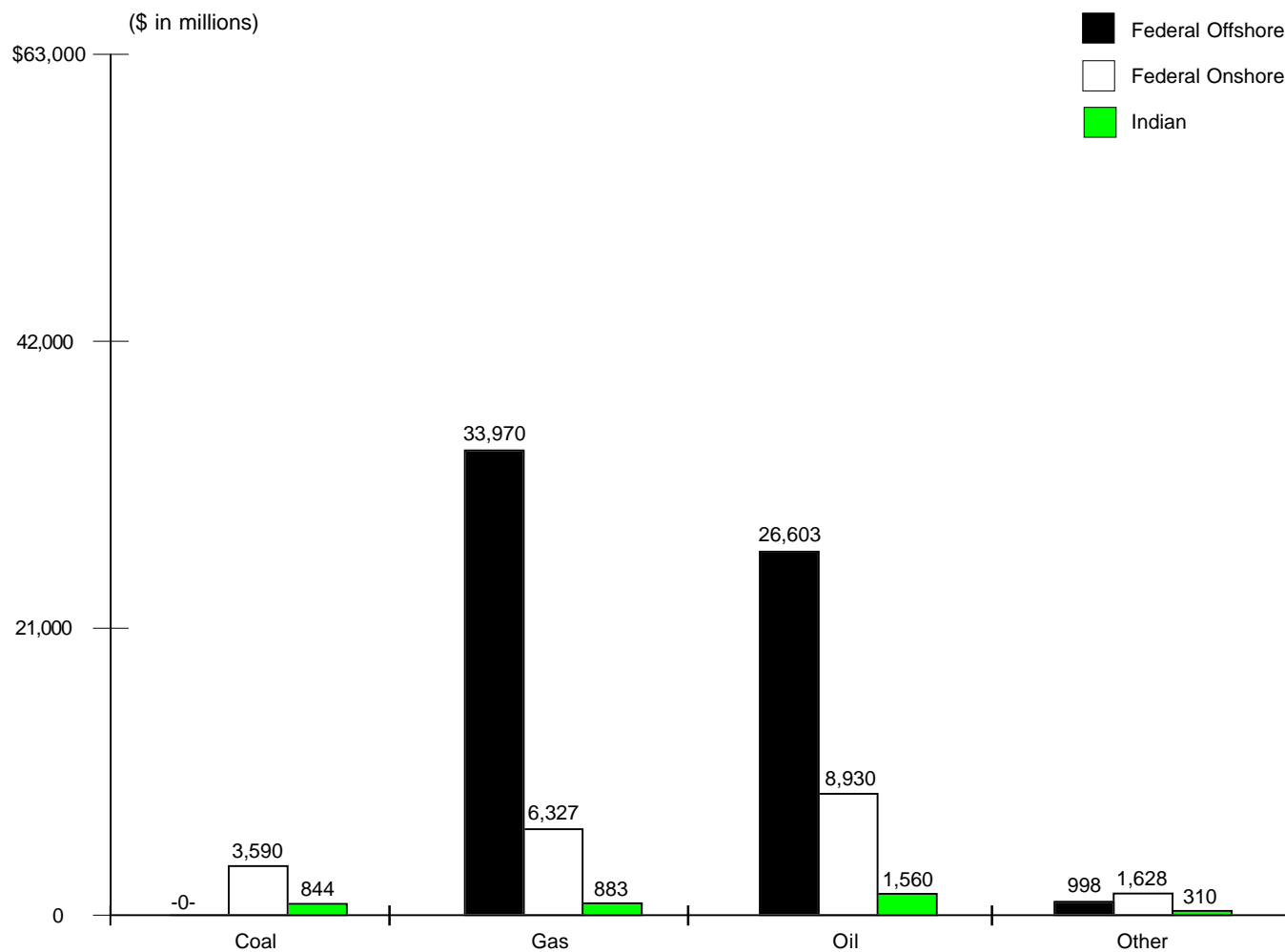


Figure 10. Summary of revenues collected from Federal and Indian mineral leases, Calendar Years 1920-98

Table 4. Summary of revenues collected from Federal and Indian mineral leases, Calendar Years 1920-98 (cont.)

Rents	Bonuses	Other Revenues	Total Collections	
\$1,731,893,314	\$60,733,993,566	\$621,300,310	\$124,658,075,842	Federal offshore
742,237,445	2,007,473,044	283,874,676	23,508,422,734	Federal onshore
<u>8,235,045</u>	<u>---</u>	<u>37,054,427</u>	<u>3,641,783,455</u>	Indian
\$2,482,365,804	\$62,741,466,610	\$942,229,413	\$151,808,282,031	Total

NOTE: Offshore collection information is complete from the inception of the offshore program in 1953. Federal onshore and Indian royalty information is complete from the inception of the onshore program in 1920 and the Indian program in 1937. Information for Federal onshore and Indian rents, bonuses, and other revenues is not available for selected periods prior to 1982.

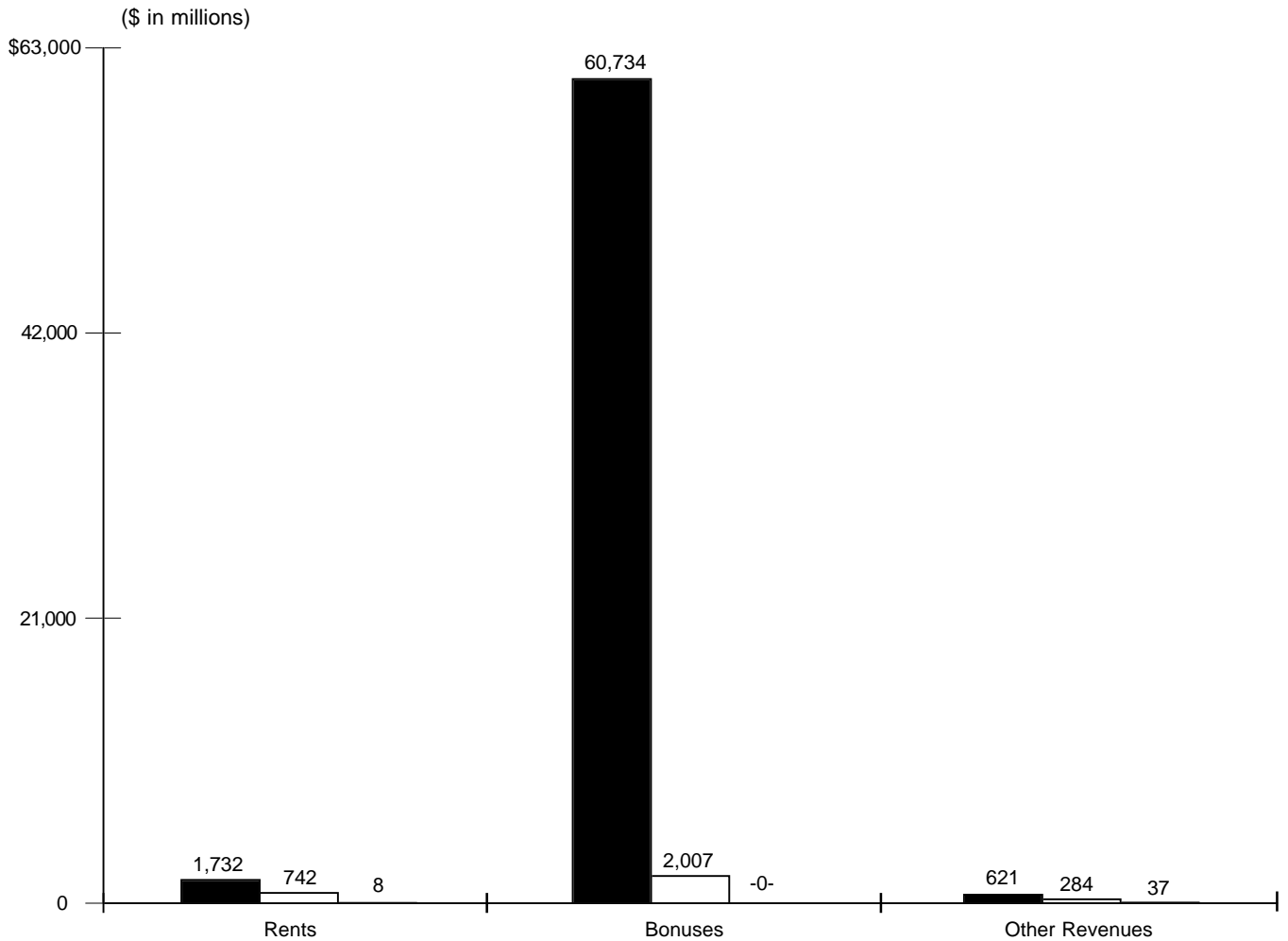


Figure 10. Summary of revenues collected from Federal and Indian mineral leases, Calendar Years 1920-98 (cont.)

Table 5. Calendar Year 1998 sales volume, sales value, and royalties for selected minerals from Federal offshore, Federal onshore, and Indian mineral leases

	Sales Volume	Sales Value	Royalties
Fluid Minerals			
Carbon Dioxide	313,549,350	\$ 183,591,495	\$ 11,176,342
Gas	7,037,483,209	15,556,978,091	2,290,930,934
Gas Lost	2,392,489	6,452,200	808,643
Gas Plant Products	2,514,824,530	656,536,026	70,403,406
Geothermal	17,488,815	169,669,582	18,076,526
Hot Water	1,017,494	1,746,561	174,657
Oil	603,547,484	7,797,213,537	1,072,675,622
Oil Lost	85,347	720,118	40,439
Sulfur	570,828	<u>15,121,706</u>	<u>311,386</u>
Total		\$24,388,029,316	\$3,464,597,955
Solid Minerals			
Coal	371,099,522	\$ 3,283,337,510	\$ 345,734,171
Copper	49,982	13,975,999	702,570
Lead	251,929	108,467,179	2,618,566
Limestone	103,009	551,937	20,085
Phosphate	5,654,465	102,634,940	5,131,880
Potash	1,263,589	125,525,273	2,433,423
Sand-Gravel	10,052,854	41,764,118	6,048,315
Sodium	5,012,178	359,074,943	19,491,693
Sulfur	1,620,480	86,504,919	7,769,180
Zinc	58,147	<u>31,414,428</u>	<u>1,033,200</u>
Total		\$ 4,153,251,246	\$ 390,983,083

Table 6. Calendar Year 1998 sales volume, sales value, and royalties for selected minerals from Federal offshore mineral leases

	Sales Volume	Sales Value	Royalties
Fluid Minerals			
Gas	4,835,387,697	\$11,374,462,646	\$1,795,215,514
Gas Lost	2,287,295	6,279,229	787,022
Gas Plant Products	1,395,115,654	403,686,831	48,689,248
Oil	476,655,336	6,241,183,959	908,507,359
Sulfur	30,692	1,549,517	122,031
Total		\$18,027,162,182	\$2,753,321,174
Solid Minerals			
Sulfur	1,620,480	\$ 86,504,919	\$ 7,769,180

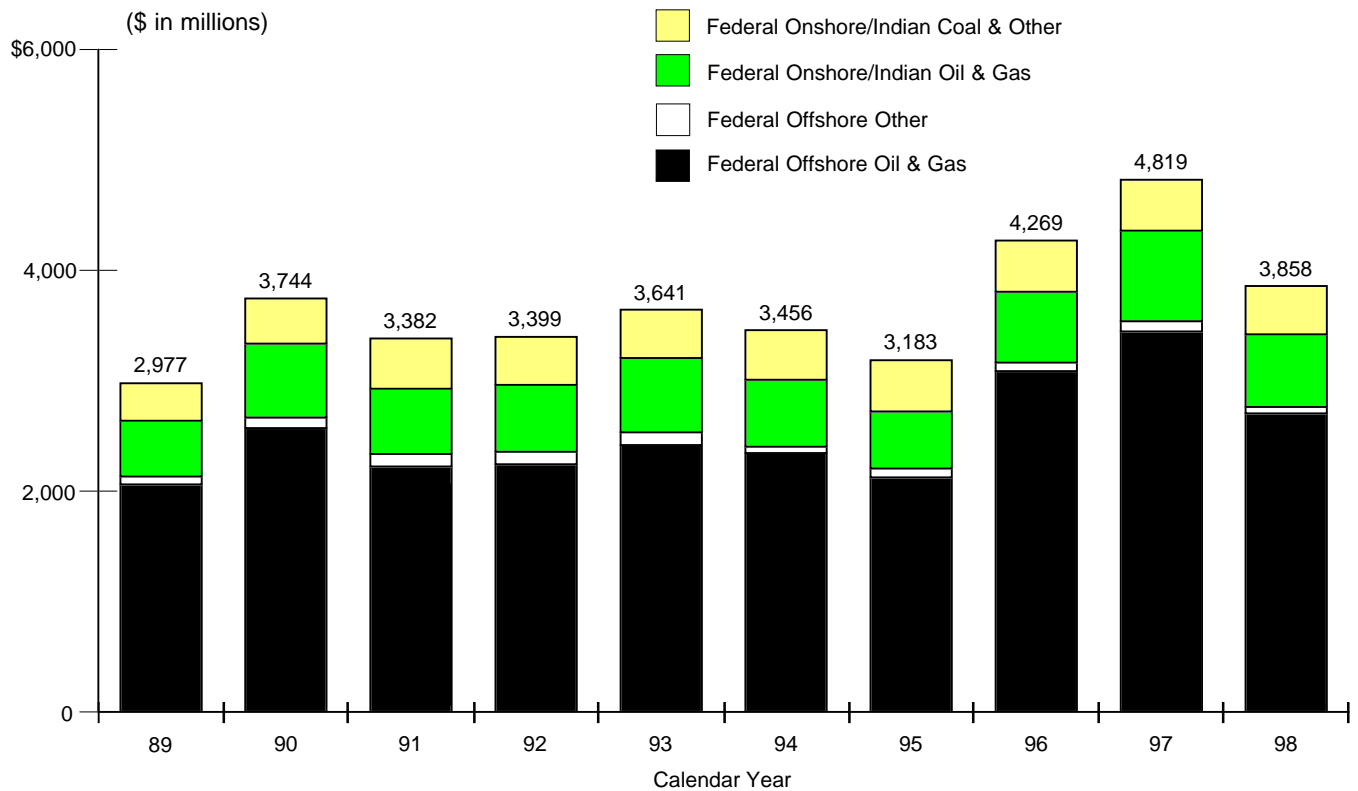


Figure 11. Royalties from Federal and Indian leases, 1989-98

Table 7. Calendar Year 1998 sales volume, sales value, and royalties for selected minerals from Federal onshore mineral leases

	Sales Volume	Sales Value	Royalties
<i>Fluid Minerals</i>			
Carbon Dioxide	313,549,350	\$ 183,591,495	\$ 11,176,342
Gas	1,920,415,158	3,669,455,195	421,200,187
Gas Lost	79,582	141,998	17,749
Gas Plant Products	1,035,399,833	234,186,353	19,725,734
Geothermal	17,488,815	169,669,582	18,076,526
Hot Water	1,017,494	1,746,561	174,657
Oil	111,583,570	1,358,095,387	132,150,622
Oil Lost	85,331	719,889	40,410
Sulfur	540,029	<u>13,571,759</u>	<u>189,301</u>
Total		\$5,631,178,219	\$602,751,528
<i>Solid Minerals</i>			
Coal	342,165,959	\$2,782,045,043	\$285,312,268
Copper	9,351	4,341,636	131,972
Lead	251,929	108,467,179	2,618,566
Limestone	27,976	236,618	11,831
Phosphate	5,654,369	102,629,660	5,131,484
Potash	1,263,589	125,525,273	2,433,423
Sand-Gravel	2,112,138	9,758,077	482,049
Sodium	5,012,178	359,074,943	19,491,693
Zinc	58,147	<u>31,414,428</u>	<u>1,033,200</u>
Total		\$3,523,492,857	\$316,646,486

Table 8. Calendar Year 1998 sales volume, sales value, and royalties for selected minerals from Indian mineral leases

	Sales Volume	Sales Value	Royalties
<i>Fluid Minerals</i>			
Gas	281,680,354	\$513,060,250	\$ 74,515,233
Gas Lost	25,612	30,973	3,872
Gas Plant Products	84,309,043	18,662,842	1,988,424
Oil	15,308,578	197,934,191	32,017,641
Oil Lost	16	229	29
Sulfur	107	<u>430</u>	<u>54</u>
Total		\$729,688,915	\$108,525,253
<i>Solid Minerals</i>			
Coal	28,933,563	\$501,292,467	\$ 60,421,903
Copper	40,631	9,634,363	570,598
Limestone	75,033	315,319	8,254
Phosphate	96	5,280	396
Sand-Gravel	7,940,716	<u>32,006,041</u>	<u>5,566,266</u>
Total		\$543,253,470	\$ 66,567,417

Table 9. Summary of sales volume, sales value, and royalties for selected minerals from Federal offshore, Federal onshore, and Indian mineral leases, Calendar Years 1920-98

	1920-88	1989	1990	1991	1992	1993
Fluid Minerals						
Carbon Dioxide						
Sales Volume	836,749,875	212,922,740	244,911,932	227,533,767	231,746,815	234,612,068
Sales Value	\$ 482,056,794	\$ 163,780,626	\$ 216,777,894	\$ 208,375,516	\$ 188,277,299	\$ 170,857,517
Royalties	\$ 53,121,744	\$ 10,642,228	\$ 13,970,449	\$ 12,520,718	\$ 11,922,614	\$ 9,525,827
Gas						
Sales Volume	119,854,324,177	5,211,457,103	6,421,329,680	5,861,932,567	6,124,282,792	6,431,867,509
Sales Value	\$141,981,356,773	\$9,451,719,098	\$11,539,292,536	\$9,905,865,558	\$10,426,985,709	\$13,235,246,698
Royalties	\$ 22,171,696,162	\$1,501,241,907	\$ 1,794,605,594	\$1,530,432,179	\$ 1,612,052,771	\$ 1,999,819,793
Gas Lost						
Sales Volume	147,873,956	(7,167,586)	207,218	176,461	829,410	145,326
Sales Value	\$ 103,558,566	\$ (5,352,821)	\$ 154,487	\$ 414,703	\$ 1,584,258	\$ 411,428
Royalties	\$ 14,939,690	\$ (866,532)	\$ 34,855	\$ 86,228	\$ 207,583	\$ 51,705
Gas Plant Products						
Sales Volume	37,742,223,195	1,660,604,151	1,939,689,096	2,870,515,669	2,803,776,763	2,543,053,546
Sales Value	\$ 4,838,595,314	\$ 388,240,864	\$ 597,190,582	\$ 836,192,543	\$ 845,654,370	\$ 736,776,965
Royalties	\$ 421,792,424	\$ 43,371,852	\$ 67,838,982	\$ 92,338,200	\$ 91,828,525	\$ 88,903,072
Geothermal						
Sales Volume	77,467,070	12,865,596	31,423,876	28,645,164	25,830,940	24,473,650
Sales Value	\$ 594,880,083	\$ 110,901,439	\$ 145,138,000	\$ 117,905,893	\$ 148,592,327	\$ 147,205,285
Royalties	\$ 74,069,163	\$ 13,078,493	\$ 14,582,541	\$ 13,848,431	\$ 16,800,670	\$ 16,509,460
Hot Water						
Sales Volume	2,025,787	1,642,626	2,392,455	3,245,086	54,124	1,356,580
Sales Value	\$ 16,664,919	\$ 15,342,181	\$ 24,832,545	\$ 35,154,053	\$ 165,000	\$ 5,131,206
Royalties	\$ 1,712,279	\$ 1,532,938	\$ 2,459,797	\$ 3,546,164	\$ 5,646	\$ 513,189
Oil						
Sales Volume	17,099,273,856	453,345,362	485,679,172	462,998,420	502,543,457	503,991,361
Sales Value	\$161,456,574,160	\$7,661,624,711	\$10,238,740,533	\$9,051,067,248	\$ 8,843,487,088	\$ 8,064,662,231
Royalties	\$ 24,307,453,781	\$1,122,484,033	\$ 1,505,803,452	\$1,344,592,506	\$ 1,294,794,084	\$ 1,148,553,538
Oil Lost						
Sales Volume	210,870	29	974	908	362	905
Sales Value	\$ 2,249,071	\$ 689	\$ 15,254	\$ 19,102	\$ 7,534	\$ 25,091
Royalties	\$ 274,263	\$ 86	\$ 1,920	\$ 2,398	\$ 941	\$ 4,164
Salt						
Sales Volume	4,765,679	---	---	---	---	---
Sales Value	\$ 1,494,712	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Royalties	\$ 235,150	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Sulfur						
Sales Volume	21,494,909	249,325	306,461	428,348	172,404	548,621
Sales Value	\$ 430,771,224	\$ 13,711,732	\$ 13,047,362	\$ 14,504,873	\$ 5,984,265	\$ 11,332,671
Royalties	\$ 47,436,930	\$ 492,216	\$ 498,936	\$ 702,674	\$ 227,221	\$ 417,323

Table 9. Summary of sales volume, sales value, and royalties for selected minerals from Federal offshore, Federal onshore, and Indian mineral leases, Calendar Years 1920-98 (cont.)

	1994	1995	1996	1997	1998	1920-98	
							Fluid Minerals
							Carbon Dioxide
	106,665,113	215,213,684	265,811,340	281,526,265	313,549,350	3,171,242,949	Sales Volume
\$	66,986,373	\$ 134,878,890	\$ 153,048,946	\$ 158,127,554	\$ 183,591,495	\$ 2,126,758,904	Sales Value
\$	3,150,769	\$ 8,812,504	\$ 100,806	\$ 8,916,169	\$ 11,176,342	\$ 143,860,170	Royalties
							Gas
	6,654,601,389	6,648,547,855	7,172,656,668	7,286,734,560	7,037,483,209	184,705,217,509	Sales Volume
\$	13,035,124,698	\$ 9,940,769,350	\$ 14,827,623,199	\$ 17,927,036,584	\$ 15,556,978,091	\$ 267,827,998,294	Sales Value
\$	1,934,866,134	\$ 1,462,764,791	\$ 2,223,895,262	\$ 2,657,964,734	\$ 2,290,930,934	\$ 41,180,270,261	Royalties
							Gas Lost
	397,206	277,205	141,500	135,174	2,392,489	145,408,359	Sales Volume
\$	637,755	\$ 404,958	\$ 293,242	\$ 303,361	\$ 6,452,200	\$ 108,862,137	Sales Value
\$	91,142	\$ 56,217	\$ 37,722	\$ 38,745	\$ 808,643	\$ 15,485,998	Royalties
							Gas Plant Products
	2,409,347,271	2,939,577,149	2,822,146,043	2,965,655,190	2,514,824,530	63,211,412,603	Sales Volume
\$	625,430,960	\$ 808,481,162	\$ 885,492,289	\$ 1,032,889,785	\$ 656,536,026	\$ 12,251,480,860	Sales Value
\$	66,324,818	\$ 87,877,265	\$ 95,680,731	\$ 118,365,908	\$ 70,403,406	\$ 1,244,725,183	Royalties
							Geothermal
	16,830,861	11,909,089	16,230,142	16,681,318	17,488,815	279,846,521	Sales Volume
\$	183,448,040	\$ 169,895,486	\$ 181,998,237	\$ 184,536,321	\$ 169,669,582	\$ 2,154,170,693	Sales Value
\$	20,292,463	\$ 18,751,552	\$ 19,897,700	\$ 20,799,765	\$ 18,076,526	\$ 246,706,764	Royalties
							Hot Water
	5,092,225	3,468,301	7,674,351	7,636,466	1,017,494	35,605,495	Sales Volume
\$	36,837,076	\$ 30,331,632	\$ 55,181,488	\$ 50,340,318	\$ 1,746,561	\$ 271,726,979	Sales Value
\$	3,783,731	\$ 3,033,164	\$ 5,541,847	\$ 5,037,690	\$ 174,657	\$ 27,341,102	Royalties
							Oil
	502,282,608	536,869,070	573,811,719	611,263,179	603,547,484	22,335,605,688	Sales Volume
\$	7,035,750,044	\$ 8,298,441,403	\$ 10,543,557,155	\$ 11,414,280,940	\$ 7,797,213,537	\$ 250,405,399,050	Sales Value
\$	1,014,553,730	\$ 1,176,250,348	\$ 1,499,523,768	\$ 1,605,762,863	\$ 1,072,675,622	\$ 37,092,447,725	Royalties
							Oil Lost
	434	160	21	294	85,347	300,304	Sales Volume
\$	6,688	\$ 2,463	\$ 374	\$ 5,833	\$ 720,118	\$ 3,052,217	Sales Value
\$	830	\$ 301	\$ 46	\$ 396	\$ 40,439	\$ 325,784	Royalties
							Salt
	---	---	---	---	---	4,765,679	Sales Volume
\$	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,494,712	Sales Value
\$	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 235,150	Royalties
							Sulfur
	386,389	1,009,228	405,825	445,945	570,828	26,018,283	Sales Volume
\$	4,519,792	\$ 25,591,489	\$ 13,155,708	\$ 11,096,489	\$ 15,121,706	\$ 558,837,311	Sales Value
\$	53,656	\$ 433,550	\$ 106,516	\$ 129,394	\$ 311,386	\$ 50,809,802	Royalties

Table 9. Summary of sales volume, sales value, and royalties for selected minerals from Federal offshore, Federal onshore, and Indian mineral leases, Calendar Years 1920-98 (cont.)

	1920-88	1989	1990	1991	1992	1993
Solid Minerals						
Coal						
Sales Volume	2,166,492,124	236,270,230	280,555,712	285,091,697	266,654,618	285,655,007
Sales Value	\$ 24,521,385,975	\$ 3,199,612,577	\$ 3,329,228,862	\$ 3,164,154,889	\$ 3,077,048,672	\$ 3,129,392,646
Royalties	\$ 1,108,433,954	\$ 242,219,762	\$ 296,858,507	\$ 339,574,488	\$ 325,462,818	\$ 328,991,951
Copper						
Sales Volume	788,149	123,164	93,651	78,504	90,119	206,569
Sales Value	\$ 289,545,234	\$ 72,156,596	\$ 52,504,374	\$ 37,230,413	\$ 40,623,483	\$ 130,993,019
Royalties	\$ 20,598,966	\$ 4,819,837	\$ 4,046,888	\$ 2,715,230	\$ 3,513,480	\$ 6,772,006
Fluorspar						
Sales Volume	339,438	---	---	---	3,496	3,847
Sales Value	\$ 23,342,179	\$ ---	\$ ---	\$ ---	\$ 719,288	\$ 775,681
Royalties	\$ 957,037	\$ ---	\$ ---	\$ ---	\$ 35,964	\$ 38,784
Lead						
Sales Volume	12,852,819	306,909	280,823	215,953	167,304	199,450
Sales Value	\$ 2,260,742,750	\$ 155,744,356	\$ 146,498,457	\$ 87,231,904	\$ 66,590,237	\$ 57,246,709
Royalties	\$ 105,643,157	\$ 4,537,409	\$ 4,687,289	\$ 2,106,367	\$ 1,508,671	\$ 961,706
Limestone						
Sales Volume	3,877,703	110,313	207,356	256,805	246,401	262,128
Sales Value	\$ 6,837,516	\$ 408,105	\$ 841,373	\$ 1,114,285	\$ 1,026,012	\$ 1,093,503
Royalties	\$ 334,759	\$ 13,239	\$ 29,417	\$ 42,659	\$ 35,241	\$ 32,328
Phosphate						
Sales Volume	148,510,497	6,019,045	5,835,241	6,208,786	6,471,017	6,864,488
Sales Value	\$ 961,587,244	\$ 82,181,599	\$ 85,007,005	\$ 83,777,319	\$ 101,349,199	\$ 109,946,880
Royalties	\$ 62,528,029	\$ 5,481,537	\$ 5,228,048	\$ 5,642,299	\$ 6,134,113	\$ 6,587,612
Potash						
Sales Volume	140,849,472	2,070,876	2,093,271	2,296,713	2,138,404	1,723,404
Sales Value	\$ 4,299,915,278	\$ 171,208,383	\$ 163,663,592	\$ 184,997,349	\$ 173,323,254	\$ 137,891,972
Royalties	\$ 164,452,267	\$ 3,676,552	\$ 3,528,856	\$ 3,918,421	\$ 3,779,921	\$ 3,011,669
Sand-Gravel						
Sales Volume	171,145,113	9,226,981	7,859,658	7,382,073	6,080,793	9,939,991
Sales Value	\$ 233,077,772	\$ 33,777,456	\$ 33,066,534	\$ 27,815,019	\$ 23,908,340	\$ 27,895,035
Royalties	\$ 22,119,533	\$ 3,455,490	\$ 3,774,180	\$ 3,133,178	\$ 3,032,148	\$ 3,973,802
Sodium						
Sales Volume	91,923,095	4,364,723	4,736,360	5,164,066	5,188,240	4,627,313
Sales Value	\$ 3,942,695,432	\$ 305,962,326	\$ 372,148,844	\$ 399,059,980	\$ 428,065,377	\$ 361,171,340
Royalties	\$ 182,718,754	\$ 15,220,634	\$ 18,450,761	\$ 19,705,923	\$ 21,111,230	\$ 17,843,353
Sulfur						
Sales Volume	887	162,012	734,449	854,126	1,046,948	1,723,782
Sales Value	\$ 104,753	\$ 17,497,256	\$ 91,967,724	\$ 95,704,777	\$ 67,503,963	\$ 96,385,082
Royalties	\$ 17,494	\$ 2,922,042	\$ 4,598,386	\$ 4,785,239	\$ 3,818,434	\$ 6,734,921
Uranium						
Sales Volume	35,681,320	144	---	---	---	16,058
Sales Value	\$ 832,241,221	\$ 8,224	\$ ---	\$ ---	\$ ---	\$ 355,044
Royalties	\$ 112,718,513	\$ 1,027	\$ ---	\$ ---	\$ ---	\$ 54,368
Zinc						
Sales Volume	1,633,324	55,010	60,422	44,409	50,214	49,050
Sales Value	\$ 368,633,214	\$ 44,042,264	\$ 36,503,735	\$ 21,917,981	\$ 26,997,843	\$ 18,522,731
Royalties	\$ 15,861,878	\$ 1,562,561	\$ 1,298,791	\$ 763,277	\$ 991,687	\$ 671,738

Table 9. Summary of sales volume, sales value, and royalties for selected minerals from Federal offshore, Federal onshore, and Indian mineral leases, Calendar Years 1920-98 (cont.)

1994	1995	1996	1997	1998	1920-98	
						Solid Minerals
						Coal
321,441,148	376,879,813	354,493,320	362,553,730	371,099,522	5,307,186,921	Sales Volume
\$ 3,410,169,599	\$ 3,453,241,344	\$ 3,451,790,806	\$ 3,362,792,224	\$ 3,283,337,510	\$ 57,382,155,104	Sales Value
\$ 360,175,024	\$ 369,295,252	\$ 364,948,773	\$ 352,178,744	\$ 345,734,171	\$ 4,433,873,444	Royalties
						Copper
143,935	77,229	66,413	55,232	49,982	1,772,947	Sales Volume
\$ 57,289,670	\$ 54,653,510	\$ 30,788,634	\$ 25,979,180	\$ 13,975,999	\$ 805,740,112	Sales Value
\$ 6,280,584	\$ 5,574,571	\$ 2,004,305	\$ 1,779,190	\$ 702,570	\$ 58,807,627	Royalties
						Fluorspar
1,939	1,594	2,328	---	---	352,642	Sales Volume
\$ 376,987	\$ 314,783	\$ 458,213	\$ ---	\$ ---	\$ 25,987,131	Sales Value
\$ 18,849	\$ 15,739	\$ 22,911	\$ ---	\$ ---	\$ 1,089,284	Royalties
						Lead
229,218	218,726	287,680	241,880	251,929	15,252,691	Sales Volume
\$ 81,522,051	\$ 97,091,084	\$ 154,014,802	\$ 118,716,484	\$ 108,467,179	\$ 3,333,866,013	Sales Value
\$ 1,987,424	\$ 2,723,500	\$ 4,629,377	\$ 2,909,887	\$ 2,618,566	\$ 134,313,353	Royalties
						Limestone
186,086	149,438	351,863	205,955	103,009	5,957,057	Sales Volume
\$ 799,369	\$ 666,567	\$ 1,778,655	\$ 992,610	\$ 551,937	\$ 16,109,932	Sales Value
\$ 23,280	\$ 23,804	\$ 60,431	\$ 34,108	\$ 20,085	\$ 649,351	Royalties
						Phosphate
6,254,698	5,562,085	5,604,139	4,630,695	5,654,465	207,615,156	Sales Volume
\$ 106,668,340	\$ 99,612,759	\$ 92,966,868	\$ 80,782,370	\$ 102,634,940	\$ 1,906,514,523	Sales Value
\$ 5,428,686	\$ 5,015,537	\$ 4,663,347	\$ 4,040,417	\$ 5,131,880	\$ 115,881,505	Royalties
						Potash
1,648,408	876,078	1,206,571	1,420,842	1,263,589	157,587,628	Sales Volume
\$ 133,076,516	\$ 77,430,929	\$ 105,094,288	\$ 128,147,803	\$ 125,525,273	\$ 5,700,274,637	Sales Value
\$ 2,861,493	\$ 1,766,449	\$ 2,056,433	\$ 2,308,243	\$ 2,433,423	\$ 193,793,727	Royalties
						Sand-Gravel
10,815,517	8,410,961	9,776,769	8,004,495	10,052,854	258,695,205	Sales Volume
\$ 29,774,009	\$ 33,815,711	\$ 38,791,892	\$ 33,774,916	\$ 41,764,118	\$ 557,460,802	Sales Value
\$ 4,006,933	\$ 4,241,855	\$ 5,079,399	\$ 4,773,506	\$ 6,048,315	\$ 63,638,339	Royalties
						Sodium
5,184,639	5,619,249	6,583,666	5,221,338	5,012,178	143,624,867	Sales Volume
\$ 381,268,530	\$ 426,317,140	\$ 512,947,154	\$ 378,807,078	\$ 359,074,943	\$ 7,867,518,144	Sales Value
\$ 18,901,510	\$ 21,107,731	\$ 25,943,941	\$ 20,472,559	\$ 19,491,693	\$ 380,968,089	Royalties
						Sulfur
2,604,039	2,043,500	1,927,255	2,267,523	1,620,480	14,985,001	Sales Volume
\$ 120,235,482	\$ 143,110,045	\$ 111,898,666	\$ 124,428,592	\$ 86,504,919	\$ 955,341,259	Sales Value
\$ 10,493,136	\$ 12,660,208	\$ 11,348,260	\$ 10,325,282	\$ 7,769,180	\$ 75,472,582	Royalties
						Uranium
---	---	---	---	---	35,697,522	Sales Volume
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 832,604,489	Sales Value
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 112,773,908	Royalties
						Zinc
53,571	57,905	58,836	40,893	58,147	2,161,781	Sales Volume
\$ 20,301,932	\$ 26,114,116	\$ 28,588,321	\$ 28,411,210	\$ 31,414,428	\$ 651,447,775	Sales Value
\$ 793,054	\$ 922,844	\$ 934,658	\$ 976,461	\$ 1,033,200	\$ 25,810,149	Royalties

Table 10. Summary of selected Calendar Year 1998 mineral sales volumes from Federal offshore, Federal onshore, and Indian mineral leases as a percentage of total U.S. production

	U.S. Total	Federal Offshore	Federal Onshore	Indian	Federal and Indian Total
Coal					
Sales Volume	1,118	---	342	29	371
% U.S. Total Production		---	30.6	2.6	33.2
Gas					
Sales Volume	19,824	4,835	1,920	282	7,037
% U.S. Total Production		24.4	9.7	1.4	35.5
Lead					
Sales Volume	495	---	252	---	252
% U.S. Total Production		---	50.9	---	50.9
Oil					
Sales Volume	2,282	477	112	15	604
% U.S. Total Production		20.9	4.9	0.7	26.5
Phosphate					
Sales Volume	48,722	---	5,654	---	5,654
% U.S. Total Production		---	11.6	---	11.6
Sodium					
Sales Volume	11,673	---	5,012	---	5,012
% U.S. Total Production		---	42.9	---	42.9

NOTE: 1998 U.S. production data are estimated. Data by calendar year are rounded: oil, including crude oil and condensate, is reported in millions of barrels; natural gas is reported in millions of Mcf; coal, including anthracite, bituminous, and lignite, is reported in millions of short tons; and lead, phosphate, and sodium are reported in thousands of short tons. Due to legal requirements following the consolidation of potash producers in the United States in 1997, the U.S. Geological Survey can no longer release total U.S. potash production figures to the general public. Potash figures are subsequently no longer included in this table.

SOURCE: U.S. production totals are from "Mineral Commodity Summaries," U.S. Geological Survey, U.S. Department of the Interior, and "Monthly Energy Review," U.S. Department of Energy. Federal and Indian totals are from Minerals Management Service records.

Table 11. Summary of selected mineral sales volumes from Federal offshore, Federal onshore, and Indian mineral leases as a percentage of total U.S. production, Calendar Years 1950-98

	U.S. Total	Federal and Indian Total	Percentage of U.S. Total
Coal			
1950-88	21,849	1,973	9.0
1989	981	236	24.1
1990	1,029	281	27.3
1991	996	285	28.6
1992	998	267	26.8
1993	945	286	30.3
1994	1,034	322	31.1
1995	1,033	377	36.5
1996	1,064	354	33.3
1997	1,090	363	33.3
1998	<u>1,118</u>	<u>371</u>	33.2
Total	32,137	5,115	15.9
Gas			
1950-88	628,290	117,804	18.7
1989	18,095	5,211	28.8
1990	18,594	6,421	34.5
1991	18,532	5,862	31.6
1992	18,712	6,125	32.7
1993	18,982	6,431	33.9
1994	19,710	6,655	33.8
1995	19,506	6,648	34.1
1996	19,751	7,172	36.3
1997	19,866	7,287	36.7
1998	<u>19,824</u>	<u>7,037</u>	35.5
Total	819,862	182,653	22.3
Lead			
1950-88	15,162	9,194	60.6
1989	453	307	67.8
1990	534	281	52.6
1991	514	216	42.0
1992	438	167	38.1
1993	391	199	50.9
1994	400	229	57.3
1995	425	219	51.5
1996	470	288	61.3
1997	494	242	49.0
1998	<u>495</u>	<u>252</u>	50.9
Total	19,776	11,594	58.6

Table 11. Summary of selected mineral sales volumes from Federal offshore, Federal onshore, and Indian mineral leases as a percentage of total U.S. production, Calendar Years 1950-98 (cont.)

	U.S. Total	Federal and Indian Total	Percentage of U.S. Total
Oil			
1950-88	113,749	15,647	13.8
1989	2,779	453	16.3
1990	2,685	485	18.1
1991	2,707	463	17.1
1992	2,617	502	19.2
1993	2,499	505	20.2
1994	2,432	502	20.6
1995	2,394	537	22.4
1996	2,360	574	24.3
1997	2,355	611	25.9
1998	<u>2,282</u>	<u>604</u>	26.5
Total	138,859	20,883	15.0
Phosphate			
1950-88	1,276,724	138,128	10.8
1989	54,914	6,019	11.0
1990	51,084	5,836	11.4
1991	53,017	6,209	11.7
1992	51,770	6,471	12.5
1993	39,125	6,864	17.5
1994	45,305	6,255	13.8
1995	47,950	5,562	11.6
1996	50,045	5,604	11.2
1997	50,596	4,631	9.2
1998	<u>48,722</u>	<u>5,654</u>	11.6
Total	1,769,252	197,233	11.1
Potash			
1950-88	144,645	117,407	81.2
1989	3,088	2,071	67.1
1990	3,132	2,093	66.8
1991	3,799	2,297	60.5
1992	3,683	2,138	58.1
1993	3,384	1,723	50.9
1994	3,120	1,648	52.8
1995	3,362	876	26.1
1996	3,185	1,207	37.9
1997	---	---	---
1998	<u>---</u>	<u>---</u>	---
Total	171,398	131,460	76.7

Table 11. Summary of selected mineral sales volumes from Federal offshore, Federal onshore, and Indian mineral leases as a percentage of total U.S. production, Calendar Years 1950-98 (cont.)

	U.S. Total	Federal and Indian Total	Percentage of U.S. Total
Sodium			
1950-88	166,674	84,763	50.9
1989	10,290	4,365	42.4
1990	10,478	4,736	45.2
1991	10,317	5,164	50.1
1992	10,710	5,188	48.4
1993	10,237	4,627	45.2
1994	10,602	5,185	48.9
1995	11,494	5,619	48.9
1996	11,581	6,584	56.9
1997	12,145	5,221	43.0
1998	11,673	5,012	42.9
Total	276,201	136,464	49.4

NOTE: 1998 U.S. production data are estimated. Data by calendar year are rounded: oil, including crude oil and condensate, is reported in millions of barrels; natural gas is reported in millions of Mcf; coal, including anthracite, bituminous, and lignite, is reported in millions of short tons; and lead, phosphate, potash, and sodium are reported in thousands of short tons. Due to legal requirements following the consolidation of potash producers in the United States in 1997, the U.S. Geological Survey can no longer release total U.S. potash production figures to the general public.

SOURCE: U.S. production totals are from "Mineral Commodity Summaries," U.S. Geological Survey, U.S. Department of the Interior, and "Monthly Energy Review," U.S. Department of Energy. Federal and Indian totals are from Minerals Management Service records.

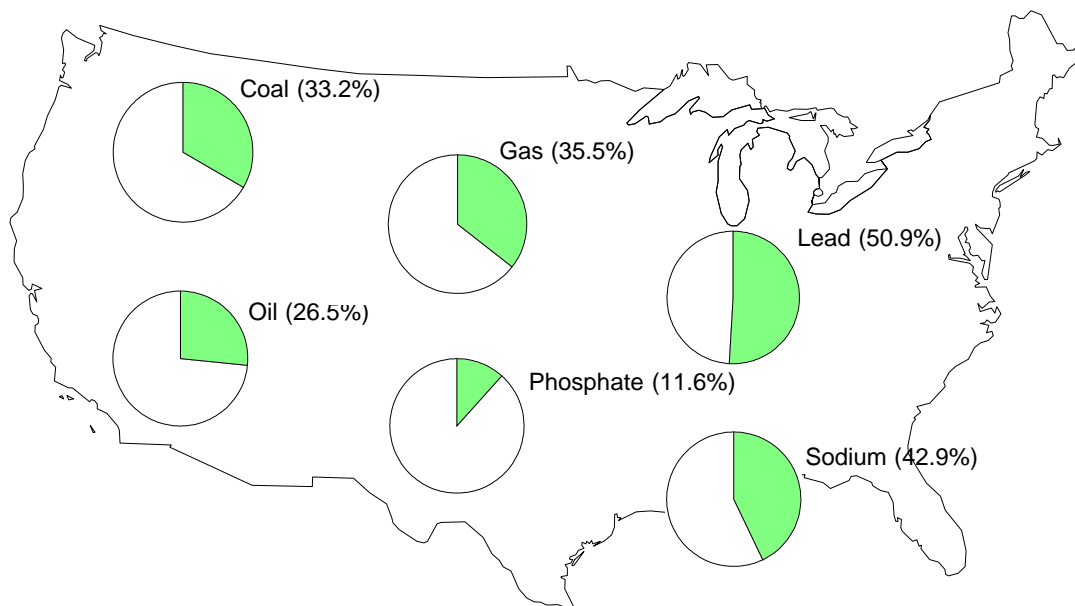


Figure 12. Federal and Indian sales volume as a percentage of total U.S. production, Calendar Year 1998

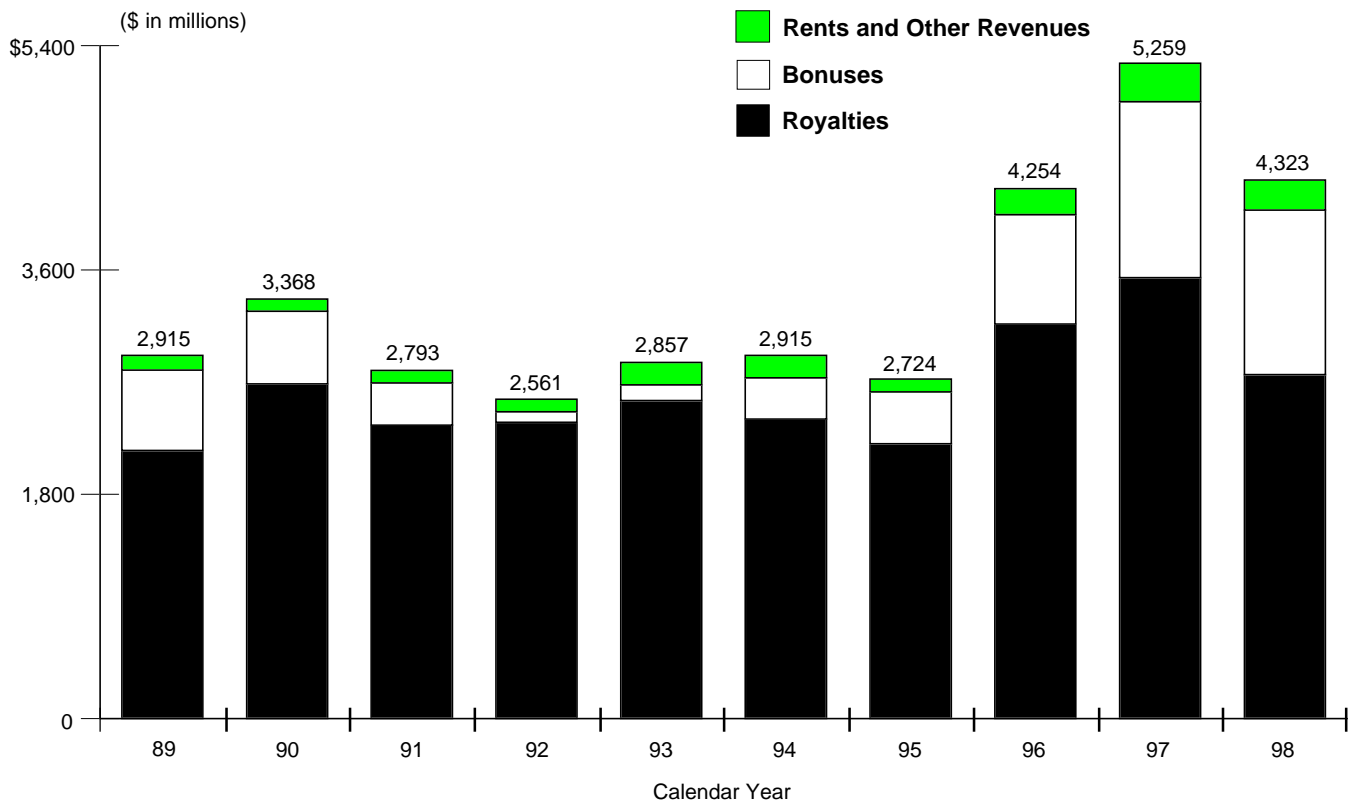


Figure 13. Revenues from Federal offshore leases by source, 1989-98

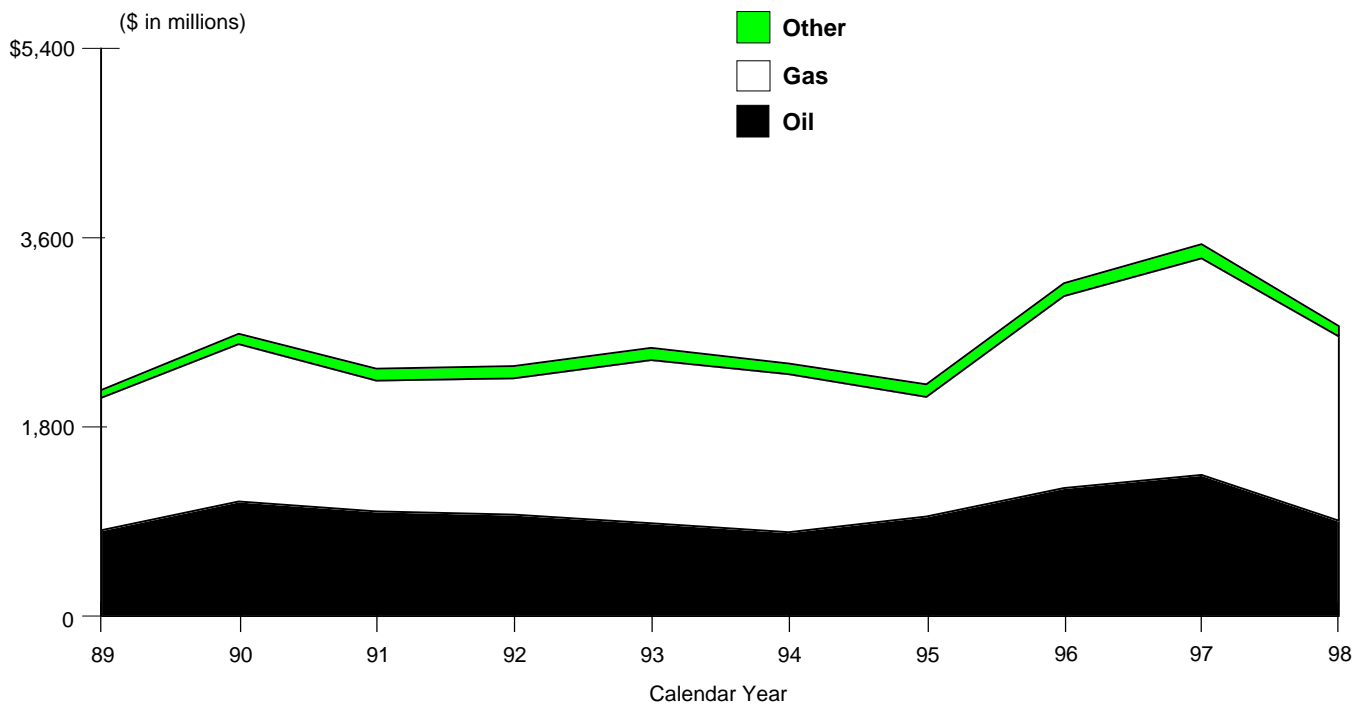


Figure 14. Royalties from Federal offshore leases by commodity, 1989-98

Federal Offshore Mineral Revenues

Revenues from Outer Continental Shelf (OCS) mineral royalties, rents, bonuses, and other revenues fell 17.8 percent, or \$936.6 million, in 1998 (tables 2 and 3, and figure 13). The decline was primarily due to lower oil and gas prices and a reduction in revenues collected from offshore oil and gas competitive lease sales. The \$4.3 billion in OCS revenues represented 77.1 percent of the \$5.6 billion cumulative revenues collected on all Federal and American Indian mineral leases in 1998 (tables 2 and 3).

Total OCS royalties were down 22 percent, or \$778.4 million, from 1997 to 1998. Oil royalties plummeted 32.4 percent, or \$435.1 million, while gas royalties fell 14.6 percent, or \$305.8 million. Royalties from other minerals were down \$37.5 million during the year. Royalties from natural gas continue to provide the largest source of OCS mineral income (table 3 and figure 14).

Royalty rates for OCS resources generally range between 12.5 and 16.7 percent of sales value, with most leases employing the 16.7 percent royalty rate. One exception involves net profit share leases (NPSL), introduced in the early 1980's. Under NPSL terms, payors must report the sales volume and sales value from a lease but do not owe a profit share payment until aggregate lease revenues exceed costs. In 1998, payors reported approximately 0.6 percent of oil and 0.6 percent of gas sales volumes from NPSL's on which profit share payments were not due. Although the percentage profit share extends up to 50 percent for existing leases, no NPSL's reached a profitable status until 1988, and only a few profitable leases existed in 1997.

Oil sales volume from the OCS fell 0.4 percent, from 478.8 million barrels in 1997 to 476.7 million barrels in 1998 (table 17). A 17.6 million barrel decline on the California OCS was offset in part by a 15.5 million barrel increase in the Gulf of Mexico. The decline on the California OCS occurred in the Point Arguello Field and the Santa Ynez Unit. Crude oil reserves in the older Point Arguello Field continue to be depleted. The Santa Ynez Unit consists of three fields: Hondo, Pescado, and Sacate. There has been limited drilling activity on the Hondo and Pescado Fields in recent years. New wells in the Sacate Field will not go into production until 1999.

Oil royalties fell \$435.1 million in 1998 (figure 15 and table 17). The decline reflects the lower production and a sharp decline in prices during the year. The U.S. Department of Energy (DOE) advises that crude oil prices fell in the first 6 months of 1998 due to abundant existing supplies. The situation was further aggravated in the fall when major oil-producing countries declined to cut production in an effort to reduce supplies. The average monthly oil price fell nearly \$3 per barrel to \$9.39 in December 1998.

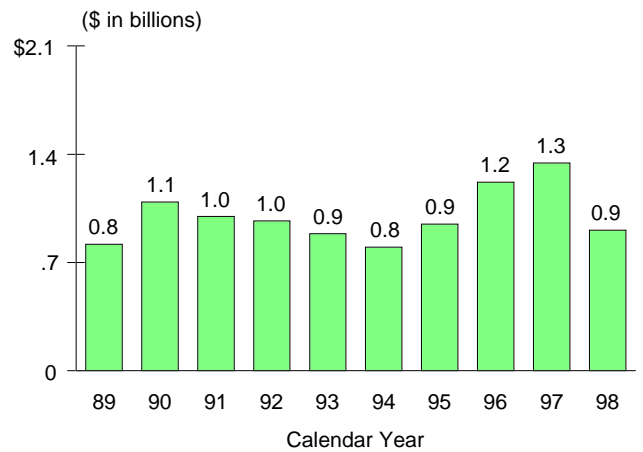


Figure 15. Federal offshore oil royalties, 1989-98

Offshore natural gas sales volume fell 4.8 percent, or 241.6 million Mcf, from 1997 to 1998 (table 17). The DOE reports that the decline in natural gas production was primarily due to abundant supplies of gas in inventories following an unusually mild heating season. The Climate Prediction Center with the National Weather Service advises that temperatures across the upper half of the continental United States during the peak heating months of January through March 1998 averaged 12 percent above normal seasonal temperatures. Winter temperatures in the New England area were 20 percent above seasonal norms. Tropical Storm Charley in late August and Hurricane Georges in September briefly curtailed gas production in the Gulf of Mexico, further contributing to the decline.

Offshore gas royalties dropped \$305.8 million in 1998 (figure 16 and table 17). The decline in royalties is a result of lower production and the steep drop in gas prices during

the year due to plentiful supplies of gas attendant to the mild winter.

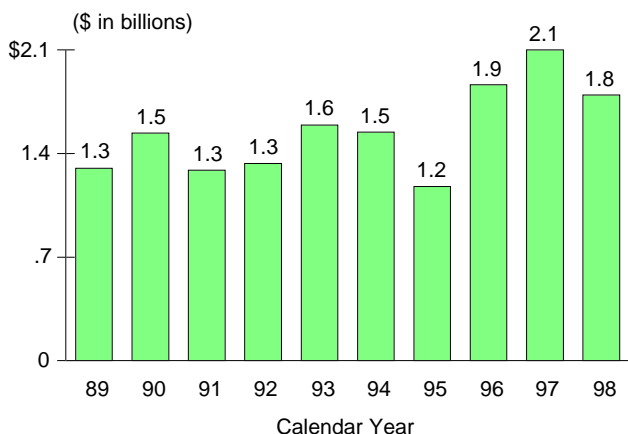


Figure 16. Federal offshore gas royalties, 1989-98

Royalties from minerals other than oil and gas on the OCS fell 39.6 percent, from \$94.9 million in 1997 to \$57.4 million in 1998 (figure 17 and table 17). A significant decline in gas plant product and sulfur royalties was offset in part by a moderate increase in royalties from gas lost, or gas that was flared or vented.

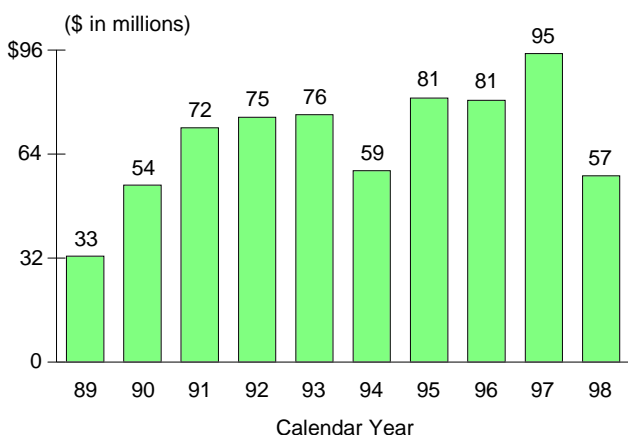


Figure 17. Federal offshore other royalties, 1989-98

Offshore oil royalties accounted for 84.7 percent of all oil royalties collected, while offshore gas royalties produced 78.4 percent of all gas royalties collected and disbursed by the U.S. Department of the Interior from Federal and American Indian lands in 1998 (table 3 and figure 18).

Rent collections rose from \$228.4 million in 1997 to \$258.5 million in 1998 (table 18). The increase reflects the addition of new oil and gas acreage in the Gulf of Mexico as a result of recent competitive lease sales.

The Minerals Management Service divides the OCS into four regions for lease administration: the Alaska, Atlantic, Gulf of Mexico, and Pacific OCS regions. The regions are then divided into multiple planning areas. The Atlantic region is administered by the Gulf of Mexico Office.

Bonus revenues from offshore competitive OCS oil and gas lease reached a 12-year high in 1997 at \$1.4 billion. Bonus receipts were down only 6.4 percent in 1998 to \$1.3 billion (table 20 and figure 20). The growth in revenues in the past 3 years is attributed to advances in three-dimensional seismology, innovations in horizontal drilling, improved underwater techniques, recent subsalt discoveries in the Gulf of Mexico, and increased competition by independent producers in shallow water properties in the Gulf. One sale was conducted on the Alaskan OCS and two sales were conducted on the Gulf of Mexico OCS in 1998. No competitive lease sales have been conducted on the Atlantic OCS since 1983 or on the Pacific OCS since 1984 (table 19 and figure 20).

Collections from other revenues, including minimum royalties, settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration totaled \$80.7 million in 1997. The MMS issued refunds totaling \$17.3 million in 1998 based on recoupments for estimated oil and gas payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998. There were significant recoupments in Alabama, Louisiana, and Texas (table 21).

There were 8,278 offshore leases, licenses, and permits on 43.2 million acres under the supervision of the Department at the end of 1998 (tables 43 and 44). This included 1,823 producing or producible OCS oil and gas leases on 8.6 million acres (tables 37 and 38).

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 will be 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.

Table 12. Calendar Year 1998 summary of sales volume, sales value, and royalties by commodity from Federal offshore mineral leases

	Sales Volume	Sales Value	Royalties
Gas	4,835,387,697	\$11,374,462,646	\$1,795,215,514
Gas Lost	2,287,295	6,279,229	787,022
Gas Plant Products	1,395,115,654	403,686,831	48,689,248
Oil	476,655,336	6,241,183,959	908,507,359
Oil Lost	---	---	---
Salt	---	---	---
Sulfur	1,651,172	<u>88,054,436</u>	<u>7,891,211</u>
Total		\$18,113,667,101	\$2,761,090,354

Table 13. Summary of sales volume, sales value, and royalties by commodity from Federal offshore mineral leases, Calendar Years 1953-98

	Sales Volume	Sales Value	Royalties
Gas	130,765,318,442	\$209,260,803,691	\$33,970,430,948
Gas Lost	120,722,689	96,512,195	14,852,137
Gas Plant Products	33,202,997,979	7,241,323,801	861,389,466
Oil	12,048,058,407	166,733,948,866	26,602,848,989
Oil Lost	88,499	822,824	136,094
Salt	5,915,959	1,422,193	175,512
Sulfur	30,449,910	<u>1,355,983,012</u>	<u>121,055,506</u>
Total		\$384,690,816,582	\$61,570,888,652

Table 14. Calendar Year 1998 sales volume, sales value, and royalties by area and commodity from Federal offshore mineral leases

	Sales Volume	Sales Value	Royalties
Alabama			
Gas	128,832,522	\$ 304,098,325	\$ 49,440,038
Gas Plant Products	2,054,945	475,547	47,314
Oil	18,347	137,207	22,799
Sulfur	38,703	<u>1,586,927</u>	<u>123,995</u>
Subtotal		\$ 306,298,006	\$ 49,634,146
Alaska			
Gas	---	\$ ---	\$ ---
Oil	---	---	---
Subtotal	---	\$ ---	\$ ---
California			
Gas.....	26,431,191	\$ 60,476,670	\$ 9,264,381
Gas Lost	21,583	46,324	7,721
Gas Plant Products	33,650,878	10,404,445	520,122
Oil	40,636,231	343,170,681	48,547,803
Sulfur	(8,011)	<u>(37,410)</u>	<u>(1,964)</u>
Subtotal		\$ 414,060,710	\$ 58,338,063
Gulf of Mexico			
Gas	7,597,644	\$ 18,631,594	\$ 2,006,822
Gas Lost	---	---	---
Gas Plant Products	---	---	---
Oil	6,700	111,795	18,098
Oil Lost	---	---	---
Subtotal		\$ 18,743,389	\$ 2,024,920
Louisiana			
Gas	3,789,387,595	\$ 8,954,569,251	\$1,398,638,647
Gas Lost	2,265,712	6,232,905	779,301
Gas Plant Products	1,257,344,170	368,709,985	45,055,796
Oil	415,865,901	5,612,293,452	815,259,590
Oil Lost	---	---	---
Salt	---	---	---
Sulfur	1,620,480	<u>86,504,919</u>	<u>7,769,180</u>
Subtotal		\$15,028,310,512	\$2,267,502,514
Mississippi			
Gas	15,531,966	\$ 35,800,358	\$ 5,934,236
Oil	---	---	---
Subtotal		\$ 35,800,358	\$ 5,934,236

Table 14. Calendar Year 1998 sales volume, sales value, and royalties by area and commodity from Federal offshore mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Texas			
Gas	867,606,779	\$ 2,000,886,448	\$ 329,931,390
Gas Lost	---	---	---
Gas Plant Products	102,065,661	24,096,854	3,066,016
Oil	20,128,157	285,470,824	44,659,069
Oil Lost	---	---	---
Subtotal		<u>\$ 2,310,454,126</u>	<u>\$ 377,656,475</u>
Total		\$18,113,667,101	\$2,761,090,354

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 will be listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

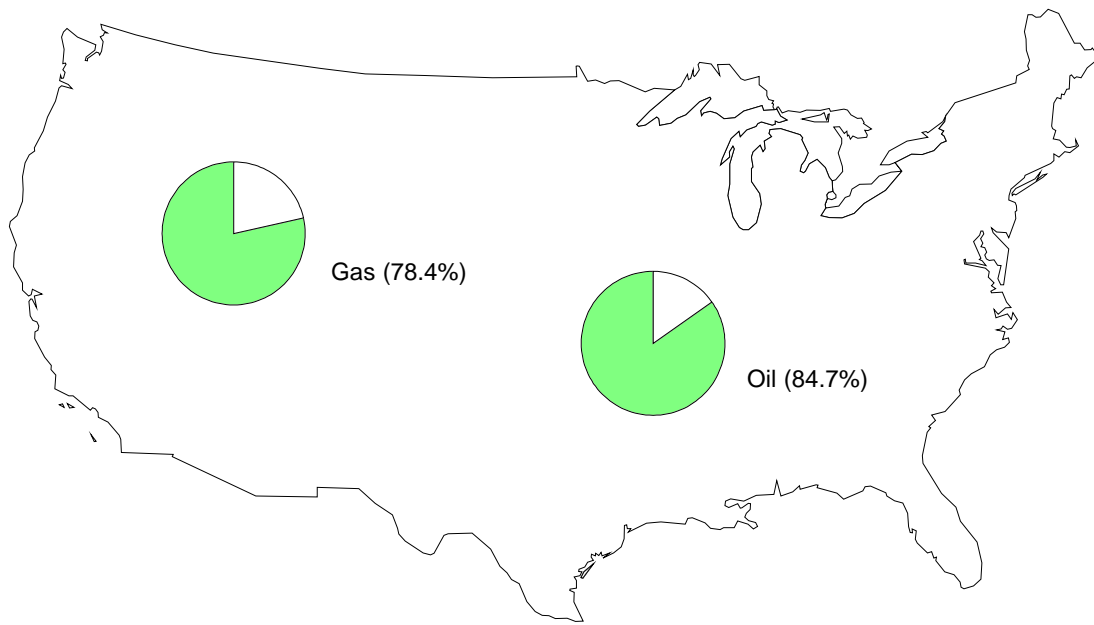


Figure 18. Federal offshore royalties as a percentage of total Federal and Indian royalties from oil and gas, Calendar Year 1998

Table 15. Summary of sales volume, sales value, and royalties by area and commodity from Federal offshore mineral leases, Calendar Years 1953-98

	Sales Volume	Sales Value	Royalties
Alabama			
Gas	733,479,648	\$ 1,609,426,722	\$ 259,298,792
Gas Plant Products	5,785,552	1,723,278	170,499
Oil	134,330	1,269,718	198,375
Sulfur	111,539	4,403,105	333,838
Subtotal		\$ 1,616,822,823	\$ 260,001,504
Alaska			
Gas	---	\$ ---	\$ ---
Oil	2,137	31,846	3,981
Subtotal		\$ 31,846	\$ 3,981
California			
Gas.....	692,131,104	\$ 1,630,147,832	\$ 270,021,918
Gas Lost	102,288	312,741	74,846
Gas Plant Products	201,571,083	65,909,013	2,917,893
Oil	917,180,834	10,708,741,450	1,871,656,476
Sulfur	10,069	47,102	2,471
Subtotal		\$ 12,405,158,138	\$ 2,144,673,604
Gulf of Mexico			
Gas.....	9,301,923	\$ 22,982,432	\$ 2,692,625
Gas Lost	---	---	---
Gas Plant Products	---	---	---
Oil	9,848	170,034	27,573
Oil Lost	---	---	---
Subtotal		\$ 23,152,466	\$ 2,720,198
Louisiana			
Gas	108,258,566,047	\$ 162,882,281,283	\$ 26,204,383,332
Gas Lost	117,999,335	92,243,493	14,118,518
Gas Plant Products	31,420,829,401	6,806,685,019	810,863,322
Oil	10,710,842,629	147,669,402,320	23,408,696,654
Oil Lost	83,969	758,487	125,398
Salt	5,915,959	1,422,193	175,512
Sulfur	30,328,302	1,351,532,805	120,719,197
Subtotal		\$ 318,804,325,600	\$ 50,559,081,933
Mississippi			
Gas	45,551,441	\$ 105,375,072	\$ 17,673,297
Oil	453	7,094	1,182
Subtotal		\$ 105,382,166	\$ 17,674,479

Table 15. Summary of sales volume, sales value, and royalties by area and commodity from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

	Sales Volume	Sales Value	Royalties
Texas			
Gas	21,026,288,279	\$ 43,010,590,350	\$ 7,216,360,984
Gas Lost	2,621,066	3,955,961	658,773
Gas Plant Products	1,574,811,943	367,006,491	47,437,752
Oil	419,888,176	8,354,326,404	1,322,264,748
Oil Lost	4,530	64,337	10,696
Subtotal		<u>\$ 51,735,943,543</u>	<u>\$ 8,586,732,953</u>
Total		\$384,690,816,582	\$61,570,888,652

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 will be listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

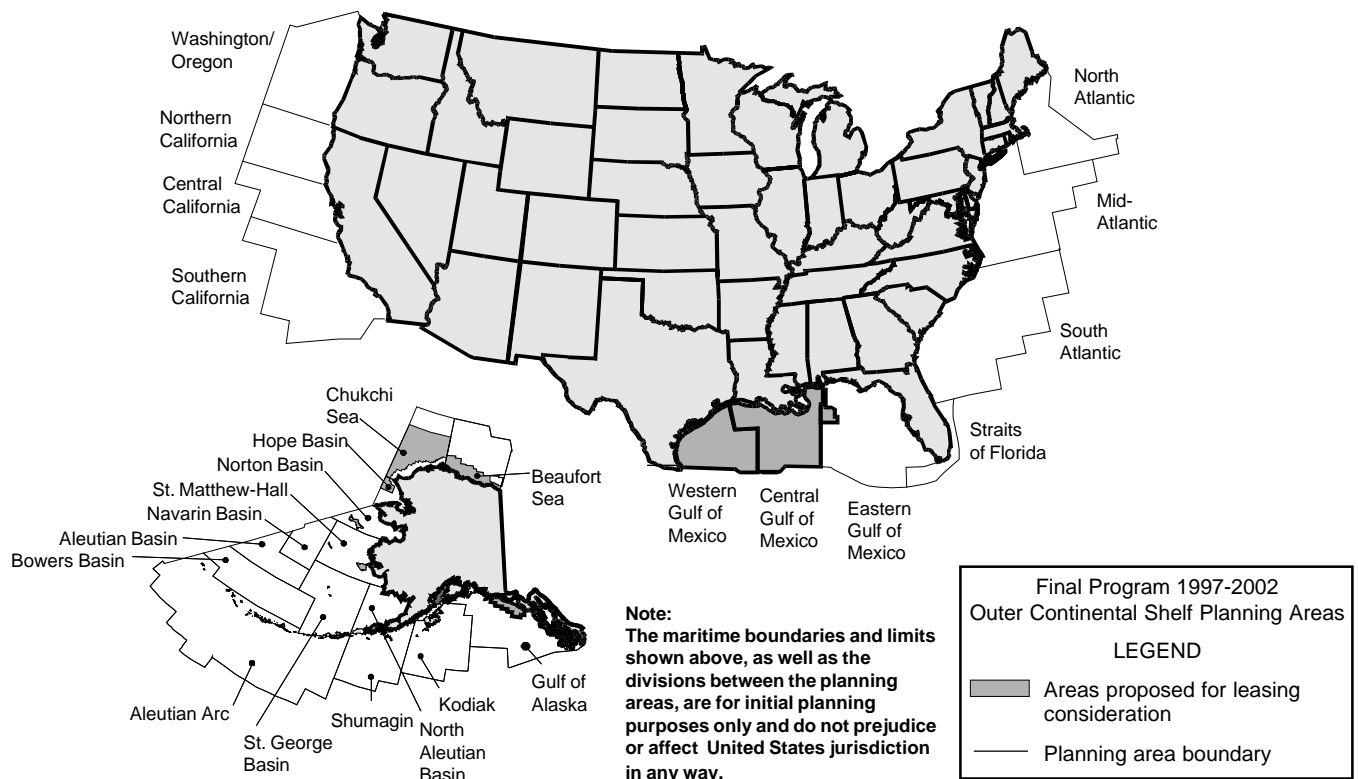


Figure 19. Map of Federal offshore regions in current oil and gas leasing program

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98

<i>Alabama</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-91	---	\$ ---	\$ ---
1992	67,280,071	121,995,233	18,743,011
1993	76,561,233	167,413,886	27,791,761
1994	102,295,379	207,700,582	33,287,070
1995	108,695,954	174,665,774	27,469,371
1996	112,048,651	273,898,942	44,278,290
1997	137,765,838	359,653,980	58,289,251
1998	<u>128,832,522</u>	<u>304,098,325</u>	<u>49,440,038</u>
Total	733,479,648	\$1,609,426,722	\$259,298,792
Oil			
1953-91	---	\$ ---	\$ ---
1992	3,209	58,687	9,742
1993	2,630	44,002	3,837
1994	46,112	569,020	90,730
1995	18,088	130,067	19,039
1996	19,306	133,345	19,507
1997	26,638	197,390	32,721
1998	<u>18,347</u>	<u>137,207</u>	<u>22,799</u>
Total	134,330	\$ 1,269,718	\$ 198,375
Other			
1953-91	N/A	\$ ---	\$ ---
1992	N/A	9,464	1,116
1993	N/A	9,407	533
1994	N/A	164,593	13,747
1995	N/A	753,609	70,559
1996	N/A	1,190,829	60,238
1997	N/A	1,936,007	186,835
1998	N/A	<u>2,062,474</u>	<u>171,309</u>
Total	N/A	\$ 6,126,383	\$ 504,337

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>Alaska</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
1997	---	---	---
1998	---	---	---
Total	---	\$ ---	\$ ---
Oil			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
1997	2,137	31,846	3,981
1998	---	---	---
Total	2,137	\$31,846	\$3,981
Other			
1953-93	N/A	\$ ---	\$ ---
1994	N/A	---	---
1995	N/A	---	---
1996	N/A	---	---
1997	N/A	---	---
1998	N/A	---	---
Total	N/A	\$ ---	\$ ---

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>California</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-88	318,361,320	\$ 709,135,152	\$ 126,799,223
1989	28,574,912	77,322,251	12,920,381
1990	38,531,764	107,345,547	17,822,908
1991	40,626,577	116,722,285	19,536,916
1992	40,873,660	111,075,007	18,325,587
1993	42,082,090	116,076,588	16,859,977
1994	41,679,064	100,051,242	13,375,225
1995	36,425,501	62,967,836	9,205,331
1996	37,822,941	68,841,548	10,303,944
1997	40,722,084	100,133,706	15,608,045
1998	<u>26,431,191</u>	<u>60,476,670</u>	<u>9,264,381</u>
Total	692,131,104	\$ 1,630,147,832	\$ 270,021,918
Oil			
1953-88	435,145,095	\$ 5,113,951,700	\$ 994,477,649
1989	33,072,161	401,679,836	69,618,869
1990	33,312,719	540,919,648	94,552,896
1991	29,146,090	359,942,223	64,141,789
1992	41,222,801	475,004,760	71,952,589
1993	50,078,144	500,723,181	70,532,436
1994	57,229,464	530,007,444	78,969,744
1995	71,254,440	778,309,571	117,443,113
1996	67,804,200	861,967,087	135,657,660
1997	58,279,489	803,065,319	125,761,928
1998	<u>40,636,231</u>	<u>343,170,681</u>	<u>48,547,803</u>
Total	917,180,834	\$10,708,741,450	\$1,871,656,476
Other			
1953-88	N/A	\$ 1,391,422	\$ 168,460
1989	N/A	679,216	48,216
1990	N/A	1,211,010	103,490
1991	N/A	2,319,136	187,910
1992	N/A	1,351,882	76,360
1993	N/A	8,126,456	202,481
1994	N/A	10,198,793	368,423
1995	N/A	13,902,653	604,101
1996	N/A	8,042,824	305,206
1997	N/A	8,632,105	404,684
1998	N/A	<u>10,413,359</u>	<u>525,879</u>
Total	N/A	\$ 66,268,856	\$ 2,995,210

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>Gulf of Mexico</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
1997	1,704,279	4,350,838	685,803
1998	<u>7,597,644</u>	<u>18,631,594</u>	<u>2,006,822</u>
Total	9,301,923	\$22,982,432	\$2,692,625
Oil			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
1997	3,148	58,239	9,475
1998	<u>6,700</u>	<u>111,795</u>	<u>18,098</u>
Total	9,848	\$ 170,034	\$ 27,573
Other			
1953-93	N/A	\$ ---	\$ ---
1994	N/A	---	---
1995	N/A	---	---
1996	N/A	---	---
1997	N/A	---	---
1998	N/A	---	---
Total	N/A	\$ ---	\$ ---

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 will be 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.

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>Louisiana</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-88	72,800,805,744	\$ 89,537,384,271	\$ 14,577,549,473
1989	3,006,576,061	5,590,014,727	912,525,885
1990	3,706,324,044	6,914,198,999	1,116,561,923
1991	3,289,968,602	5,811,082,617	938,334,655
1992	3,338,101,447	5,903,755,520	952,478,988
1993	3,386,808,653	7,391,111,524	1,176,770,756
1994	3,492,406,762	7,392,495,136	1,156,632,134
1995	3,636,067,997	5,843,343,792	905,009,984
1996	3,898,234,094	9,252,276,099	1,455,013,568
1997	3,913,885,048	10,292,049,347	1,614,867,319
1998	<u>3,789,387,595</u>	<u>8,954,569,251</u>	<u>1,398,638,647</u>
Total	108,258,566,047	\$162,882,281,283	\$26,204,383,332
Oil			
1953-88	7,577,119,388	\$ 91,824,643,041	\$ 14,937,536,869
1989	246,207,653	4,389,950,817	677,807,033
1990	264,670,535	5,853,558,285	905,427,960
1991	262,647,733	5,458,022,367	853,869,905
1992	288,918,208	5,405,365,602	825,715,275
1993	293,443,881	5,039,146,117	761,923,302
1994	293,077,191	4,392,199,355	676,173,705
1995	320,255,087	5,225,775,202	783,899,585
1996	349,101,048	6,734,245,593	1,019,010,372
1997	399,536,004	7,734,202,489	1,152,073,058
1998	<u>415,865,901</u>	<u>5,612,293,452</u>	<u>815,259,590</u>
Total	10,710,842,629	\$147,669,402,320	\$23,408,696,654
Other			
1953-88	N/A	\$ 2,799,419,611	\$ 303,950,477
1989	N/A	243,639,283	30,762,803
1990	N/A	451,993,493	51,105,420
1991	N/A	600,250,114	67,188,354
1992	N/A	621,007,036	70,404,894
1993	N/A	579,095,327	70,950,595
1994	N/A	489,680,521	56,147,263
1995	N/A	649,782,579	75,966,222
1996	N/A	624,141,888	75,735,576
1997	N/A	732,184,336	90,186,066
1998	N/A	<u>461,447,809</u>	<u>53,604,277</u>
Total	N/A	\$ 8,252,641,997	\$ 946,001,947

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>Mississippi</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-93	---	\$ ---	\$ ---
1994	6,432,489	13,520,396	2,042,599
1995	2,561,323	4,072,503	680,108
1996	3,441,362	8,610,789	1,419,531
1997	17,584,301	43,371,026	7,596,823
1998	<u>15,531,966</u>	<u>35,800,358</u>	<u>5,934,236</u>
Total	45,551,441	\$105,375,072	\$17,673,297
Oil			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	453	7,094	1,182
1997	---	---	---
1998	<u>---</u>	<u>---</u>	<u>---</u>
Total	453	\$ 7,094	\$ 1,182
Other			
1953-93	N/A	\$ ---	\$ ---
1994	N/A	---	---
1995	N/A	---	---
1996	N/A	---	---
1997	N/A	---	---
1998	<u>N/A</u>	<u>---</u>	<u>---</u>
Total	N/A	\$ ---	\$ ---

Table 16. Summary of sales volume, sales value, and royalties by area and year from Federal offshore mineral leases, Calendar Years 1953-98 (cont.)

<i>Texas</i>	Sales Volume	Sales Value	Royalties
Gas			
1953-88	10,332,296,659	\$22,110,035,278	\$3,729,216,756
1989	1,165,112,953	2,171,092,310	374,747,729
1990	1,348,075,361	2,436,768,679	404,979,925
1991	1,184,936,494	1,962,252,569	329,019,995
1992	1,239,389,547	2,028,031,701	344,239,137
1993	1,027,937,755	2,218,833,205	370,415,509
1994	1,014,204,135	2,038,747,553	339,659,717
1995	908,520,050	1,421,720,754	235,477,425
1996	972,873,759	2,163,900,564	354,725,190
1997	965,334,787	2,458,321,289	403,948,211
1998	867,606,779	2,000,886,448	329,931,390
Total	21,026,288,279	\$43,010,590,350	\$7,216,360,984
Oil			
1953-88	202,324,364	\$ 4,338,046,727	\$ 693,049,337
1989	25,887,841	463,927,147	71,165,593
1990	26,439,927	586,059,755	90,972,456
1991	23,899,428	500,408,109	78,554,391
1992	23,582,162	439,238,026	70,375,096
1993	19,151,111	334,497,433	52,546,098
1994	19,121,540	279,327,650	44,004,316
1995	17,347,391	293,522,422	46,270,515
1996	21,078,663	412,689,217	64,982,503
1997	20,927,592	421,139,094	65,685,374
1998	20,128,157	285,470,824	44,659,069
Total	419,888,176	\$ 8,354,326,404	\$1,322,264,748
Other			
1953-88	N/A	\$ 76,986,914	\$ 9,927,749
1989	N/A	14,377,118	1,793,054
1990	N/A	24,287,594	3,272,545
1991	N/A	35,275,907	4,682,934
1992	N/A	37,499,542	4,857,025
1993	N/A	37,167,899	4,935,545
1994	N/A	18,929,040	2,349,650
1995	N/A	37,248,210	4,624,462
1996	N/A	33,340,929	4,473,840
1997	N/A	31,816,782	4,124,401
1998	N/A	24,096,854	3,066,016
Total	N/A	\$ 371,026,789	\$ 48,107,221

Table 17. Summary of sales volume, sales value, and royalties by commodity and year from Federal offshore mineral leases, Calendar Years 1953-98

Totals	Sales Volume	Sales Value	Royalties
Gas			
1953-88	83,451,463,723	\$ 112,356,554,701	\$ 18,433,565,452
1989	4,200,263,926	7,838,429,288	1,300,193,995
1990	5,092,931,169	9,458,313,225	1,539,364,756
1991	4,515,531,673	7,890,057,471	1,286,891,566
1992	4,685,644,725	8,164,857,461	1,333,786,723
1993	4,533,389,731	9,893,435,203	1,591,838,003
1994	4,657,017,829	9,752,514,909	1,544,996,745
1995	4,692,270,825	7,506,770,659	1,177,842,219
1996	5,024,420,807	11,767,527,942	1,865,740,523
1997	5,076,996,337	13,257,880,186	2,100,995,452
1998	<u>4,835,387,697</u>	<u>11,374,462,646</u>	<u>1,795,215,514</u>
Total	130,765,318,442	\$ 209,260,803,691	\$ 33,970,430,948
Oil			
1953-88	8,214,588,847	\$ 101,276,641,468	\$ 16,625,063,855
1989	305,167,655	5,255,557,800	818,591,495
1990	324,423,181	6,980,537,688	1,090,953,312
1991	315,693,251	6,318,372,699	996,566,085
1992	353,726,380	6,319,667,075	968,052,702
1993	362,675,766	5,874,410,733	885,005,673
1994	369,474,307	5,202,103,469	799,238,495
1995	408,875,006	6,297,737,262	947,632,252
1996	438,003,670	8,009,042,336	1,219,671,224
1997	478,775,008	8,958,694,377	1,343,566,537
1998	<u>476,655,336</u>	<u>6,241,183,959</u>	<u>908,507,359</u>
Total	12,048,058,407	\$ 166,733,948,866	\$ 26,602,848,989
Other			
1953-88	N/A	\$ 2,877,797,947	\$ 314,046,686
1989	N/A	258,695,617	32,604,073
1990	N/A	477,492,097	54,481,455
1991	N/A	637,845,157	72,059,198
1992	N/A	659,867,924	75,339,395
1993	N/A	624,399,089	76,089,154
1994	N/A	518,972,947	58,879,083
1995	N/A	701,687,051	81,265,344
1996	N/A	666,716,470	80,574,860
1997	N/A	774,569,230	94,901,986
1998	N/A	<u>498,020,496</u>	<u>57,367,481</u>
Total	N/A	\$ 8,696,064,025	\$ 997,608,715

Table 18. Summary of rents by area from Federal offshore leases, Calendar Years 1953-98

	1953-88	1989	1990	1991	1992	1993
Alabama	\$ 3,238,677	\$ 160,020	\$ 155,469	\$ 141,522	\$ 147,523	\$ 319,721
Alaska	67,564,707	18,708,334	15,255,133	15,243,423	7,374,262	4,392,274
Atlantic States	37,262,675	1,161,216	1,179,648	(676,985)	92,160	---
California	34,281,404	1,104,568	901,733	640,071	402,180	54,144
Florida	12,221,104	(14,825)	88,527	110,191	105,807	114,606
Gulf of Mexico	---	---	---	---	---	---
Louisiana	357,031,480	48,498,402	55,568,777	59,126,732	49,087,621	29,268,366
Mississippi	1,144,309	51,840	69,120	51,840	107,686	51,840
Oregon	3,759,021	---	---	---	---	---
Texas	105,103,828	9,578,098	6,120,723	3,478,608	2,381,572	5,585,737
Washington	<u>1,399,080</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$623,006,285	\$79,247,653	\$79,339,130	\$78,115,402	\$59,698,811	\$39,786,688

Table 18. Summary of rents by area from Federal offshore leases, Calendar Years 1953-98 (cont.)

1994	1995	1996	1997	1998	1953-98	
\$ 740,244	\$ 999,444	\$ 570,027	\$ 577,227	\$ 417,498	\$ 7,467,372	Alabama
949,685	1,028,693	1,644,150	985,867	2,004,222	135,150,750	Alaska
312,839	432,521	1,015,687	497,664	442,368	41,719,793	Atlantic States
50,980	(64,148)	(26,465)	---	---	37,344,467	California
107,177	68,172	85,558	89,665	34,701	13,010,683	Florida
---	---	82,101,722	148,728,969	181,562,967	412,393,658	Gulf of Mexico
30,003,884	62,526,069	53,231,380	55,761,920	51,518,286	851,622,917	Louisiana
46,080	379,459	46,080	46,080	382,231	2,376,565	Mississippi
---	---	---	---	---	3,759,021	Oregon
7,655,697	21,953,650	20,011,910	21,666,337	22,112,848	225,649,008	Texas
---	---	---	---	---	1,399,080	Washington
\$39,866,586	\$87,323,860	\$158,680,049	\$228,353,729	\$258,475,121	\$1,731,893,314	Total

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 will be 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.

Table 19. Calendar Year 1998 bonuses paid on lease sales of Federal offshore oil and gas tracts by area

	Sale Number	Sale Date	Tracts Leased	Acres Leased	Bonuses Paid
Alaska					
Beaufort Sea	170	8-5-98	28	86,372	\$ 5,327,093
Atlantic	No leasing activity since 1983				
Gulf of Mexico					
Central	169	3-18-98	752	4,100,377	784,120,709
Western	171	8-26-98	<u>377</u>	<u>2,155,053</u>	<u>530,885,109</u>
Subtotal			1,129	6,255,430	1,315,005,818
Pacific	No leasing activity since 1984				
Total			1,157	6,341,802	\$1,320,332,911

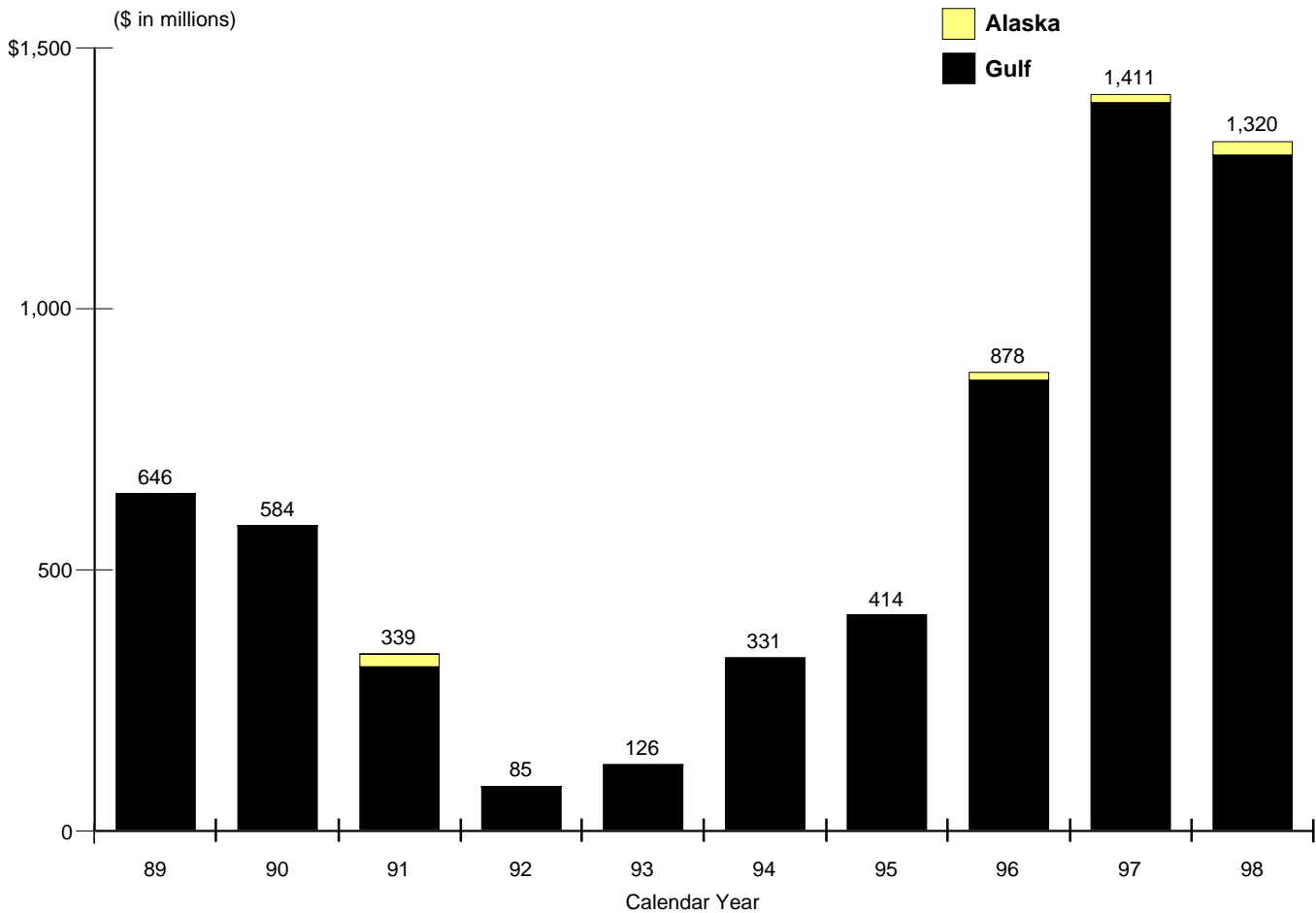


Figure 20. Bonuses paid on lease sales of Federal offshore oil and gas tracts by region, 1989-98

Table 20. Summary of bonuses paid on lease sales of Federal offshore oil and gas tracts, Calendar Years 1954-98

	Number of Sales	Tracts Leased	Acres Leased	Bonuses Paid
1954*	3	114	486,870	\$ 140,969,005
1955.	1	121	402,567	108,528,726
1959	2	42	171,300	89,746,992
1960**	2	148	707,026	282,717,065
1962	3	420	1,929,177	489,481,061
1963	1	57	312,945	12,807,337
1964	2	124	613,524	95,874,327
1965*	1	50	72,000	33,740,309
1966	3	42	141,768	209,199,893
1967**	2	159	746,951	510,109,742
1968	3	197	934,164	1,346,487,097
1969*	3	40	114,282	111,660,685
1970	2	138	598,540	945,064,773
1971	1	11	37,222	96,304,523
1972	2	178	826,195	2,251,347,556
1973	2	187	1,032,570	3,082,462,611
1974	4	356	1,762,158	5,022,860,815
1975	4	321	1,679,877	1,088,133,152
1976	4	246	1,277,937	2,242,898,467
1977	2	211	1,100,734	1,568,564,745
1978	4	249	1,297,274	1,767,042,064
1979	6	351	1,767,443	5,078,861,692
1980	3	218	1,134,227	4,204,640,257
1981	7	430	2,265,537	6,652,980,897
1982	5	357	1,886,360	3,987,490,009
1983	8	1,251	6,587,823	5,749,016,369
1984	6	1,387	7,397,939	3,928,876,308
1985	3	681	3,573,554	1,557,650,714
1986	2	142	734,418	187,094,747
1987	2	640	3,447,809	497,247,006
1988***	7	1,621	8,838,943	1,259,548,738
1989	2	1,049	5,580,867	645,617,410
1990	2	825	4,263,446	584,301,918
1991	4	676	3,413,560	338,856,549
1992	2	204	1,020,919	84,784,975
1993	2	336	1,714,458	126,467,246
1994	2	560	2,775,014	331,367,072
1995	2	835	4,341,665	414,007,620
1996	3	1,537	8,148,721	878,165,759
1997	3	1,780	9,637,174	1,410,684,424
1998	3	1,157	6,341,802	1,320,332,911
Total	125	19,448	101,116,760	\$60,733,993,566

* Sales include one sulfur lease.

** Sales include one salt lease.

*** Sales include one salt and sulfur lease.

Table 21. Summary of other revenues by area from Federal offshore leases, Calendar Years 1957-98

	1957-88	1989	1990	1991	1992	1993
Alabama	\$ 396,226	\$ 191,949	\$ 252,089	\$ 248,742	\$ 1,691,097	\$ (13,741)
Alaska	423,346	102,480	84,048	67,568	67,568	67,568
Atlantic States	73,728	---	---	---	---	---
California	3,302,927	526,300	551,205	441,400	997,354	3,068,787
Gulf of Mexico	---	---	---	---	---	---
Louisiana	69,266,492	26,261,190	16,028,740	15,444,167	33,533,897	119,445,081
Mississippi	48,468	15,594	49,731	49,731	67,011	299,731
Texas	20,558,895	11,793,401	2,332,435	4,426,090	3,386,119	14,859,633
Virginia	---	---	---	---	---	---
Total	\$94,070,082	\$38,890,914	\$19,298,248	\$20,677,698	\$39,743,046	\$137,727,059

Table 21. Summary of other revenues by area from Federal offshore leases, Calendar Years 1957-98 (cont.)

	1994	1995	1996	1997	1998	1957-98	
\$	129,294	\$ (679,998)	\$ 363,036	\$ 1,956,334	\$ (1,436,237)	\$ 3,098,791	Alabama
	86,000	86,000	98,945	67,568	94,178	1,245,269	Alaska
	---	---	---	---	---	73,728	Atlantic States
	343,906	(1,176,725)	521,887	2,931,306	6,398,459	17,906,806	California
	---	---	2,317	38,000	576,189	616,506	Gulf of Mexico
	141,190,812	19,803,444	40,394,227	65,651,370	(14,452,431)	532,566,989	Louisiana
	280,911	90,589	(8,289)	244,210	(116,311)	1,021,376	Mississippi
	(1,094,099)	(2,440,656)	9,436,809	9,837,119	(8,522,901)	64,572,845	Texas
	---	---	---	---	198,000	198,000	Virginia
	\$140,936,824	\$15,682,654	\$50,808,932	\$80,725,907	\$(17,261,054)	\$621,300,310	Total

NOTE: This table was formerly titled "Summary of minimum royalties by area from OCS leases." The revenues in this table include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, recoupments, and fees for sand and gravel used for beach restoration.

The increase in revenues in 1993-94 was due to additional collections from settlements. The decline in revenues in 1995 was due to a lower volume of settlement payments and to a number of recoupments for estimated royalty payments, particularly recoupments of estimated gas royalties. Estimated payments by many payors exceeded royalty obligations when gas prices fell in 1995.

The decline in revenues in 1998 was again due to a lower volume of settlement payments and to a number of recoupments for estimated oil and gas royalty payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998.

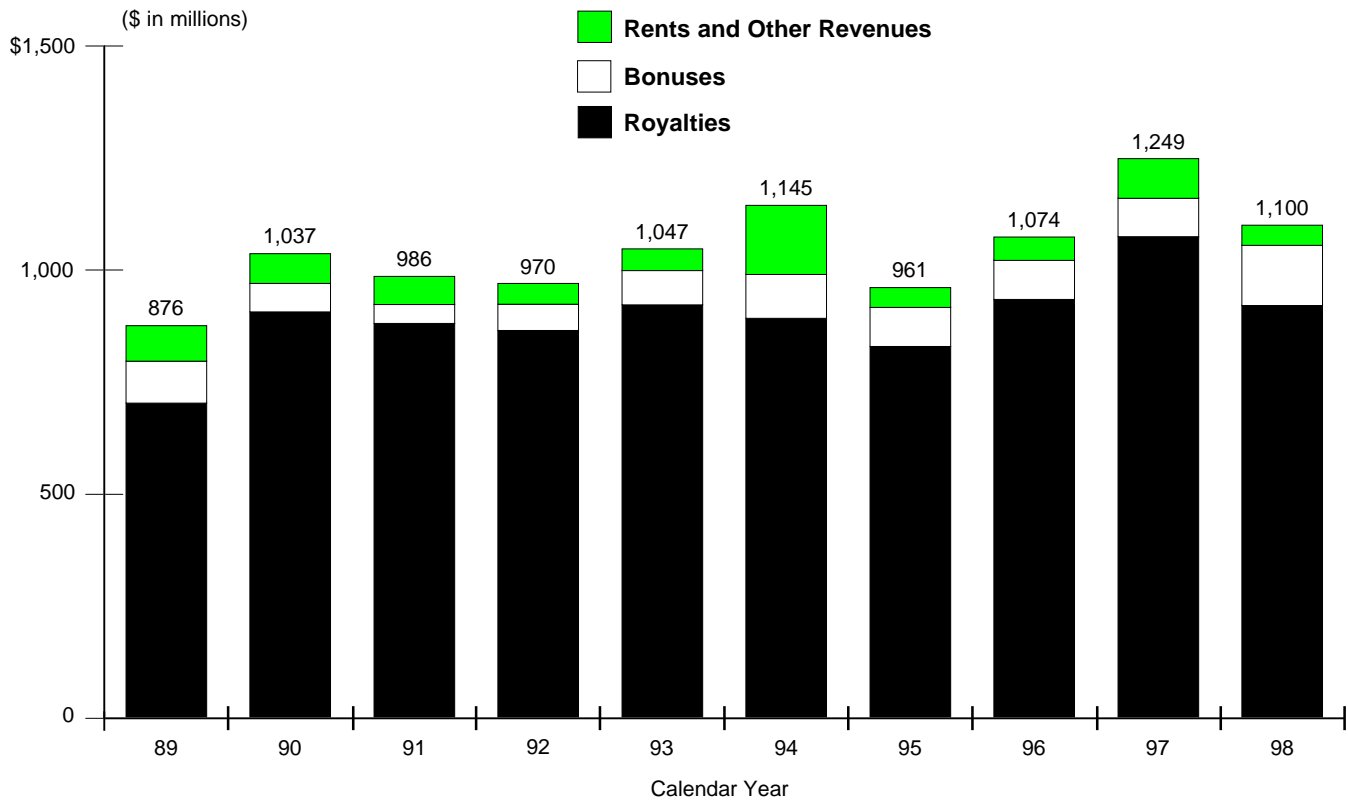


Figure 21. Revenues from Federal onshore leases by source, 1989-98

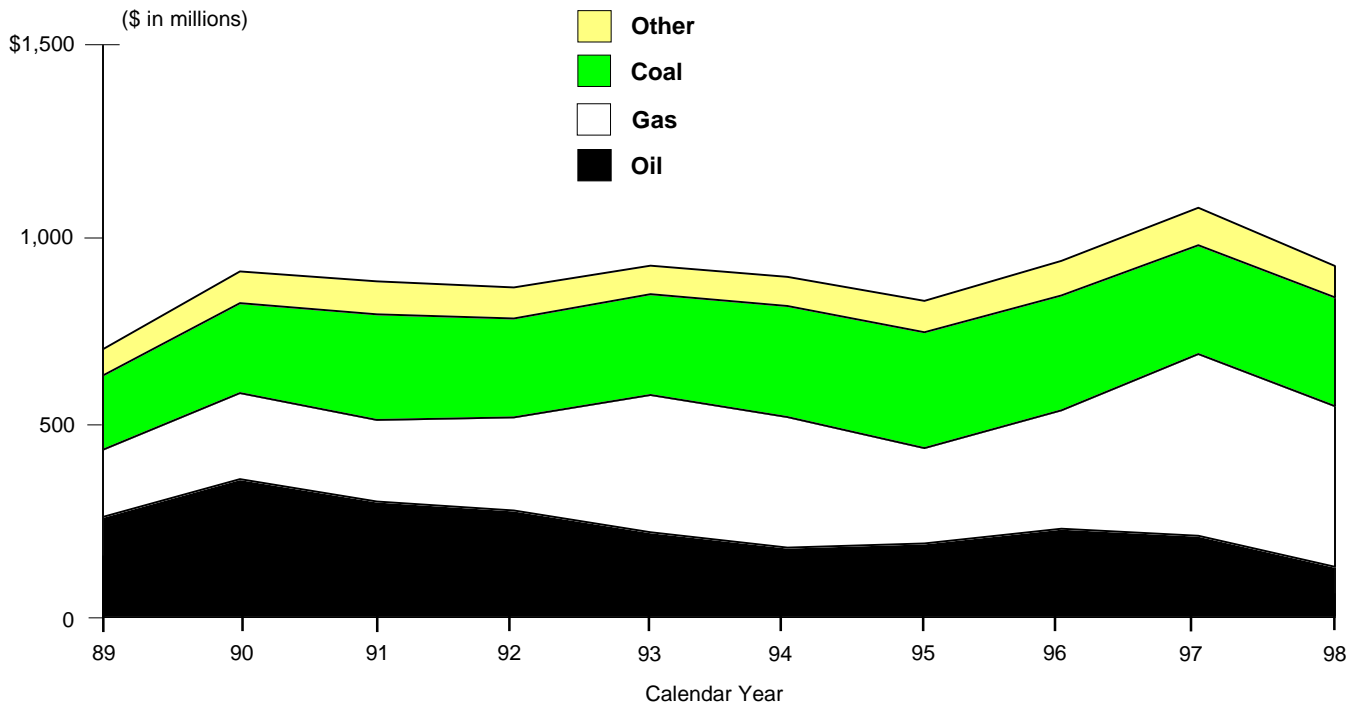


Figure 22. Royalties from Federal onshore leases by commodity, 1989-98

Federal Onshore Mineral Revenues

Revenues from mineral royalties, rents, bonuses, and other revenues from Federal onshore lands fell 11.9 percent, or \$148.9 million, from 1997 to 1998 (tables 2 and 3, and figure 21). The decline was primarily due to reduced royalty collections as a result of lower oil and gas prices during the year.

Royalties comprised 83.8 percent of the revenues generated from onshore mineral leases in 1998. Cumulative Federal onshore royalties were down 14.2 percent, from \$1.1 billion in 1997 to \$921.4 million in 1998 (tables 2 and 3, and figure 22). A significant decline in oil and gas royalties was offset, in part, by a moderate increase in carbon dioxide royalties during the period.

Oil sales volume on Federal onshore lands fell 4.9 percent, or 5.7 million barrels, in 1998 while oil royalties plummeted 38.1 percent, from \$213.7 million in 1997 to \$132.2 million in 1998 (table 22 and figure 23).

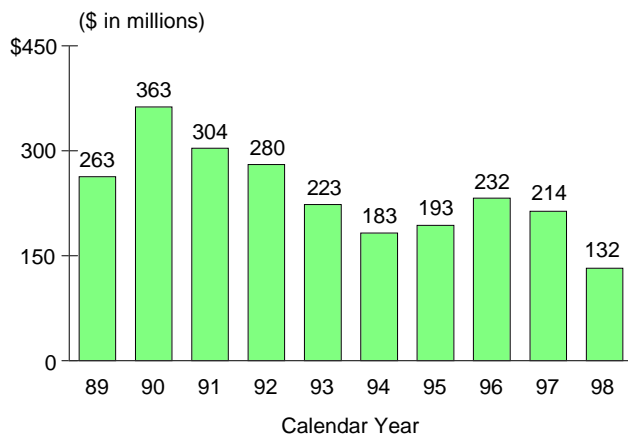


Figure 23. Federal onshore oil royalties, 1989-98

The decline in royalties is associated with the drop in oil production and prices on Federal onshore lands during the period. The U.S. Department of Energy (DOE) reports that domestic and international stocks of oil remained high throughout 1998. Prices fell steadily throughout the first half of the year. The Organization of Petroleum Exporting Countries (OPEC) and non-OPEC nations declined to cut production in the fall in an effort to reduce supplies relative to demand. Prices subsequently tumbled

in the last quarter of the year to a monthly average of \$9.39 per barrel in December.

Onshore gas sales volume fell 1 percent, or 20.2 million Mcf in 1998. Natural gas royalties were down 11.6 percent, or \$55.4 million, from \$476.6 million in 1997 to \$421.2 million in 1998 (table 22 and figure 24).

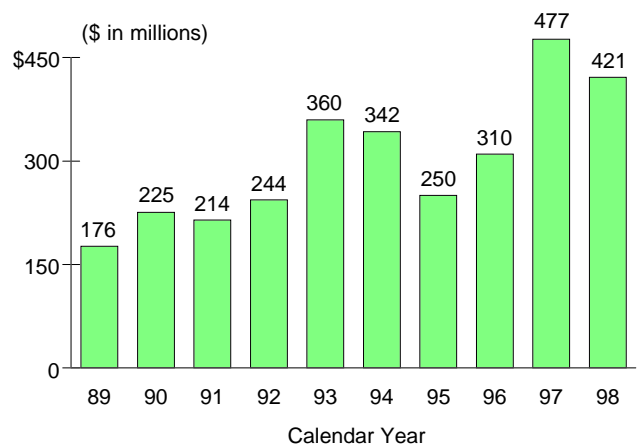


Figure 24. Federal onshore gas royalties, 1989-98

The DOE reports that natural gas composite wellhead prices started 1998 at less than \$2.00 per Mcf as a result of mild weather in November and December of 1997 that left gas storage levels much above levels of the previous year. Gas prices fell in the first quarter of 1998 due to a continuation of unusually warm weather during the peak heating season. Prices stabilized in the second quarter of 1998 with a strong spring injection period. Prices fell again in the third quarter as a result of well-stocked gas inventories. Prices rebounded in the fourth quarter following brief supply disruptions in the Gulf of Mexico due to severe weather and a cold snap that gripped much of the United States in the last two weeks of December. Total natural gas in underground storage in December 1998 is estimated to have been about 650 billion cubic feet, or 10 percent higher, than storage at the end of 1997.

Coal sales volume on Federal lands rose 3.6 percent, or 11.9 million short tons, in 1998. Coal royalties remained stable at \$285.3 million during the year (table 22 and figure 25). The DOE reports that the current trend in the coal

mining industry is to close smaller, marginal mines in favor of larger, more efficient mining operations. Advances in technology and an emphasis on economy-of-scale have produced gains in coal mining productivity; however, these gains have resulted in a downward trend in coal prices that began nearly two decades ago. Coal prices to electric utilities fell to a 19-year low in 1998. The electric utility sector consumes over 90 percent of the coal produced in the United States.

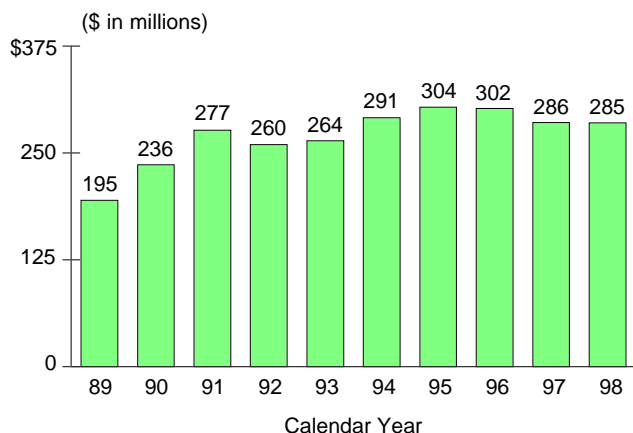


Figure 25. Federal onshore coal royalties, 1989-98

Wyoming continued as the largest producer of coal on Federal lands, accounting for 59 percent of coal royalties in 1998 (tables 22 and 23). Most of the coal mined in Wyoming comes from the southern Powder River Basin. Resource Data International of Boulder, Colorado, reports that 13 of the 20 largest coal mines in the United States are located in this Basin, including the nine largest mines in the Nation. Over 30 percent of all U.S. coal sales originate in the area.

Royalties from mineral resources other than oil, gas, and coal fell 16.2 percent, from \$98.7 million in 1997 to \$82.7 million in 1998 (table 22 and figure 26). Significant declines in royalty revenues from gas plant products and geothermal and heated water sources were offset, in part, by increases in royalties from carbon dioxide and phosphate. Gas plant products, geothermal energy, and sodium generated 69.5 percent of the royalties from other Federal onshore mineral commodities during the year (table 23).

Rent receipts increased 6.8 percent, or \$2.5 million, from 1997 to 1998. Significant increases in receipts in Colorado, Montana, Utah, and Wyoming were offset, in part, by declines in rent collections in Nevada (table 24).

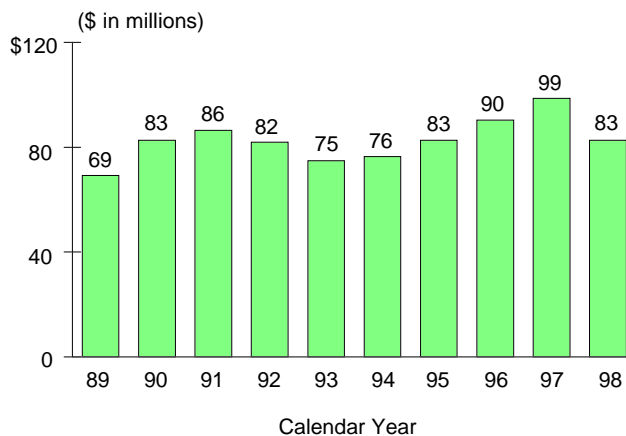


Figure 26. Federal onshore other royalties, 1989-98

Accepted bonus bids from all minerals rose \$133.9 million, from \$83.8 million in Fiscal Year (FY) 1997 to \$217.7 million in FY 1998 (tables 25 and 26). Revenues in tables 25 and 26 reflect bonus bids accepted by the Bureau of Land Management. Accepted bonus bids include both revenues actually collected during the fiscal year and revenues that may be deferred until later years. Coal bonus payments, for example, may be deferred through five annual installments from the date of the lease sale.

Bonus revenues generated from oil and gas lease sales were up \$18.7 million, from \$58.5 million in FY 1997 to \$77.2 million in FY 1998 (table 26). Increases in bonus bids in Montana and Wyoming were offset, in part, by declines in New Mexico, North Dakota, Oklahoma, and Utah.

Bonus bids from coal and other mineral sales rose \$115.2 million, from \$25.3 million in FY 1997 to \$140.5 million in FY 1998 (table 26). Two coal leases in Wyoming accounted for nearly \$140.2 million during the year. The increase was offset, in part, by a decline in coal bonuses in Utah.

Collections from other revenues, including minimum royalties, settlement payments, gas storage fees, estimated payments, and recoupments, fell \$46.5 million, from \$51.6 million in 1997 to \$5.1 million in 1998. The increase in revenues in 1997 was due to a higher volume of settlement payments. The decline in 1998 was due to a lower volume of settlement payments and to a number of recoupments for estimated oil and gas royalty payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998 (table 27).

Mineral production in New Mexico and Wyoming continued to dominate Federal onshore activity (table 22). The two States collectively received 73.7 percent of the \$549.7 million disbursed to 32 States in FY 1998 (table 34 and figure 39).

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98

	1920-94	1995	1996	1997	1998	1920-98
Alabama						
Coal						
Sales Volume	3,375,375	38,375	49,377	183,813	442,007	4,088,947
Sales Value	\$ 81,551,557	\$ 1,535,007	\$ 2,314,737	\$ 8,658,593	\$ 20,743,373	\$ 114,803,267
Royalties	\$ 4,516,647	\$ 144,547	\$ 169,544	\$ 631,571	\$ 1,519,784	\$ 6,982,093
Gas						
Sales Volume	4,395,333	1,230,565	1,223,583	1,293,879	1,074,681	9,218,041
Sales Value	\$ 9,195,457	\$ 1,903,606	\$ 2,777,356	\$ 3,021,818	\$ 1,947,418	\$ 18,845,655
Royalties	\$ 1,084,757	\$ 218,022	\$ 326,081	\$ 378,409	\$ 244,180	\$ 2,251,449
Oil						
Sales Volume	1,043,499	159,063	155,639	99,948	78,260	1,536,409
Sales Value	\$ 11,808,063	\$ 2,478,088	\$ 2,998,252	\$ 1,910,486	\$ 1,004,262	\$ 20,199,151
Royalties	\$ 1,671,760	\$ 294,941	\$ 374,636	\$ 238,140	\$ 125,035	\$ 2,704,512
Other						
Sales Value	\$ 623,129	\$ 98,762	\$ 135,140	\$ 141,125	\$ 165,918	\$ 1,164,074
Royalties	\$ 48,560	\$ 5,550	\$ 7,358	\$ 7,151	\$ 8,041	\$ 76,660
Total Royalties	\$ 7,321,724	\$ 663,060	\$ 877,619	\$ 1,255,271	\$ 1,897,040	\$ 12,014,714
Alaska*						
Coal						
Sales Volume	18,376,127	---	---	---	---	18,376,127
Sales Value	\$ 131,760,234	\$ ---	\$ ---	\$ ---	\$ ---	\$ 131,760,234
Royalties	\$ 2,075,108	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,075,108
Gas						
Sales Volume	1,548,215,088	17,184,777	18,709,815	19,840,388	15,385,575	1,619,335,643
Sales Value	\$1,114,743,632	\$20,579,874	\$25,263,753	\$34,008,136	\$26,368,756	\$1,220,964,151
Royalties	\$ 143,193,691	\$ 2,647,927	\$ 3,213,394	\$ 4,346,917	\$ 3,355,447	\$ 156,757,376
Oil						
Sales Volume	215,487,285	862,246	936,021	612,846	500,470	218,398,868
Sales Value	\$1,258,515,155	\$14,527,766	\$17,364,249	\$12,099,887	\$ 6,884,103	\$1,309,391,160
Royalties	\$ 152,702,263	\$ 1,804,069	\$ 2,159,510	\$ 1,501,084	\$ 852,085	\$ 159,019,011
Other						
Sales Value	\$ 20,660,931	\$ 923,314	\$ (1,375,969)	\$ 649,116	\$ 174,713	\$ 21,032,105
Royalties	\$ 2,093,847	\$ 68,579	\$ (154,176)	\$ 72,826	\$ 20,983	\$ 2,102,059
Total Royalties	\$ 300,064,909	\$ 4,520,575	\$ 5,218,728	\$ 5,920,827	\$ 4,228,515	\$ 319,953,554

*Beginning in 1984, data do not include sales volume, sales value, or royalty revenues from any lands that have been transferred to Alaska Natives.

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Arizona						
Gas						
Sales Volume	124,822	---	---	---	---	124,822
Sales Value	\$ 62,572	\$ ---	\$ ---	\$ ---	\$ ---	\$ 62,572
Royalties	\$ 37,551	\$ ---	\$ ---	\$ ---	\$ ---	\$ 37,551
Other						
Sales Value	\$ 8,004,634	\$ ---	\$ ---	\$ 3,135	\$ 15,444	\$ 8,023,213
Royalties	\$ 519,428	\$ ---	\$ ---	\$ 157	\$ 772	\$ 520,357
Total Royalties	\$ 556,979	\$ ---	\$ ---	\$ 157	\$ 772	\$ 557,908
Arkansas						
Gas						
Sales Volume	142,333,249	10,828,186	10,244,570	9,530,071	9,307,507	182,243,583
Sales Value	\$ 245,093,426	\$ 16,513,915	\$ 20,137,483	\$ 22,100,628	\$ 19,455,700	\$ 323,301,152
Royalties	\$ 32,233,333	\$ 2,121,178	\$ 2,712,983	\$ 2,980,660	\$ 2,620,988	\$ 42,669,142
Oil						
Sales Volume	59,822	3,970	1,544	931	466	66,733
Sales Value	\$ 348,381	\$ 55,578	\$ 28,843	\$ 18,511	\$ 6,235	\$ 457,548
Royalties	\$ 46,547	\$ 6,947	\$ 3,605	\$ 2,314	\$ 779	\$ 60,192
Other						
Sales Value	\$ 2,320,503	\$ 54,714	\$ 110,492	\$ 122,186	\$ 43,240	\$ 2,651,135
Royalties	\$ 93,919	\$ 3,038	\$ 5,525	\$ 6,185	\$ 2,162	\$ 110,829
Total Royalties	\$ 32,373,799	\$ 2,131,163	\$ 2,722,113	\$ 2,989,159	\$ 2,623,929	\$ 42,840,163
California						
Coal						
Sales Volume	1,257	---	---	---	---	1,257
Sales Value	\$ 3,190	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,190
Royalties	\$ 299	\$ ---	\$ ---	\$ ---	\$ ---	\$ 299
Gas						
Sales Volume	1,689,139,606	14,657,618	14,571,665	12,574,639	8,640,104	1,739,583,632
Sales Value	\$ 575,955,963	\$ 22,040,136	\$ 24,029,977	\$ 31,206,908	\$ 20,680,300	\$ 673,913,284
Royalties	\$ 92,693,396	\$ 2,836,489	\$ 2,564,484	\$ 3,571,351	\$ 2,299,886	\$ 103,965,606
Oil						
Sales Volume	1,538,886,460	20,041,682	21,008,522	19,010,756	22,642,175	1,621,589,595
Sales Value	\$ 7,987,658,592	\$ 269,923,267	\$ 318,123,197	\$ 296,613,546	\$ 225,774,120	\$ 9,098,092,722
Royalties	\$ 958,120,035	\$ 26,882,626	\$ 24,469,149	\$ 15,276,949	\$ 11,818,536	\$ 1,036,567,295
Other						
Sales Value	\$ 4,474,132,586	\$ 265,523,520	\$ 316,270,402	\$ 260,888,795	\$ 203,923,585	\$ 5,520,738,888
Royalties	\$ 307,380,055	\$ 22,359,403	\$ 26,419,452	\$ 24,363,689	\$ 17,653,187	\$ 398,175,786
Total Royalties	\$ 1,358,193,785	\$ 52,078,518	\$ 53,453,085	\$ 43,211,989	\$ 31,771,609	\$ 1,538,708,986

NOTE: A detailed lease review, conducted in 1999, identified reporting errors for California oil for the year 1995. Sales volume and sales value figures on this table represent corrections made to figures published in earlier editions of this report. Royalties remain unchanged.

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Colorado						
Coal						
Sales Volume	245,222,905	18,916,944	18,765,590	22,264,286	23,093,477	328,263,202
Sales Value	\$4,649,441,253	\$349,725,830	\$379,452,858	\$453,164,797	\$426,876,308	\$6,258,661,046
Royalties	\$ 319,056,363	\$ 24,612,602	\$ 28,560,925	\$ 33,460,092	\$ 35,241,221	\$ 440,931,203
Gas						
Sales Volume	1,834,216,811	72,002,786	76,311,232	82,487,947	77,346,748	2,142,365,524
Sales Value	\$1,820,249,460	\$ 93,548,495	\$106,526,711	\$172,410,734	\$149,736,651	\$2,342,472,051
Royalties	\$ 217,674,015	\$ 10,737,962	\$ 12,652,064	\$ 20,409,735	\$ 17,375,321	\$ 278,849,097
Oil						
Sales Volume	568,420,720	6,753,428	6,606,337	5,896,882	5,301,723	592,979,090
Sales Value	\$4,443,570,469	\$117,243,837	\$133,946,689	\$122,871,587	\$ 78,270,063	\$4,895,902,645
Royalties	\$ 709,798,639	\$ 16,048,151	\$ 17,927,822	\$ 16,056,148	\$ 10,103,807	\$ 769,934,567
Other						
Sales Value	\$1,527,010,487	\$142,352,086	\$170,294,352	\$171,932,451	\$192,635,337	\$2,204,224,713
Royalties	\$ 120,074,092	\$ 9,670,814	\$ 1,310,006	\$ 10,171,441	\$ 11,764,127	\$ 152,990,480
Total Royalties	\$1,366,603,109	\$ 61,069,529	\$ 60,450,817	\$ 80,097,416	\$ 74,484,476	\$1,642,705,347
Florida						
Oil						
Sales Volume	257,501	12,045	14,395	11,207	9,428	304,576
Sales Value	\$ 4,473,008	\$ 195,285	\$ 272,524	\$ 210,234	\$ 134,506	\$ 5,285,557
Royalties	\$ 561,050	\$ 24,411	\$ 34,065	\$ 26,279	\$ 16,813	\$ 662,618
Other						
Sales Value	\$ 40,211,642	\$ 2,398,190	\$ 504,970	\$ ---	\$ ---	\$ 43,114,802
Royalties	\$ 2,022,092	\$ 139,635	\$ 29,377	\$ ---	\$ ---	\$ 2,191,104
Total Royalties	\$ 2,583,142	\$ 164,046	\$ 63,442	\$ 26,279	\$ 16,813	\$ 2,853,722
Georgia						
Other						
Sales Value	\$ 3,185,945	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,185,945
Royalties	\$ 122,321	\$ ---	\$ ---	\$ ---	\$ ---	\$ 122,321
Total Royalties	\$ 122,321	\$ ---	\$ ---	\$ ---	\$ ---	\$ 122,321

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Idaho						
Coal						
Sales Volume	31,574	---	---	---	---	31,574
Sales Value	\$ 88,984	\$ ---	\$ ---	\$ ---	\$ ---	\$ 88,984
Royalties	\$ 7,228	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,228
Other						
Sales Value	\$1,088,928,199	\$96,610,138	\$92,053,905	\$80,758,071	\$102,629,660	\$1,460,979,973
Royalties	\$ 59,057,591	\$ 4,830,511	\$ 4,603,403	\$ 4,037,902	\$ 5,131,484	\$ 77,660,891
Total Royalties	\$ 59,064,819	\$ 4,830,511	\$ 4,603,403	\$ 4,037,902	\$ 5,131,484	\$ 77,668,119
Illinois						
Coal						
Sales Volume	24,170	---	---	---	---	24,170
Sales Value	\$ 92,128	\$ ---	\$ ---	\$ ---	\$ ---	\$ 92,128
Royalties	\$ 3,138	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,138
Oil						
Sales Volume	346,286	53,677	51,088	36,939	54,107	542,097
Sales Value	\$ 5,964,048	\$ 892,571	\$ 1,000,619	\$ 726,437	\$ 730,179	\$ 9,313,854
Royalties	\$ 776,419	\$ 104,709	\$ 116,764	\$ 77,635	\$ 86,306	\$ 1,161,833
Other						
Sales Value	\$ 27,098,775	\$ 423,303	\$ 649,438	\$ ---	\$ ---	\$ 28,171,516
Royalties	\$ 1,155,311	\$ 21,165	\$ 32,472	\$ ---	\$ ---	\$ 1,208,948
Total Royalties	\$ 1,934,868	\$ 125,874	\$ 149,236	\$ 77,635	\$ 86,306	\$ 2,373,919
Indiana						
Oil						
Sales Volume	5,679	---	---	---	---	5,679
Sales Value	\$ 15,529	\$ ---	\$ ---	\$ ---	\$ ---	\$ 15,529
Royalties	\$ 1,859	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,859
Total Royalties	\$ 1,859	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,859

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Kansas						
Gas						
Sales Volume	510,415,569	17,496,846	18,784,254	19,161,374	17,662,565	583,520,608
Sales Value	\$ 304,125,110	\$ 21,637,926	\$ 30,267,987	\$ 40,109,285	\$ 33,806,015	\$ 429,946,323
Royalties	\$ 38,684,293	\$ 2,689,627	\$ 3,790,890	\$ 5,002,033	\$ 4,215,380	\$ 54,382,223
Oil						
Sales Volume	19,519,282	365,579	352,716	313,777	238,628	20,789,982
Sales Value	\$ 159,797,598	\$ 5,992,462	\$ 6,782,158	\$ 6,280,443	\$ 3,305,515	\$ 182,158,176
Royalties	\$ 21,484,852	\$ 725,989	\$ 764,094	\$ 648,379	\$ 349,988	\$ 23,973,302
Other						
Sales Value	\$ 6,563,482	\$ 1,505,564	\$ 1,818,481	\$ 2,086,544	\$ 1,076,413	\$ 13,050,484
Royalties	\$ 694,191	\$ 144,121	\$ 180,245	\$ 209,967	\$ 98,771	\$ 1,327,295
Total Royalties	\$ 60,863,336	\$ 3,559,737	\$ 4,735,229	\$ 5,860,379	\$ 4,664,139	\$ 79,682,820
Kentucky						
Coal						
Sales Volume	4,280,277	215,391	249,333	506,389	54,980	5,306,370
Sales Value	\$ 59,024,094	\$ 5,164,667	\$ 5,998,568	\$ 12,765,063	\$ 1,457,964	\$ 84,410,356
Royalties	\$ 3,339,494	\$ 302,741	\$ 268,385	\$ 770,371	\$ 99,445	\$ 4,780,436
Gas						
Sales Volume	4,980,602	247,951	290,505	261,982	304,539	6,085,579
Sales Value	\$ 10,352,933	\$ 420,051	\$ 600,299	\$ 589,399	\$ 686,698	\$ 12,649,380
Royalties	\$ 1,286,866	\$ 51,769	\$ 74,757	\$ 73,636	\$ 84,914	\$ 1,571,942
Oil						
Sales Volume	3,078,527	16,505	6,940	12,784	10,600	3,125,356
Sales Value	\$ 11,728,877	\$ 274,797	\$ 127,046	\$ 250,720	\$ 146,109	\$ 12,527,549
Royalties	\$ 1,669,823	\$ 5,924	\$ 3,933	\$ 4,832	\$ 2,811	\$ 1,687,323
Total Royalties	\$ 6,296,183	\$ 360,434	\$ 347,075	\$ 848,839	\$ 187,170	\$ 8,039,701
Louisiana						
Gas						
Sales Volume	1,620,172,402	22,153,846	25,150,071	22,318,194	20,500,602	1,710,295,115
Sales Value	\$ 596,812,119	\$ 35,464,264	\$ 58,842,219	\$ 58,556,770	\$ 46,147,076	\$ 795,822,448
Royalties	\$ 84,576,436	\$ 4,578,800	\$ 7,316,223	\$ 7,315,014	\$ 5,902,643	\$ 109,689,116
Oil						
Sales Volume	165,510,323	902,129	1,220,163	677,720	1,062,502	169,372,837
Sales Value	\$ 952,705,537	\$ 15,466,780	\$ 23,425,054	\$ 14,233,984	\$ 15,399,827	\$ 1,021,231,182
Royalties	\$ 112,197,042	\$ 1,699,204	\$ 2,599,661	\$ 1,653,813	\$ 1,847,030	\$ 119,996,750
Other						
Sales Value	\$ 108,195,759	\$ 4,105,100	\$ 4,532,544	\$ 8,111,570	\$ 4,058,946	\$ 129,003,919
Royalties	\$ 15,420,650	\$ 366,147	\$ 369,541	\$ 710,873	\$ 355,980	\$ 17,223,191
Total Royalties	\$ 212,194,128	\$ 6,644,151	\$ 10,285,425	\$ 9,679,700	\$ 8,105,653	\$ 246,909,057

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Maine						
Other						
Sales Value	\$ 9,711	\$ ---	\$ ---	\$ ---	\$ ---	\$ 9,711
Royalties	\$ 818	\$ ---	\$ ---	\$ ---	\$ ---	\$ 818
Total Royalties	\$ 818	\$ ---	\$ ---	\$ ---	\$ ---	\$ 818
Maryland						
Gas						
Sales Volume	3,863,073	---	---	---	---	3,863,073
Sales Value	\$ 1,103,355	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,103,355
Royalties	\$ 138,659	\$ ---	\$ ---	\$ ---	\$ ---	\$ 138,659
Total Royalties	\$ 138,659	\$ ---	\$ ---	\$ ---	\$ ---	\$ 138,659
Michigan						
Gas						
Sales Volume	44,818,515	5,409,956	5,845,068	5,893,947	5,060,924	67,028,410
Sales Value	\$102,413,253	\$11,407,327	\$14,300,153	\$15,598,299	\$11,230,258	\$154,949,290
Royalties	\$ 12,419,329	\$ 1,392,607	\$ 1,774,088	\$ 1,920,063	\$ 1,377,561	\$ 18,883,648
Oil						
Sales Volume	2,799,876	111,306	86,182	74,111	100,091	3,171,566
Sales Value	\$ 43,156,721	\$ 1,888,933	\$ 1,681,689	\$ 1,513,689	\$ 1,380,488	\$ 49,621,520
Royalties	\$ 5,724,713	\$ 223,080	\$ 201,359	\$ 179,636	\$ 171,161	\$ 6,499,949
Other						
Sales Value	\$ 3,933,032	\$ 880,651	\$ 433,526	\$ 544,169	\$ 348,687	\$ 6,140,065
Royalties	\$ 452,346	\$ 77,935	\$ 37,032	\$ 45,246	\$ 30,847	\$ 643,406
Total Royalties	\$ 18,596,388	\$ 1,693,622	\$ 2,012,479	\$ 2,144,945	\$ 1,579,569	\$ 26,027,003
Minnesota						
Other						
Sales Value	\$ 34,968,812	\$ ---	\$ ---	\$ ---	\$ ---	\$ 34,968,812
Royalties	\$ 1,330,173	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,330,173
Total Royalties	\$ 1,330,173	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,330,173

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Mississippi						
Gas						
Sales Volume	95,211,544	239,410	649,458	639,858	1,319,146	98,059,416
Sales Value	\$ 80,239,943	\$ 403,142	\$ 1,502,418	\$ 1,720,395	\$ 2,950,134	\$ 86,816,032
Royalties	\$ 10,622,093	\$ 52,227	\$ 189,313	\$ 218,460	\$ 363,741	\$ 11,445,834
Oil						
Sales Volume	57,459,985	594,119	739,436	885,034	678,914	60,357,488
Sales Value	\$ 403,327,993	\$ 8,961,454	\$ 13,056,514	\$ 14,608,085	\$ 7,215,125	\$ 447,169,171
Royalties	\$ 49,918,799	\$ 1,103,998	\$ 1,514,315	\$ 1,485,865	\$ 833,440	\$ 54,856,417
Other						
Sales Value	\$ 496,015	\$ ---	\$ ---	\$ ---	\$ ---	\$ 496,015
Royalties	\$ 23,691	\$ ---	\$ ---	\$ ---	\$ ---	\$ 23,691
Total Royalties	\$ 60,564,583	\$ 1,156,225	\$ 1,703,628	\$ 1,704,325	\$ 1,197,181	\$ 66,325,942
Missouri						
Other						
Sales Value	\$3,367,763,682	\$135,876,103	\$192,596,164	\$157,566,404	\$144,324,280	\$3,998,126,633
Royalties	\$ 131,051,958	\$ 4,121,090	\$ 5,868,744	\$ 4,226,695	\$ 3,787,390	\$ 149,055,877
Total Royalties	\$ 131,051,958	\$ 4,121,090	\$ 5,868,744	\$ 4,226,695	\$ 3,787,390	\$ 149,055,877
Montana						
Coal						
Sales Volume	404,019,572	28,038,058	24,816,378	24,501,632	19,060,891	500,436,531
Sales Value	\$4,439,477,711	\$314,577,643	\$282,031,013	\$260,189,439	\$206,452,677	\$5,502,728,483
Royalties	\$ 365,460,801	\$ 38,419,606	\$ 32,935,987	\$ 32,213,772	\$ 25,806,586	\$ 494,836,752
Gas						
Sales Volume	436,019,789	10,856,326	13,976,481	12,360,305	13,981,792	487,194,693
Sales Value	\$ 399,712,318	\$ 18,958,994	\$ 24,641,406	\$ 25,926,942	\$ 30,167,870	\$ 499,407,530
Royalties	\$ 46,081,755	\$ 2,360,704	\$ 2,996,141	\$ 3,149,813	\$ 3,625,737	\$ 58,214,150
Oil						
Sales Volume	312,329,557	2,719,877	2,845,614	2,941,095	2,709,776	323,545,919
Sales Value	\$2,221,761,083	\$ 38,170,344	\$ 48,490,033	\$ 49,510,362	\$ 34,390,827	\$2,392,322,649
Royalties	\$ 268,295,411	\$ 4,252,832	\$ 5,253,148	\$ 5,535,655	\$ 3,792,270	\$ 287,129,316
Other						
Sales Value	\$ 125,786,227	\$ 1,430,395	\$ 1,680,184	\$ 1,370,069	\$ 1,345,414	\$ 131,612,289
Royalties	\$ 6,108,724	\$ 92,770	\$ 130,787	\$ 106,989	\$ 118,262	\$ 6,557,532
Total Royalties	\$ 685,946,691	\$ 45,125,912	\$ 41,316,063	\$ 41,006,229	\$ 33,342,855	\$ 846,737,750

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Nebraska						
Gas						
Sales Volume	11,167,971	---	---	---	---	11,167,971
Sales Value	\$ 7,441,941	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,441,941
Royalties	\$ 1,225,557	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,225,557
Oil						
Sales Volume	2,497,883	64,558	74,397	61,441	68,728	2,767,007
Sales Value	\$ 45,596,781	\$ 1,024,422	\$ 1,440,446	\$ 1,170,118	\$ 878,008	\$ 50,109,775
Royalties	\$ 5,697,306	\$ 127,761	\$ 180,805	\$ 144,236	\$ 105,976	\$ 6,256,084
Other						
Sales Value	\$ 4,531,189	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,531,189
Royalties	\$ 368,013	\$ ---	\$ ---	\$ ---	\$ ---	\$ 368,013
Total Royalties	\$ 7,290,876	\$ 127,761	\$ 180,805	\$ 144,236	\$ 105,976	\$ 7,849,654
Nevada						
Coal						
Sales Volume	141	---	---	---	---	141
Sales Value	\$ 207	\$ ---	\$ ---	\$ ---	\$ ---	\$ 207
Royalties	\$ 133	\$ ---	\$ ---	\$ ---	\$ ---	\$ 133
Gas						
Sales Volume	6,475	---	---	---	---	6,475
Sales Value	\$ 8,418	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,418
Royalties	\$ 1,052	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,052
Oil						
Sales Volume	39,895,584	1,272,002	1,178,031	909,766	914,324	44,169,707
Sales Value	\$500,233,653	\$15,581,713	\$17,711,093	\$14,176,572	\$ 8,446,817	\$556,149,848
Royalties	\$ 63,697,816	\$ 1,966,375	\$ 2,196,542	\$ 1,700,839	\$ 982,412	\$ 70,543,984
Other						
Sales Value	\$283,230,066	\$59,286,740	\$66,953,336	\$63,034,047	\$52,323,699	\$524,827,888
Royalties	\$ 21,520,378	\$ 5,267,344	\$ 5,963,593	\$ 5,816,988	\$ 4,729,316	\$ 43,297,619
Total Royalties	\$ 85,219,379	\$ 7,233,719	\$ 8,160,135	\$ 7,517,827	\$ 5,711,728	\$113,842,788

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
New Mexico						
Coal						
Sales Volume	95,703,381	6,242,364	5,861,991	6,029,029	5,025,422	118,862,187
Sales Value	\$ 1,877,209,776	\$ 183,915,920	\$ 169,569,454	\$ 182,388,571	\$ 132,250,816	\$ 2,545,334,537
Royalties	\$ 200,581,143	\$ 22,036,406	\$ 20,844,809	\$ 22,154,041	\$ 16,250,837	\$ 281,867,236
Gas						
Sales Volume	21,813,525,172	953,067,533	1,060,741,088	1,047,062,015	1,027,706,761	25,902,102,569
Sales Value	\$21,225,582,916	\$1,115,198,729	\$1,464,283,625	\$2,266,876,935	\$1,940,131,854	\$28,012,074,059
Royalties	\$ 2,603,680,190	\$ 127,142,234	\$ 164,810,087	\$ 259,894,538	\$ 219,877,353	\$ 3,375,404,402
Oil						
Sales Volume	1,326,633,580	27,613,704	31,408,809	30,949,781	27,539,865	1,444,145,739
Sales Value	\$11,058,566,943	\$ 460,199,304	\$ 629,703,513	\$ 620,806,571	\$ 381,969,628	\$13,151,245,959
Royalties	\$ 1,348,403,955	\$ 47,275,841	\$ 63,176,117	\$ 60,726,862	\$ 36,890,848	\$ 1,556,473,623
Other						
Sales Value	\$ 7,034,608,262	\$ 247,754,086	\$ 338,501,161	\$ 418,523,976	\$ 372,756,629	\$ 8,412,144,114
Royalties	\$ 310,361,791	\$ 14,642,421	\$ 19,684,317	\$ 24,456,691	\$ 17,731,283	\$ 386,876,503
Total Royalties	\$ 4,463,027,079	\$ 211,096,902	\$ 268,515,330	\$ 367,232,132	\$ 290,750,321	\$ 5,600,621,764
New York						
Gas						
Sales Volume	132,830	58,810	26,388	20,554	25,199	263,781
Sales Value	\$ 310,357	\$ 124,278	\$ 61,633	\$ 60,805	\$ 70,963	\$ 628,036
Royalties	\$ 38,796	\$ 15,531	\$ 7,680	\$ 7,601	\$ 8,846	\$ 78,454
Total Royalties	\$ 38,796	\$ 15,531	\$ 7,680	\$ 7,601	\$ 8,846	\$ 78,454
North Carolina						
Other						
Sales Value	\$ 315,696	\$ ---	\$ ---	\$ ---	\$ ---	\$ 315,696
Royalties	\$ 19,154	\$ ---	\$ ---	\$ ---	\$ ---	\$ 19,154
Total Royalties	\$ 19,154	\$ ---	\$ ---	\$ ---	\$ ---	\$ 19,154

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
North Dakota						
Coal						
Sales Volume	88,493,505	2,055,226	1,835,184	3,312,647	2,476,105	98,172,667
Sales Value	\$ 567,792,990	\$ 16,457,010	\$ 15,376,728	\$ 29,616,267	\$ 21,879,937	\$ 651,122,932
Royalties	\$ 50,958,847	\$ 891,418	\$ 1,012,891	\$ 1,182,506	\$ 1,163,685	\$ 55,209,347
Gas						
Sales Volume	199,715,497	6,329,584	7,782,665	5,791,584	4,992,041	224,611,371
Sales Value	\$ 330,929,953	\$ 7,150,263	\$ 8,989,017	\$ 8,973,834	\$ 6,913,212	\$ 362,956,279
Royalties	\$ 39,712,707	\$ 868,214	\$ 1,048,918	\$ 1,091,601	\$ 847,344	\$ 43,568,784
Oil						
Sales Volume	201,935,116	5,274,557	5,808,925	5,909,916	6,281,171	225,209,685
Sales Value	\$3,909,233,044	\$83,091,667	\$109,379,591	\$112,932,066	\$82,630,596	\$4,297,266,964
Royalties	\$ 470,932,558	\$ 9,976,595	\$ 13,050,199	\$ 14,068,279	\$10,183,825	\$ 518,211,456
Other						
Sales Value	\$ 105,347,101	\$ 1,137,781	\$ 2,443,269	\$ 854,640	\$ 91,518	\$ 109,874,309
Royalties	\$ 8,552,040	\$ 84,435	\$ 170,354	\$ 91,388	\$ 2,271	\$ 8,900,488
Total Royalties	\$ 570,156,152	\$11,820,662	\$ 15,282,362	\$ 16,433,774	\$12,197,125	\$ 625,890,075
Ohio						
Coal						
Sales Volume	489,461	---	---	---	---	489,461
Sales Value	\$ 2,066,465	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,066,465
Royalties	\$ 89,459	\$ ---	\$ ---	\$ ---	\$ ---	\$ 89,459
Gas						
Sales Volume	9,795,805	913,173	779,793	842,477	619,199	12,950,447
Sales Value	\$ 11,800,841	\$ 2,168,641	\$ 1,890,894	\$ 2,177,653	\$ 1,657,523	\$ 19,695,552
Royalties	\$ 1,450,901	\$ 259,813	\$ 225,782	\$ 259,183	\$ 205,819	\$ 2,401,498
Oil						
Sales Volume	1,124,555	34,712	26,027	35,914	30,112	1,251,320
Sales Value	\$ 8,398,808	\$ 581,044	\$ 480,077	\$ 648,267	\$ 414,081	\$ 10,522,277
Royalties	\$ 1,086,503	\$ 60,276	\$ 38,702	\$ 42,700	\$ 20,285	\$ 1,248,466
Total Royalties	\$ 2,626,863	\$ 320,089	\$ 264,484	\$ 301,883	\$ 226,104	\$ 3,739,423

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Oklahoma						
Coal						
Sales Volume	12,061,225	520,795	769,297	576,674	694,889	14,622,880
Sales Value	\$234,788,382	\$15,856,469	\$26,221,224	\$16,812,850	\$20,925,495	\$314,604,420
Royalties	\$ 9,993,551	\$ 645,440	\$ 746,551	\$ 461,214	\$ 537,338	\$ 12,384,094
Gas						
Sales Volume	494,081,758	18,348,118	17,058,634	17,875,193	14,388,192	561,751,895
Sales Value	\$600,018,195	\$26,342,892	\$32,851,471	\$41,499,187	\$31,174,637	\$731,886,382
Royalties	\$ 74,026,198	\$ 3,311,817	\$ 4,102,718	\$ 5,199,831	\$ 3,843,338	\$ 90,483,902
Oil						
Sales Volume	18,918,732	186,662	203,345	248,354	184,673	19,741,766
Sales Value	\$135,161,805	\$ 3,147,201	\$ 3,968,299	\$ 4,860,963	\$ 2,524,881	\$149,663,149
Royalties	\$ 15,928,528	\$ 344,077	\$ 417,432	\$ 511,429	\$ 273,975	\$ 17,475,441
Other						
Sales Value	\$ 40,766,605	\$ 175,334	\$ 206,230	\$ 191,119	\$ 172,941	\$ 41,512,229
Royalties	\$ 988,729	\$ 15,373	\$ 21,501	\$ 21,588	\$ 19,762	\$ 1,066,953
Total Royalties	\$100,937,006	\$ 4,316,707	\$ 5,288,202	\$ 6,194,062	\$ 4,674,413	\$121,410,390
Oregon						
Coal						
Sales Volume	20,603	---	---	---	---	20,603
Sales Value	\$ 374,084	\$ ---	\$ ---	\$ ---	\$ ---	\$ 374,084
Royalties	\$ 24,147	\$ ---	\$ ---	\$ ---	\$ ---	\$ 24,147
Other						
Sales Value	\$ 40	\$ ---	\$ ---	\$ ---	\$ ---	\$ 40
Royalties	\$ 5	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5
Total Royalties	\$ 24,152	\$ ---	\$ ---	\$ ---	\$ ---	\$ 24,152
Pennsylvania						
Gas						
Sales Volume	3,548,656	109,411	92,181	143,693	106,394	4,000,335
Sales Value	\$ 2,184,735	\$ 207,968	\$ 198,005	\$ 214,103	\$ 187,943	\$ 2,992,754
Royalties	\$ 249,761	\$ 26,375	\$ 25,134	\$ 27,378	\$ 23,619	\$ 352,267
Oil						
Sales Volume	16,336	263	8,020	2,654	1,764	29,037
Sales Value	\$ 286,290	\$ 4,776	\$ 147,536	\$ 50,054	\$ 26,586	\$ 515,242
Royalties	\$ 35,666	\$ 597	\$ 12,283	\$ 326	\$ 246	\$ 49,118
Total Royalties	\$ 285,427	\$ 26,972	\$ 37,417	\$ 27,704	\$ 23,865	\$ 401,385

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
South Carolina						
Other						
Sales Value	\$ 118,542	\$ ---	\$ ---	\$ ---	\$ ---	\$ 118,542
Royalties	\$ 5,927	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,927
Total Royalties	\$ 5,927	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,927
South Dakota						
Coal						
Sales Volume	41,435	---	---	---	---	41,435
Sales Value	\$ 69,381	\$ ---	\$ ---	\$ ---	\$ ---	\$ 69,381
Royalties	\$ 7,119	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,119
Gas						
Sales Volume	4,199,528	257,642	351,322	304,505	358,779	5,471,776
Sales Value	\$ 8,575,017	\$ 335,722	\$ 374,329	\$ 527,487	\$ 573,971	\$ 10,386,526
Royalties	\$ 935,184	\$ 40,765	\$ 44,020	\$ 65,095	\$ 69,870	\$ 1,154,934
Oil						
Sales Volume	6,408,245	261,018	262,706	225,314	214,305	7,371,588
Sales Value	\$121,354,937	\$3,974,046	\$4,615,073	\$4,332,758	\$2,862,351	\$137,139,165
Royalties	\$ 14,935,228	\$ 477,994	\$ 569,417	\$ 533,508	\$ 358,166	\$ 16,874,313
Other Products						
Sales Value	\$ 323,312	\$ ---	\$ ---	\$ ---	\$ ---	\$ 323,312
Royalties	\$ 37,483	\$ ---	\$ ---	\$ ---	\$ ---	\$ 37,483
Total Royalties	\$ 15,915,014	\$ 518,759	\$ 613,437	\$ 598,603	\$ 428,036	\$ 18,073,849
Tennessee						
Gas						
Sales Volume	1,222	540	427	173	---	2,362
Sales Value	\$ 2,213	\$ 864	\$ 768	\$ 256	\$ ---	\$ 4,101
Royalties	\$ 276	\$ 108	\$ 96	\$ 33	\$ ---	\$ 513
Other						
Sales Value	\$ 81,340	\$ ---	\$ ---	\$ ---	\$ ---	\$ 81,340
Royalties	\$ 4,452	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,452
Total Royalties	\$ 4,728	\$ 108	\$ 96	\$ 33	\$ ---	\$ 4,965

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Texas						
Gas						
Sales Volume	164,128,209	69,822,183	79,428,239	67,096,761	45,151,534	425,626,926
Sales Value	\$ 196,930,444	\$ 103,898,423	\$ 163,165,743	\$ 164,905,775	\$ 99,854,455	\$ 728,754,840
Royalties	\$ 23,144,478	\$ 12,672,090	\$ 19,407,020	\$ 20,020,801	\$ 12,073,115	\$ 87,317,504
Oil						
Sales Volume	10,418,393	408,339	644,019	698,298	586,278	12,755,327
Sales Value	\$ 103,944,667	\$ 6,839,219	\$ 12,074,367	\$ 13,779,840	\$ 7,381,222	\$ 144,019,315
Royalties	\$ 12,956,706	\$ 794,559	\$ 1,420,240	\$ 1,457,408	\$ 848,576	\$ 17,477,489
Other						
Sales Value	\$ 13,988,337	\$ 1,089,950	\$ 1,676,006	\$ 1,336,535	\$ 941,220	\$ 19,032,048
Royalties	\$ 982,209	\$ 132,018	\$ 193,607	\$ 167,330	\$ 116,808	\$ 1,591,972
Total Royalties	\$ 37,083,393	\$ 13,598,667	\$ 21,020,867	\$ 21,645,539	\$ 13,038,499	\$ 106,386,965
Utah						
Coal						
Sales Volume	329,574,550	23,577,179	26,403,884	23,886,795	24,273,905	427,716,313
Sales Value	\$6,089,002,780	\$546,283,017	\$582,264,498	\$507,480,897	\$510,670,233	\$8,235,701,425
Royalties	\$ 301,484,922	\$ 37,691,167	\$ 39,456,175	\$ 34,635,367	\$ 35,311,293	\$ 448,578,924
Gas						
Sales Volume	1,148,386,682	51,547,073	59,903,175	61,060,581	67,226,125	1,388,123,636
Sales Value	\$1,264,418,935	\$ 71,715,773	\$ 81,132,525	\$124,134,019	\$133,696,697	\$1,675,097,949
Royalties	\$ 154,838,170	\$ 7,825,267	\$ 8,785,977	\$ 14,279,331	\$ 15,605,704	\$ 201,334,449
Oil						
Sales Volume	282,316,504	3,878,921	4,760,131	4,626,115	5,023,287	300,604,958
Sales Value	\$2,392,099,443	\$ 65,988,509	\$ 92,667,274	\$ 83,458,090	\$ 60,040,200	\$2,694,253,516
Royalties	\$ 296,962,599	\$ 6,980,308	\$ 9,661,290	\$ 8,748,356	\$ 5,814,532	\$ 328,167,085
Other						
Sales Value	\$ 242,494,785	\$ 12,127,667	\$ 13,891,863	\$ 12,996,547	\$ 14,087,156	\$ 295,598,018
Royalties	\$ 18,288,526	\$ 783,988	\$ 898,892	\$ 937,032	\$ 853,070	\$ 21,761,508
Total Royalties	\$ 771,574,217	\$ 53,280,730	\$ 58,802,334	\$ 58,600,086	\$ 57,584,599	\$ 999,841,966

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Virginia						
Coal						
Sales Volume	48,696	---	---	---	---	48,696
Sales Value	\$ 1,744,956	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,744,956
Royalties	\$ 115,833	\$ ---	\$ ---	\$ ---	\$ ---	\$ 115,833
Gas						
Sales Volume	1,600,495	509,414	512,017	408,982	379,443	3,410,351
Sales Value	\$ 3,355,038	\$ 817,086	\$ 1,198,772	\$ 1,092,420	\$ 850,110	\$ 7,313,426
Royalties	\$ 423,387	\$ 103,129	\$ 151,412	\$ 138,245	\$ 106,257	\$ 922,430
Other						
Sales Value	\$ 9,578,951	\$ 275,576	\$ 596,904	\$ 312,959	\$ 236,618	\$ 11,001,008
Royalties	\$ 348,938	\$ 13,779	\$ 29,845	\$ 15,648	\$ 11,831	\$ 420,041
Total Royalties	\$ 888,158	\$ 116,908	\$ 181,257	\$ 153,893	\$ 118,088	\$ 1,458,304
Washington						
Coal						
Sales Volume	9,606,493	426,643	570,668	947,003	601,385	12,152,192
Sales Value	\$186,584,871	\$9,323,994	\$16,946,521	\$24,122,456	\$16,044,926	\$253,022,768
Royalties	\$ 5,235,550	\$ 658,644	\$ 1,233,841	\$ 1,723,179	\$ 1,150,777	\$ 10,001,991
Total Royalties	\$ 5,235,550	\$ 658,644	\$ 1,233,841	\$ 1,723,179	\$ 1,150,777	\$ 10,001,991
West Virginia						
Gas						
Sales Volume	50,136,945	698,224	820,837	1,351,214	1,046,185	54,053,405
Sales Value	\$ 39,849,159	\$1,131,686	\$ 2,074,107	\$ 4,146,502	\$ 2,606,979	\$ 49,808,433
Royalties	\$ 5,048,873	\$ 141,464	\$ 259,273	\$ 514,635	\$ 317,445	\$ 6,281,690
Oil						
Sales Volume	36,732	1,900	7,714	36,031	21,921	104,298
Sales Value	\$ 635,187	\$ 33,004	\$ 149,192	\$ 623,498	\$ 281,182	\$ 1,722,063
Royalties	\$ 79,398	\$ 4,126	\$ 18,649	\$ 77,938	\$ 35,147	\$ 215,258
Total Royalties	\$ 5,128,271	\$ 145,590	\$ 277,922	\$ 592,573	\$ 352,592	\$ 6,496,948

Table 22. Summary of sales volume, sales value, and royalties by State and commodity from Federal onshore mineral leases, Calendar Years 1920-98 (cont.)

	1920-94	1995	1996	1997	1998	1920-98
Wyoming						
Coal						
Sales Volume	2,058,357,403	268,483,700	248,866,650	248,062,056	266,442,898	3,090,212,707
Sales Value	\$ 18,033,825,011	\$ 1,478,211,828	\$ 1,450,325,503	\$ 1,320,279,624	\$ 1,424,743,314	\$ 23,707,385,280
Royalties	\$ 1,150,798,559	\$ 178,202,333	\$ 176,655,794	\$ 158,319,997	\$ 168,231,302	\$ 1,832,207,985
Gas						
Sales Volume	8,771,764,660	464,496,452	486,492,591	552,300,766	587,831,123	10,862,885,592
Sales Value	\$ 10,452,190,164	\$ 607,590,455	\$ 649,145,526	\$ 1,090,777,553	\$ 1,108,559,975	\$ 13,908,263,673
Royalties	\$ 1,283,372,464	\$ 68,173,309	\$ 73,417,645	\$ 125,695,136	\$ 126,755,679	\$ 1,677,414,233
Oil						
Sales Volume	3,631,896,461	43,297,135	43,127,558	43,015,278	37,330,002	3,798,666,434
Sales Value	\$ 29,686,769,912	\$ 669,046,019	\$ 809,395,033	\$ 784,292,798	\$ 435,998,476	\$ 32,385,502,238
Royalties	\$ 3,644,609,560	\$ 72,133,786	\$ 86,257,959	\$ 82,959,331	\$ 46,636,573	\$ 3,932,597,209
Other						
Sales Value	\$ 5,064,656,778	\$ 424,036,420	\$ 481,693,106	\$ 403,467,079	\$ 340,724,682	\$ 6,714,578,065
Royalties	\$ 264,425,075	\$ 19,890,885	\$ 24,565,930	\$ 23,257,579	\$ 20,282,107	\$ 352,421,576
Total Royalties	\$ 6,343,205,658	\$ 338,400,313	\$ 360,897,328	\$ 390,232,043	\$ 361,905,661	\$ 7,794,641,003
Onshore Federal Totals						
Coal						
Sales Volume	3,269,728,150	348,514,675	328,188,352	330,270,324	342,165,959	4,618,867,460
Sales Value	\$ 36,354,898,054	\$ 2,921,051,385	\$ 2,930,501,104	\$ 2,815,478,557	\$ 2,782,045,043	\$ 47,803,974,143
Royalties	\$ 2,413,748,341	\$ 303,604,904	\$ 301,884,902	\$ 285,552,110	\$ 285,312,268	\$ 3,590,102,525
Gas						
Sales Volume	40,606,098,308	1,738,466,424	1,899,746,059	1,940,621,082	1,920,415,158	48,105,347,031
Sales Value	\$ 39,403,657,867	\$ 2,179,560,510	\$ 2,714,256,177	\$ 4,110,635,843	\$ 3,669,455,195	\$ 52,077,565,592
Royalties	\$ 4,868,874,168	\$ 250,267,428	\$ 309,896,180	\$ 476,559,499	\$ 421,200,187	\$ 6,326,797,462
Oil						
Sales Volume	8,407,302,923	114,889,397	121,534,279	117,292,892	111,583,570	8,872,603,061
Sales Value	\$ 65,467,112,524	\$ 1,785,582,086	\$ 2,249,028,361	\$ 2,161,979,566	\$ 1,358,095,387	\$ 73,021,797,924
Royalties	\$ 8,158,295,035	\$ 193,319,176	\$ 232,421,696	\$ 213,657,941	\$ 132,150,622	\$ 8,929,844,470
Other						
Sales Value	\$ 23,639,934,555	\$ 1,398,065,394	\$ 1,685,665,504	\$ 1,584,890,537	\$ 1,432,076,100	\$ 29,740,632,090
Royalties	\$ 1,273,552,487	\$ 82,731,001	\$ 90,367,805	\$ 98,723,365	\$ 82,718,454	\$ 1,628,093,112
Total Royalties	\$ 16,714,470,031	\$ 829,922,509	\$ 934,570,583	\$ 1,074,492,915	\$ 921,381,531	\$ 20,474,837,569

NOTE: A detailed lease review, conducted in 1999, identified reporting errors for California oil for the year 1995. Sales volume and sales value figures on this table represent corrections made to figures published in earlier editions of this report. Royalties remain unchanged.

Table 23. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Federal onshore mineral leases

	Sales Volume	Sales Value	Royalties
Carbon Dioxide			
Colorado	274,217,091	\$ 171,143,731	\$ 10,546,573
New Mexico	12,843,783	4,968,276	619,954
Wyoming	26,488,476	7,479,488	9,815
Subtotal	<u>313,549,350</u>	<u>\$ 183,591,495</u>	<u>\$ 11,176,342</u>
Clay			
Alabama	74,863	\$ 149,725	\$ 5,989
Coal			
Alabama	442,007	\$ 20,743,373	\$ 1,519,784
Colorado	23,093,477	426,876,308	35,241,221
Kentucky	54,980	1,457,964	99,445
Montana	19,060,891	206,452,677	25,806,586
New Mexico	5,025,422	132,250,816	16,250,837
North Dakota	2,476,105	21,879,937	1,163,685
Oklahoma	694,889	20,925,495	537,338
Utah	24,273,905	510,670,233	35,311,293
Washington	601,385	16,044,926	1,150,777
Wyoming	<u>266,442,898</u>	<u>1,424,743,314</u>	<u>168,231,302</u>
Subtotal	<u>342,165,959</u>	<u>\$2,782,045,043</u>	<u>\$285,312,268</u>
Cobalt			
Missouri	49	\$ 101,037	\$ 3,652
Copper			
Missouri	9,351	\$ 4,341,636	\$ 131,972
Gas			
Alabama	1,074,681	\$ 1,947,418	\$ 244,180
Alaska	15,385,575	26,368,756	3,355,447
Arkansas	9,307,507	19,455,700	2,620,988
California	8,640,104	20,680,300	2,299,886
Colorado	77,346,748	149,736,651	17,375,321
Kansas	17,662,565	33,806,015	4,215,380
Kentucky	304,539	686,698	84,914
Louisiana	20,500,602	46,147,076	5,902,643
Michigan	5,060,924	11,230,258	1,377,561
Mississippi	1,319,146	2,950,134	363,741
Montana	13,981,792	30,167,870	3,625,737
New Mexico	1,027,706,761	1,940,131,854	219,877,353
New York	25,199	70,963	8,846

Table 23. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Federal onshore mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Gas (cont.)			
North Dakota	4,992,041	\$ 6,913,212	\$ 847,344
Ohio	619,199	1,657,523	205,819
Oklahoma	14,388,192	31,174,637	3,843,338
Pennsylvania	106,394	187,943	23,619
South Dakota	358,779	573,971	69,870
Texas	45,151,534	99,854,455	12,073,115
Utah	67,226,125	133,696,697	15,605,704
Virginia	379,443	850,110	106,257
West Virginia	1,046,185	2,606,979	317,445
Wyoming	<u>587,831,123</u>	<u>1,108,559,975</u>	<u>126,755,679</u>
Subtotal	1,920,415,158	\$3,669,455,195	\$421,200,187
Gas Lost			
California	48,547	\$ 80,794	\$ 10,099
Colorado	3,179	8,073	1,009
New Mexico	6,750	13,271	1,659
Wyoming	<u>21,106</u>	<u>39,860</u>	<u>4,982</u>
Subtotal	79,582	\$ 141,998	\$ 17,749
Gas Plant Products			
Alabama	354	\$ 97	\$ 39
Alaska	529,430	174,713	20,983
California	2,502,447	696,796	63,013
Colorado	41,182,905	10,912,972	688,003
Kansas	3,827,150	1,076,413	98,771
Louisiana	13,937,179	4,058,946	355,980
Michigan	1,247,658	348,687	30,847
Montana	4,867,869	1,363,576	118,839
New Mexico	686,182,170	162,755,750	13,086,340
North Dakota	532,585	84,949	1,488
Oklahoma	695,409	172,941	19,762
Texas	4,511,301	941,220	116,808
Utah	18,253,879	6,577,109	375,782
Wyoming	<u>257,129,497</u>	<u>45,022,184</u>	<u>4,749,079</u>
Subtotal	1,035,399,833	\$ 234,186,353	\$ 19,725,734
Geothermal			
California	14,430,006	\$ 125,396,749	\$ 13,658,539
Nevada	2,305,421	42,521,139	4,242,818
Utah	<u>753,388</u>	<u>1,751,694</u>	<u>175,169</u>
Subtotal	17,488,815	\$ 169,669,582	\$ 18,076,526

Table 23. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Federal onshore mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Gilsonite			
Utah	14,309	\$ 3,412,600	\$ 229,668
Hot Water			
California	997,822	\$ 1,696,298	\$ 169,630
Nevada	14,167	44,483	4,449
New Mexico	5,505	5,780	578
Subtotal	<u>1,017,494</u>	<u>\$ 1,746,561</u>	<u>\$ 174,657</u>
Langbeinite			
New Mexico	902,269	\$ 80,654,039	\$ 1,610,681
Lead			
Missouri	251,929	\$108,467,179	\$ 2,618,566
Limestone			
Virginia	27,976	\$ 236,618	\$ 11,831
Magnesium			
Utah	34,619	\$ 452,735	\$ 13,583
Nitrogen			
North Dakota	35,464	\$ 7,090	\$ 857
Wyoming	97	450	48
Subtotal	<u>35,561</u>	<u>\$ 7,540</u>	<u>\$ 905</u>
Oil			
Alabama	78,260	\$ 1,004,262	\$ 125,035
Alaska	500,470	6,884,103	852,085
Arkansas	466	6,235	779
California	22,642,175	225,774,120	11,818,536
Colorado	5,301,723	78,270,063	10,103,807
Florida	9,428	134,506	16,813
Illinois	54,107	730,179	86,306
Kansas	238,628	3,305,515	349,988
Kentucky	10,600	146,109	2,811
Louisiana	1,062,502	15,399,827	1,847,030
Michigan	100,091	1,380,488	171,161
Mississippi	678,914	7,215,125	833,440
Montana	2,709,776	34,390,827	3,792,270
Nebraska	68,728	878,008	105,976
Nevada	914,324	8,446,817	982,412

Table 23. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Federal onshore mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Oil (cont.)			
New Mexico	27,539,865	\$ 381,969,628	\$ 36,890,848
North Dakota	6,281,171	82,630,596	10,183,825
Ohio	30,112	414,081	20,285
Oklahoma	184,673	2,524,881	273,975
Pennsylvania	1,764	26,586	246
South Dakota	214,305	2,862,351	358,166
Texas	586,278	7,381,222	848,576
Utah	5,023,287	60,040,200	5,814,532
West Virginia	21,921	281,182	35,147
Wyoming	<u>37,330,002</u>	<u>435,998,476</u>	<u>46,636,573</u>
Subtotal	111,583,570	\$1,358,095,387	\$132,150,622
Oil Lost			
California	85,509	\$ 723,463	\$ 40,514
Colorado	(233)	(4,574)	(229)
New Mexico	<u>55</u>	<u>1,000</u>	<u>125</u>
Subtotal	85,331	\$ 719,889	\$ 40,410
Phosphate			
Idaho	5,654,369	\$ 102,629,660	\$ 5,131,484
Potash			
California	198	\$ 29,839	\$ 1,492
New Mexico	1,243,861	123,659,719	2,376,863
Utah	<u>19,530</u>	<u>1,835,715</u>	<u>55,068</u>
Subtotal	1,263,589	\$ 125,525,273	\$ 2,433,423
Purge Liquor			
Wyoming	41,143	\$ 855,708	\$ 49,340
Quartz Crystals			
Arkansas	34,871	\$ 43,240	\$ 2,162
Sand and Gravel			
Nevada	2,112,138	\$ 9,758,077	\$ 482,049
Sodium			
Arizona	468	\$ 15,444	\$ 772
California	902,655	75,265,206	3,708,178
Colorado	77,352	10,575,135	528,771

Table 23. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Federal onshore mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Sodium (cont.)			
New Mexico	354,835	\$ 686,167	\$ 34,293
Utah	4,993	35,400	1,062
Wyoming	<u>3,671,875</u>	<u>272,497,591</u>	<u>15,218,617</u>
Subtotal	5,012,178	\$ 359,074,943	\$ 19,491,693
Sulfur			
Alabama	377	\$ 16,096	\$ 2,013
California	5,125	34,440	1,722
Montana	(2,157)	(18,162)	(577)
New Mexico	675	12,627	790
North Dakota	(234)	(521)	(74)
Utah	5,451	21,903	2,738
Wyoming	<u>530,792</u>	<u>13,505,376</u>	<u>182,689</u>
Subtotal	540,029	\$ 13,571,759	\$ 189,301
Trona Ore			
Wyoming	20,730	\$ 1,324,025	\$ 67,537
Zinc			
Missouri	58,147	\$ 31,414,428	\$ 1,033,200
Total		\$9,241,671,725	\$ 921,381,531

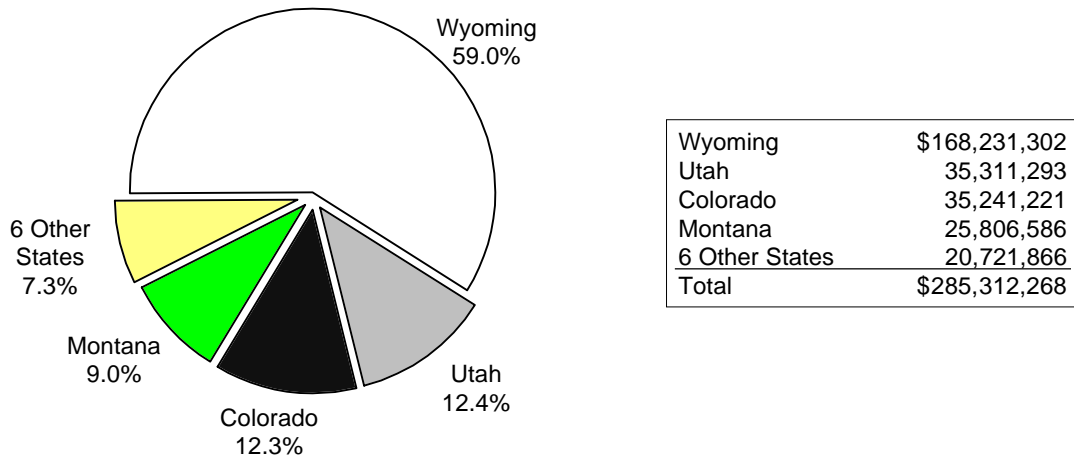


Figure 27. Federal onshore coal royalties by State, Calendar Year 1998

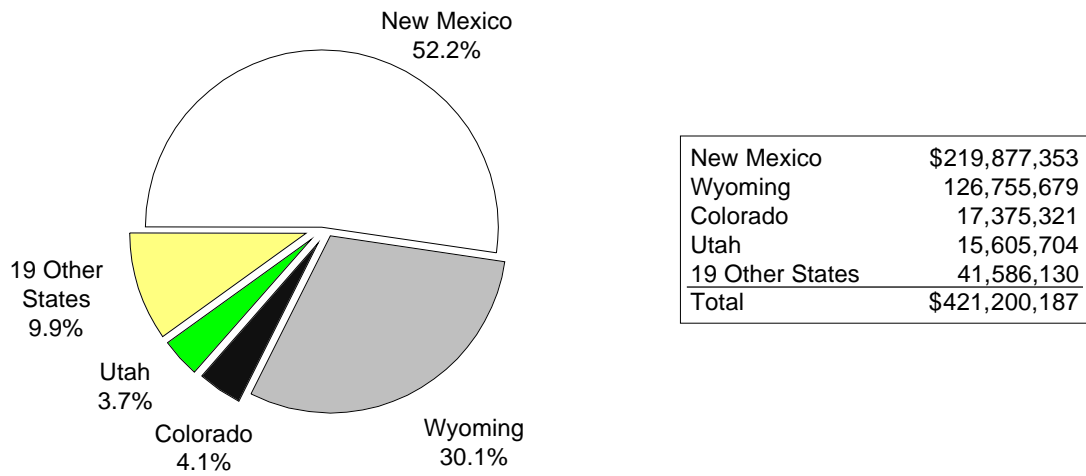


Figure 28. Federal onshore gas royalties by State, Calendar Year 1998

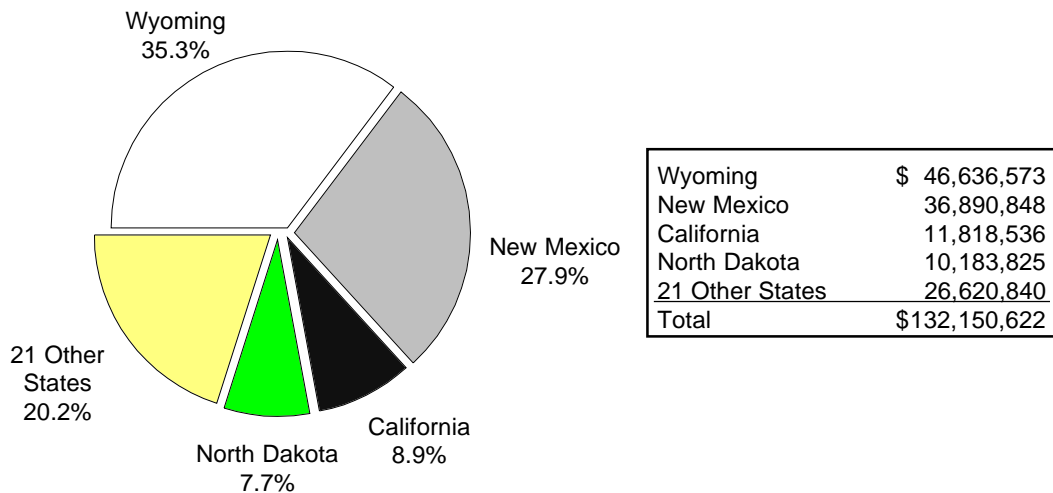


Figure 29. Federal onshore oil royalties by State, Calendar Year 1998

Table 24. Summary of rents by State from Federal onshore mineral leases, Calendar Years 1985-98

	1985-94	1995	1996	1997	1998	1985-98
Alabama	\$ 1,926,546	\$ 119,194	\$ 131,907	\$ 82,053	\$ 45,329	\$ 2,305,029
Alaska	20,653,663	79,005	46,654	12,146	10,895	20,802,363
Arizona	6,165,275	104,142	120,001	67,947	155,441	6,612,806
Arkansas	7,285,203	186,098	204,792	188,211	362,483	8,226,787
California	14,333,788	384,526	441,592	372,915	424,134	15,956,955
Colorado	63,990,243	3,117,022	3,730,093	3,358,493	3,934,934	78,130,785
Florida	2,482,638	43,354	15,007	12,319	3,847	2,557,165
Georgia	101,024	---	---	---	(1,089)	99,935
Idaho	7,550,955	5,699	15,392	19,771	7,875	7,599,692
Illinois	40,758	12,727	12,331	7,872	516	74,204
Indiana	2,951	415	415	---	---	3,781
Iowa	1,635	---	---	---	---	1,635
Kansas	365,540	23,579	21,552	15,169	9,764	435,604
Kentucky	353,991	28,090	28,938	20,070	20,321	451,410
Louisiana	2,291,626	373,264	396,220	443,056	433,854	3,938,020
Maryland	15,538	496	496	496	496	17,522
Michigan	4,062,961	115,897	57,425	70,246	176,089	4,482,618
Minnesota	94,146	35,071	(22,931)	2,335	1,828	110,449
Mississippi	5,806,970	418,426	403,734	663,461	786,150	8,078,741
Missouri	108,284	60,616	(93,095)	166,122	2,163	244,090
Montana	44,540,450	1,119,851	1,745,108	2,032,716	2,214,224	51,652,349
Nebraska	654,484	14,089	15,966	6,499	5,312	696,350
Nevada	75,803,065	4,582,157	4,211,910	3,376,982	2,836,032	90,810,146
New Mexico	55,032,187	2,456,895	2,944,416	3,063,774	3,083,294	66,580,566
New York	67,073	---	---	---	---	67,073
North Carolina	117,501	2,130	---	---	---	119,631
North Dakota	5,020,829	477,936	652,203	784,611	877,873	7,813,452
Ohio	220,253	33,588	39,305	30,698	26,927	350,771
Oklahoma	3,868,174	240,742	433,150	376,909	246,037	5,165,012
Oregon	10,811,591	(69,542)	135,675	145,204	110,483	11,133,411
Pennsylvania	16,205	1,127	1,127	1,124	1,130	20,713
South Carolina	22,431	555	555	---	---	23,541
South Dakota	5,139,851	211,510	271,355	365,528	323,698	6,311,942
Tennessee	72,337	---	---	---	---	72,337
Texas	2,669,448	316,163	398,343	314,093	360,759	4,058,806
Utah	72,595,601	4,328,797	4,692,391	4,355,777	4,538,833	90,511,399
Virginia	2,106,372	40,166	(11,215)	3,957	2,017	2,141,297
Washington	4,090,259	20,078	20,366	44,763	21,349	4,196,815
West Virginia	2,255,617	261,951	83,669	83,391	65,201	2,749,829
Wisconsin	419,300	3,197	3,417	474	426	426,814
Wyoming	171,734,846	14,669,508	16,433,599	16,236,560	18,131,087	237,205,600
Total	\$594,891,609	\$33,818,519	\$37,581,863	\$36,725,742	\$39,219,712	\$742,237,445

NOTE: Fluctuations in revenues from one year to another may be due to lease additions, lease terminations, estimated rent payments, and recoupments.

Table 25. Fiscal Year 1998 accepted bonus bids by State and commodity from sales of Federal onshore mineral leases

	No. of Leases	Acres Leased	Accepted Bonus Bids		No. of Leases	Acres Leased	Accepted Bonus Bids
Alabama				Nevada			
Coal	1	40	\$ 3,323	Geothermal	7	11,376	\$ 27,154
Oil and Gas	1	80	320	Oil and Gas	76	60,982	131,442
Arizona				New Mexico			
Oil and Gas	28	39,924	149,987	Geothermal	1	1,640	1,378
				Oil and Gas	324	173,109	12,431,729
Arkansas				North Dakota			
Oil and Gas	39	33,045	116,874	Oil and Gas	105	41,890	324,683
California				Ohio			
Oil and Gas	44	31,580	669,733	Oil and Gas	2	130	652
Colorado				Oklahoma			
Oil and Gas	255	243,901	3,505,467	Coal	1	90	10,000
Kansas				South Dakota			
Oil and Gas	6	958	13,230	Oil and Gas	9	7,481	14,962
Kentucky				Texas			
Oil and Gas	1	362	724	Oil and Gas	13	5,376	100,913
Louisiana				Utah			
Oil and Gas	82	23,771	131,163	Coal	1	1,288	315,000
Mississippi				Wyoming			
Oil and Gas	95	41,388	109,808	Oil and Gas	166	159,255	1,164,202
Montana				Wyoming			
Oil and Gas	238	183,412	1,713,478	Coal	2	5,706	140,172,840
Nebraska				Wyoming			
Oil and Gas	4	760	1,840	Oil and Gas	<u>1,634</u>	<u>1,419,707</u>	<u>55,939,549</u>
				Total	3,190	2,500,175	\$217,743,695

NOTE: Accepted bonus bids in tables 25 and 26 include both revenues actually collected in Fiscal Year (FY) 1998 and revenues that may be deferred until later years. Coal bonus payments may be deferred through five annual installments from the date of the lease sale. Bonus collections in tables 2 and 3 of this report represent actual payments received in Calendar Year (CY) 1998. Bonus revenues collected and deferred in FY 1998 in tables 25 and 26 will subsequently not correspond to bonus revenues collected in CY 1998 in tables 2 and 3.

SOURCE: Bureau of Land Management, U.S. Department of the Interior.

Table 26. Summary of accepted bonus bids from sales of Federal onshore mineral leases, Fiscal Years 1954-98

	Oil & Gas		Other Minerals		Totals	
	Acres Leased	Accepted Bonus Bids	Acres Leased	Accepted Bonus Bids	Acres Leased	Accepted Bonus Bids
1954-60 ...	292,395	\$ 5,354,229	91,142	\$ 3,286,265	383,537	\$ 8,640,494
1961 ...	27,466	12,395,374	25,863	1,030,725	53,329	13,426,099
1962 ...	32,711	7,059,451	41,507	223,379	74,218	7,282,830
1963 ...	53,124	2,089,236	54,244	475,288	107,368	2,564,524
1964 ...	20,335	649,918	32,290	1,112,824	52,625	1,762,742
1965 ...	46,572	1,805,432	30,009	1,072,714	76,581	2,878,146
1966 ...	35,453	572,837	48,979	1,071,869	84,432	1,644,706
1967 ...	61,665	764,296	47,606	936,656	109,271	1,700,952
1968 ...	71,505	972,523	95,303	3,102,240	166,808	4,074,763
1969 ...	36,969	754,543	---	---	36,969	754,543
1970 ...	38,724	478,890	18,493	370,395	57,217	849,285
1971 ...	52,102	1,163,136	28,706	7,627,114	80,808	8,790,250
1972 ...	88,326	1,117,543	---	---	88,326	1,117,543
1973 ...	89,315	2,203,370	133	33,635	89,448	2,237,005
1974 ...	65,247	2,295,623	24,493	449,192,426	89,740	451,488,049
1975 ...	112,401	8,202,991	362	3,618	112,763	8,206,609
1976 ...	74,616	4,934,208	---	---	74,616	4,934,208
1977 ...	80,529	7,820,947	---	---	80,529	7,820,947
1978 ...	76,438	12,705,965	574	31,380	77,012	12,737,345
1979 ...	62,447	7,597,171	6,475	816,008	68,922	8,413,179
1980 ...	71,623	22,048,947	9,897	933,369	81,520	22,982,316
1981 ...	126,070	103,314,389	60,034	25,358,616	186,104	128,673,005
1982 ...	991,186	95,304,216	352,510	29,966,642	1,343,696	125,270,858
1983 ...	131,702	31,150,106	173,694	30,958,099	305,396	62,108,205
1984 ...	394,264	49,484,379	17,955	584,422	412,219	50,068,801
1985 ...	517,612	47,367,665	4,444	227,094	522,056	47,594,759
1986 ...	353,055	26,643,088	38,420	3,565,974	391,475	30,209,062
1987 ...	211,488	33,345,494	6,333	1,407,220	217,821	34,752,714
1988 ...	1,913,023	51,208,738	75,408	3,523,373	1,988,431	54,732,111
1989 ...	2,831,737	62,847,022	26,963	16,746,107	2,858,700	79,593,129
1990 ...	1,723,845	49,363,154	3,648	1,709,099	1,727,493	51,072,253
1991 ...	1,845,365	41,493,134	10,224	8,061,021	1,855,589	49,554,155
1992 ...	1,118,816	18,804,174	26,764	3,898,016	1,145,580	22,702,190
1993 ...	1,744,777	22,747,870	11,270	196,686,517	1,756,047	219,434,387
1994 ...	2,147,415	41,430,784	6,879	4,954,028	2,154,294	46,384,812
1995 ...	2,394,854	47,339,046	13,159	26,035,179	2,408,013	73,374,225
1996 ...	1,589,795	31,979,336	28,279	24,051,992	1,618,074	56,031,328
1997 ...	2,265,452	58,494,833	28,891	25,371,987	2,294,343	83,866,820
1998 ...	2,480,035	77,214,000	20,140	140,529,695	2,500,175	217,743,695
Total ...	26,270,454	\$992,518,058	1,461,091	\$1,014,954,986	27,731,545	\$2,007,473,044

SOURCE: Bureau of Land Management, U.S. Department of the Interior.

Table 27. Summary of other revenues by State from Federal onshore mineral leases, Calendar Years 1985-98

	1985-94	1995	1996	1997	1998	1985-98
Alabama	\$ 167,966	\$ 25,797	\$ (151,561)	\$ (5,003)	\$ (43,560)	\$ (6,361)
Alaska	492,308	(196,652)	24,777	85,742	(29,954)	376,221
Arizona	2,083	---	---	---	---	2,083
Arkansas	454,698	10,145	40,531	44,664	179,115	729,153
California	(464,252)	1,314,934	466,780	4,348,436	1,805,528	7,471,426
Colorado	8,726,356	1,775,766	2,444,188	3,529,931	169,443	16,645,684
Florida	27,626	5,946	1,891	1,971	1,971	39,405
Georgia	2,179	---	218	218	1,518	4,133
Idaho	614,648	110,797	109,930	417,897	87,261	1,340,533
Illinois	14,601	1,350	2,311	171	687	19,120
Kansas	279,652	720,783	15,325	(7,401)	101,898	1,110,257
Kentucky	170,240	24,823	83,273	23,908	22,487	324,731
Louisiana	1,136,734	72,700	374,091	132,203	(376,765)	1,338,963
Maryland	63,760	9,654	12,304	10,386	9,478	105,582
Michigan	42,072	10,448	86,271	86,199	13,302	238,292
Minnesota	505,900	48,660	48,660	48,660	48,660	700,540
Mississippi	78,054	15,111	(890)	21,101	5,321	118,697
Missouri	177,751	(109,940)	21,400	20,226	15,393	124,830
Montana	10,319,530	664,041	377,455	4,009,400	1,003,555	16,373,981
Nebraska	70,671	12,222	24,058	19,727	18,401	145,079
Nevada	4,427,845	17,012	(189,563)	(270,344)	14,660	3,999,610
New Mexico	19,478,587	2,375,679	7,936,301	6,566,106	(1,050,709)	35,305,964
New York	1,000	---	---	348	---	1,348
North Carolina ..	3,318	474	474	474	474	5,214
North Dakota ...	4,500,424	587,383	(563,552)	9,089,014	59,621	13,672,890
Ohio	23,925	2,078	1,920	2,391	(289)	30,025
Oklahoma	2,187,656	(91,569)	116,235	58,744	125,410	2,396,476
Pennsylvania ...	78,929	16,427	23,813	17,726	21,682	158,577
South Dakota ...	114,559	6,303	12,371	9,802	22,759	165,794
Tennessee	620	---	---	---	---	620
Texas	93,674	44,247	27,894	22,578	73,582	261,975
Utah	11,787,757	747,453	1,142,178	1,071,714	889,977	15,639,079
Virginia	32,123	1,926	31,184	4,836	500	70,569
Washington	8,470	---	---	---	---	8,470
West Virginia ...	921,426	173,608	117,009	295,340	173,211	1,680,594
Wyoming	136,524,336	1,933,837	1,197,303	21,904,115	1,715,531	163,275,122
Total	\$203,067,226	\$10,331,443	\$13,834,579	\$51,561,280	\$5,080,148	\$283,874,676

NOTE: This table was formerly titled "Summary of minimum royalties by State from Federal onshore mineral leases." The revenues in this table include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, and recoupments. The decline in revenues in 1995 was due to a lower volume of settlement payments and to a number of recoupments for estimated royalty payments, particularly recoupments of estimated gas royalties. Estimated payments by many payors exceeded royalty obligations when gas prices fell in 1995. The increase in revenues in 1997 was associated with a higher volume of settlement payments. The decline in revenues in 1998 was again due to a lower volume of settlement payments and to a number of recoupments for estimated oil and gas royalty payments. Estimated payments by many payors exceeded royalty obligations when oil and gas prices fell in 1998.

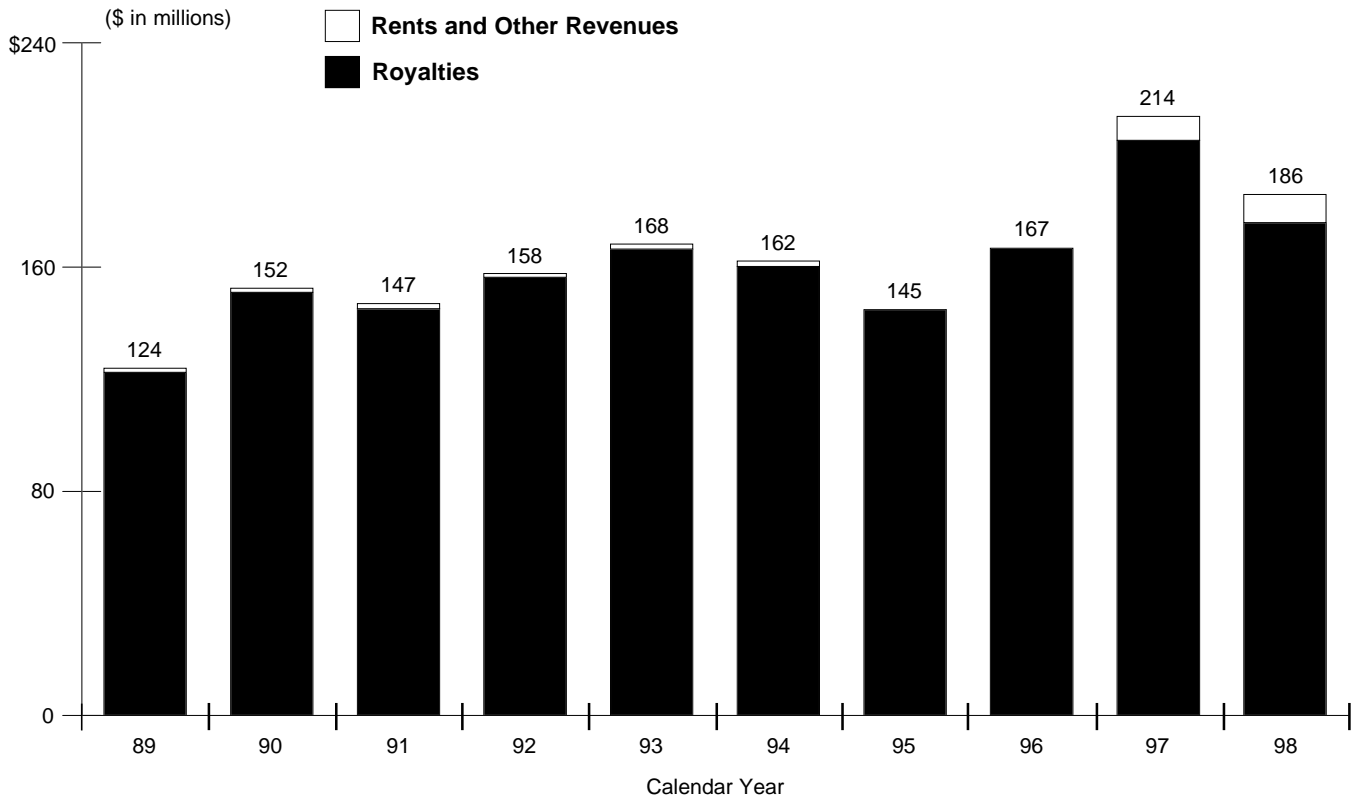


Figure 30. Revenues from American Indian leases by source, 1989-98

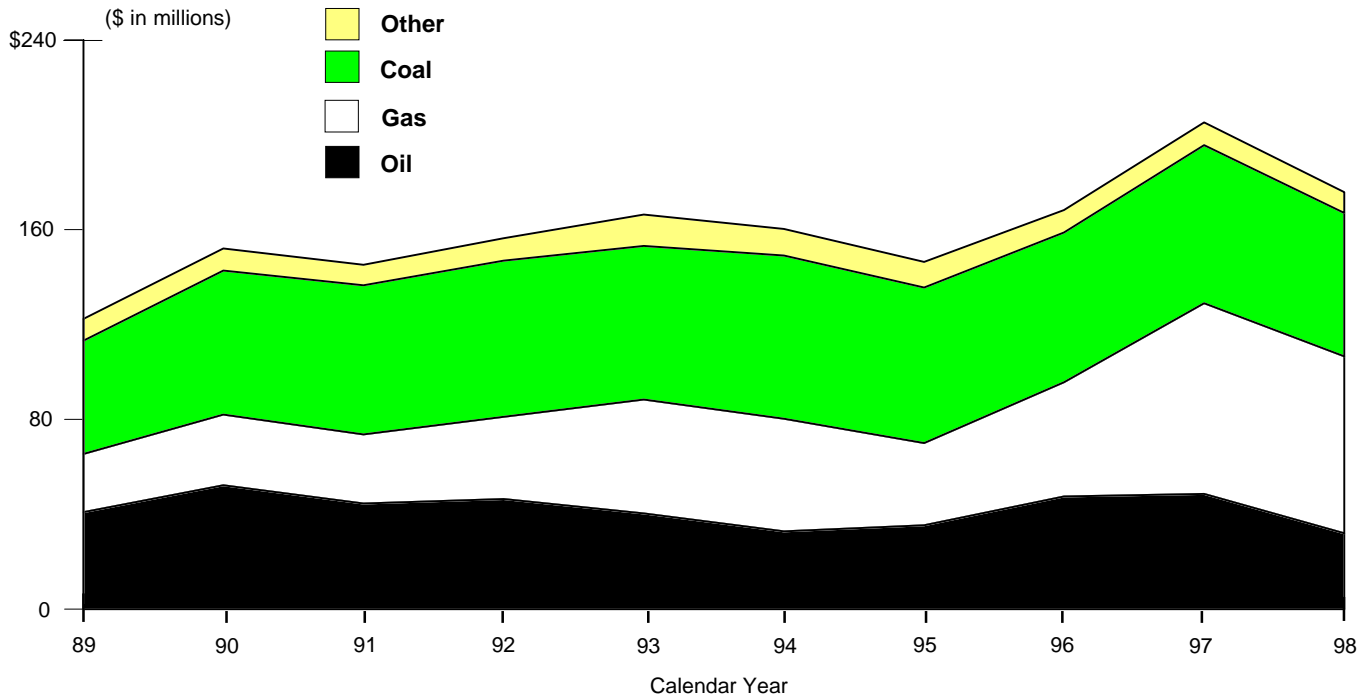


Figure 31. Royalties from American Indian leases by commodity, 1989-98

American Indian Mineral Revenues

Revenues from mineral royalties, rents, and other revenues on American Indian lands were down 13.1 percent, from \$213.8 million in 1997 to \$185.9 million in 1998 (tables 2 and 3, and figure 30). The decline was attributed to lower oil and gas prices that reduced royalty collections during the year. American Indian revenues addressed in this report exclude the Cook Inlet Region, Inc., in Alaska and the Osage Nation, which collect their own revenues.

American Indian royalties fell 14.3 percent, from \$205.2 million in 1997 to \$175.8 million in 1998 (tables 2, 3, and 28, and figures 30 and 31). Significant declines in coal, gas, and oil royalties were offset, in part, by a moderate increase in sand and gravel royalties during the year.

American Indian oil sales volume remained stable at 15.3 million barrels; however, oil royalties fell 34 percent, from \$48.5 million in 1997 to \$32 million in 1998 (table 28 and figure 32).

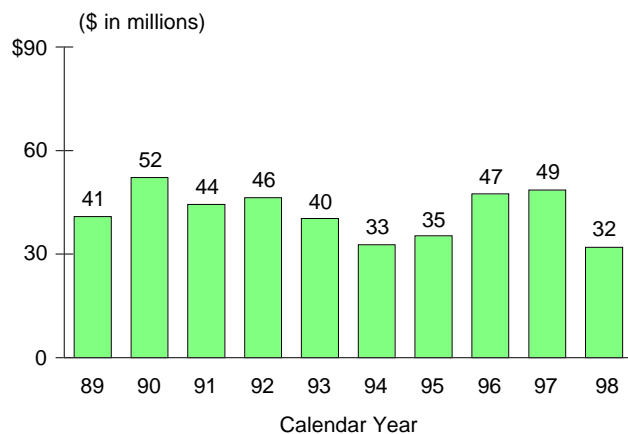


Figure 32. American Indian oil royalties, 1989-98

The U.S. Department of Energy (DOE) reports that oil prices in the United States fell throughout the first 6 months of 1998 due to abundant domestic and international supplies of crude oil. A decision by the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC producers to continue current levels of production aggravated the pricing structure in the last half of the year sending prices down over \$3 per barrel in December to a monthly average of \$9.39 per barrel.

American Indian gas sales volume rose 4.7 percent during the year; however, gas royalties fell 7.3 percent, from \$80.4 million in 1997 to \$74.5 million in 1998 (table 28 and figure 33).

Gas royalties continue to provide the largest source of revenue to the American Indian community from mineral leasing (tables 28 and 29, and figure 31).

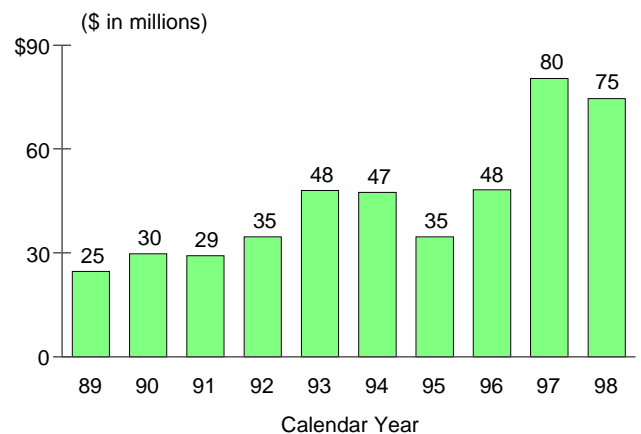


Figure 33. American Indian gas royalties, 1989-98

The DOE advises that unusually warm weather during the peak heating months of January through March reduced demand, creating high inventories of gas in storage facilities. Prices stabilized in the spring with a strong injection season before falling again over the course of the summer. Severe storms in the Gulf of Mexico in late August and September temporarily interrupted offshore supplies, boosting prices. Prices received a second stimulant when the Nation was gripped by a cold snap in the last 2 weeks of December.

American Indian coal sales volume dropped 10.4 percent while coal royalties fell 9.3 percent, from \$66.6 million in 1997 to \$60.4 million in 1998 (table 28 and figure 34).

The DOE reports that gains in mining productivity have resulted in a downward trend in prices over the past two decades. Prices to the electric utility sector, the largest coal consumer in the Nation, reached a 19-year low in 1998.

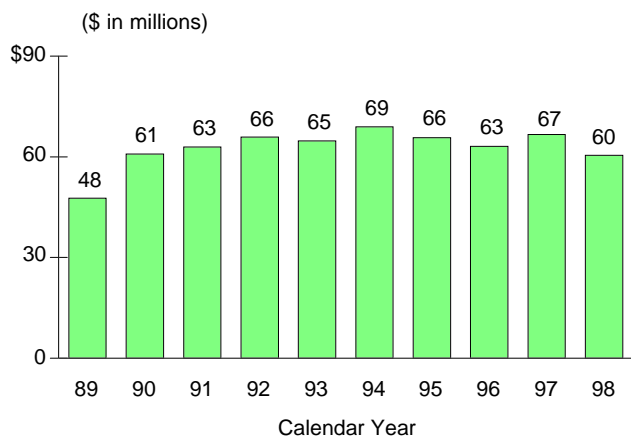


Figure 34. American Indian coal royalties, 1989-98

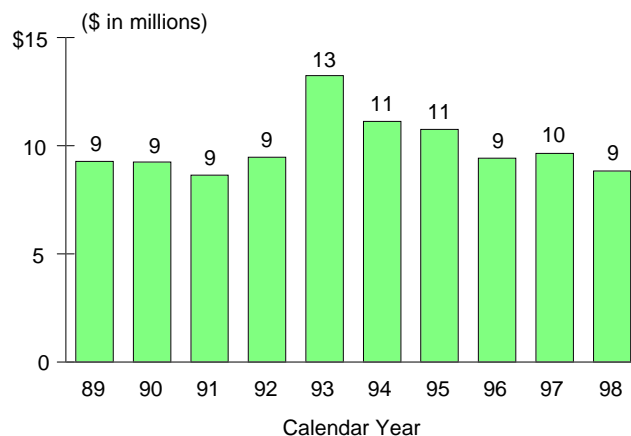


Figure 35. American Indian other royalties, 1989-98

Royalties from minerals other than oil, gas, and coal fell 8.4 percent, from \$9.7 million in 1997 to \$8.8 million in 1998 (table 28 and figure 35). Declines in receipts from copper and gas plant products were offset, in part, by increases in royalties from sand and gravel.

American Indian rents remained stable at \$950,818. Collections from other revenues rose to \$9.1 million in 1998 (tables 2 and 3). Other revenues include settlement payments, gas storage fees, estimated payments, and recoupments.

The U.S. Department of the Interior administered 3,962 mineral leases, licenses, permits, and applications on 2.1 million acres on American Indian lands in 1998 (tables 45 and 46). This number includes 3,689 producing or producible American Indian oil and gas leases on 1.7 million acres (tables 37 and 38). The figure further includes 6 coal leases on 115,630 acres (tables 39 and 40) and 31 leases for minerals other than oil, gas, and coal on 27,470 acres (tables 41 and 42).

Principal American Indian Tribes Served by the Minerals Management Service

Alabama and Coushatta
 Arapaho
 Assiniboine Sioux
 Blackfeet
 Caddo
 Cherokee
 Cheyenne-Arapaho
 Chickasaw
 Chilocco Indian School
 Chippewa-Cree
 Choctaw
 Colorado River
 Cook Inlet Region, Inc.
 Creek
 Creek-Thlopthocco

Crow
 Delaware
 Ft. Mohave
 Gila River Indian Community
 Hopi
 Jicarilla Apache
 Kiowa
 Morongo Band Mission Indians
 Navajo
 Otoe Missouri
 Pala Band Mission Indians
 Pawnee
 Ponca
 Pueblo of Sandia
 Pueblo of San Ildefonso

Pueblo of Zia
 Pyramid Lake Paiute
 Quechan
 Sac and Fox
 Salt River-Pima Maricopa
 Santa Ana Pueblo
 Seminole
 Shoshone
 Shoshone Bannock
 Soboba Band Mission Indians
 Southern Ute
 Tohono O'Odham
 Ute
 Ute Mountain Ute
 Wichita

NOTE: The American Indian Tribes listed above are served by the Minerals Management Service through the Bureau of Indian Affairs, U.S. Department of the Interior.

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98

	1937-94	1995	1996	1997	1998	1937-98
Alaska						
Gas						
Sales Volume	277,556	---	---	---	---	277,556
Sales Value	\$ 39,269	\$ ---	\$ ---	\$ ---	\$ ---	\$ 39,269
Royalties	\$ 6,541	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,541
Total Royalties	\$ 6,541	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,541
Arizona						
Coal						
Sales Volume	243,685,297	12,249,420	12,184,822	12,152,262	11,369,978	291,641,779
Sales Value	\$3,492,928,883	\$258,409,920	\$274,794,525	\$267,106,711	\$260,659,009	\$4,553,899,048
Royalties	\$ 267,937,740	\$ 32,301,238	\$ 33,226,179	\$ 32,293,201	\$ 32,582,376	\$ 398,340,734
Gas						
Sales Volume	14,259,446	1,967,104	338,685	357,463	339,889	17,262,587
Sales Value	\$ 3,999,014	\$ 1,440,917	\$ 416,783	\$ 831,501	\$ 609,310	\$ 7,297,525
Royalties	\$ 610,290	\$ 253,614	\$ 81,493	\$ 156,420	\$ 114,071	\$ 1,215,888
Oil						
Sales Volume	20,075,267	78,818	94,049	83,463	80,272	20,411,869
Sales Value	\$ 125,228,579	\$ 1,316,376	\$ 1,932,548	\$ 1,628,013	\$ 1,064,062	\$ 131,169,578
Royalties	\$ 20,356,856	\$ 152,170	\$ 328,650	\$ 269,788	\$ 179,553	\$ 21,287,017
Other						
Sales Value	\$ 670,529,892	\$ 53,261,240	\$ 32,756,300	\$ 27,008,152	\$ 25,934,211	\$ 809,489,795
Royalties	\$ 67,296,461	\$ 6,743,051	\$ 3,638,413	\$ 3,204,757	\$ 3,095,694	\$ 83,978,376
Total Royalties	\$ 356,201,347	\$ 39,450,073	\$ 37,274,735	\$ 35,924,166	\$ 35,971,694	\$ 504,822,015
California						
Other						
Sales Value	\$ 64,227,259	\$ 3,377,938	\$ 7,077,362	\$ 5,397,326	\$ 6,799,058	\$ 86,878,943
Royalties	\$ 7,379,831	\$ 531,480	\$ 1,135,139	\$ 1,319,690	\$ 1,279,565	\$ 11,645,705
Total Royalties	\$ 7,379,831	\$ 531,480	\$ 1,135,139	\$ 1,319,690	\$ 1,279,565	\$ 11,645,705

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Colorado						
Coal						
Sales Volume	1,659	---	---	---	---	1,659
Sales Value	\$ 7,723	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,723
Royalties	\$ 198	\$ ---	\$ ---	\$ ---	\$ ---	\$ 198
Gas						
Sales Volume	933,982,858	114,480,481	133,443,161	156,478,153	171,444,169	1,509,828,822
Sales Value	\$929,038,506	\$112,328,467	\$141,613,351	\$297,094,292	\$284,840,074	\$1,764,914,690
Royalties	\$118,491,672	\$ 14,228,833	\$ 18,471,467	\$ 41,766,558	\$ 39,652,100	\$ 232,610,630
Oil						
Sales Volume	5,706,027	230,713	155,018	150,919	113,481	6,356,158
Sales Value	\$ 67,168,412	\$ 3,881,639	\$ 3,001,158	\$ 3,036,631	\$ 1,624,214	\$ 78,712,054
Royalties	\$ 10,522,098	\$ 620,181	\$ 464,451	\$ 461,082	\$ 247,672	\$ 12,315,484
Other						
Sales Value	\$ 7,461,022	\$ (50,557)	\$ 1,671,000	\$ (272,609)	\$ 490,174	\$ 9,299,030
Royalties	\$ 990,955	\$ 15,413	\$ 200,928	\$ (14,111)	\$ 37,234	\$ 1,230,419
Total Royalties	\$130,004,923	\$ 14,864,427	\$ 19,136,846	\$ 42,213,529	\$ 39,937,006	\$ 246,156,731
Florida						
Oil						
Sales Volume	4,688	---	---	---	---	4,688
Sales Value	\$ 51,367	\$ ---	\$ ---	\$ ---	\$ ---	\$ 51,367
Royalties	\$ 6,422	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,422
Other						
Sales Value	\$ 451,024	\$ ---	\$ ---	\$ ---	\$ ---	\$ 451,024
Royalties	\$ 45,103	\$ ---	\$ ---	\$ ---	\$ ---	\$ 45,103
Total Royalties	\$ 51,525	\$ ---	\$ ---	\$ ---	\$ ---	\$ 51,525
Idaho						
Other						
Sales Value	\$324,305,952	\$ 604,431	\$ 409,314	\$ 24,299	\$ 5,280	\$ 325,349,276
Royalties	\$ 32,838,572	\$ 45,391	\$ 30,699	\$ 2,515	\$ 396	\$ 32,917,573
Total Royalties	\$ 32,838,572	\$ 45,391	\$ 30,699	\$ 2,515	\$ 396	\$ 32,917,573

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Michigan						
Gas						
Sales Volume	23,856	---	---	---	---	23,856
Sales Value	\$ 23,582	\$ ---	\$ ---	\$ ---	\$ ---	\$ 23,582
Royalties	\$ 2,892	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,892
Oil						
Sales Volume	49,099	427	749	511	384	51,170
Sales Value	\$ 541,260	\$ 7,390	\$ 14,983	\$ 10,046	\$ 5,221	\$ 578,900
Royalties	\$ 73,549	\$ 1,047	\$ 1,967	\$ 1,353	\$ 691	\$ 78,607
Total Royalties	\$ 76,441	\$ 1,047	\$ 1,967	\$ 1,353	\$ 691	\$ 81,499
Minnesota						
Other						
Sales Value	\$ 178,461	\$ ---	\$ ---	\$ ---	\$ ---	\$ 178,461
Royalties	\$ 6,455	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,455
Total Royalties	\$ 6,455	\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,455
Montana						
Coal						
Sales Volume	64,418,719	4,468,127	4,681,254	6,093,862	6,958,887	86,620,849
Sales Value	\$497,917,995	\$25,943,606	\$27,284,017	\$34,305,902	\$41,157,599	\$626,609,119
Royalties	\$ 32,927,762	\$ 2,037,249	\$ 2,139,868	\$ 2,790,151	\$ 3,134,896	\$ 43,029,926
Gas						
Sales Volume	36,437,184	1,586,716	1,293,984	1,547,119	1,463,446	42,328,449
Sales Value	\$ 43,884,604	\$ 2,342,285	\$ 1,782,615	\$ 2,483,580	\$ 2,430,909	\$ 52,923,993
Royalties	\$ 6,511,858	\$ 350,749	\$ 269,978	\$ 370,180	\$ 362,075	\$ 7,864,840
Oil						
Sales Volume	97,859,546	851,205	798,217	730,525	779,845	101,019,338
Sales Value	\$664,408,790	\$13,154,167	\$15,175,206	\$13,615,274	\$ 9,651,309	\$716,004,746
Royalties	\$ 92,168,795	\$ 2,024,169	\$ 2,261,140	\$ 2,101,290	\$ 1,489,169	\$100,044,563
Other						
Sales Value	\$ 17,597,480	\$ 123,627	\$ 55,065	\$ 69,302	\$ 106,707	\$ 17,952,181
Royalties	\$ 1,052,138	\$ 9,132	\$ 3,094	\$ 4,507	\$ 10,701	\$ 1,079,572
Total Royalties	\$132,660,553	\$ 4,421,299	\$ 4,674,080	\$ 5,266,128	\$ 4,996,841	\$152,018,901

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Nevada						
Other						
Sales Value	\$ 17,174,986	\$ 2,188,615	\$ 2,323,296	\$ 2,392,784	\$ 2,892,115	\$ 26,971,796
Royalties	\$ 1,511,395	\$ 179,074	\$ 196,223	\$ 191,920	\$ 257,718	\$ 2,336,330
Total Royalties	\$ 1,511,395	\$ 179,074	\$ 196,223	\$ 191,920	\$ 257,718	\$ 2,336,330
New Mexico						
Coal						
Sales Volume	254,932,228	11,647,591	9,438,892	14,037,282	10,604,698	300,660,691
Sales Value	\$3,447,927,338	\$247,836,433	\$219,211,160	\$245,901,054	\$199,475,859	\$4,360,351,844
Royalties	\$ 286,047,971	\$ 31,351,861	\$ 27,697,824	\$ 31,543,282	\$ 24,704,631	\$ 401,345,569
Gas						
Sales Volume	1,914,427,747	51,919,128	56,776,248	51,073,506	53,608,148	2,127,804,777
Sales Value	\$1,714,903,633	\$ 74,253,224	\$111,382,644	\$126,902,820	\$112,875,796	\$2,140,318,117
Royalties	\$ 221,852,230	\$ 9,327,739	\$ 13,899,521	\$ 15,727,346	\$ 14,925,678	\$ 275,732,514
Oil						
Sales Volume	115,115,721	980,395	1,022,626	893,981	767,348	118,780,071
Sales Value	\$ 892,851,508	\$ 16,636,428	\$ 19,726,716	\$ 17,936,648	\$ 10,637,839	\$ 957,789,139
Royalties	\$ 124,142,365	\$ 2,343,909	\$ 2,838,269	\$ 2,590,053	\$ 1,507,723	\$ 133,422,319
Other						
Sales Value	\$ 776,818,637	\$ 15,722,906	\$ 23,762,467	\$ 26,317,731	\$ 19,028,681	\$ 861,650,422
Royalties	\$ 112,328,293	\$ 2,486,187	\$ 3,185,004	\$ 3,488,264	\$ 2,917,326	\$ 124,405,074
Total Royalties	\$ 744,370,859	\$ 45,509,696	\$ 47,620,618	\$ 53,348,945	\$ 44,055,358	\$ 934,905,476
North Dakota						
Coal						
Sales Volume	2,921	---	---	---	---	2,921
Sales Value	\$ 8,834	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,834
Royalties	\$ 540	\$ ---	\$ ---	\$ ---	\$ ---	\$ 540
Gas						
Sales Volume	11,734,045	201,341	187,924	184,032	156,959	12,464,301
Sales Value	\$ 2,662,887	\$ 235,204	\$ 281,975	\$ 310,697	\$ 250,267	\$ 3,741,030
Royalties	\$ 355,134	\$ 30,093	\$ 38,077	\$ 39,987	\$ 32,802	\$ 496,093
Oil						
Sales Volume	10,193,238	132,561	87,643	76,948	86,361	10,576,751
Sales Value	\$ 67,837,110	\$ 2,059,749	\$ 1,617,684	\$ 1,446,348	\$ 1,113,475	\$ 74,074,366
Royalties	\$ 9,350,945	\$ 304,543	\$ 239,951	\$ 215,186	\$ 163,241	\$ 10,273,866
Other						
Sales Value	\$ 5,736,368	\$ 39,591	\$ 85,777	\$ 127,666	\$ 139,620	\$ 6,129,022
Royalties	\$ 459,432	\$ 1,936	\$ 8,130	\$ 12,136	\$ 10,866	\$ 492,500
Total Royalties	\$ 10,166,051	\$ 336,572	\$ 286,158	\$ 267,309	\$ 206,909	\$ 11,262,999

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Oklahoma						
Coal						
Sales Volume	9,375,686	---	---	---	---	9,375,686
Sales Value	\$ 37,232,091	\$ ---	\$ ---	\$ ---	\$ ---	\$ 37,232,091
Royalties	\$ 1,050,777	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,050,777
Gas						
Sales Volume	1,170,394,510	25,726,029	26,054,670	24,272,576	22,467,224	1,268,915,009
Sales Value	\$1,376,360,377	\$36,846,849	\$47,047,589	\$50,361,740	\$45,626,314	\$1,556,242,869
Royalties	\$ 183,354,275	\$ 6,098,347	\$ 7,897,760	\$ 8,516,235	\$ 7,820,074	\$ 213,686,691
Oil						
Sales Volume	383,979,195	1,589,152	1,695,337	1,846,657	1,536,002	390,646,343
Sales Value	\$2,085,949,892	\$26,271,616	\$33,787,457	\$37,574,382	\$21,177,999	\$2,204,761,346
Royalties	\$ 269,817,476	\$ 3,893,532	\$ 5,140,661	\$ 5,637,163	\$ 3,264,766	\$ 287,753,598
Other						
Sales Value	\$ 339,904,501	\$ 1,810,530	\$ 2,787,119	\$ 2,621,886	\$ 1,698,392	\$ 348,822,428
Royalties	\$ 26,685,828	\$ 274,085	\$ 300,082	\$ 360,223	\$ 224,839	\$ 27,845,057
Total Royalties	\$ 480,908,356	\$10,265,964	\$13,338,503	\$14,513,621	\$11,309,679	\$ 530,336,123
South Dakota						
Coal						
Sales Volume	15,876	---	---	---	---	15,876
Sales Value	\$ 72,302	\$ ---	\$ ---	\$ ---	\$ ---	\$ 72,302
Royalties	\$ 3,175	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,175
Oil						
Sales Volume	122,127	4,235	3,843	2,119	1,238	133,562
Sales Value	\$ 1,828,201	\$ 50,597	\$ 55,990	\$ 34,395	\$ 7,940	\$ 1,977,123
Royalties	\$ 332,318	\$ 10,119	\$ 11,198	\$ 6,879	\$ 1,588	\$ 362,102
Other						
Sales Value	\$ 5,950,624	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,950,624
Royalties	\$ 474,609	\$ ---	\$ ---	\$ ---	\$ ---	\$ 474,609
Total Royalties	\$ 810,102	\$ 10,119	\$ 11,198	\$ 6,879	\$ 1,588	\$ 839,886

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Texas						
Gas						
Sales Volume	10,743,028	2,172,808	6,144,900	13,948,153	11,674,483	44,683,372
Sales Value	\$ 19,679,876	\$ 3,570,860	\$ 14,312,551	\$ 38,328,763	\$ 27,433,906	\$ 103,325,956
Royalties	\$ 3,649,357	\$ 694,711	\$ 2,781,585	\$ 7,139,186	\$ 5,326,263	\$ 19,591,102
Oil						
Sales Volume	853,646	160,698	459,977	1,078,564	810,939	3,363,824
Sales Value	\$ 15,990,155	\$ 2,759,779	\$ 9,604,187	\$ 22,242,551	\$ 11,876,887	\$ 62,473,559
Royalties	\$ 3,037,883	\$ 540,973	\$ 1,871,158	\$ 4,341,830	\$ 2,326,832	\$ 12,118,676
Other						
Sales Value	\$ ---	\$ ---	\$ ---	\$ 3,107,646	\$ 4,583,878	\$ 7,691,524
Royalties	\$ ---	\$ ---	\$ ---	\$ 448,002	\$ 619,054	\$ 1,067,056
Total Royalties	\$ 6,687,240	\$ 1,235,684	\$ 4,652,743	\$ 11,929,018	\$ 8,272,149	\$ 32,776,834
Utah						
Gas						
Sales Volume	334,711,205	5,989,236	8,823,728	6,937,063	6,278,520	362,739,752
Sales Value	\$ 356,706,889	\$ 8,819,867	\$ 13,341,919	\$ 17,549,267	\$ 14,058,760	\$ 410,476,702
Royalties	\$ 54,861,524	\$ 1,355,914	\$ 2,146,014	\$ 2,683,784	\$ 2,091,158	\$ 63,138,394
Oil						
Sales Volume	457,775,761	7,167,286	7,949,683	8,299,273	9,022,246	490,214,249
Sales Value	\$4,131,292,857	\$123,368,906	\$160,262,239	\$163,392,769	\$120,678,887	\$4,698,995,658
Royalties	\$ 626,895,396	\$ 19,960,287	\$ 25,968,691	\$ 25,754,218	\$ 18,852,113	\$ 717,430,705
Other						
Sales Value	\$ 191,860,855	\$ 2,655,194	\$ 3,789,079	\$ 3,793,180	\$ 1,384,938	\$ 203,483,246
Royalties	\$ 13,721,705	\$ 251,181	\$ 393,642	\$ 389,910	\$ 130,838	\$ 14,887,276
Total Royalties	\$ 695,478,625	\$ 21,567,382	\$ 28,508,347	\$ 28,827,912	\$ 21,074,109	\$ 795,456,375
Washington						
Gas						
Sales Volume	2,939	---	---	---	---	2,939
Sales Value	\$ 1,170	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,170
Royalties	\$ 146	\$ ---	\$ ---	\$ ---	\$ ---	\$ 146
Other						
Sales Value	\$ 53,033,293	\$ 1,604,614	\$ 2,450,013	\$ 743,750	\$ 1,403,528	\$ 59,235,198
Royalties	\$ 5,615,600	\$ 213,364	\$ 329,624	\$ 164,980	\$ 237,185	\$ 6,560,753
Total Royalties	\$ 5,615,746	\$ 213,364	\$ 329,624	\$ 164,980	\$ 237,185	\$ 6,560,899

Table 28. Summary of sales volume, sales value, and royalties by State and commodity from Indian mineral leases, Calendar Years 1937-98 (cont.)

	1937-94	1995	1996	1997	1998	1937-98
Wisconsin						
Other						
Sales Value	\$ 40,711	\$ ---	\$ ---	\$ ---	\$ ---	\$ 40,711
Royalties	\$ 3,271	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,271
Total Royalties	\$ 3,271	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,271
Wyoming						
Gas						
Sales Volume	390,459,759	13,767,763	15,426,502	14,319,076	14,247,516	448,220,616
Sales Value	\$ 370,471,138	\$ 14,600,508	\$ 15,659,653	\$ 24,657,895	\$ 24,934,914	\$ 450,324,108
Royalties	\$ 55,507,213	\$ 2,315,144	\$ 2,672,664	\$ 4,010,087	\$ 4,191,012	\$ 68,696,120
Oil						
Sales Volume	265,327,611	1,909,177	2,006,628	2,032,319	2,110,462	273,386,197
Sales Value	\$1,604,354,428	\$ 25,615,408	\$ 40,308,290	\$ 32,689,940	\$ 20,096,358	\$ 1,723,064,424
Royalties	\$ 239,764,369	\$ 5,447,990	\$ 8,304,712	\$ 7,159,543	\$ 3,984,293	\$ 264,660,907
Other						
Sales Value	\$ 8,608,121	\$ 160,452	\$ 175,225	\$ 865,888	\$ 120,006	\$ 9,929,692
Royalties	\$ 842,719	\$ 6,741	\$ 7,356	\$ 78,536	\$ 16,466	\$ 951,818
Total Royalties	\$ 296,114,301	\$ 7,769,875	\$ 10,984,732	\$ 11,248,166	\$ 8,191,771	\$ 334,308,845
Indian Totals						
Coal						
Sales Volume	572,432,386	28,365,138	26,304,968	32,283,406	28,933,563	688,319,461
Sales Value	\$7,476,095,166	\$532,189,959	\$521,289,702	\$547,313,667	\$501,292,467	\$ 9,578,180,961
Royalties	\$ 587,968,163	\$ 65,690,348	\$ 63,063,871	\$ 66,626,634	\$ 60,421,903	\$ 843,770,919
Gas						
Sales Volume	4,817,454,133	217,810,606	248,489,802	269,117,141	281,680,354	5,834,552,036
Sales Value	\$4,817,770,945	\$254,438,181	\$345,839,080	\$558,520,555	\$513,060,250	\$ 6,489,629,011
Royalties	\$ 645,203,132	\$ 34,655,144	\$ 48,258,559	\$ 80,409,783	\$ 74,515,233	\$ 883,041,851
Oil						
Sales Volume	1,357,061,926	13,104,667	14,273,770	15,195,279	15,308,578	1,414,944,220
Sales Value	\$9,657,502,559	\$215,122,055	\$285,486,458	\$293,606,997	\$197,934,191	\$10,649,652,260
Royalties	\$1,396,468,472	\$ 35,298,920	\$ 47,430,848	\$ 48,538,385	\$ 32,017,641	\$ 1,559,754,266
Other						
Sales Value	\$2,483,879,186	\$ 81,498,581	\$ 77,342,017	\$ 72,197,001	\$ 64,586,588	\$ 2,779,503,373
Royalties	\$ 271,252,367	\$ 10,757,035	\$ 9,428,334	\$ 9,651,329	\$ 8,837,882	\$ 309,926,947
Total Royalties	\$2,900,892,134	\$146,401,447	\$168,181,612	\$205,226,131	\$175,792,659	\$ 3,596,493,983

Table 29. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Indian mineral leases

	Sales Volume	Sales Value	Royalties
Clay			
Arizona	148,052	\$ 96,234	\$ 9,623
Coal			
Arizona	11,369,978	\$260,659,009	\$32,582,376
Montana	6,958,887	41,157,599	3,134,896
New Mexico	10,604,698	199,475,859	24,704,631
Subtotal	28,933,563	\$501,292,467	\$60,421,903
Copper			
Arizona	40,631	\$ 9,634,363	\$ 570,598
Gas			
Arizona	339,889	\$ 609,310	\$ 114,071
Colorado	171,444,169	284,840,074	39,652,100
Montana	1,463,446	2,430,909	362,075
New Mexico	53,608,148	112,875,796	14,925,678
North Dakota	156,959	250,267	32,802
Oklahoma	22,467,224	45,626,314	7,820,074
Texas	11,674,483	27,433,906	5,326,263
Utah	6,278,520	14,058,760	2,091,158
Wyoming	14,247,516	24,934,914	4,191,012
Subtotal	281,680,354	\$513,060,250	\$74,515,233
Gas Lost			
Montana	25,612	\$ 30,973	\$ 3,872
Gas Plant Products			
Colorado	2,107,293	\$ 480,369	\$ 35,716
Montana	343,667	75,734	6,829
New Mexico	51,119,250	10,996,735	1,024,675
North Dakota	512,589	139,190	10,812
Oklahoma	5,195,925	1,308,126	203,101
Texas	21,710,527	4,583,878	619,054
Utah	2,907,158	958,804	71,771
Wyoming	412,634	120,006	16,466
Subtotal	84,309,043	\$ 18,662,842	\$ 1,988,424
Gypsum			
New Mexico	707,108	\$ 2,803,769	\$ 670,202

Table 29. Calendar Year 1998 sales volume, sales value, and royalties by commodity and State from Indian mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Limestone			
Oklahoma	75,033	\$ 315,319	\$ 8,254
Oil			
Arizona	80,272	\$ 1,064,062	\$ 179,553
Colorado	113,481	1,624,214	247,672
Michigan	384	5,221	691
Montana	779,845	9,651,309	1,489,169
New Mexico	767,348	10,637,839	1,507,723
North Dakota	86,361	1,113,475	163,241
Oklahoma	1,536,002	21,177,999	3,264,766
South Dakota	1,238	7,940	1,588
Texas	810,939	11,876,887	2,326,832
Utah	9,022,246	120,678,887	18,852,113
Wyoming	2,110,462	20,096,358	3,984,293
Subtotal	15,308,578	\$ 197,934,191	\$ 32,017,641
Oil Lost			
Colorado	16	\$ 229	\$ 29
Phosphate			
Idaho	96	\$ 5,280	\$ 396
Sand and Gravel			
Arizona	3,340,196	\$ 15,172,506	\$ 2,495,309
California	1,406,638	6,799,058	1,279,565
Colorado	2,736	9,576	1,489
Nevada	616,745	2,892,115	257,718
New Mexico	1,842,799	5,228,177	1,222,449
Oklahoma	78,547	74,947	13,484
Utah	111,920	426,134	59,067
Washington	541,135	1,403,528	237,185
Subtotal	7,940,716	\$ 32,006,041	\$ 5,566,266
Silica Sand			
Arizona	45,827	\$ 1,031,108	\$ 20,164
Sulfur			
North Dakota	107	\$ 430	\$ 54
Total		\$1,276,873,496	\$175,792,659

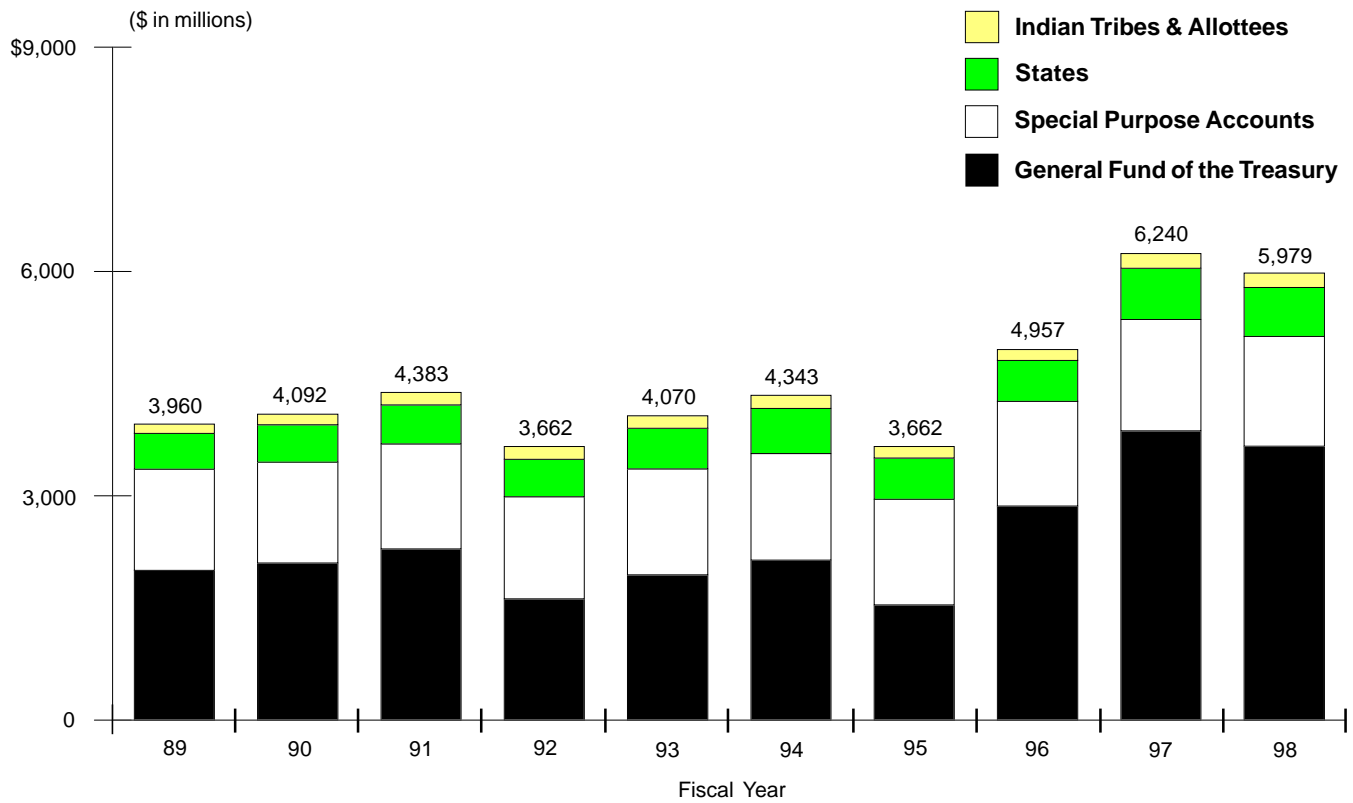


Figure 36. Disbursement of mineral revenues, in millions, from Federal and Indian leases, Fiscal Years 1989-98

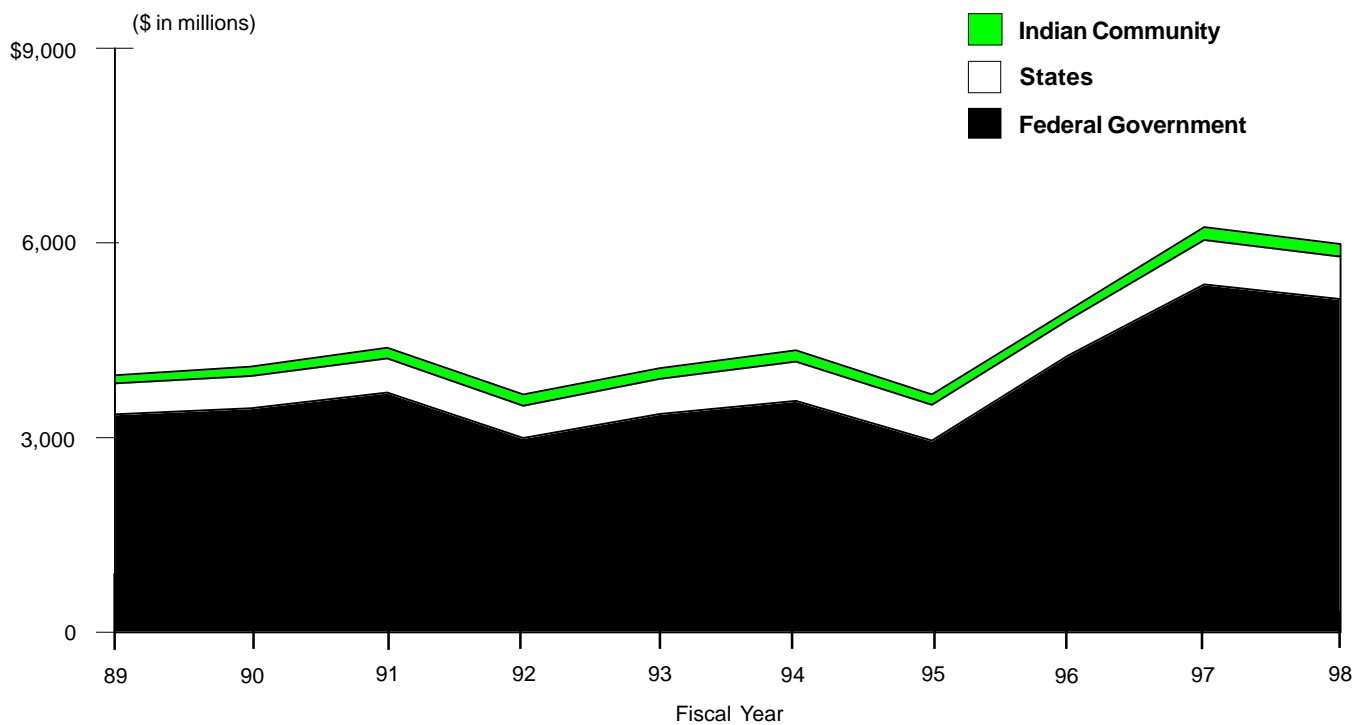


Figure 37. Disbursement of mineral revenues, in millions, to the Indian Community, States, and the Federal Government, Fiscal Years 1989-98

Distribution of Federal and Indian Mineral Revenues

Revenues collected in 1998 from mineral leases on Federal lands were 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. The Bureau of Indian Affairs (BIA) disbursed revenues collected from Indian leases to the appropriate Indian Tribes and allotted tract mineral owners. Formulas for these disbursements are governed by legislation and regulations (table 30).

The General Fund of the Treasury received 61.3 percent, or \$3.7 billion, of all revenues in Fiscal Year (FY) 1998. Payments to three special-purpose accounts amounted to \$1.5 billion, or 24.5 percent of total mineral revenues. Another \$656.2 million, or 11 percent, was disbursed to mineral-producing States from offshore and onshore mineral activity. Indian revenues directed to Tribal governments and individual allotment owners equaled 3.2 percent, or \$191.5 million, during the fiscal year (table 31 and figure 38).

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, the Minerals Management Service (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 (FOGRMA) which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191. 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. Royalty, rent, and bonus revenues totaling \$549.7 million were distributed to 32 States from Federal onshore lands in FY 1998 (tables 33 and 34, and figure 39).

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 individual Indian lessors by BIA.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases (table 30).

Outer Continental Shelf 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 and the National Historic Preservation Fund. Transfers to maintain the Land and Water Conservation Fund's annual authorization of \$900 million totaled \$897 million in FY 1998. Transfers to the National Historic Preservation Fund equaled \$150 million during the year (table 31 and figure 38).

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 during 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 (table 30).

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

Over \$106.5 million in OCS royalties and escrow funds was released to seven States in FY 1998 under the provisions of the OCSLA Amendments of 1985 (tables 33 and 35).

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, and 10 percent is directed into the General Fund of the Treasury through miscellaneous receipts (table 30).

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 royalties, rents, and bonuses generated from the National Petroleum Reserve Alaska (table 30).

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 (table 30).

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture (USDA) is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State in which the lease is located (table 30).

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by USDA is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county in which the lease is located (table 30).

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers (COE) is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury (table 30).

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 (table 30).

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund (table 30).

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from leases issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases (table 30).

Receipts from other acquired lands are deposited in a general Treasury account (table 30).

The COE and USDA distributed revenues from acquired lands under their jurisdiction to the States through the end of FY 1992. The MMS assumed distribution of acquired land revenues to the States from lands administered by COE and from national forests administered by USDA beginning in FY 1993. The USDA continued to distribute revenues to the States from acquired grasslands (table 32).

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 lessors, with the following exceptions:

- Oil and gas payments to four Tribes — Jicarilla Apache, Blackfeet, Navajo, and 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 lessors.
- The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
- Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.

Alaska Native Lands

Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the region holds in several former Federal leases, are made directly by lease payors to the corporation.

Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases

<u>Outer Continental Shelf Lands</u>	
Special-Purpose Accounts	\$150 million per year to the Historic Preservation Fund. Up to \$900 million per year to the Land and Water Conservation Fund.
States	Section 8(g) of the Outer Continental Shelf Lands Act, as amended, provides for the following distribution of revenues to the States: <ul style="list-style-type: none"> • Disbursement of escrow funds in FY 1986-87; • A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and • Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State's 8(g) zone.
U.S. Treasury	The balance of revenues are directed to the General Fund of the U.S. Treasury.
<u>Public Domain Lands Other Than Alaska</u>	
Special-Purpose Accounts	40 percent to the Reclamation Fund.
States	50 percent to the State in which the lease is located.
U.S. Treasury	10 percent to the General Fund of the U.S. Treasury.
<u>Public Domain Lands - Alaska</u>	
States	90 percent to the State of Alaska.
U.S. Treasury	10 percent to the General Fund of the U.S. Treasury.

Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases (cont.)**Public Domain Lands - National Petroleum Reserve Alaska**

States	50 percent to the State of Alaska.
U.S. Treasury	50 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Forests

States	25 percent to the State in which the lease is located.
U.S. Treasury	75 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Grasslands

Counties	25 percent to the county in which the lease is located.
U.S. Treasury	75 percent to the General Fund of the U.S. Treasury.

Acquired Flood Control Act Lands Administered by U.S. Army Corps of Engineers

States	75 percent to the State in which the lease is located.
U.S. Treasury	25 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Wildlife Refuges

Counties	Revenues disbursed according to one of three alternative formulas prescribed by statute.
U.S. Treasury	Remainder to the General Fund of the U.S. Treasury.

Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases (cont.)

Acquired Reclamation Project Lands Administered by the Bureau of Reclamation

Special-Purpose Accounts 100 percent to the Reclamation Fund.

Acquired Military Lands - Leases Issued Before 1981

U.S. Treasury 100 percent to the General Fund of the U.S. Treasury.

Acquired Military Lands - Leases Issued Beginning January 1, 1981

Special-Purpose Accounts 40 percent to the Reclamation Fund.

States 50 percent to the State in which the lease is located.

U.S. Treasury 10 percent to the General Fund of the U.S. Treasury.

Acquired Lands - Other

U.S. Treasury 100 percent to the General Fund of the U.S. Treasury.

Alaska Native Lands - Cook Inlet Region, Inc.

Alaskan Natives 100 percent of Alaskan Native shares to Cook Inlet Region, Inc.

Indian Lands

Indian Tribes and Allottees 100 percent to Indian Tribes and allottees.

Table 31. Disbursement of Federal and Indian mineral lease revenues from the inception of the Minerals Management Service, Fiscal Years 1982-98

	Revenues in Thousands of Dollars						
	Historic Preserve Fund	Land & Water Conserve Fund	Reclamation Fund	Indian Tribes & Allottees	State Share	U.S. Treasury	Total
1982	\$ 150,000	\$ 825,950	\$ 435,688	\$ 203,000	\$ 609,660	\$ 5,476,020	\$ 7,700,318
1983	150,000	814,693	391,891	169,600	454,359	9,582,227	11,562,770
1984	150,000	789,421	414,868	163,932	542,646	5,848,044	7,908,911
1985	150,000	784,279	415,688	160,479	548,937	4,744,317	6,803,700
1986	150,000	755,224	339,624	122,865	1,390,632	4,983,055	7,741,400
1987	150,000	823,576	265,294	100,499	990,113	4,030,979	6,360,461
1988	150,000	859,761	317,505	125,351	767,621	2,627,721	4,847,959
1989	150,000	862,761	337,865	121,954	480,272	2,006,837	3,959,689
1990	150,000	843,765	353,708	141,086	501,207	2,102,576	4,092,342
1991	150,000	885,000	368,474	164,310	524,207	2,291,085	4,383,076
1992	150,000	887,926	328,081	170,378	500,866	1,624,864	3,662,115
1993	150,000	900,000	366,593	164,385	543,717	1,945,730	4,070,425
1994	150,000	862,208	410,751	172,132	606,510	2,141,755	4,343,356
1995	150,000	896,987	367,284	153,319	553,012	1,541,048	3,661,650
1996	150,000	896,906	350,264	145,791	547,625	2,866,509	4,957,095
1997	150,000	896,979	442,834	196,462	685,554	3,867,865	6,239,694
1998	150,000	896,978	421,149	191,484	656,225	3,663,532	5,979,368
Total . .	\$2,550,000	\$14,482,414	\$6,327,561	\$2,667,027	\$10,903,163	\$61,344,164	\$98,274,329

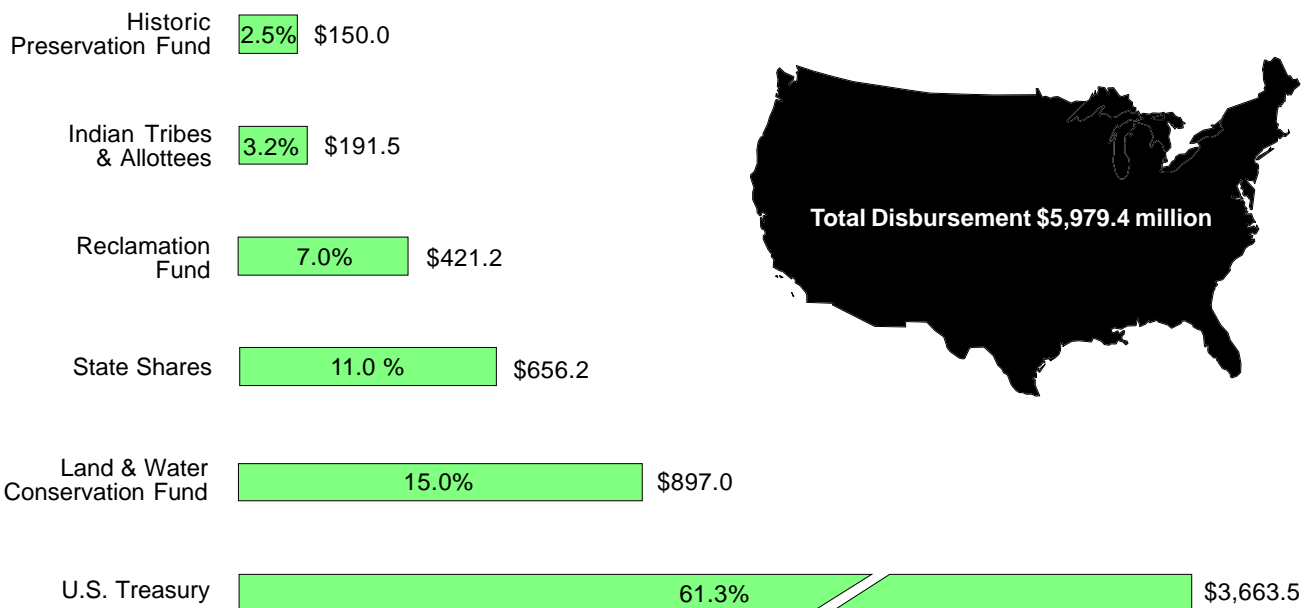


Figure 38. Disbursement of mineral revenues, in millions, from Federal and Indian leases, Fiscal Year 1998

Table 32. Summary of mineral revenues distributed to other Federal agencies by the Minerals Management Service from Federal onshore acquired lands, Fiscal Years 1985-98

	U.S. Army Corps of Engineers	U.S. Department of Agriculture
1985	\$ 2,563,572	\$ 73,531,777
1986	2,470,295	39,694,197
1987	1,313,384	47,591,946
1988	621,309	44,717,622
1989	2,002,190	91,939,261
1990	2,887,861	54,693,426
1991	1,181,910	37,184,243
1992	1,420,404	22,336,570
1993	---	18,075,994
1994	---	13,994,072
1995	---	18,675,702
1996	---	15,648,918
1997	---	22,769,532
1998	---	22,894,640
Total	\$14,460,925	\$523,747,900

NOTE: The U.S. Army Corps of Engineers (COE) and the U.S. Department of Agriculture (USDA) distributed revenues from acquired lands under their jurisdiction to the States through the end of Fiscal Year (FY) 1992. Beginning in FY 1993, the Minerals Management Service assumed distribution of acquired land revenues to the States from lands administered by COE and from national forests administered by USDA. The USDA continued to distribute revenues to the States from acquired grasslands.

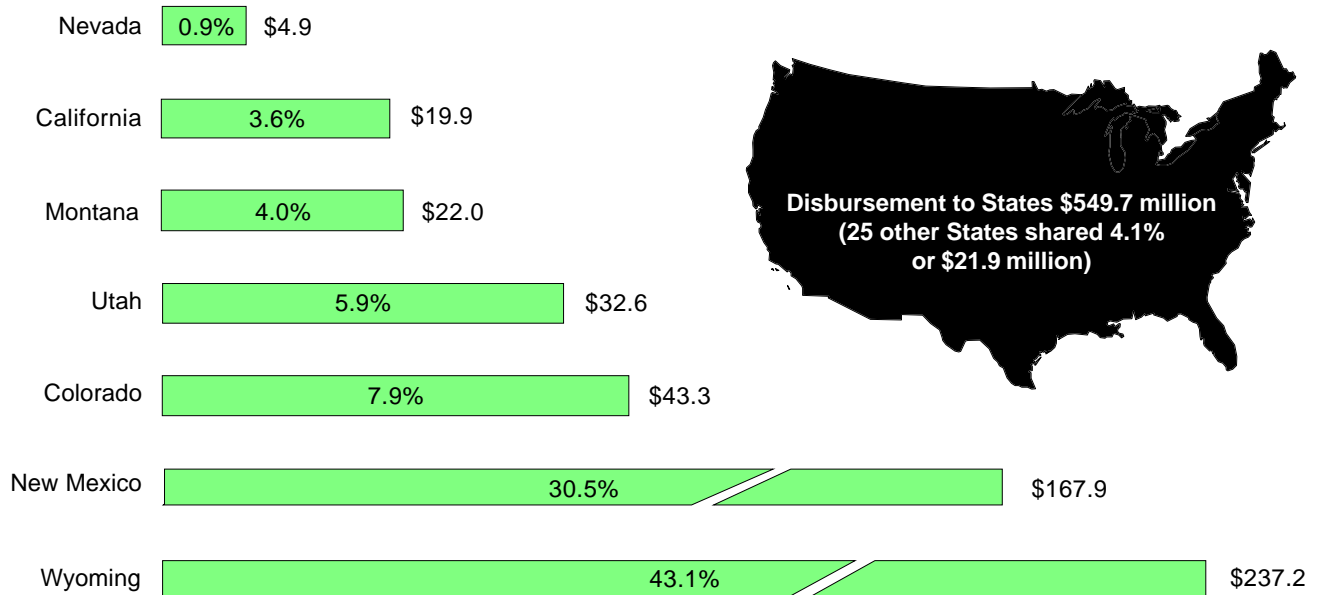


Figure 39. Disbursement to States of royalties and other revenues from Federal onshore leases, in millions, Fiscal Year 1998

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
Alabama					
Offshore	\$ ---	\$12,949,532	\$ 6,571	\$ 38,755	\$12,994,858
Onshore	<u>708,120</u>	<u>130,190</u>	<u>155,675</u>	<u>1,934</u>	<u>995,919</u>
Total	708,120	13,079,722	162,246	40,689	13,990,777
Alaska					
Offshore	---	---	---	---	---
Onshore	<u>---</u>	<u>1,929,465</u>	<u>482,859</u>	<u>13,707</u>	<u>2,426,031</u>
Total	---	1,929,465	482,859	13,707	2,426,031
Arizona					
Onshore	---	---	---	386	386
Arkansas					
Onshore	---	1,009,931	1,328	699	1,011,958
California					
Offshore	---	292,582	1,958,980	17,140	2,268,702
Onshore	<u>---</u>	<u>1,361,789</u>	<u>6,500,067</u>	<u>9,060,335</u>	<u>16,922,191</u>
Total	---	1,654,371	8,459,047	9,077,475	19,190,893
Colorado					
Onshore	17,225,031	8,900,872	6,118,711	5,745,856	37,990,470
Florida					
Offshore	---	---	---	---	---
Onshore	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	---	---	---	---	---
Georgia					
Onshore	---	---	---	---	---
Idaho					
Onshore	---	---	---	2,551,002	2,551,002
Illinois					
Onshore	---	---	49,396	---	49,396
Kansas					
Onshore	---	1,173,135	85,506	31,094	1,289,735
Kentucky					
Onshore	124,011	30,570	524	4	155,109
Louisiana					
Offshore	---	5,771,133	3,599,736	250,991	9,621,860
Onshore	<u>---</u>	<u>324,891</u>	<u>323,361</u>	<u>48,059</u>	<u>696,311</u>
Total	---	6,096,024	3,923,097	299,050	10,318,171

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998 (cont.)

Rents	Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
					Alabama
\$ 11,561	\$ 209,450	\$ 700,000	\$ ---	\$13,915,869	Offshore
<u>29,041</u>	<u>24,172</u>	<u>(30,604)</u>	<u>(30,257)</u>	<u>988,271</u>	Onshore
40,602	233,622	669,396	(30,257)	14,904,140	Total
					Alaska
148,365	3,138	13,408,683	---	13,560,186	Offshore
<u>4,918</u>	<u>---</u>	<u>2,583,336</u>	<u>(569,762)</u>	<u>4,444,523</u>	Onshore
153,283	3,138	15,992,019	(569,762)	18,004,709	Total
					Arizona
75,760	74,913	35,767	(2,338)	184,488	Onshore
					Arkansas
128,380	55,709	82,227	(46,066)	1,232,208	Onshore
					California
---	---	28,900,000	---	31,168,702	Offshore
<u>193,660</u>	<u>334,867</u>	<u>3,527,330</u>	<u>(1,047,546)</u>	<u>19,930,502</u>	Onshore
193,660	334,867	32,427,330	(1,047,546)	51,099,204	Total
					Colorado
1,958,954	3,822,456	1,411,286	(1,885,898)	43,297,268	Onshore
					Florida
1,775	---	---	---	1,775	Offshore
<u>4,303</u>	<u>---</u>	<u>945</u>	<u>(290)</u>	<u>4,958</u>	Onshore
6,078	---	945	(290)	6,733	Total
					Georgia
---	---	---	(3)	(3)	Onshore
					Idaho
4,979	6,615	15,000	(111,518)	2,466,078	Onshore
					Illinois
135	---	145	(5,268)	44,408	Onshore
					Kansas
2,949	600	16,961	(66,725)	1,243,520	Onshore
					Kentucky
4,079	1,097	12,737	(4,171)	168,851	Onshore
					Louisiana
412,229	1,744,928	8,400,000	---	20,179,017	Offshore
<u>139,778</u>	<u>160,410</u>	<u>33,247</u>	<u>(33,739)</u>	<u>996,007</u>	Onshore
552,007	1,905,338	8,433,247	(33,739)	21,175,024	Total

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998 (cont.)

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
Michigan					
Onshore	\$ ---	\$ 489,446	\$ 36,033	\$ 16,601	\$ 542,080
Minnesota					
Onshore	---	---	---	---	---
Mississippi					
Offshore	---	662,354	---	---	662,354
Onshore	---	118,918	248,268	---	367,186
Total	---	781,272	248,268	---	1,029,540
Missouri					
Onshore	---	---	---	884,099	884,099
Montana					
Onshore	15,245,019	1,734,688	2,152,769	37,721	19,170,197
Nebraska					
Onshore	---	---	8,544	---	8,544
Nevada					
Onshore	---	---	557,293	2,948,226	3,505,519
New Mexico					
Onshore	7,098,580	121,867,075	22,090,706	9,983,493	161,039,854
North Carolina					
Onshore	---	---	---	---	---
North Dakota					
Onshore	550,005	199,436	2,658,700	6,465	3,414,606
Ohio					
Onshore	---	149,674	13,742	---	163,416
Oklahoma					
Onshore	266,107	2,108,579	181,379	9,388	2,565,453
Oregon					
Onshore	---	---	---	---	---
Pennsylvania					
Onshore	---	17,502	42	---	17,544
South Dakota					
Onshore	---	32,383	204,510	---	236,893

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998 (cont.)

Rents	Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
\$ 33,566	\$ ---	\$ (1,270)	\$ (34,125)	\$ 540,251	Michigan Onshore
374	19	12,166	(292)	12,267	Minnesota Onshore
16,445	746,856	200,000	---	1,625,655	Mississippi Offshore
<u>189,306</u>	<u>580,924</u>	<u>9,451</u>	<u>(24,606)</u>	<u>1,122,261</u>	Onshore
205,751	1,327,780	209,451	(24,606)	2,747,916	Total
(749)	---	9,580	(31,435)	861,495	Missouri Onshore
1,083,787	938,333	1,801,519	(1,033,880)	21,959,956	Montana Onshore
654	---	1,542	(802)	9,938	Nebraska Onshore
1,527,597	186,189	(20,913)	(290,081)	4,908,311	Nevada Onshore
1,644,354	6,848,190	4,151,390	(5,756,273)	167,927,515	New Mexico Onshore
---	---	119	(3)	116	North Carolina Onshore
103,766	103,264	1,217,836	(193,189)	4,646,283	North Dakota Onshore
3,069	---	932	(10,834)	156,583	Ohio Onshore
167,699	504,784	(2,313,735)	(110,515)	813,686	Oklahoma Onshore
75,377	---	24,262	(1,986)	97,653	Oregon Onshore
283	---	1,698	(1,643)	17,882	Pennsylvania Onshore
163,148	3,737	(21,837)	(28,935)	353,006	South Dakota Onshore

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998 (cont.)

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
Texas					
Offshore	\$ ---	\$ 9,077,644	\$ 1,300,934	\$ 93,460	\$ 10,472,038
Onshore	---	74,811	208,229	16,838	299,878
Total	---	9,152,455	1,509,163	110,298	10,771,916
Utah					
Onshore	16,561,187	7,484,953	3,346,084	415,611	27,807,835
Virginia					
Onshore	---	72,983	---	3,220	76,203
Washington					
Onshore	694,293	---	---	---	694,293
West Virginia					
Onshore	---	153,980	61,313	86	215,379
Wisconsin					
Onshore	---	---	---	---	---
Wyoming					
Onshore	83,374,834	65,070,143	28,526,050	10,374,774	187,345,801
Offshore Total	\$ ---	\$ 28,753,245	\$ 6,866,221	\$ 400,346	\$ 36,019,812
Onshore Total	\$141,847,187	\$214,435,414	\$74,011,089	\$42,149,598	\$472,443,288
Offshore and Onshore Total	\$141,847,187	\$243,188,659	\$80,877,310	\$42,549,944	\$508,463,100

Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1998 (cont.)

Rents	Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
					Texas
\$ 316,545	\$ 1,885,989	\$13,400,000	\$ ---	\$ 26,074,572	Offshore
<u>107,450</u>	<u>20,898</u>	<u>39,813</u>	<u>(25,805)</u>	<u>442,234</u>	Onshore
423,995	1,906,887	13,439,813	(25,805)	26,516,806	Total
					Utah
2,383,867	2,176,114	1,993,613	(1,740,620)	32,620,809	Onshore
					Virginia
1,522	---	179	(5,825)	72,079	Onshore
					Washington
11,360	---	9,265	(40,473)	674,445	Onshore
					West Virginia
23,157	---	60,921	(17,448)	282,009	Onshore
					Wisconsin
107	---	---	(11)	96	Onshore
					Wyoming
<u>8,643,916</u>	<u>41,628,910</u>	<u>6,585,419</u>	<u>(7,024,518)</u>	<u>237,179,528</u>	Onshore
\$ 906,920	\$ 4,590,361	\$65,008,683	\$ ---	\$106,525,776	Offshore Total
<u>\$18,710,546</u>	<u>\$57,472,201</u>	<u>\$21,250,327</u>	<u>\$(20,176,880)</u>	<u>\$549,699,482</u>	Onshore Total
\$19,617,466	\$62,062,562	\$86,259,010	\$(20,176,880)	\$656,225,258	Offshore and Onshore Total

NOTE: The offshore royalty subtotal in table 33 includes only production royalties for oil, gas, and other commodities. Offshore minimum royalties in table 33 are listed under "Other Revenues." Offshore royalty figures in table 35 include both production royalties and minimum royalties. The offshore royalty figures in table 35 will subsequently not equal the offshore royalty subtotals in table 33.

As indicated, "Other Revenues" in table 33 includes minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, and recoupments.

"Net Receipts Sharing" represents administrative costs withheld from State distributions under the provisions of Public Law 103-66.

Table 34. Summary of mineral revenues distributed to States by the Bureau of Land Management and Minerals Management Service from Federal onshore mineral leases, Fiscal Years 1920-98

	State Shares in Thousands of Dollars					
	1920-88	1989	1990	1991	1992	1993
Alabama	\$ 2,065	\$ 221	\$ 991	\$ 129	\$ 996	\$ 808
Alaska	293,291	9,429	8,048	9,953	7,745	6,940
Arizona	25,572	242	174	173	124	97
Arkansas	27,087	7,775	876	2,109	2,556	1,538
California	445,278	24,412	28,583	27,936	24,311	22,084
Colorado	565,523	32,616	36,356	57,944	44,558	35,916
Florida	1,049	186	56	49	79	102
Idaho	40,825	1,935	1,969	1,893	1,625	2,237
Illinois	---	---	---	---	---	191
Kansas	13,065	830	1,226	921	1,113	1,325
Kentucky	---	---	---	---	---	87
Louisiana	12,103	452	542	328	376	782
Michigan	953	668	724	669	764	698
Minnesota*	12	---	---	---	---	2
Mississippi	10,183	74	86	115	10	739
Missouri	---	---	---	---	---	475
Montana	261,179	19,958	20,318	23,227	18,998	22,378
Nebraska	2,338	115	127	---	---	---
Nevada	100,696	9,287	9,283	9,228	7,957	8,316
New Mexico	1,526,716	88,306	100,120	107,844	102,594	135,117
North Carolina	---	---	---	---	---	1
North Dakota	73,597	4,985	5,065	5,977	5,199	3,325
Ohio*	3	5	13	3	3	351
Oklahoma	27,220	1,912	1,817	1,716	1,243	2,778
Oregon	16,319	291	371	260	131	83
Pennsylvania	---	---	---	---	---	20
South Carolina	---	---	---	---	---	---
South Dakota	13,304	669	695	592	509	483
Tennessee*	13	---	---	---	---	1
Texas*	45	5	114	22	97	350
Utah	418,147	53,035	33,304	32,255	32,062	31,195
Virginia	36	20	20	19	19	151
Washington	3,826	208	155	231	887	458
West Virginia	28	---	---	---	---	264
Wisconsin*	2	---	---	---	---	2
Wyoming	<u>2,107,972</u>	<u>175,786</u>	<u>201,151</u>	<u>196,931</u>	<u>178,518</u>	<u>186,956</u>
Total	\$5,988,447	\$433,422	\$452,184	\$480,524	\$432,474	\$466,250

Table 34. Summary of mineral revenues distributed to States by the Bureau of Land Management and Minerals Management Service from Federal onshore mineral leases, Fiscal Years 1920-98 (cont.)

State Shares in Thousands of Dollars						
1994	1995	1996	1997	1998	1920-98	
\$ 296	\$ 442	\$ 197	\$ 599	\$ 988	\$ 7,732	Alabama
5,377	4,584	4,670	5,515	4,445	359,997	Alaska
94	112	41	69	184	26,882	Arizona
1,201	832	920	1,000	1,232	47,126	Arkansas
21,544	25,467	26,015	20,336	19,931	685,897	California
34,372	35,576	34,563	37,424	43,297	958,145	Colorado
81	87	27	4	5	1,725	Florida
2,509	2,361	2,159	2,211	2,466	62,190	Idaho
207	94	79	68	44	683	Illinois
1,057	871	1,094	1,329	1,244	24,075	Kansas
70	73	112	123	169	634	Kentucky
532	728	943	817	996	18,599	Louisiana
753	885	702	712	540	8,068	Michigan
25	17	6	13	12	87	Minnesota*
486	577	551	952	1,122	14,895	Mississippi
599	1,013	1,205	1,273	861	5,426	Missouri
23,995	24,623	20,271	20,379	21,960	477,286	Montana
6	14	14	16	10	2,640	Nebraska
7,542	8,136	5,759	5,707	4,908	176,819	Nevada
143,174	119,203	118,596	188,840	167,928	2,798,438	New Mexico
1	1	---	---	---	3	North Carolina
2,505	2,490	2,370	3,894	4,646	114,053	North Dakota
207	243	165	153	157	1,303	Ohio*
1,970	1,842	1,720	2,144	814	45,176	Oklahoma
56	48	66	45	98	17,768	Oregon
18	22	22	21	18	121	Pennsylvania
1	2	---	---	---	3	South Carolina
348	800	634	566	353	18,953	South Dakota
---	---	---	---	---	14	Tennessee*
515	455	648	637	442	3,330	Texas*
31,074	31,106	34,116	34,317	32,621	763,232	Utah
118	89	90	85	72	719	Virginia
123	371	468	818	674	8,219	Washington
261	197	197	327	282	1,556	West Virginia
---	1	1	1	---	7	Wisconsin*
<u>242,066</u>	<u>214,182</u>	<u>199,333</u>	<u>239,027</u>	<u>237,180</u>	<u>4,179,102</u>	Wyoming
\$523,183	\$477,544	\$457,754	\$569,422	\$549,699	\$10,830,903	Total

*Cumulative totals for these States may not include small-revenue shares that were disbursed during the previous decades.

NOTE: Figures represent actual payments to the States and not allocations. Mandated distributions to the States are based on percentage shares of royalties, rents, bonuses, and other mineral revenue collections. Beginning with Fiscal Year (FY) 1986, figures include interest accrued for late disbursements to the States. Beginning with FY 1991, figures represent payments to the States after the deduction of administrative costs required under the provisions of Public Law 103-66. Beginning with FY 1993, figures include distributions from acquired lands administered by the U.S. Army Corps of Engineers and from national forests administered by the U.S. Department of Agriculture.

SOURCE: Bureau of Land Management and Minerals Management Service, U.S. Department of the Interior.

Table 35. Distribution of Federal offshore rents, bonuses, royalties, escrow funds, and settlement payments under the provisions of the OCS Lands Act as amended, Fiscal Years 1986-98

	1986-95	1996	1997	1998	1986-98
Alabama					
Bonuses	\$ 819,374	\$ 124,382	\$ ---	\$ 209,450	\$ 1,153,206
Rents	497,118	19,201	16,480	11,561	544,360
Royalties	24,193,459	10,179,916	12,722,041	12,994,858	60,090,274
Section 8(g) Escrow	66,000,000	---	---	---	66,000,000
Settlement Payments ...	<u>3,010,000</u>	<u>490,000</u>	<u>700,000</u>	<u>700,000</u>	<u>4,900,000</u>
Total	\$ 94,519,951	\$ 10,813,499	\$ 13,438,521	\$ 13,915,869	\$ 132,687,840
Alaska					
Bonuses	\$ 1,690,277	\$ ---	\$ 574,255	\$ 3,138	\$ 2,267,670
Rents	2,989,122	40,235	137,726	114,893	3,281,976
Royalties	26,375	101,266	8,683	8,683	145,007
Section 7 Escrow	322,900,000	---	---	---	322,900,000
Section 7 Rents	372,747	6,553	3,210,286	33,472	3,623,058
Section 8(g) Escrow	51,000,000	---	---	---	51,000,000
Settlement Payments ...	<u>57,620,000</u>	<u>9,380,000</u>	<u>13,400,000</u>	<u>13,400,000</u>	<u>93,800,000</u>
Total	\$ 436,598,521	\$ 9,528,054	\$ 17,330,950	\$ 13,560,186	\$ 477,017,711
California					
Bonuses	\$ 9	\$ ---	\$ ---	\$ ---	\$ 9
Rents	796,673	(429)	(2,932)	---	793,312
Royalties	26,146,248	4,735,950	3,698,576	2,268,702	36,849,476
Section 8(g) Escrow	338,000,000	---	---	---	338,000,000
Settlement Payments ...	<u>124,270,000</u>	<u>20,230,000</u>	<u>28,900,000</u>	<u>28,900,000</u>	<u>202,300,000</u>
Total	\$ 489,212,930	\$ 24,965,521	\$ 32,595,644	\$ 31,168,702	\$ 577,942,797
Florida					
Bonuses	\$ 2,216,037	\$ ---	\$ ---	\$ ---	\$ 2,216,037
Rents	140,973	10,194	11,962	1,775	164,904
Royalties	---	---	---	---	---
Section 8(g) Escrow	30,000	---	---	---	30,000
Settlement Payments ...	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$ 2,387,010	\$ 10,194	\$ 11,962	\$ 1,775	\$ 2,410,941

Table 35. Distribution of Federal offshore rents, bonuses, royalties, escrow funds, and settlement payments under the provisions of the OCS Lands Act as amended, Fiscal Years 1986-98 (cont.)

	1986-95	1996	1997	1998	1986-98
Louisiana					
Bonuses	\$ 26,231,203	\$ 4,666,400	\$ 5,689,689	\$ 1,744,928	\$ 38,332,220
Rents	3,588,727	292,445	686,051	412,229	4,979,452
Royalties	141,360,610	12,283,395	11,855,454	9,621,860	175,121,319
Section 8(g) Escrow	572,000,000	---	---	---	572,000,000
Settlement Payments ..	<u>36,120,000</u>	<u>5,880,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>58,800,000</u>
Total	\$ 779,300,540	\$ 23,122,240	\$ 26,631,194	\$ 20,179,017	\$ 849,232,991
Mississippi					
Bonuses	\$ 28,123	\$ ---	\$ ---	\$ 746,856	\$ 774,979
Rents	126,603	4,587	4,587	16,445	152,222
Royalties	516,514	401,234	518,628	662,354	2,098,730
Section 8(g) Escrow	14,000,000	---	---	---	14,000,000
Settlement Payments ..	<u>833,787</u>	<u>140,000</u>	<u>200,000</u>	<u>200,000</u>	<u>1,373,787</u>
Total.	\$ 15,505,027	\$ 545,821	\$ 723,215	\$ 1,625,655	\$ 18,399,718
Texas					
Bonuses	\$ 15,558,786	\$ 2,076,713	\$ 1,098,845	\$ 1,885,989	\$ 20,620,333
Rents	2,869,938	209,000	227,346	316,545	3,622,829
Royalties	117,969,830	9,219,584	10,674,561	10,472,038	148,336,013
Section 8(g) Escrow	382,000,000	---	---	---	382,000,000
Settlement Payments ..	<u>57,620,000</u>	<u>9,380,000</u>	<u>13,400,000</u>	<u>13,400,000</u>	<u>93,800,000</u>
Total	\$ 576,018,554	\$ 20,885,297	\$ 25,400,752	\$ 26,074,572	\$ 648,379,175
Totals					
Bonuses	\$ 46,543,809	\$ 6,867,495	\$ 7,362,789	\$ 4,590,361	\$ 65,364,454
Rents	11,009,154	575,233	1,081,220	873,448	13,539,055
Royalties	310,213,036	36,921,345	39,477,943	36,028,495	422,640,819
Section 7 Escrow	322,900,000	---	---	---	322,900,000
Section 7 Rents.	372,747	6,553	3,210,286	33,472	3,623,058
Section 8(g) Escrow	1,423,030,000	---	---	---	1,423,030,000
Settlement Payments ..	<u>279,473,787</u>	<u>45,500,000</u>	<u>65,000,000</u>	<u>65,000,000</u>	<u>454,973,787</u>
Total	\$ 2,393,542,533	\$ 89,870,626	\$ 116,132,238	\$ 106,525,776	\$ 2,706,071,173

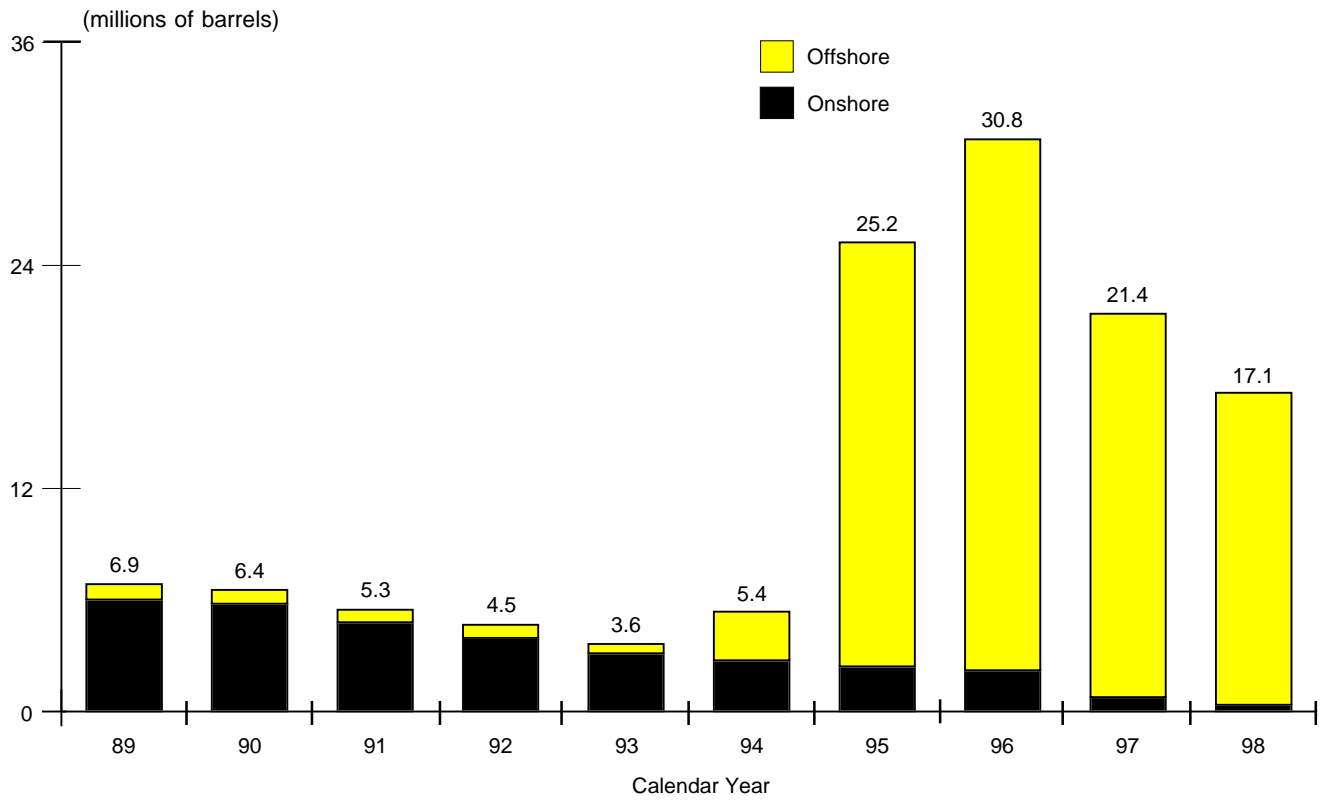


Figure 40. Small refiner program royalty-in-kind barrels of oil sold by land category, 1989-98

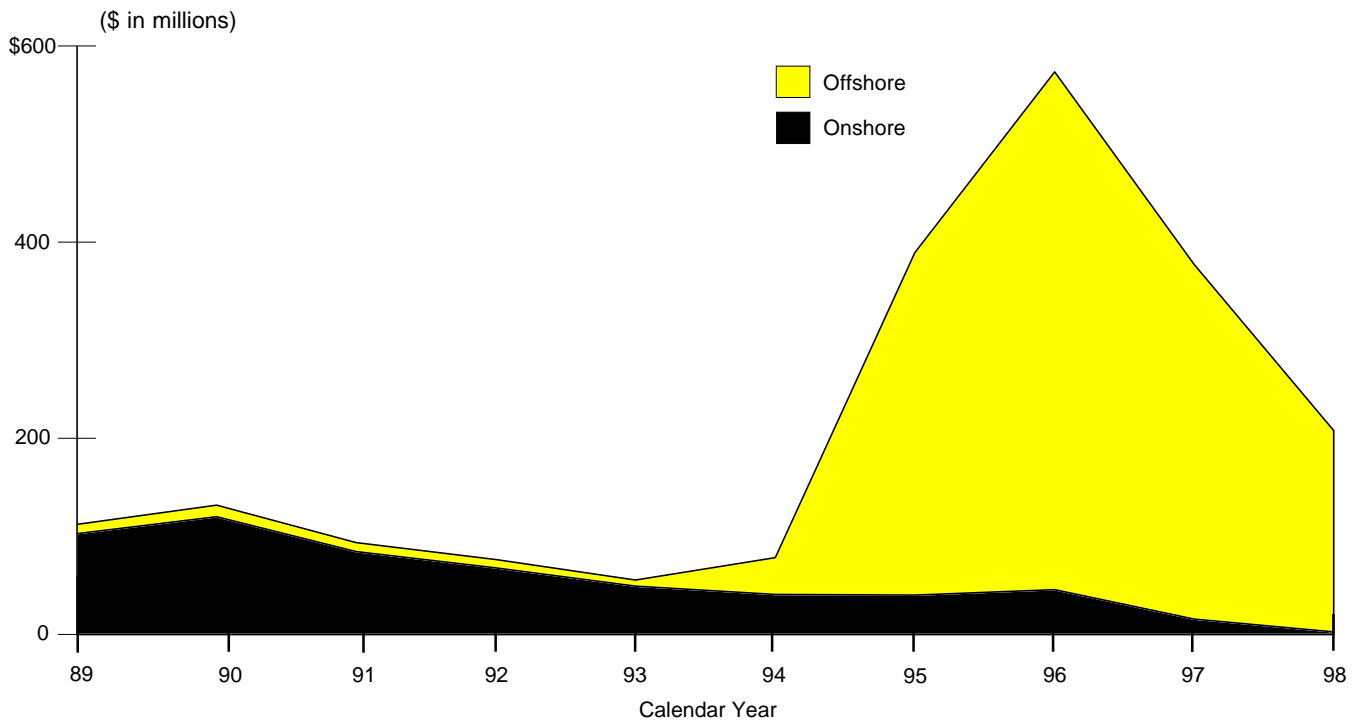


Figure 41. Small refiner program royalty-in-kind oil royalty value by land category, 1989-98

Royalty-In-Kind

The Federal Government, under the provisions of the Mineral Leasing Act of 1920 and the Outer Continental Shelf Lands Act (OCSLA) of 1953, may take part or all of its oil and gas royalties “in kind” (a volume of the commodity) as opposed to “in value” (money).

The Minerals Management Service (MMS) has historically operated a small refiner royalty-in-kind (RIK) program to sell crude oil at fair-market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices.

The MMS is also evaluating a series of pilot programs to determine if additional RIK programs are viable options

for the Federal Government and industry. A summary of the small refiner RIK program and the pilot programs follows.

Small Refiner RIK Program

The Secretary of the Interior, exercising discretionary authority, has historically determined that certain small oil refiners do not have access to a secure supply of crude.

The Federal Government may direct Federal lessees to pay their royalty shares in crude oil, rather than “in value” as

Table 36. Summary of small refiner program royalty-in-kind oil taken as royalty payments for Federal mineral lease sales volume, Calendar Years 1976-98

	Federal Onshore		Federal Offshore		Total Onshore/Offshore	
	Barrels Sold	Royalty Value	Barrels Sold	Royalty Value	Barrels Sold	Royalty Value
1976-88	99,772,199	\$1,665,242,506	205,100,114	\$3,568,628,522	304,872,313	\$5,233,871,028
1989	6,051,763	102,862,603	820,300	9,295,589	6,872,063	112,158,192
1990	5,642,125	120,013,340	733,582	11,544,477	6,375,707	131,557,817
1991	4,614,966	84,417,375	674,113	9,050,729	5,289,079	93,468,104
1992	3,783,823	67,841,891	713,272	8,537,273	4,497,095	76,379,164
1993	3,137,345	49,324,662	505,386	5,965,712	3,642,731	55,290,374
1994	2,749,327	40,801,627	2,617,358	37,327,546	5,366,685	78,129,173
1995	2,433,932	40,239,692	22,796,553	348,809,963	25,230,485	389,049,655
1996	2,223,615	45,651,963	28,559,249	527,945,318	30,782,864	573,597,281
1997	775,786	15,736,650	20,615,357	361,375,586	21,391,143	377,112,236
1998	155,844	2,674,042	16,985,740	205,154,707	17,141,584	207,828,749
Total	131,340,725	\$2,234,806,351	300,121,024	\$5,093,635,422	431,461,749	\$7,328,441,773

cash. The Federal Government then sells the RIK oil to eligible small refiners at a price consistent with applicable laws and regulations. Contracts with the refiners are usually made for a period of 3 years.

Four onshore small refiners' RIK contracts were in effect at the beginning of 1997. Three of the refiners elected to terminate their contracts over the course of the year. The remaining RIK contract was terminated by the refiner in July 1998.

Collective purchases by the onshore refiners fell 79.9 percent, from 775,786 barrels in 1997 to 155,844 barrels in 1998 as a result of the terminations. The royalty value of the purchases fell a corresponding 83 percent, from \$15.7 million in 1997 to \$2.7 million in 1998 (table 36, and figures 40 and 41).

The Royalty Management Program (RMP) assessed fees totaling \$27,711 to administer the onshore small refiner RIK program in 1998.

One Pacific and five Gulf of Mexico offshore small refiners' RIK contracts were in effect at the beginning of 1998. All six refiners continued to participate in the program throughout the year.

The offshore refiners collectively purchased 17 million barrels of RIK crude in 1998, down 17.6 percent or 3.6 million barrels from 1997. The royalty value of the purchases fell \$156.2 million, from \$361.4 million in 1997 to \$205.2 million in 1998 (table 36, and figures 40 and 41). Domestic oil prices are materially influenced by the international market. Abundant international supplies of oil caused prices to fall throughout 1998.

The RMP assessed fees totaling \$370,611 to administer the offshore small refiner RIK program during the year.

Total small refiner RIK crude, with a royalty value of \$207.8 million, represented approximately 19.4 percent of the oil royalties paid to the Federal Government in 1998 (tables 3 and 36).

RIK Pilot Programs

An MMS Feasibility Study in 1997 concluded that, under the right conditions, RIK programs could generate additional revenues and be more efficient for government and industry. The 1997 study further concluded that a

mandatory across-the-board RIK program would reduce Federal and State royalty revenues.

The MMS Director established an RIK Implementation Team in 1997 to study these issues. The team, based on the 1997 study recommendations, is pursuing three RIK pilot programs:

- Crude oil in Wyoming;
- Natural gas in the Texas 8(g) zone of the Gulf of Mexico; and
- Natural gas from Federal leases in the balance of the Gulf of Mexico.

Both the Wyoming and Texas 8(g) pilot program are expected to last a minimum of 2 years and will provide the foundation for larger RIK pilot initiatives.

The MMS has solicited participation from States affected by the pilot programs. The MMS is further evaluating the feasibility and efficiency of providing RIK production directly to other Federal agencies for consumption.

The three pilot programs are designed to demonstrate conclusively if RIK programs are viable options for the Federal Government and determine the optimal means for implementation.

Evaluation of the impact on revenues and administrative costs for the first pilot, crude oil in Wyoming, has commenced. Similar analyses of data from the later pilots will begin as the information becomes available.

A summary of the status of each of the three RIK pilot programs follows:

- **Crude Oil in Wyoming**

The MMS began taking oil under this pilot program in October 1998. The oil was delivered to successful bidders under an Invitation for Bids (IFB) issued in July 1998 for production from Federal leases in Wyoming.

A second IFB, offering RIK crude oil to be taken from both State of Wyoming and Federal leases beginning in April 1999, was developed in partnership with State officials and issued January 4, 1999.

A third IFB offering RIK crude oil from both Federal and State properties was issued in July 1999.

- **Natural Gas in the Texas 8(g) Zone of the Gulf of Mexico**

Section 8(g) of the OCSLA Amendments of 1978 provided that the States were to receive a 27 percent share of revenues generated from the leasing of public lands within 3 miles of the seaward boundary of a coastal State. These lands contain one or more oil and gas pools or fields underlying both the Outer Continental Shelf and lands subject to the jurisdiction of the State.

The pilot program involves leases located in the 3-mile section 8(g) zone off the coast of Texas. The program commenced in December 1998 when MMS began

taking natural gas for delivery to the General Services Administration for use by Federal agencies.

The MMS is also exploring ways to market Federal and State gas production in a cost-effective manner pursuant to a Cooperative Agreement with the State of Texas General Land Office.

- **Natural Gas from Federal Leases in the Balance of the Gulf of Mexico**

This pilot program, scheduled to begin in the fall of 1999, will involve as much as 800 million cubic feet of natural gas per day to be taken from the balance of the Gulf of Mexico and will run 3 to 4 years.

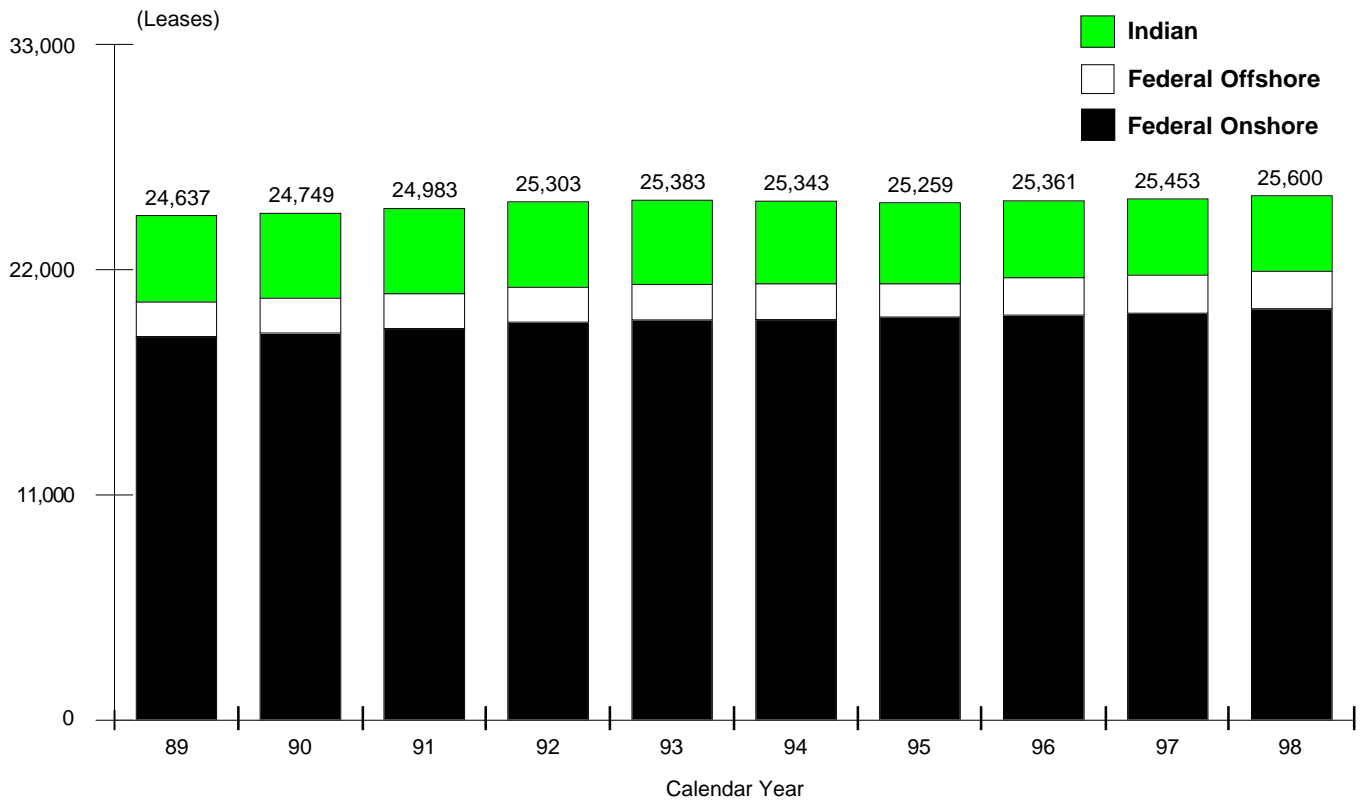


Figure 42. Producing and producible Federal and Indian onshore, and Federal offshore oil and gas leases, 1989-98

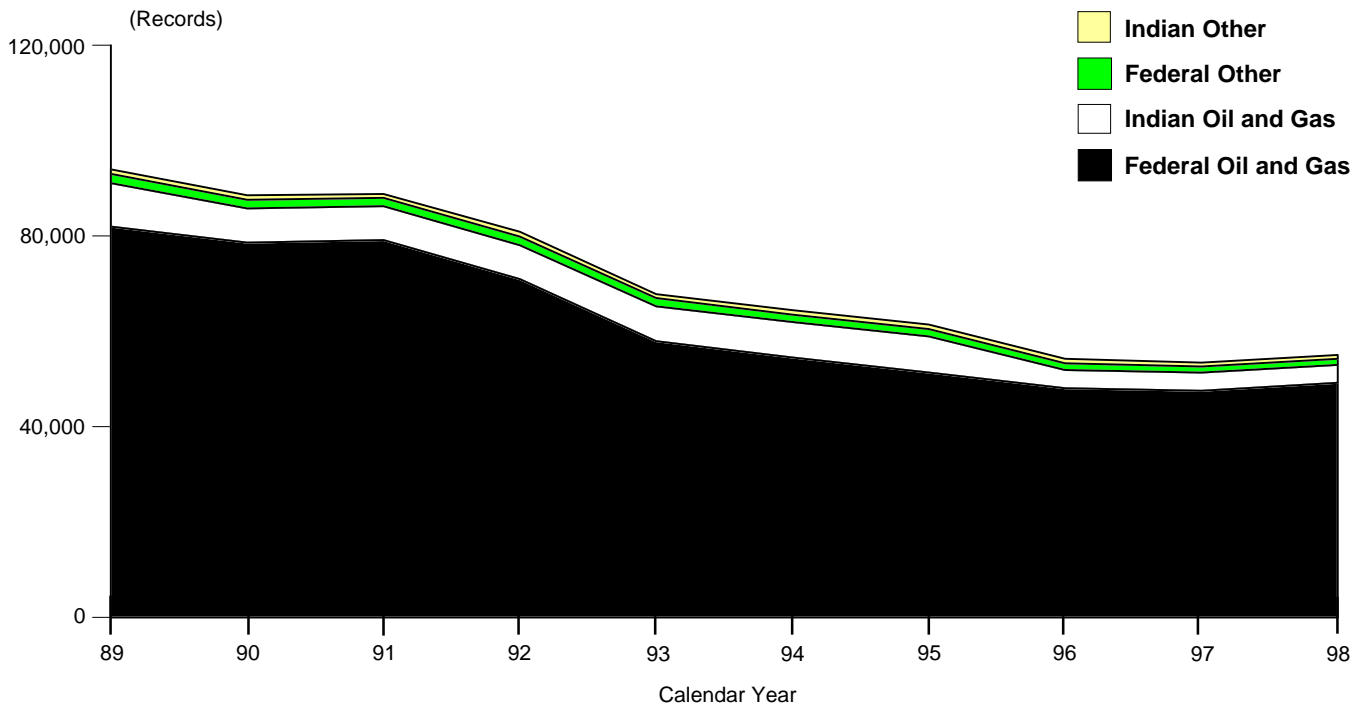


Figure 43. Mineral leases, licenses, permits, and applications on Federal and Indian onshore lands, 1989-98

Lease Management

Oil and Gas Leases

There were 25,600 producing and producible Federal offshore, Federal onshore, and American Indian oil and gas leases on 21.2 million acres at the end of 1998. These numbers represent an increase of 147 leases and a decline of 50,129 acres over corresponding totals during 1997 (tables 37 and 38, and figure 42). The decline in lease acreage is due to the termination of several large offshore properties.

There were 35 fewer producing or producible oil and gas leases on Federal offshore lands in 1998. Offshore producible land fell by 172,250 acres during the year (table 38 and figure 42).

Federal onshore lands experienced a net increase of 220 producing or producible oil and gas leases in 1998. Federal onshore producible land rose 126,824 acres from 1997 to 1998 (table 38 and figure 42).

In contrast, American Indian lands produced a net decline of 38 producing or producible oil and gas leases in 1998. American Indian oil and gas acreage fell 4,703 acres during the period (table 38 and figure 42).

Coal Leases

Federal and American Indian lands contained 157 producing coal leases on 405,352 acres at the end of 1998. These numbers represent a net decline of 7 leases on 15,708 acres over corresponding totals in 1997 (tables 39 and 40, and figure 44).

American Indian coal leases and acreage in production remained stable during the 2-year period (table 40 and figure 44). The number of Federal onshore producing coal leases fell in Kentucky, Oklahoma, Utah, and Wyoming. The decline in Utah was particularly significant, falling from 43 leases on 60,585 acres in 1997, to 28 leases on 50,176 acres in 1998. The decline was offset, in part, by increases in producing coal leases in Colorado, Montana, North Dakota, and Washington.

Other Mineral Leases

Federal onshore and American Indian lands contained 173 leases for minerals other than oil, gas, and coal on 249,589 acres at the end of 1998. These numbers represent a net decline of 6 leases and an increase of 8,712 acres over corresponding totals in 1997 (tables 41 and 42). The increase in acreage was primarily associated with additional acreage in production for sand and gravel on American Indian leases in Oklahoma.

Federal onshore lands produced a net increase of 1 lease and a net decline of 3,801 acres during the year (table 42). Increases in leases and acreage were recorded with geothermal in California, copper/lead/zinc in Missouri, and gilsonite in Utah. The increases were offset, in part, by declines in langbeinite/potash/sodium in New Mexico, and sodium in Wyoming.

American Indian lands produced a net decline of 7 leases in 1998. American Indian land in production increased by 12,513 acres during the year (table 42). The increase in acreage was primarily due to the addition of 12,743 acres in production on sand and gravel leases in Oklahoma. Leases declined with sand and gravel in Arizona, Utah, and Washington; phosphate in Idaho; and chat in Oklahoma. Additional leases were recorded for sand and gravel in New Mexico.

Lease Records

The U.S. Department of the Interior administered 55,057 mineral leases, licenses, permits, and applications on Federal and American Indian onshore lands at the end of 1998. This included 53,556 oil and gas records and 1,501 coal and other minerals records (figure 43, and tables 45 and 46). The Department further administered 8,278 producing and nonproducing mineral leases on Federal offshore lands at the end of 1998. This included 8,272 oil and gas leases and 6 sulfur leases. The number of producing and nonproducing Federal offshore leases rose 12.5 percent in 1998, from 7,359 leases in 1997 (tables 43 and 44, and figure 45). The increase is associated with recent competitive lease sales on the Outer Continental Shelf.

Table 37. Producing and producible Federal and Indian onshore, and Federal offshore oil and gas leases as of December 31, 1998

<i>Onshore</i>	<u>Federal Onshore</u>		<u>Indian Onshore</u>		<u>Total Onshore</u>		
	No.	Acres	No.	Acres	No.	Acres	
Alabama	24	13,823	---	---	24	13,823	
Alaska	35	61,618	1	2,560	36	64,178	
Arizona	---	---	15	69,096	15	69,096	
Arkansas	187	89,758	---	---	187	89,758	
California	363	104,841	---	---	363	104,841	
Colorado	2,024	1,366,196	160	519,980	2,184	1,886,176	
Florida	3	3,476	---	---	3	3,476	
Illinois	7	1,371	---	---	7	1,371	
Kansas	446	122,598	---	---	446	122,598	
Kentucky	60	35,120	---	---	60	35,120	
Louisiana	209	71,559	---	---	209	71,559	
Maryland	2	34,941	---	---	2	34,941	
Michigan	66	78,820	3	60	69	78,880	
Mississippi	110	53,094	---	---	110	53,094	
Missouri	1	200	---	---	1	200	
Montana	1,326	778,694	428	99,685	1,754	878,379	
Nebraska	25	37,275	---	---	25	37,275	
Nevada	67	52,266	---	---	67	52,266	
New Mexico	5,992	3,439,799	442	506,511	6,434	3,946,310	
New York	4	1,009	---	---	4	1,009	
North Dakota	547	330,519	26	5,083	573	335,602	
Ohio	163	23,471	---	---	163	23,471	
Oklahoma	809	126,589	1,746	148,336	2,555	274,925	
Pennsylvania	60	24,681	---	---	60	24,681	
South Dakota	74	33,537	---	---	74	33,537	
Tennessee	7	2,446	---	---	7	2,446	
Texas	187	83,486	9	3,998	196	87,484	
Utah	1,186	883,814	789	255,844	1,975	1,139,658	
Virginia	14	10,982	---	---	14	10,982	
West Virginia	159	149,694	---	---	159	149,694	
Wyoming	<u>5,931</u>	<u>2,905,986</u>	<u>70</u>	<u>40,519</u>	<u>6,001</u>	<u>2,946,505</u>	
Onshore Subtotal . . .	20,088	10,921,663	3,689	1,651,672	23,777	12,573,335	
					<u>Total Offshore</u>		
					No.	Acres	
<i>Offshore</i>							
Alaska						6	31,867
California						43	217,668
Gulf of Mexico							
Central						1,407	6,440,390
Eastern						1	5,760
Western						<u>366</u>	<u>1,944,206</u>
Offshore Subtotal						1,823	8,639,891
					<u>Total Onshore/Offshore</u>		
					No.	Acres	
<i>Onshore and Offshore</i>							
Producing and Producing Federal and Indian Oil and Gas Leases						25,600	21,213,226

Table 38. Producing and producible Federal and Indian onshore, and Federal offshore oil and gas leases as of December 31, 1989-98

	No.	Acres		No.	Acres
1989			1994		
Federal offshore ...	1,685	7,889,966	Federal offshore ...	1,751	8,214,508
Federal onshore ...	18,729	10,874,641	Federal onshore ...	19,555	10,651,011
Indian	<u>4,223</u>	<u>1,565,123</u>	Indian	<u>4,037</u>	<u>1,729,492</u>
Total	24,637	20,329,730	Total	25,343	20,595,011
1990			1995		
Federal offshore ...	1,714	8,038,529	Federal offshore ...	1,631	8,042,430
Federal onshore ...	18,898	10,609,663	Federal onshore ...	19,678	10,698,890
Indian	<u>4,137</u>	<u>1,607,407</u>	Indian	<u>3,950</u>	<u>1,731,423</u>
Total	24,749	20,255,599	Total	25,259	20,472,743
1991			1996		
Federal offshore ...	1,710	7,955,254	Federal offshore ...	1,837	8,669,194
Federal onshore ...	19,115	10,635,862	Federal onshore ...	19,770	10,732,949
Indian	<u>4,158</u>	<u>1,605,970</u>	Indian	<u>3,754</u>	<u>1,687,147</u>
Total	24,983	20,197,086	Total	25,361	21,089,290
1992			1997		
Federal offshore ...	1,709	7,968,814	Federal offshore ...	1,858	8,812,141
Federal onshore ...	19,428	10,710,890	Federal onshore ...	19,868	10,794,839
Indian	<u>4,166</u>	<u>1,710,998</u>	Indian	<u>3,727</u>	<u>1,656,375</u>
Total	25,303	20,390,702	Total	25,453	21,263,355
1993			1998		
Federal offshore ...	1,731	8,098,980	Federal offshore ...	1,823	8,639,891
Federal onshore ...	19,543	10,677,476	Federal onshore ...	20,088	10,921,663
Indian	<u>4,109</u>	<u>1,708,028</u>	Indian	<u>3,689</u>	<u>1,651,672</u>
Total	25,383	20,484,484	Total	25,600	21,213,226

Table 39. Producing Federal and Indian onshore coal leases as of December 31, 1998

	Federal		Indian		Total	
	No.	Acres	No.	Acres	No.	Acres
Alabama	1	1,610	---	---	1	1,610
Arizona	---	---	3	64,858	3	64,858
Colorado	41	62,212	---	---	41	62,212
Kentucky	2	1,593	---	---	2	1,593
Montana	15	26,562	1	14,746	16	41,308
New Mexico	7	14,377	2	36,026	9	50,403
North Dakota	6	6,343	---	---	6	6,343
Oklahoma	4	9,130	---	---	4	9,130
Utah	28	50,176	---	---	28	50,176
Washington	2	521	---	---	2	521
Wyoming	<u>45</u>	<u>117,198</u>	<u>---</u>	<u>---</u>	<u>45</u>	<u>117,198</u>
Total	151	289,722	6	115,630	157	405,352

Table 40. Producing Federal and Indian onshore coal leases as of December 31, 1989-98

	Federal		Indian		Total	
	No.	Acres	No.	Acres	No.	Acres
1989	126	235,975	8	156,141	134	392,116
1990	128	255,586	6	115,630	134	371,216
1991	134	273,408	6	113,194	140	386,602
1992	138	279,785	6	123,998	144	403,783
1993	133	268,030	6	123,998	139	392,028
1994	136	276,650	6	123,517	142	400,167
1995	142	294,568	6	123,517	148	418,085
1996	134	275,910	6	115,630	140	391,540
1997	158	305,430	6	115,630	164	421,060
1998	151	289,722	6	115,630	157	405,352

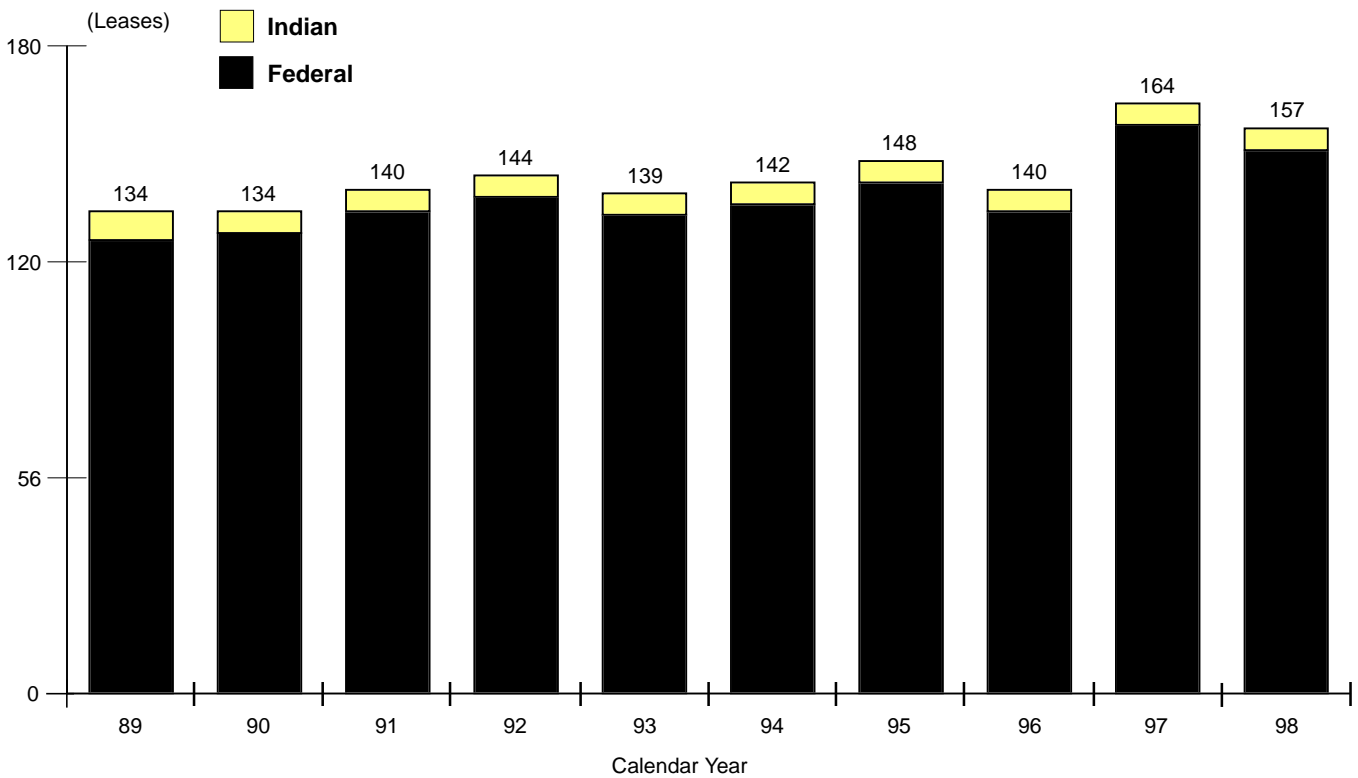


Figure 44. Producing Federal and Indian onshore coal leases, 1989-98

Table 41. Producing Federal and Indian onshore leases of other minerals as of December 31, 1998

	Federal		Indian		Total	
	No.	Acres	No.	Acres	No.	Acres
Alabama						
Clay	1	40	---	---	1	40
Arizona						
Copper	---	---	3	6,734	3	6,734
Sand-Gravel	---	---	1	138	1	138
Silica Sand	---	---	1	640	1	640
Sodium	1	4	---	---	1	4
Arkansas						
Quartz Crystals	3	322	---	---	3	322
California						
Geothermal	23	26,035	---	---	23	26,035
Sand-Gravel	---	---	1	1,288	1	1,288
Sodium	1	15,109	---	---	1	15,109
Colorado						
Sand-Gravel	---	---	1	24	1	24
Sodium	1	2,483	---	---	1	2,483
Idaho						
Phosphate	4	4,759	7	3,636	11	8,395
Missouri						
Copper/Lead/Zinc	12	27,076	---	---	12	27,076
Nevada						
Geothermal	27	28,622	---	---	27	28,622
Sand-Gravel	3	1,420	1	100	4	1,520
New Mexico						
Gypsum	---	---	2	815	2	815
Hot Water	3	2,940	---	---	3	2,940
Potash	12	21,228	---	---	12	21,228
Potash/Langbeinite	10	20,127	---	---	10	20,127
Potash/Sodium	2	4,996	---	---	2	4,996
Sand-Gravel	---	---	4	850	4	850
Sodium	4	3,952	---	---	4	3,952
Oklahoma						
Limestone	---	---	1	18	1	18
Sand-Gravel	---	---	3	12,888	3	12,888
Utah						
Geothermal	6	11,559	---	---	6	11,559
Gilsonite	5	1,159	---	---	5	1,159
Potash/Magnesium/Sodium ..	10	24,700	---	---	10	24,700
Sand-Gravel	---	---	1	200	1	200

Table 41. Producing Federal and Indian onshore leases of other minerals as of December 31, 1998 (cont.)

	Federal		Indian		Total	
	No.	Acres	No.	Acres	No.	Acres
Virginia						
Limestone	1	355	---	---	1	355
Washington						
Sand-Gravel	---	---	5	139	5	139
Wyoming						
Purge Liquor/Sodium/Trona . .	<u>13</u>	<u>25,233</u>	<u>---</u>	<u>---</u>	<u>13</u>	<u>25,233</u>
Total	142	222,119	31	27,470	173	249,589

NOTE: Selected leases may represent communitization or unitization agreements.

Table 42. Producing Federal and Indian onshore leases of other minerals as of December 31, 1989-98

	Federal		Indian		Total	
	No.	Acres	No.	Acres	No.	Acres
1989	173	336,159	42	14,564	215	350,723
1990	175	338,547	47	12,265	222	350,812
1991	181	348,967	50	16,370	231	365,337
1992	198	358,184	58	18,001	256	376,185
1993	202	363,291	59	21,570	261	384,861
1994	149	232,055	53	17,685	202	249,740
1995	148	232,799	52	19,008	200	251,807
1996	143	231,620	45	17,516	188	249,136
1997	141	225,920	38	14,957	179	240,877
1998	142	222,119	31	27,470	173	249,589

NOTE: Selected leases may represent communitization or unitization agreements.

Table 43. Summary by area of Federal offshore producing and nonproducing oil, gas, and other mineral leases under the supervision of the U.S. Department of the Interior, as of December 31, 1998

	Oil and Gas		Other		Total Offshore	
	No.	Acres	No.	Acres	No.	Acres
Alaska	98	372,571	---	---	98	372,571
Atlantic States	19	108,170	---	---	19	108,170
California	83	423,345	---	---	83	423,345
Gulf of Mexico						
Central	5,349	27,044,512	6	19,966	5,355	27,064,478
Eastern	148	852,480	---	---	148	852,480
Western	<u>2,575</u>	<u>14,362,078</u>	---	---	<u>2,575</u>	<u>14,362,078</u>
Subtotal	8,072	42,259,070	6	19,966	8,078	42,279,036
Total	8,272	43,163,156	6	19,966	8,278	43,183,122

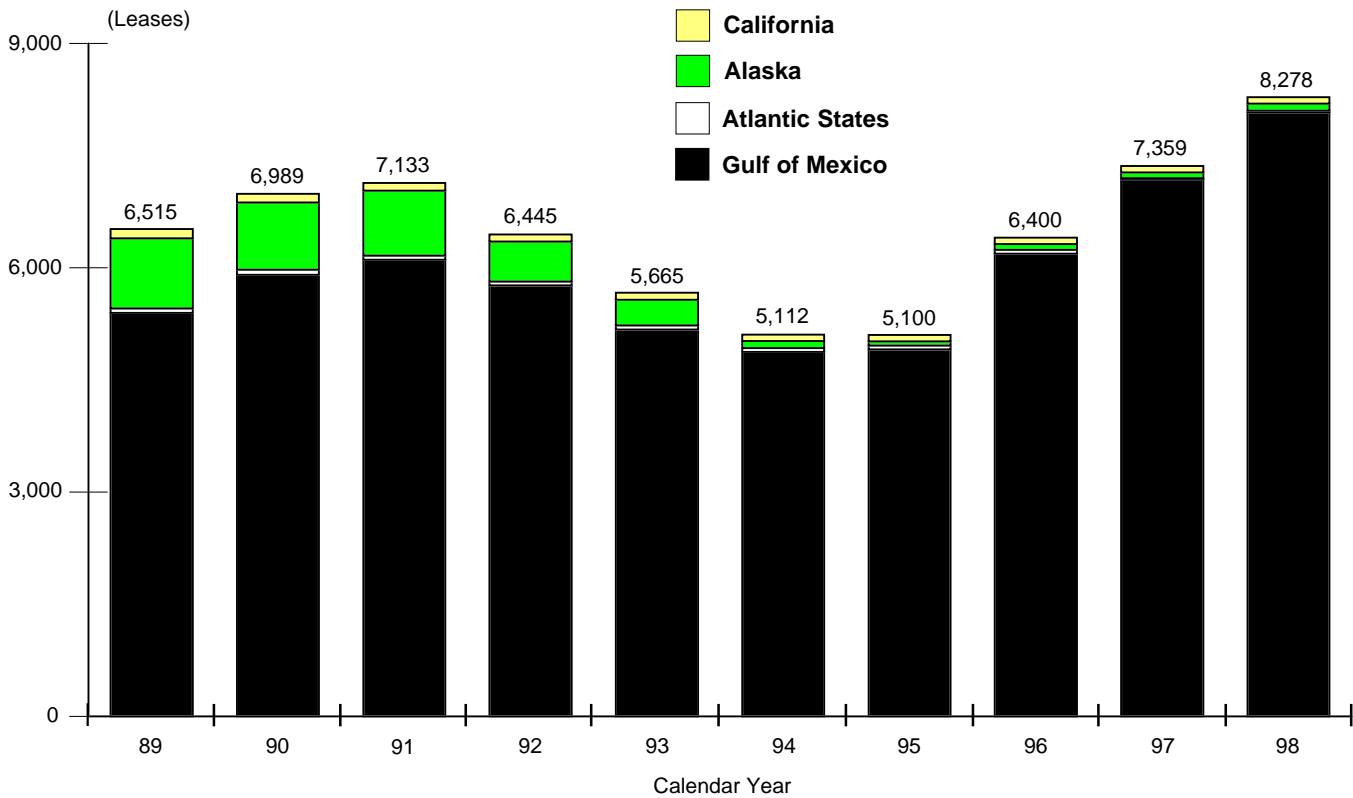


Figure 45. Federal offshore oil, gas, and other mineral leases, 1989-98

Table 44. Summary of Federal offshore producing and nonproducing oil, gas, and other mineral leases under the supervision of the U.S. Department of the Interior, as of December 31, 1989-98

	Oil and Gas		Other		Total Offshore	
	No.	Acres	No.	Acres	No.	Acres
1989	6,498	33,273,059	17	148,774	6,515	33,421,833
1990	6,972	35,733,664	17	148,774	6,989	35,882,438
1991	7,121	36,826,386	12	92,865	7,133	36,919,251
1992	6,435	32,959,376	10	81,119	6,445	33,040,495
1993	5,653	28,882,212	12	84,028	5,665	28,966,240
1994	5,105	25,764,899	7	23,247	5,112	25,788,146
1995	5,095	25,997,641	5	18,454	5,100	26,016,095
1996	6,394	32,790,763	6	19,966	6,400	32,810,729
1997	7,353	37,955,278	6	19,966	7,359	37,975,244
1998	8,272	43,163,156	6	19,966	8,278	43,183,122

Table 45. Summary by State of oil, gas, and other mineral leases, licenses, permits, and applications under the supervision of the U.S. Department of the Interior on Federal and Indian onshore lands, as of December 31, 1998

	Oil and Gas						Total Oil and Gas	
	Public		Acquired		Indian		Onshore	
	No.	Acres	No.	Acres	No.	Acres	No.	Acres
Alabama	34	8,948	71	32,761	---	---	105	41,709
Alaska	38	68,492	1	400	2	2,720	41	71,612
Arizona	58	106,768	3	4,972	15	69,096	76	180,836
Arkansas	202	98,017	446	286,969	---	---	648	384,986
California	527	191,693	22	3,882	---	---	549	195,575
Colorado	4,322	3,449,118	216	96,307	163	526,801	4,701	4,072,226
Florida	6	408	28	23,643	---	---	34	24,051
Georgia	---	---	---	---	---	---	---	---
Idaho	4	5,654	---	---	---	---	4	5,654
Illinois	---	---	14	6,823	---	---	14	6,823
Indiana	---	---	---	---	---	---	---	---
Kansas	122	40,593	324	82,005	---	---	446	122,598
Kentucky	---	---	67	40,126	---	---	67	40,126
Louisiana	122	19,129	598	301,565	---	---	720	320,694
Maryland	---	---	4	34,941	---	---	4	34,941
Massachusetts	---	---	1	241	---	---	1	241
Michigan	59	50,968	175	61,597	3	60	237	112,625
Minnesota	---	---	2	280	---	---	2	280
Mississippi	34	4,403	1,155	550,898	---	---	1,189	555,301
Missouri	---	---	1	200	---	---	1	200
Montana	3,231	3,030,912	390	272,425	443	107,571	4,064	3,410,908
Nebraska	24	33,537	11	3,738	---	---	35	37,275
Nevada	1,132	1,604,381	---	---	---	---	1,132	1,604,381
New Mexico	8,857	5,284,739	36	13,035	448	566,836	9,341	5,864,610
New York	---	---	5	1,644	---	---	5	1,644
North Carolina	---	---	---	---	---	---	---	---
North Dakota	623	225,297	1,069	617,136	32	5,920	1,724	848,353
Ohio	1	50	216	48,248	---	---	217	48,298
Oklahoma	744	83,687	424	164,015	1,758	149,505	2,926	397,207
Oregon	9	15,095	7	22,793	---	---	16	37,888
Pennsylvania	---	---	75	24,681	---	---	75	24,681
South Carolina	---	---	---	---	---	---	---	---
South Dakota	280	224,574	35	29,426	---	---	315	254,000
Tennessee	---	---	20	33,747	---	---	20	33,747
Texas	---	---	462	358,645	9	3,998	471	362,643
Utah	3,468	3,357,247	25	5,167	797	278,154	4,290	3,640,568
Virginia	---	---	33	31,778	---	---	33	31,778
Washington	14	10,799	12	28,216	---	---	26	39,015
West Virginia	---	---	257	149,694	---	---	257	149,694
Wisconsin	1	203	3	7,765	---	---	4	7,968
Wyoming	19,474	13,420,521	216	93,525	77	43,491	19,767	13,557,537
Total	43,386	31,335,233	6,424	3,433,288	3,747	1,754,152	53,557	36,522,673

Table 45. Summary by State of oil, gas, and other mineral leases, licenses, permits, and applications under the supervision of the U.S. Department of the Interior on Federal and Indian onshore lands, as of December 31, 1998 (cont.)

Public		Other Minerals Acquired		Indian		Total Other Onshore		Total Oil, Gas, and Other Minerals		
No.	Acres	No.	Acres	No.	Acres	No.	Acres	No.	Acres	
5	9,548	6	537	---	---	11	10,085	116	51,794	Alabama
2	5,148	---	---	---	---	2	5,148	43	76,760	Alaska
1	4	---	---	14	82,004	15	82,008	91	262,844	Arizona
---	---	3	322	---	---	3	322	651	385,308	Arkansas
142	169,825	4	919	5	1,393	151	172,137	700	367,712	California
105	228,784	---	---	1	24	106	228,808	4,807	4,301,034	Colorado
5	922	1	40	---	---	6	962	40	25,013	Florida
---	---	1	218	---	---	1	218	1	218	Georgia
92	43,883	7	786	48	7,287	147	51,956	151	57,610	Idaho
---	---	3	238	---	---	3	238	17	7,061	Illinois
---	---	---	---	---	---	---	---	---	---	Indiana
---	---	---	---	---	---	---	---	446	122,598	Kansas
5	4,334	---	---	---	---	5	4,334	72	44,460	Kentucky
---	---	---	---	---	---	---	---	720	320,694	Louisiana
---	---	---	---	---	---	---	---	4	34,941	Maryland
---	---	---	---	---	---	---	---	1	241	Massachusetts
---	---	6	5,208	---	---	6	5,208	243	117,833	Michigan
2	468	3	5,639	---	---	5	6,107	7	6,387	Minnesota
---	---	---	---	---	---	---	---	1,189	555,301	Mississippi
---	---	42	40,202	---	---	42	40,202	43	40,402	Missouri
38	108,480	---	---	9	15,352	47	123,832	4,111	3,534,740	Montana
---	---	---	---	---	---	---	---	35	37,275	Nebraska
157	229,446	---	---	1	264	158	229,710	1,290	1,834,091	Nevada
149	221,068	---	---	66	262,488	215	483,556	9,556	6,348,166	New Mexico
---	---	---	---	---	---	---	---	5	1,644	New York
---	---	1	158	---	---	1	158	1	158	North Carolina
18	25,417	---	---	---	---	18	25,417	1,742	873,770	North Dakota
---	---	---	---	---	---	---	---	217	48,298	Ohio
18	34,448	---	---	26	13,766	44	48,214	2,970	445,421	Oklahoma
68	64,885	---	---	1	10	69	64,895	85	102,783	Oregon
---	---	---	---	---	---	---	---	75	24,681	Pennsylvania
---	---	1	1,109	---	---	1	1,109	1	1,109	South Carolina
---	---	---	---	---	---	---	---	315	254,000	South Dakota
---	---	---	---	---	---	---	---	20	33,747	Tennessee
---	---	---	---	---	---	---	---	471	362,643	Texas
207	410,246	---	---	1	200	208	410,446	4,498	4,051,014	Utah
---	---	1	355	---	---	1	355	34	32,133	Virginia
2	521	---	---	12	2,145	14	2,666	40	41,681	Washington
---	---	---	---	---	---	---	---	257	149,694	West Virginia
---	---	7	4,295	---	---	7	4,295	11	12,263	Wisconsin
<u>181</u>	<u>388,410</u>	<u>3</u>	<u>3,120</u>	<u>31</u>	<u>2,220</u>	<u>215</u>	<u>393,750</u>	<u>19,982</u>	<u>13,951,287</u>	Wyoming
1,197	1,945,837	89	63,146	215	387,153	1,501	2,396,136	55,058	38,918,809	Total

NOTE: Beginning in 1994, all Federal onshore coal leases, licenses, permits, and applications are listed under public lands. Records from automated systems used to produce tables 45 and 46 in this report no longer distinguish Federal onshore coal activity between public and acquired lands. Most Federal onshore coal mining is conducted on public lands. Indian coal leases, licenses, permits, and applications will continue to be listed under Indian lands. Minerals other than coal will continue to be identified under the appropriate public, acquired, and Indian land category.

SOURCE: Bureau of Land Management and Minerals Management Service, U.S. Department of the Interior.

Table 46. Summary of oil, gas, and other mineral leases, licenses, permits, and applications under the supervision of the U.S. Department of the Interior on Federal and Indian onshore lands, as of December 31, 1989-98

	Public		Oil and Gas				Total Oil and Gas	
			Acquired		Indian		Onshore	
	No.	Acres	No.	Acres	No.	Acres	No.	Acres
1989 . . .	73,266	61,469,693	8,878	6,210,647	9,119	3,587,979	91,263	71,268,319
1990 . . .	70,171	57,750,686	9,016	5,899,476	7,159	2,833,786	86,346	66,483,948
1991 . . .	70,910	54,016,432	8,793	5,272,419	7,125	2,666,711	86,828	61,955,562
1992 . . .	62,305	46,988,872	8,857	4,920,324	7,088	2,283,097	78,250	54,192,293
1993 . . .	50,820	37,662,273	7,730	4,195,106	7,301	2,277,079	65,851	44,134,458
1994 . . .	48,102	35,762,415	6,995	3,716,707	7,443	2,384,998	62,540	41,864,120
1995 . . .	45,474	33,160,024	6,462	3,472,604	7,611	2,434,559	59,547	39,067,187
1996 . . .	42,624	30,524,913	6,031	3,158,371	3,802	1,747,487	52,457	35,430,771
1997 . . .	42,031	30,331,827	6,098	3,189,869	3,789	1,743,591	51,918	35,265,287
1998 . . .	43,386	31,335,233	6,424	3,433,288	3,747	1,754,152	53,557	36,522,673

Table 46. Summary of oil, gas, and other mineral leases, licenses, permits, and applications under the supervision of the U.S. Department of the Interior on Federal and Indian onshore lands, as of December 31, 1989-98 (cont.)

Public		Other Minerals Acquired		Indian		Total Other Onshore		Total Oil, Gas, and Other Minerals		
No.	Acres	No.	Acres	No.	Acres	No.	Acres	No.	Acres	
1,775	2,647,295	179	174,403	317	454,472	2,271	3,276,170	93,534	74,544,489	... 1989
1,673	2,489,233	177	165,462	280	468,590	2,130	3,123,285	88,476	69,607,233	... 1990
1,562	2,302,414	179	158,322	233	390,915	1,974	2,851,651	88,802	64,807,213	... 1991
1,582	2,359,136	196	200,643	228	388,759	2,006	2,948,538	80,256	57,140,831	... 1992
1,524	2,184,990	168	175,989	206	230,949	1,898	2,591,928	67,749	46,726,386	... 1993
1,428	2,059,618	135	115,239	123	178,884	1,686	2,353,741	64,226	44,217,861	... 1994
1,377	2,166,651	137	100,976	145	181,664	1,659	2,449,291	61,206	41,516,478	... 1995
1,300	2,107,400	124	93,593	150	180,469	1,574	2,381,462	54,031	37,812,233	... 1996
1,218	1,977,004	93	66,846	214	393,107	1,525	2,436,957	53,443	37,702,244	... 1997
1,197	1,945,837	89	63,146	215	387,153	1,501	2,396,136	55,058	38,918,809	... 1998

NOTE: Beginning in 1994, all Federal onshore coal leases, licenses, permits, and applications are listed under public lands. Records from automated systems used to produce tables 45 and 46 in this report no longer distinguish Federal onshore coal activity between public and acquired lands. Most Federal onshore coal mining is conducted on public lands. Indian coal leases, licenses, permits, and applications will continue to be listed under Indian lands. Minerals other than coal will continue to be identified under the appropriate public, acquired, and Indian land category.

SOURCE: Bureau of Land Management and Minerals Management Service, U.S. Department of the Interior.

Table 47. General Federal and Indian mineral lease terms

<i>Oil, Gas, and Sulfur Leases on Federal Offshore Lands</i>	
Customary Royalty Rate	Flat rates of 12 1/2% or 16 2/3% in amount or value of production. Variable rates of 16 2/3% or more in amount or value of production, depending on lease sale. Net profit share rates as specified in lease sale. See Title 30 Code of Federal Regulations (CFR) Section 260 - Outer Continental Shelf Oil and Gas Leasing.
Annual Rent and Other Fees	Rent \$3 to \$5 per acre. Minimum royalty \$3 to \$5 per acre after discovery. Rent \$10 per acre for drainage sales. Minimum royalty \$10 per acre for drainage sales.
Duration of Lease	5 to 10 years; continued if capable of producing in commercial quantities. 8 and 10 years in depths of 400 meters or more.
Size of Lease	2,500 to 5,760 acres, or equivalent hectares, unless a larger area is needed for a production unit.
Bonding Requirements	Lease: \$50,000. Area: depending on development, up to \$3,000,000.
<i>Oil and Gas Leases on Federal Onshore Lands: Competitive Leases</i>	
Customary Royalty Rate	Leases issued from 5-3-45 to 12-22-87: oil 12 1/2% to 25% and gas 12 1/2% or 16 2/3% in amount or value of production, depending on production per well per day for the calendar month. Leases issued after 12-22-87: flat rate of 12 1/2% in amount or value of production. See 43 CFR 3103.3 - Royalties, and Bureau of Land Management (BLM) Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Annual Rent and Other Fees	Leases issued prior to 9-2-60: \$0.25 to \$1 per acre. Leases issued 9-2-60 through 12-22-87: \$2 per acre. Bonus paid at issuance. Leases issued after 12-22-87: \$1.50 per acre first 5 years, \$2 per acre subsequent years if extended. See 43 CFR 3103.2 - Rentals, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Duration of Lease	5 years; continued if capable of producing in commercial quantities.
Size of Lease	Through 12-22-87: 640 acres or less. After 12-22-87: maximum 2,560 acres for lower 49 States and maximum 5,760 acres in Alaska.
Bonding Requirements	Lease: \$10,000. State: \$25,000. Nationwide: \$150,000.

Table 47. General Federal and Indian mineral lease terms (cont.)**Oil and Gas Leases on Federal Onshore Lands: Noncompetitive Leases**

Customary Royalty Rate	12 1/2% in amount or value of production. See 43 CFR 3103.3 - Royalties, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Annual Rent and Other Fees	Leases issued prior to 9-2-60: \$0.25 to \$1 per acre. Leases issued 9-2-60 through 2-1-77: \$0.50 per acre. Leases issued 2-1-77 through 12-22-87: \$1 to \$2 per acre first 5 years, \$2 per acre subsequent years. Leases issued after 12-22-87: \$1.50 per acre first 5 years, \$2 per acre subsequent years. See 43 CFR 3103.2 - Rentals, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Duration of Lease	10 years; continued if capable of producing in commercial quantities.
Size of Lease	10,240 acres maximum within 6-mile square, or 640 acres minimum.
Bonding Requirements	Lease: \$10,000. State: \$25,000. Nationwide: \$150,000.

Oil and Gas Leases on Federal Onshore Lands: National Petroleum Reserve Alaska Leases Subject to Appropriation Act of 1981

Customary Royalty Rate	Not set by law—now 16 2/3%.
Annual Rent and Other Fees	Rent \$3 per acre.
Duration of Lease	10 years or less.
Size of Lease	Up to 60,000 acres.
Bonding Requirements	Corporate surety: \$100,000.

Oil and Gas Leases on Indian Lands

Customary Royalty Rate	Varies. Generally, new leases provide for 16 2/3% or more in amount or value of production. Leases before 1982 are generally 12 1/2% or 16 2/3% in amount or value of production.
Annual Rent and Other Fees	Rent varies from \$1.25 to \$30 per acre.
Duration of Lease	Primary term is 5 years or less.
Size of Lease	Under the Indian Mineral Development Act of 1982, varies for the entire reservation from a fraction of an acre to over 200,000 acres.
Bonding Requirements	Lease: \$500 to \$2,000 depending on acreage. State: \$75,000. Nationwide: \$150,000.

Table 47. General Federal and Indian mineral lease terms (cont.)**Coal Leases on Federal Lands: Leases Issued Through August 4, 1976**

Customary Royalty Rate	\$0.15 per ton underground and \$0.175 per ton surface mines.
Annual Rent and Other Fees	Rent \$1 per acre credited against royalty payments for the lease year. Minimum royalty: per lease terms.
Duration of Lease	Indefinite period with 20-year readjustments.
Size of Lease	Not more than 46,080 acres in one state and not more than 100,000 acres in the United States for one or more leases.
Bonding Requirements	Nonproducing leases: \$5,000 or amount equal to annual rent rounded to \$1,000, whichever is greater. Producing leases: 3 months' production royalty, plus 2 years' rent obligation.

Coal Leases on Federal Lands: Leases Issued or Readjusted After August 4, 1976

Customary Royalty Rate	Readjusted and new leases: 8% of value of production for underground mines and 12 1/2% of value of production for surface mines.
Annual Rent and Other Fees	Rent \$3 per acre not credited against royalty payments. Lease filing fee: \$250. Transfer fee: \$50.
Duration of Lease	20 years; continued if producing in commercial quantities, subject to readjustment every 10 years.
Size of Lease	No more than 46,080 acres in one state and no more than 100,000 total acres in the United States.
Bonding Requirements	Nonproducing leases: \$5,000 or amount equal to annual rent rounded to \$1,000, whichever is greater. Producing leases: 3 months production royalty, plus 2 years' rent obligation.

Coal Leases on Indian Lands

Customary Royalty Rate	Varies according to lease terms and amendments.
Annual Rent and Other Fees	Rent varies. Average rent \$2 per acre. Advance royalty varies.
Duration of Lease	Varies by lease terms.
Size of Lease	Varies.
Bonding Requirements	Lease: \$500 to \$2,000 depending on acreage. State: \$75,000 depending on acreage. Nationwide: \$75,000 or determined by the Secretary.

Table 47. General Federal and Indian mineral lease terms (cont.)**Other Mineral Leases on Federal Lands: Asphalt Leases**

Customary Royalty Rate	Per lease terms, but not less than \$0.25 per ton.
Annual Rent and Other Fees	Rent: year 1, \$0.25 per acre; years 2-5, \$0.50 per acre; beginning year 6, \$1 per acre, credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Not less than \$5,000.

Other Mineral Leases on Federal Lands: Geothermal Leases

Customary Royalty Rate	10% to 15% of value of geothermal fluids and not more than 5% of value of any by-product, including commercially demineralized water, unless otherwise provided in Section 1 of the Mineral Leasing Act of 1920, as amended.
Annual Rent and Other Fees	Rent \$1 per acre; \$2 per acre in known geothermal resources area. Minimum royalty \$2 per acre.
Duration of Lease	10 years; continued if capable of producing in commercial quantities.
Size of Lease	2,560 acres maximum and not less than 640 acres unless for nonelectric uses.
Bonding Requirements	Lease: \$10,000. State: \$50,000. Nationwide: \$150,000; \$5,000 minimum for protection of surface owner.

Other Mineral Leases on Federal Lands: Gilsonite Leases

Customary Royalty Rate	12 1/2% of value of production.
Annual Rent and Other Fees	Rent \$0.50 per acre credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, subject to readjustment every 20 years.
Size of Lease	Per lease terms.
Bonding Requirements	Not less than \$5,000.

Table 47. General Federal and Indian mineral lease terms (cont.)**Other Mineral Leases on Federal Lands: Lead, Zinc, Copper, and Other Hardrock Mineral Leases**

Customary Royalty Rate	5% of value of production (concentrate).
Annual Rent and Other Fees	Rent \$1 per acre credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Not less than \$5,000.

Other Mineral Leases on Federal Lands: Oil Shale Leases

Customary Royalty Rate	Per lease terms.
Annual Rent and Other Fees	Rent \$0.50 per acre. Minimum royalty per lease terms.
Duration of Lease	Per lease terms.
Size of Lease	Per lease terms.
Bonding Requirements	Per lease terms.

Other Mineral Leases on Federal Lands: Potassium, Sodium, or Phosphate Leases

Customary Royalty Rate	Ranges from 2% to 8% of value of production.
Annual Rent and Other Fees	Rent: year 1, \$0.25 per acre; years 2-5, \$0.50 per acre; beginning year 6, \$1 per acre credited against royalties. Minimum royalty: \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	Indefinite, subject to readjustment every 20 years.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Lease: not less than \$5,000. State: \$25,000. Nationwide: \$75,000.

Table 47. General Federal and Indian mineral lease terms (cont.)

<i>Other Mineral Leases on Federal Lands: Sulfur Leases</i>	
Customary Royalty Rate	12 1/2% of value of production.
Annual Rent and Other Fees	Rent: \$0.50 per acre credited against royalties. Minimum royalty: \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	640 acres.
Bonding Requirements	Not less than \$5,000.
 <i>Other Mineral Leases on Federal and Indian Lands: Chat, Garnet, Gypsum, Iron Ore, Limestone, Sand and Gravel, and Other Solid Mineral Leases</i>	
Customary Royalty Rate	Varies by commodity and lease terms. Ranges from \$0.50 to \$5 per unit for chat, gypsum, and sand and gravel. Some leases are subject to ad valorem royalty rates.
Annual Rent and Other Fees	Rent varies from \$1 to \$5 per acre. Flat amount of rent or advance royalty due regardless of lease size. Can range from \$2,000 to \$1.2 million annually.
Duration of Lease	Varies by lease from 1 year to 20 years.
Size of Lease	1 acre to 40,000 acres.
Bonding Requirements	Lease: as determined. State: \$15,000. Nationwide: \$75,000.

NOTE: Lease terms may be extended or modified for various reasons as authorized by regulation. A \$75 fee is required to file, transfer, or assign an Indian lease. A comparable fee is required to file, transfer, or assign certain other lease commodities.

Glossary

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

Allowance — An allowable deduction from value for royalty purposes.

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

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

American Petroleum Institute — A trade association representing all segments of the petroleum industry from exploration through marketing. American Petroleum Institute is the largest association in the petroleum industry.

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 American Indian and Alaskan Native people to manage their own affairs under a trust relationship with the Federal Government.

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

British thermal unit/Btu — The amount of energy required to raise the temperature of 1 pound of water 1 degree °F when near 39.2 degrees °F. An average Btu content of fuel is a heat value per unit quantity of fuel, determined from tests of fuel samples.

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.

COE — U.S. Army Corps of Engineers. A major command within the U.S. Department of the Army responsible for planning, designing, building, and operating water resources and other civil works projects in cooperation with Federal agencies, State agencies, and local sponsors. COE further performs real estate services, conducts engineering research and development, furnishes emergency operations support in response to national disasters, and administers an environmental restoration program for the U.S. Department of Defense and the U.S. Environmental Protection Agency.

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

Cook Inlet Region, Inc. — One of 12 regional corporations established by the Alaska Native Claims Settlement Act in 1971 to manage real property and capital assets paid as compensation for the aboriginal land rights of Alaska Natives. The Cook Inlet Region, Inc., maintains land holdings containing significant proven reserves of oil, natural gas, coal, and other mineral commodities.

Department — U.S. 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 is further responsible for American Indian reservation communities and for

individuals who live in Island Territories under U.S. administration.

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

DOJ — U.S. Department of Justice. A Cabinet-level department in the Executive Branch of the Federal Government that serves as counsel for the United States. DOJ is responsible for investigating, apprehending, and prosecuting offenders; representing the United States Government in Federal courts and before the Supreme Court; enforcing immigration laws; and operating the Federal prison system.

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

Explanation of payment — A series of reports produced by the Minerals Management Service Royalty Management Program, mailed twice each month to American Indian Tribes and once each month to States. The reports for American 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.

FERC — Federal Energy Regulatory Commission. An independent agency created through the Department of Energy Organization Act in 1977. FERC regulates the transportation of natural gas in interstate commerce; the transportation of oil by pipeline in interstate commerce; the transmission and wholesale sales of electricity in interstate commerce; the licensing of private, municipal, and state hydroelectric projects; and provides oversight of related environmental matters.

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

ensure that royalties from oil and gas produced from Federal and American Indian lands and the Outer Continental Shelf are properly collected and accounted for under the direction of the Secretary of the Interior.

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.

Gas plant products — Natural gas liquids and other products such as carbon dioxide and sulfur recovered from processing raw natural gas. Finished natural gas liquids are processed through a fractionation plant. Gas plant products include ethane, propane, normal butane, isobutane, pentane, and other finished petroleum products produced at natural gas processing plants. Finished petroleum products include motor gasoline, aviation gasoline, special naphthas, kerosene, distillate fuel oil, and other miscellaneous products.

Geothermal resource — Hot water, steam, by-products, and associated energy extracted from geothermal reservoirs in the Earth's crust. Geothermal resources are used in turbine generators to produce electricity. The resource may also be used to provide process heat for agricultural, industrial, and space heating applications.

IFB — Invitation for Bids. A request for prospective bidders to submit sealed bids in accordance with a clear, accurate, and complete requirement which promotes maximum competition.

IMSC — Indian Minerals Steering Committee. A senior policy forum established by the Department of the Interior to improve the management of American Indian minerals. The forum is composed of officials from the Bureau of Indian Affairs, Bureau of Land Management, Minerals Management Service, Office of Special Trustee for American Indians, Office of Surface Mining, and the Office of the Secretary of the Department of the Interior.

Indian Committee — Indian Gas Valuation Negotiated Rulemaking Committee. A committee chartered by the Secretary of the Interior with representatives from the Minerals Management Service, the Bureau of Indian Affairs, American Indian mineral owners, and industry. The committee was established to develop proposals that will maximize royalty revenues from natural gas for American Indian Tribes and allottees consistent with the Secretary's discretion to establish values. The proposals will also satisfy industry concerns by clarifying and reducing information requirements to compute royalty in an accurate, timely manner.

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.

License — An authority granted by the United States to perform a particular act or series of acts upon public lands without the licensee possessing any estate or interest in the land itself.

Mcf — Thousand cubic feet.

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 permit — A permit that authorizes prospecting for certain leasable minerals on public lands described in the permit.

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 Lands Leasing Act of 1920, as amended. An act, with subsequent amendments, that promotes the production of coal, gas, oil, oil shale, phosphate, potassium, and sodium on Federal public 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 revenues with the States. The Secretary of the Interior is authorized to initiate rules and regulations to implement and enforce the act.

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

American Indian lands and bonuses and rents from Federal lands.

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**.

NPSL — 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.

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

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

Office of Special Trustee for American Indians — An office created by the American Indian Trust Management Reform Act of 1994 to address American Indian trust fund accounting and asset management problems. The act requires the Special Trustee to provide oversight of reforms within the Department of the Interior, including development of policies, procedures, and systems.

Offshore Minerals Management — A program administered by the Minerals Management Service 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.

OIRA — Office of Indian Royalty Assistance. An office within the Minerals Management Service responsible for

providing royalty assistance and conducting an outreach program to ensure Royalty Management Program coordination and communication with American Indian Tribes and allottees as part of the Secretary of the Interior's trust responsibility to American Indian mineral owners.

OPEC — Organization of Petroleum Exporting Countries. A cartel whose current members include: Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

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

OTFM — Office of Trust Funds Management. An office within the U.S. Department of the Interior responsible for the management and investment of Tribal and American Indian trust funds for the Office of Special Trustee for American Indians. **See Office of Special Trustee for American Indians.**

PAAS — 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.

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.

RIK — Royalty-in-kind. A program operated under the provisions of the Mineral Lands Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953. The Federal Government, as lessor, may take part or all of its oil and gas royalties "in kind" (a volume of the commodity) as opposed to "in value" (cash). Under the oil RIK program, the Government sells oil at fair-market value to eligible refiners who do not have access to an adequate supply of crude oil at equitable prices. The Minerals Management Service conducted a gas RIK pilot program in 1995, entering into contracts to sell selected Gulf of Mexico natural gas by competitive bid to gas marketers. Two additional oil and gas pilot programs began in 1998, and a third gas pilot program began in 1999.

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

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.

RSFA — Federal Oil and Gas Royalty Simplification and Fairness Act, 110 Stat. 1700. Public Law 104-185, as corrected by Public Law 104-200, enacted to amend the Federal Oil and Gas Royalty Management Act of 1982 and revise Minerals Management Service procedures in several respects.

Sales value — The proceeds received for the sale of a mineral.

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

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

USDA — U.S. Department of Agriculture. A Cabinet-level department in the Executive Branch of the Federal Government responsible for improving agricultural production capacity and income through rural development, credit, conservation, and environmental protection programs. The National Forest and National Grassland systems are part of the Department of Agriculture.

Y2K — Year 2000. When the year 2000 arrives, many computer programs will interpret the last two digits of the year "00" as the year 1900. Mainframe systems software, mainframe hardware, workstation vendor products, workstation hardware, and business applications may begin to fail as the year 2000 approaches. The Royalty Management Program assembled a team to identify and resolve potential concerns with date-related processing in hardware, systems software, and applications on both client/server and mainframe platforms.

Appendix

Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving toward International System Units, often referred to as metric units. This appendix 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.)

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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.