Focus on valuation of oil produced from American Indian leases

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DENVER — The Department of the Interior's Office of Natural Resources Revenue (ONRR) today published a Federal Register Notice establishing an Indian Oil Valuation Negotiated Rulemaking Committee charged with bringing clarity and consistency to oil valuation regulations governing production on American Indian lands.

"This initiative will enable the regulatory process to keep pace with a changing marketplace, ensuring that American Indian Tribes and individual Indian mineral owners continue to receive a fair return for energy production on their lands," said Greg Gould, Acting Deputy Assistant Secretary for Natural Resources Revenue in the DOI's Office of Policy, Management and Budget.

The negotiated rulemaking committee, authorized and established under the Federal Advisory Committee Act, will make recommendations to replace existing regulations governing the valuation of oil production from American Indian leases, which has been in place since March 1, 1988. Many changes have occurred in the oil market since the 1988 rule was codified.

The Federal Register Notice can be accessed via the web at: www.regulations.gov, or directly at: http://www.regulations.gov/#!documentDetail;D=ONRR-2011-0007-0003.

The committee includes representatives from Native American Indian Tribes, Individual Indian Mineral Owner Associations, the oil and gas industry, and the Department of Interior. The committee is expected to hold its first meeting in late February 2012.

The Office of Natural Resources Revenues, under the Assistant Secretary for Policy, Management and Budget, is responsible for collecting and disbursing revenues from energy production that occurs onshore on Federal and American Indian lands and offshore on the Outer Continental Shelf. ONRR makes disbursements on a monthly basis from royalties, rents and bonuses it collects from mineral companies.