



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001

2024 Annual Price Threshold Determination

Summary: To comply with its obligations under the terms of certain leases, the Bureau of Ocean Energy Management (BOEM) prepared this document to provide the official BOEM determination of whether the annual average market prices are greater than the Gulf of America price thresholds for oil or gas leases, by lease vintage, for calendar year 2024. BOEM's [Technical Documentation](#) web page provides additional information on the methodology for calculating BOEM's annual oil and gas prices and applicable price thresholds used to determine the application of royalty relief for the various deepwater and deep depth royalty relief programs.

Supplementary Information: The Outer Continental Shelf Lands Act (as amended), the Deep Water Royalty Relief Act, the Energy Policy Act of 2005, and the associated implementing regulations¹ provide BOEM the authority to, and in some cases require BOEM to, issue leases with royalty relief. These statutes and regulations also provide the Bureau of Safety and Environmental Enforcement the authority to grant royalty relief on existing leases. Under these authorities, the bureaus may impose price thresholds that limit royalty relief. Each year, BOEM publishes official price thresholds to comply with relevant statutes, regulations, and lease terms.

Notwithstanding royalty relief provisions in lease terms or regulations, companies are required to pay royalties for the calendar year when annual average New York Mercantile Exchange (NYMEX) market prices for oil or gas exceed the initial (inflation-adjusted) price threshold levels. Moreover, all production volumes count against any remaining royalty suspension volume irrespective of the price thresholds being met.

BOEM tracks, calculates, and posts on its website relevant information regarding applicable oil and gas prices and the price threshold levels used to determine if deep gas, deep water, or other royalty relief eligibility has been suspended for a particular lease vintage. **Table 1** represents the official BOEM price thresholds and market price calculations for calendar year 2024. Any subsequent inflation or market price adjustments will neither affect these official results nor have implications for royalty relief on the designated lease categories.

¹ 30 CFR 203.48, 203.54, 203.78, 560.210, and 560.222

Table 1: Applicable Price Thresholds and Market Prices for Calendar Year 2024

Product	Lease Vintage* (Sale held)	Annual Average NYMEX Price (\$/bbl or \$/MMbtu)	Adjusted Price Threshold Level (\$/bbl or \$/MMbtu)	Royalty Relief Suspended**
Deepwater Oil	Before 1996; ¹ 2002–3/2004; 2007–2010	75.79	52.73	Yes
Deepwater Oil	2001	75.79	47.27	Yes
Deepwater Oil	8/2004–2006	75.79	61.39	Yes
Deepwater Gas	Before 1996; ¹ 2002–3/2004; 2007–2010	2.41	6.59	No
Deepwater Gas	2001	2.41	5.91	No
Deepwater Gas	8/2004–2006	2.41	10.23	No
Deep Gas	3/2001 ²	2.41	5.91	No
Deep Gas	8/2001–2003 ²	2.41	8.44	No
Deep Gas ³	Before 2001; 2001–2003; ² 2004–2009	2.41	14.70	No
Deep Gas ⁴	Before 2001; 2001–2003; ² 2004–2010	2.41	14.70 and 6.60	No
Deep Gas ⁵	All years	2.41	6.60	No

bbl = barrel, MMBtu = million British Thermal Units, bcf = billion cubic feet.

*Price thresholds do not apply to leases issued under the Deep Water Royalty Relief Act between 1996 and 2000.

**A 'Yes' value means that royalty relief is *not* available to qualifying leases of that vintage. A 'No' value means that royalty relief *is* available to qualifying leases of that vintage.

¹Pertains only to deepwater leases that have applied and been approved for royalty relief under section 302 of the Deep Water Royalty Relief Act.

²Leases issued in water 0–200 meters deep during 2001–2003 had the option to convert from lower price thresholds under lease terms to higher price thresholds set forth in the regulations.

³Applies to 1) qualified deep wells that are on leases in water 0–200 meters deep, spudded on or after 3/26/2003, and produced before 5/3/2009; and 2) qualified ultra-deep wells that are on leases in water 0–200 meters deep, spudded between 3/26/2003 and 5/17/2007, and produced before 5/3/2009.

⁴Applies to qualified ultra-deep wells that are on leases in water 0–200 meters deep, spudded on or after 5/18/2007, and produced before 5/3/2009. The higher price threshold applies to the first 25 bcf of royalty relief; the lower price threshold applies to the next 10 bcf of royalty relief. For qualified ultra-deep wells that are on leases in water 0–200 meters deep and spudded on or after 5/3/2009, the lower price threshold applies to the entire 35 bcf of royalty relief. For this calendar year 2024, royalty relief is not suspended at both the higher and lower price thresholds.

⁵Applies to 1) qualified deep wells that are on leases in water 200–400 meters deep, spudded on or after 5/18/2007, and produced before 5/3/2013; and 2) qualified ultra-deep wells that are on leases in water 200–400 meters deep and spudded on or after 5/18/2007.

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