

FOR RELEASE: May 20, 1994

CONTACT: Thomas C. DeRocco

(202) 208-3983

or

Michael L. Baugher

(303) 231-3162

DEPARTMENT OF THE INTERIOR PRESENTS ANNUAL
STEWARDSHIP AWARDS TO TOP MINERAL RESOURCE COMPANIES
(#40032)

The Department of the Interior honored four American mineral resource companies today for their outstanding business performances with the federal government during the last year.

El Paso Natural Gas Company, Columbia Gas Development Corporation, Dugan Production Corporation and Jerome P. McHugh and Associates were presented the Secretary of the Interior's Mineral Revenues Stewardship Awards at the 1994 North American Petroleum Accounting Conference in Dallas, Texas.

"It is important to recognize these companies for their achievements over the last year," Minerals Management Service Director Tom Fry said. "Their professionalism has contributed to the success of the partnership between the federal government and industry to help serve our Nation's energy needs.

"While many companies maintain particularly good records in meeting payment and reporting responsibilities, these four companies are examples of performance excellence. They were the best," said Fry. "Their dedicated effort saves the American taxpayer money and assists us in meeting our obligation to manage the revenues from mineral resources of our Nation's public lands responsibly."

Since 1987, the Interior Department has been commending exceptional performances by companies that report production and pay royalties for federal and Indian minerals leases to the Minerals Management Service's Royalty Management Program. More than 1,600 companies submit reports of mineral sales and production and pay royalties for minerals that are sold or removed from these leases.

The awards are given to one large and one small company in each of two categories: production reporting and royalty reporting. They are based on the accuracy and timeliness of submissions to MMS, as well as cooperation in problem resolution and other actions

to improve the process.

During Fiscal Year 1993, El Paso Natural Gas Company of El Paso, Texas (for the second consecutive year), and Columbia Gas Development Corporation of Houston, Texas, recorded the lowest error rates among royalty payors in their size categories.

Among production reporters, Dugan Production Corporation of Farmington, New Mexico, and Jerome P. McHugh and Associates of Denver, Colorado, had the lowest error rates.

Through its Royalty Management Program, the Interior Department's Minerals Management Service is responsible for collecting, accounting for and distributing revenues associated with minerals from federal onshore and Outer Continental Shelf lands--an amount that totalled \$4 billion in 1993. States having federal onshore leases within their borders receive approximately 50 percent of the revenues, except for Alaska, which receives 90 percent. States adjacent to certain federal offshore tracts also receive a share of those revenues.

The MMS is also charged with similar responsibilities for revenues from minerals leases on Indian lands--more than \$160 million in 1993. Indian tribes and individual allottees receive 100 percent of the royalties derived from their lands.

--MMS-RMP--

Subject: PR-5/20/94 Stewardship Award/D.O.I. Presents Annual Stewardship Awards to Top Mineral Resource Companies (#40032)