



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region



FOR RELEASE:

November 18, 1999

Anne-Berry Wade
(202) 208-3985

Barney Congdon
(504) 736-2595

MMS PUBLISHES FINAL REGULATIONS FOR BONUS BIDS

Today, the Department of the Interior's Minerals Management Service (MMS) published a final rule in the Federal Register regarding the use of electronic funds transfer (EFT) by oil and natural gas companies bidding on Outer Continental Shelf federal leases. The final rule provides additional administrative flexibility to allow the agency to require EFT payment methods when appropriate. The rule will save time and money for the oil and natural gas industry and the Federal government.

Previously, MMS did not have the authority to require bidders to use EFT to submit their 1/5 bonus bid payments. Since August 1997, companies have had the option of using EFT to submit their bonus bid payments. The most recent lease sales in the Gulf of Mexico in August 1998 and March 1999 saw at least 90 percent of high bonus bids submitted electronically.

The use of EFT will remain optional in the upcoming Western Gulf of Mexico Sale 174, scheduled for August 25, 1999.

Since 1984, all lessees have been required to use EFT to pay the remaining 4/5 balance of their bonus payment and their first year rental payment after acquiring a lease.

The MMS is the federal agency that manages the Nation's oil and gas and other mineral resources on the OCS and collects, accounts for, and last year disbursed about \$6 billion in revenues from Federal offshore mineral leases and from onshore mineral leases on Federal and American Indian lands.

-MMS-GOM-