



**U.S. Department of the Interior
Minerals Management Service
Office of Communications**

NEWS RELEASE

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**MMS PROPOSES CHANGES TO SECOND SUPPLEMENTARY
PROPOSED FEDERAL OIL VALUATION RULE**

In tomorrow's [Federal Register](#), the U.S. Department of the Interior's Minerals Management Service (MMS) will announce they are proposing changes to the February 6, 1998, second supplementary proposed Federal oil valuation rule. The proposed rule amends the royalty valuation regulations for crude oil produced from Federal leases.

In response to comments received so far, the agency is considering the following modifications to the proposed rule: retaining the current definition of an "affiliate"; clarifying the term "breach of duty to market"; and returning to the "first-exchange" rule for the valuation of Federal oil. The MMS is also requesting comments on whether the definition of gathering should be modified to authorize transportation allowances in instances where oil from sub-sea production is moved over long distances.

In a notice published in the July 8 *Federal Register*, the agency reopened the comment period for this proposed rule. Comments will be accepted until July 24, 1998.

Comments received on these proposed changes will be posted on the MMS website at <http://www.onrr.gov>. A copy of this press release and the proposed rule will be available on the MMS website under "What's New."

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MMS Internet website address: <http://www.boem.gov>
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