

The NewsRoom

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MMS, Louisiana Complete Second RIK Crude Sale

The State of Louisiana and the Department of the Interior's Minerals Management Service have again teamed up for the second sale of Royalty-in-Kind (RIK) crude oil produced from seven oil-producing leases within the Federal 8(g) zone offshore Louisiana, the three-mile wide zone that lies adjacent to the state's seaward boundary.

Winning bidders for the approximately 1,500 barrels per day of Heavy Louisiana Sweet grade royalty crude were ChevronTexaco and Shell Trading. Physical deliveries are scheduled to begin April 1, 2004, for a six-month term.

The January sale is the second RIK oil sale conducted jointly by the State of Louisiana and the Minerals Management Service following a March 2003 Memorandum of Understanding (MOU). That MOU solidified a Federal-State partnership that provides the State of Louisiana with a more active role in managing its oil resources while protecting State and taxpayer interests.

In conjunction with the MMS and State of Louisiana sale, the MMS also awarded a non-8(g) package of approximately 900 barrels per day of condensate. This commercial sale drew three offers with Shell Trading submitting the winning bid. Physical deliveries for a six-month term are scheduled to begin April 1.

The Minerals Management Service is the federal bureau in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the Outer Continental Shelf in federal offshore waters. The bureau also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands. MMS disbursed more than \$8 billion in 2003 and more than \$135 billion since it was created in 1982. Nearly \$1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and federal park and recreation lands.

Relevant Web Sites

[BOEM Website](#)

Media Contacts

[Patrick Etchart](#)

(303) 231-3162

[Nicolette Humphries](#)

(202) 208-3985

[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior