

The NewsRoom

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MMS Offers Reporting, Payment Relief in Wake of Hurricanes

DENVER--The Minerals Management Service (MMS) published a final rule in the [Federal Register](#) today granting an extension of time for reporting and payment of royalties to oil and gas producers adversely impacted by hurricanes Katrina and Rita.

The rule published today extends the due dates for monthly royalty payments and reports, and monthly operations reports for Federal oil and gas lessees, royalty payors and operators whose operations were disrupted by one or both of the hurricanes. Extending the due date for royalty payments means that late payment interest will not accrue for the period between the original due date and the new due date established by the new rule.

MMS [Director Johnnie Burton](#) noted that the relief does not extend to reporting or payments due on Indian leases, to Federal leases for minerals other than oil and gas, nor to annual rental payments. Burton also noted that the new rule may cause a potential delay in royalty disbursements to a few states.

"The devastation caused by Hurricanes Katrina and Rita resulted in many oil and gas operators losing the use of their offices and associated records," said Director Burton. "Until access to buildings, records, data and communication lines are restored, these companies are simply unable to generate or transmit royalty reports and royalty payments." As a result, Director Burton said, MMS believes it is equitable to provide an extension of time for relief from royalty payments and report due dates for lessees whose operations have been disrupted by the hurricanes.

"This rule is intended to give payors a reasonable period of time to restore normal operations," Burton said.

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