



U.S. Department of the Interior

# News Release

## Office of Natural Resources Revenue

[www.onrr.gov](http://www.onrr.gov)

### Office of Public Affairs

For Immediate Release

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### News Media Contact:

Patrick Etchart, 303-231-3162

## **ONRR Begins Implementation to Increase Gulf States' Share of Oil and Gas Revenues from Federal Waters**

*Second phase of GOMESA revenue sharing disbursements would begin in 2018*

**WASHINGTON, D.C.** – In accordance with provisions of the Gulf of Mexico Energy Security Act of 2006 (GOMESA), the Department of the Interior's Office of Natural Resources Revenue (ONRR) is publishing a proposed rule in the Federal Register that would expand the number of oil and gas leases in federal waters of the Gulf of Mexico subject to revenue-sharing provisions. Thirty-seven and one-half percent of the qualified revenues from these leases will be sharable with the four Gulf producing states and their eligible coastal political subdivisions.

"Phase II of GOMESA – when finalized – will broaden the scope of leases subject to revenue sharing, substantially increasing the annual disbursements to Louisiana, Alabama, Mississippi and Texas," said Rhea Suh, the Department's Assistant Secretary for Policy, Management and Budget. "It will provide a valuable source of additional revenue for local communities and coastal protection, conservation and restoration projects."

GOMESA, signed into law on December 20, 2006, provides for sharing 37.5 percent of oil and gas qualified leasing revenues from certain Outer Continental Shelf leases with the four Gulf states and their political subdivisions – or parishes and counties – and 12.5 percent of the qualified revenues to the Land and Water Conservation Fund. The revenue sharing is implemented in two phases.

From FY 2009 through FY 2013, according to Suh, ONRR disbursed more than \$29.4 million in qualified GOMESA Phase I revenues. Phase I revenue sharing includes qualified revenues from leases issued in two small geographic areas within the Gulf of Mexico Program Area known as the "181 Area in the Eastern Planning Area" and the "181 South Area" – including bonus bids, a portion of rental payments, and royalties.

Phase II GOMESA revenue sharing would include qualified revenues from the majority of existing leases issued since December 20, 2006, in the Gulf of Mexico Program Area, and any future leases issued in the defined area, and will begin with the disbursement of FY 2017 qualified revenues in FY 2018.

The proposed rule also proposes several clarifications and modifications to the GOMESA Phase I revenue-sharing provisions, and moves those regulations – currently under Interior's Bureau of Ocean Energy Management – to Interior's Office of Natural Resources Revenue.

The proposed rule is available for inspection today at <https://www.federalregister.gov/public-inspection>. It will be published in the Federal Register on Monday, March 31, 2014, and accessible via [www.regulations.gov](http://www.regulations.gov). Public comments will be accepted for 60 days.

Comments may be filed electronically, via [www.regulations.gov](http://www.regulations.gov), or mailed to: Armand Southall, Regulatory Specialist, ONRR, P.O. Box 25165, MS 61030A, Denver, Colorado 80225-0165.

Comments may also be delivered by hand, or through an overnight courier service, to the Office of Natural Resources Revenue, Building 85, Room A-614, Denver Federal Center, West 6<sup>th</sup> Avenue and Kipling Street, Denver, Colorado 80225.

All comments will be carefully considered before the final rule is published.

**ONRR**