

MMS Fast Facts

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Minerals Revenue Management Program – Compliance Activities

The Minerals Management Service (MMS), through its Minerals Revenue Management Program, manages the collection, verification and disbursement of revenues associated with the leasing and the production of oil, natural gas, alternative and renewable energy, and other minerals on Federal offshore lands on the outer Continental Shelf (OCS) and onshore Federal and Indian lands.

The MMS works to ensure that revenues are timely and correctly reported and paid. Each month, approximately 2,100 companies report and pay royalties associated with over 28,000 producing Federal and Indian leases. The MMS's goal is to ensure that the Federal Government is realizing fair market value and that companies are in compliance with applicable laws, regulations, and lease terms. Provided below are figures to illustrate the agency's progress in audit and compliance activities.

First Quarter FY 2008

- MMS opened 100 audits and closed 53.
(Of the 53 closed audits: 1 was started in FY 2008, 37 in FY 2002-2007 and 15 in FY 2001 or earlier.)
- MMS opened 369 compliance reviews and completed 55.
(Of the 55 compliance reviews completed: 12 were started in FY 2008, 28 in FY 2007, and 15 in FY 2006 or earlier.)

It is common for an audit or compliance review of a large company to take more than a year to complete due to a large royalty universe or complex issues. Audits and compliance reviews often rollover into the next fiscal year and can close out multiple fiscal years.

FY 2005-FY 2007

- MMS closed 1,080 audits and collected \$231.3 million through this audit process.
- MMS completed 5,126 compliance reviews and collected \$141.9 million through this review process.

Offshore Energy and Minerals Management Program – Inspection Activities

Through its Offshore Energy and Minerals Management program, MMS regulates the activities on over 7,300 leases and more than 3,900 oil and gas facilities on the OCS. In

2007, MMS inspectors completed over 20,500 inspections. These inspections are conducted of OCS facilities and operations to ensure compliance with safety and environmental protection regulations. Inspections may be scheduled or unannounced. During these inspections, MMS may issue Incidents of Non-Compliance (INC) for violations of the regulations. Depending on the seriousness of the violation, MMS may issue a warning, order a shut-in of a component on the facility, or order shut-in of the entire facility. MMS further reviews all INCs to determine if additional enforcement action is needed or if a civil penalty is warranted.

To find out more information on the MMS Mineral Revenue Management Program visit the MMS website at [http:// www.mrm.mms.gov](http://www.mrm.mms.gov) or for information on the Offshore Energy and Minerals Management Program, visit, or call the MMS Office of Congressional Affairs at (202) 208-3502.