This map outlines the Designated Areas defined in the amendments to the Indian Oil valuation regulations of the Office of Natural Resources Revenue (ONRR) 30 CFR §1206.50 published on May 1, 2015 (80 Fed. Reg. 24,794). This applies to all Indian leases with a major portion provision and all Indian leases with language providing the Secretary of the Interior with the discretion to determine value (except for leases on the Osage Indian Reservation in Oklahoma).

ONRR uses these Designated Areas to calculate location and crude type differentials that then affect ONRR's calculation of specific Index Based Major Portion (IBMP) prices. The IBMP prices are based on the U.S. crude benchmark New York Mercantile Exchange West Texas Intermediate (NYMEX WTI).

Generally, ONRR established designated areas by reservation boundaries, including any off-reservation allotments or dependent Indian communities, where location and crude types are similar to each other. The exception is Oklahoma, which did not have significant differences in crude quality and prices to warrant separate designated areas.

Under this regulation, payors determine which Designated Area their lease is included in, the crude type produced from their lease, and whether their gross proceeds after transportation exceed the ONRR-published IBMP. If you have an oil producing Indian lease that does not have a published IBMP price, you should report your gross proceeds until ONRR publishes a price.

For more information, please visit or contact:
https://www.onrr.gov/Valuation/IndianOilIBMP.htm
msarequests@onrr.gov

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Source(s): Census, ONRR, Rextag