

# Office of the Governor

September 10, 2009

S. Elizabeth Birnbaum, Director  
U.S. Department of the Interior  
Minerals Management Service  
1849 C Street NW, MS 4230  
Washington, DC 20240

Dear Director Birnbaum:


Wyoming appreciates the good working relationship that exists between it and the Mineral Management Service (MMS). We have worked collaboratively on the Royalty-in-Kind (RIK) program for oil, and are currently included in a RIK Natural Gas Pilot Program for the purpose of assessing the economic and policy efficacy potential as compared to the more traditional natural gas royalty-in-value program.

The intent of Congress, as authorized under Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), is to ensure that State and Tribal mineral revenue recipients are integral participants in the management of their respective royalty revenue. Since the early 1980s, Wyoming has been an active partner with the MMS in regulatory, operational and legislative efforts aimed at enhancing the management of its respective interest in royalty revenues. Congress recognizes that individual jurisdictions, such as Wyoming, possess unique insights, special knowledge, interest, and expertise relating directly to the natural gas operations and production within their province.

It is in that light that Wyoming would request the opportunity to perform an audit of the 2006-2009 RIK natural gas production within the state to contribute our own extensive expertise to the mutual goal of assessing the RIK Natural Gas Pilot Program's performance to date.

Thank you in advance for the opportunity to participate and contribute to the ongoing evaluation and assessment of RIK Natural Gas Pilot Program, in an effort to ultimately enhance our shared reasonability for protecting the public's interest in the management of this nonrenewable public resource. I have asked Michael Geesey, the Director of the Wyoming Department of Audit, to contact the Mineral Management Service and undertake an audit of the RIK royalty revenues remitted to Wyoming.

Best regards,



Dave Freudenthal  
Governor

DF:pjb

c: Michael Geesey, Department of Audit  
Lynne Boomgaarden, Office of State Lands and Investments