

# **Change in royalties distribution could cost Wyoming millions**

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CASPER, Wyo. - A federal spending bill is likely to cost Wyoming millions by reducing the state's share of royalties from oil, gas and coal production.

Currently the state and federal government evenly split royalties from federal oil, gas and coal reserves. A spending bill recently approved by Congress would reduce the state's share to 48 percent and increase the federal government's share to 52 percent.

During fiscal year 2007, federal mineral royalties totaling \$1.9 billion went back to 34 states based on the 50-50 split. Wyoming got the biggest portion of that, \$925 million.

As a result, Wyoming stands to lose the most money under the new formula.

"It's a big deal for a lot of the states, especially in the West," said Erica Carr, spokeswoman for the Interstate Oil and Gas Compact Commission.

The change was made by the Office of Management and Budget. The House and Senate passed the bill before the IOGCC could oppose it.

"They kind of slipped it in, right before the holidays," Carr said.

Most states belong to the commission, which lobbies for state control of minerals resources. A few years ago, the commission fought a similar proposal to change the federal-state royalties split. The measure failed that time.

Commission spokesman Kevin Bliss said the goal of changing the division is to make up for administrative costs.

"I think they saw this as easy source of money, and it wasn't caught by those of us following it until very, very late," Bliss said.

He said lawmakers from minerals-producing states would likely fight the formula change.

On the Net:

Interstate Oil and Gas Conservation Commission: <http://www.iogcc.state.ok.us/index.aspx>

Information from: Star-Tribune, <http://www.trib.co>