

Compensatory Royalty Agreement

A Compensatory Royalty Agreement (CRA) is an agreement approved by the authorized officer of the BLM when drainage is occurring on unleased lands. The agreement is entered with the parties who may be draining the unleased lands and allows the Federal government protection and compensation from drainage.

A compensatory royalty agreement is generally used when for some reason the land being drained is not currently eligible for competitive leasing, or there is some other reason that a CRA is more advantageous to the federal government.