



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

NEWS RELEASE

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MMS Awards Royalty Relief to Second Deep Water Field in the Gulf of Mexico

Today, the U.S. Department of the Interior's Minerals Management Service (MMS) announced that deep water royalty relief has been granted to Amoco for the Mississippi Canyon Block 84 Field. Royalties will be suspended on the first 87.5 million barrels of oil equivalent produced from the field, nicknamed King.

The field is located in 5,400 feet of water about 100 miles southeast of New Orleans. Amoco owns all the leases on the Mississippi Canyon Block 84 field which also includes Blocks 85 and 129.

"This award reinforces the significant impact the Deep Water Royalty Relief Act has made toward stimulating production in the deeper waters of the Gulf of Mexico. This is a win-win situation for industry and the United States," remarked Director Cynthia Quarterman.

The Act, signed by President Clinton in November of 1995, allows the Secretary of the Interior to grant royalty suspension volumes for fields in the Gulf of Mexico that were under lease before the enactment of the Act; have never produced other than test production; would be uneconomic without relief and economic with relief; and, which are in water depths greater than 200 meters and lie west of 87 degrees, 30 minutes West longitude.

This is the second award of royalty relief under the Act to a field that was under lease prior to the Act. Tatham Offshore, Inc. received royalty relief last June for Ewing Bank Block 958 field.

The MMS is the Federal Agency that manages and regulates the Nation's natural gas, oil, and other mineral resources on the OCS, and collects, accounts for, and disburses about \$6 billion yearly in revenues from offshore Federal mineral leases and from onshore mineral leases on Federal and Indian lands.

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