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CONTACT: Tom DeRocco (202)208-3983 Barney Congdon (504)736-2595

## MMS PROPOSES RULES TO IMPLEMENT DEEP WATER ROYALTY RELIEF

Beginning the formal process for implementing provisions of the Outer Continental Shelf (OCS) Deep Water Royalty Relief Act, the Department of the Interior's Minerals Management Service (MMS) today announced publication of an advance notice of proposed rulemaking (ANPR) in the February 23, 1996, Federal Register.

"The Deep Water Royalty Relief Act authorizes us to modify the terms of certain existing leases and to establish new terms for leases in water depths of 200 meters or greater in parts of the Central and Western Gulf of Mexico," said MMS Director Cynthia Quarterman. "MMS is under very stringent time constraints," said Quarterman. "The act requires us to issue regulations by late May, but the act also requires us to use the deep water system for any sale held from now until November 28, 2000. The next Central Gulf of Mexico sale is scheduled for April. That means we'll have to publish interim rules before the ANPR 45-day comment period is up, and at least 30 days before the Central Gulf of Mexico Sale 157 because there are tracts in that sale subject to provisions of this Act."

Quarterman said the ANPR solicits recommendations and comments from the oil and natural gas industries, federal agencies, state and local governments, environmental groups, academia and the public on a broad scope of issues and questions.

"The sooner our customers submit their comments and recommendations, the more likely that they can be considered in the interim rules relating to the Central Gulf of Mexico Sale 157," she said. "The two government shutdowns really put us off our schedule, but we're doing everything possible to meet the requisite timeframes. "We've set an informational meeting for March 12 and 13 in New Orleans to receive written and oral comments and to obtain assessments from interested parties regarding this topic."

Quarterman said the meeting will be held at the Westin Canal Place, Vieux Carre Theatre, 100 Rue Iberville, New Orleans. Details will be published in a February 26 Federal Register notice. "I can't emphasize too strongly the importance of this rulemaking," Quarterman declared.

"Providing deepwater royalty relief may help reduce America's dependence on imported oil, provide incentives to unlock resource potential in new areas of the central and western Gulf of Mexico, stimulate investment in construction and support industries, and increase exploration and production."

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects, accounts for, and disburses about

\$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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