

**U.S. Department of the Interior
Minerals Management Service
Office of Communications**

NEWS RELEASE

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MMS SEEKS INPUT ON POSSIBLE ROYALTY RELIEF FOR NONPRODUCING LEASES

The U.S. Department of the Interior's Minerals Management Service (MMS) published a notice in the January 24 *Federal Register* requesting input on whether and how MMS should consider royalty relief for nonproducing leases in any water depth in the Central and Western Gulf of Mexico Planning Areas and the portion of the Eastern Gulf of Mexico Planning Area lying offshore Alabama.

The Deep Water Royalty Relief Act of 1995 authorizes the Secretary of the Interior to reduce or eliminate any royalty or net profit share in order to promote development, increase production, or encourage production of marginal resources on producing or nonproducing leases in these areas of the Gulf. With the consent of the lessee, the Secretary may modify the royalty or net profit share terms of leases in order to achieve these purposes. The provision applies only to active leases, not to terms under which new leases are offered.

"We already have a royalty relief program in place for producing leases, as well as the mandated program for nonproducing leases in at least 200 meters of water in the specified areas of the Gulf of Mexico," said MMS Director Cynthia Quarterman. "Now we need input on whether and how we should consider royalty relief for nonproducing leases in any water depth."

Comments and recommendations are due March 25, 1997 and should be sent to:

Minerals Management Service
Department of the Interior
1849 C St. NW
Washington, DC 20240
Attn: Chief, Washington Division, Office of Policy & Management Improvement

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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MMS's Website Address: <http://www.boem.gov> * MMS's 24-Hour Fax-on-Demand Service: (202) 219-1703**