



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

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***NEWS RELEASE***

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**CONTACT:** [Anne-Berry Wade](#)  
(202) 208-3985  
Barney Congdon  
(504) 736-2595

**MMS AWARDS DEEP WATER ROYALTY RELIEF  
TO THIRD 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 to develop the Desoto Canyon Block 133 Field offshore Louisiana.

Royalties will be suspended on the first 87.5 million barrels of oil equivalent produced from the field, nicknamed King's Peak. This field contains dry natural gas and the relief provided could be as high as \$143 million.

The Desoto Canyon Block 133 Field is in 6,700 feet of water, about 120 miles southeast of New Orleans. Amoco owns all the leases in the Desoto Canyon Block 133 Field, which also consists of Desoto Canyon Block 177 and Mississippi Canyon Block 217. King's Peak is adjacent to another Amoco field, the King Field, which was awarded deep water royalty relief in May.

"The benefits of the Deep Water Royalty Relief Act continue to provide significant contributions towards production in the deeper waters of the Gulf of Mexico," remarked MMS Director Cynthia Quarterman. "Once again, this is a win-win situation for both the United States and industry."

The Deep Water Royalty Relief Act (DWRRA), signed by President Clinton in November 1995, allows the Secretary to grant royalty suspension volumes on both producing and nonproducing fields in water deeper than 200 meters to promote development, increase production, or encourage marginal production of Gulf of Mexico leases lying west of 87 degrees, 30 minutes West longitude.

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

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MMS Internet website address: <http://www.mms.gov>  
24 hour Fax-on-Demand Service:(202) 219-1703