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Workshop on Incentives to Increase Deep Gas Production from Shallow Gulf of Mexico Waters to Be Held in Houston

The Minerals Management Service (MMS), Department of the Interior, announced today a workshop concerning the recently proposed regulation for suspension of gas royalties from deep gas production on leases in shallow Federal waters of the Gulf of Mexico. The half-day workshop will be held Wednesday, April 30, starting at 8 a.m. in the Westin Galleria, 5060 West Alabama St., in Houston.

In the workshop, MMS professionals will discuss the main features of the proposed royalty incentive, standards of eligibility, the necessary paperwork involved, and additional topics, and take questions. These topics include sidetrack wells, the auctioning mechanism, measurement and metering, and unitization and sharing issues.

For further information, contact Marshall Rose, Chief of the Economics Division of MMS at (703) 787-1536, or Mike Melancon, Gulf of Mexico Regional Supervisor of the Office of Production and Development at (504) 736-2675. The Deep Gas Royalty Relief webpage (www.boem.gov) has additional information and related topics. The agenda will be posted there shortly.

MMS is the Federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas, and other mineral resources on the Outer Continental Shelf in Federal offshore waters. The agency also collects, accounts for, and disburses mineral revenues from Federal and American Indian leases. These revenues totaled over \$6 billion in 2002 and nearly \$127 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and Federal park and recreation lands.

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MMS Internet website address: <http://www.boem.gov>