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MMS AND SHELL SETTLE LONGSTANDING CLAIMS  
THROUGH ALTERNATIVE DISPUTE RESOLUTION (#50030)

The U.S. Department of the Interior's Minerals Management Service (MMS) has agreed with Shell Oil Company to settle a longstanding and complex case regarding Outer Continental Shelf (OCS) natural gas and oil leases, MMS officials announced today.

"This agreement signifies a major accomplishment for this Administration by taking a first step in resolving issues that have long bedeviled the Federal Government," said MMS Director Cynthia Quarterman. "In this case, we have been able to reconcile very controversial and divisive issues in an amicable and creative manner.

"Our arrangement is to trade claims," Quarterman explained. "Shell has agreed to drop its claims against the government regarding breach of contract and unconstitutional takings of its OCS leases offshore North Carolina, Florida and Alaska. In exchange, the Interior Department will drop royalty claims on monies Shell received under two gas contract settlements

resolving pricing disputes with Shell's purchasers.

"I am a strong advocate for alternative dispute resolution techniques and hope other companies are encouraged to follow Shell in the spirit of negotiation. It's always advantageous to resolve disputes directly between the parties rather than through the courts," she said. "More importantly, it is our obligation to negotiate in the best interest of the American taxpayer -- this agreement will save American taxpayers and consumers money."

MMS is the federal agency that manages the nation's natural gas, oil and other mineral resources on the OCS, and collects and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

--MMS--

Subject: PR-4/17/95 Shell/MMS & Shell Settle Longstanding Claims through Alternative Dispute Resolution (#50030)