



**U.S. Department of the Interior  
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***NEWS RELEASE***

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**MMS Awards Deep Water Royalty Relief to Fifth Field in the Gulf of Mexico**

The U.S. Department of the Interior's Minerals Management Service (MMS) announced that [deep water royalty relief](#) has been granted to Chevron U.S.A., Inc., to develop the Green Canyon Block 236 field offshore Louisiana. Royalties will be suspended on the first 87.5 million barrels of oil equivalent produced from the field, nicknamed Typhoon.

The Green Canyon Block 236 field lies partially in water deeper than 800 meters, about 175 miles south-southwest of New Orleans. Chevron operates the leases in the Green Canyon Block 236 field, which also consists of Green Canyon Block 237.

"Chevron's Typhoon project demonstrates the important positive role that our [discretionary royalty relief program](#) can play in deep water exploration and development decisions," stated MMS Director Walt Rosenbusch. "Operators can now explore risky high-cost prospects with more confidence, knowing that they may qualify for royalty relief if they make a discovery that is uneconomic with the inclusion of sunk costs. In these cases, the operators will qualify for royalty relief by demonstrating that if relief were granted the discovery would be profitable to develop on a forward-looking basis."

The Deep Water Royalty Relief Act (DWRRA), signed by President Clinton in November 1995, allows the Secretary of the Interior to grant royalty suspension volumes on both producing and non-producing 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. Since 1995, the MMS has granted requests for deep water royalty relief for four other fields in the Gulf.

The MMS is the federal agency that manages the nation's oil and gas and other mineral resources on the OCS and collects, accounts for, and last year [disbursed over \\$5 billion in revenues](#) from federal offshore mineral leases and from onshore mineral leases on federal and Indian lands.

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