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

NEWS RELEASE

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SUNDAY SILENCE AWARDED DEEPWATER ROYALTY RELIEF IN THE GULF OF MEXICO

The U.S. Department of the Interior's Minerals Management Service (MMS) today announced that deep water royalty relief has been granted to Tatham Offshore, Inc for a deep water field nicknamed, Sunday Silence, offshore Louisiana.

In October 1996, Tatham applied for royalty relief for Sunday Silence which is situated in 457 meters of water (approximately 1500 feet), and is 72 miles offshore and 135 miles south of New Orleans. "After reviewing the application, we are pleased to grant royalty relief approval on an existing field to Tatham for deep water production in the Gulf of Mexico," said MMS Director Cynthia Quarterman.

The Deep Water Royalty Relief Act of 1995 authorizes the Secretary of the Interior to grant royalty suspension volumes for fields in the Gulf of Mexico that were under lease prior to the enactment of DWRRA; have never produced other than test production; would not be economic without relief; and, which are situated in water depths greater than 200 meters and lie west of 87 degrees, 30 minutes West longitude.

MMS developed a computer model and instruction manual to assist applicants in applying for deep water royalty relief. The agency will continue to develop a user-friendly application, and is committed to streamlining the application review process. Regarding the application process, Thomas P. Tatham, Chairman and Chief Executive Office of Tatham Offshore noted that the prompt manner in which MMS completed the application will be instrumental in allowing the company to develop the field in a timely manner.

Royalties will be suspended on the first 52.5 million barrels of oil equivalent produced from the Sunday Silence field, officially known as the Ewing Bank Blocks 958 and 1003. Adjacent to Tatham's Sunday Silence field is their Seattle Slew field.

MMS is the federal agency that manages the Nation's natural gas, oil and other minerals resources on the OCS, and collects, accounts for, and disburses about \$4 billion in revenues each year from federal OCS mineral leases and from onshore mineral leases on federal and Indian lands.

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