WASHINGTON, June 21 - Facing angry lawmakers from both political parties, executives from three major oil companies - Royal Dutch Shell, Chevron and ConocoPhillips - indicated on Wednesday that they might be willing to give up sizable taxpayer subsidies for drilling in the Gulf of Mexico.

But one of the most active players in the gulf, the Kerr-McGee Corporation, showed no signs of compromise and told a House hearing that it was entitled to the subsidies - known as royalty relief - even if oil prices remained above $70 a barrel. And Exxon Mobil said it saw no reason for the subsidies to be changed.

The sharp split among some of the world's biggest energy companies highlighted the political and legal difficulties that Congress and the Bush administration face in correcting an error that could cost the government as much as $10 billion in royalties over the next 25 years from oil and gas produced in publicly owned waters.

Republicans and Democrats are both seeking to prevent the giveaway, even as
House Republicans pushed ahead on Wednesday with a separate bill to open up vast areas along the outer continental shelf to natural gas production.

On Wednesday, the House Resources Committee passed a measure that would lift the 25-year-old federal ban on natural gas production that covers most of the nation's coastal areas. Individual states that oppose such drilling, like Florida, would be allowed to impose their own prohibitions.

In theory, the federal government is supposed to collect a royalty of 12 or 16 percent on all oil and gas produced in federal waters. But under a program aimed at encouraging production in the Gulf of Mexico, the Interior Department allowed companies to escape royalty on much of the oil and gas they produce.

And in a mistake that is now the subject of multiple investigations, the Interior Department omitted a key restriction for leases signed in 1998 and 1999 that requires companies to pay full royalties if oil and gas prices climb above certain thresholds.

Testifying before a House subcommittee on government reform, executives from Royal Dutch Shell, Chevron and ConocoPhillips said they were ready to discuss a change in their leases.
"Shell does not believe deepwater royalty relief is necessary in the current commodity price environment," said John Hofmeister, president of Shell's operations in the United States. Saying his company is willing to "make a change," Mr. Hofmeister said Shell began discussions with the Interior Department on Tuesday.

Executives at Chevron and ConocoPhillips said they were open to discussions as well.

Exxon Mobil said it was "happy to participate" in discussions, but insisted that "we expect the terms of existing leases to be honored."

By far the toughest stance came from Kerr-McGee, which is not only refusing to concede any errors in its leases but also is suing the federal government to greatly expand the incentives it already offers.

If Kerr-McGee wins its court fight, the Government Accountability Office has estimated that the government could lose an additional $60 billion over the next 25 years.

"We don't believe there was a clerical error or any other kind of error," said Gregory F. Pilcher, senior vice president and general counsel at Kerr-McGee. In a suit filed earlier this year, Kerr-McGee contends that
Congress never authorized the Interior Department to impose the price-based restrictions on incentives in any leases signed from 1995 through 2000.

"It would be unfair and unwise for Congress to take a step toward changing the rules," Mr. Pilcher told members of the House subcommittee. "Ultimately, the courts should decide whether we are right or whether we are wrong."

Representative Darrell Issa, chairman of the House Government Reform subcommittee on energy, accused Kerr-McGee of acting in "bad faith."

"I call it 'bad faith' if someone signs a contract voluntarily and does not object to the provisions, yet when the time comes to pay, they object and file suit," Mr. Issa said in a statement at the end of the hearing. "That sounds like a violation of contract sanctity to me."

Still unexplained is how Interior officials during the Clinton administration made the mistake, and why they never alerted Congress to the problem.

Testifying under oath, two current and one former Interior official who worked on the leases told lawmakers they had not noticed the omission until 1999 - and even then did not write a memo about the problem.
"My review was pretty much an executive-level review," said Milo Mason, a senior lawyer in the solicitor's office of the Interior Department. When he found out about the omission, Mr. Mason said, he never wrote about it. "It didn't seem like a big deal, as it is now," he said.

But at least two oil executives told the panel that their companies had noticed the omission almost immediately.

"We assumed they were creating an additional incentive," said A. Tim Cejka, president of Exxon Exploration. Paul Siegele, Chevron's vice president for deepwater development, said his company had asked Interior officials about the omission in 1998 and were told - incorrectly, it turned out - that the restriction was part of a new federal regulation rather than in the leases themselves.

In May, the House approved a measure proposed by Democrats that would punish companies that refuse to renegotiate their leases by barring them from acquiring any additional leases. Oil companies and the American Petroleum Institute are lobbying to kill the measure, which was attached to the Interior Department's spending bill, before it emerges from a House-Senate conference committee.

The House Resources Committee, meanwhile, approved a bill on Wednesday that
would seek to pressure oil companies by imposing a stiff "conservation fee"
on companies that refuse to pay full royalties when oil prices climb above$40 a barrel and natural gas prices exceed $6.75 per million B.T.U.'s.

The Bush administration is seeking to persuade oil companies to change theircontracts voluntarily.

"If industry wanted to voluntarily talk about it, we'd be willing to talk,"
Johnnie M. Burton, director of the Interior Department's Minerals Management
Service, told Bloomberg News last week.