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NEWS RELEASE

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MMS Issues Proposed Notice of Sale For Central Gulf of Mexico Sale 172

Today, the U.S. Department of the Interior's Minerals Management Service issued a proposed Notice of Sale for Sale 172 in the Central Gulf of Mexico. The proposal outlines the terms and conditions of the lease sale. The sale is tentatively scheduled for March 17, 1999, in New Orleans, Louisiana. The notice of availability of the proposal is published in today's *Federal Register*.

The sale encompasses about 3,758 available blocks in the Central Gulf of Mexico Outer Continental Shelf planning area offshore Louisiana, Mississippi, and Alabama. This area covers about 20.13 million acres. Blocks in this sale are located from 3 to 200 miles offshore in water depths ranging from 4 to more than 3,400 meters. There are 2,955 tracts in this sale offering that are in water depths of 200 meters or more. Estimates of undiscovered economically recoverable hydrocarbons expected to be discovered and produced as a result of this sale proposal range from 150-440 million barrels of oil and 1.53-4.39 trillion cubic feet of natural gas.

Rental and royalty rates for proposed Sale 172 are the same as the most recent Central Gulf of Mexico Sale 169. The minimum bid remains at \$25.00 per acre, except for blocks in water depths of 800 meters or deeper where the minimum bid has been changed to \$37.50 per acre or portion thereof.

The MMS continues to encourage the expanded optional use of EFT for payment of the 1/5th bonus bid. Some bidders will qualify to use EFT securing such payment with only the bid form; others desiring to use EFT will be required to secure the EFT payment by any one of three methods. It is emphasized that bidders may continue to submit a check for the 1/5th bonus with each bid.

MMS is the Federal Agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf; and collects, accounts for, and disburses about \$6 billion in revenues each year from Federal offshore mineral leases and from onshore mineral leases on Federal and Indian lands.

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