



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region



FOR RELEASE:

March 17, 1999

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Lease Sale in Gulf of Mexico Attracts \$171 Million in High Bids

The U.S. Department of the Interior's Minerals Management Service (MMS) today, in New Orleans, held a sale of offshore oil and natural gas leases in the Central Gulf of Mexico attracting \$171,804,696 million in high bids from 67 companies. Sale 172 is the seventh lease sale held subject to the provisions of the Deep Water Royalty Relief Act, passed in 1995.

The MMS received 272 bids on 207 offshore tracts. 3,806 tracts comprising approximately 20,368,385 million acres offshore Alabama, Louisiana, and Mississippi were offered. The total of all bids was \$199,638,752.

The highest bid received was \$16,577,900 submitted by Marathon Oil Company and Kerr-McGee Oil and Gas Corporation for Walker Ridge, Block 121. Approximately 43% of the tracts receiving bids are in ultra deep water (more than 800 meters). The deepest tract bid on was in 2,664 meters of water.

"The results of this sale and the relatively low number of bids we received are consistent with our expectations. This is an accurate reflection of today's low oil prices and an indicator that companies are still interested in prospects in the Gulf, yet they are being judicious about adding to their existing inventory of leases," remarked MMS Acting Director Tom Kitsos.

The high bid on a block (approximately nine square miles) will go through an evaluation process to ensure the public receives fair market value before a lease is awarded.

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 about \$6 billion in revenues from Federal offshore mineral leases and from onshore mineral leases on Federal and Indian lands.