

**U.S. Department of the Interior
Minerals Management Service
Office of Public Affairs**

NEWS RELEASE

FOR RELEASE:

August 22, 2001

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WESTERN GULF OF MEXICO LEASE SALE 180 ATTRACTS \$165.5 MILLION IN HIGH BIDS

An oil and natural gas lease sale in federal waters in the western Gulf of Mexico received \$165,571,777 in high bids. The U.S. Department of the Interior's Minerals Management Service received 386 bids totaling \$189,971,325 at the sale held in New Orleans today. Fifty participating companies bid on 320 tracts in the western Gulf of Mexico, offshore Texas and in deeper waters offshore Louisiana.

There were no bids submitted on 53 tracts offered in central Gulf of Mexico Lease Sale 178, Part 2.

Acting MMS Director Tom Kitsos said, "Sale 180 was clearly a success with the number of tracts bid on ranking fourth in the last 10 years for a western Gulf sale. This sale saw spirited bidding activity by the independent oil and gas companies. The top three companies in submitting bids were independents: Kerr-McGee (55 bids), Spinnaker (35 bids) and Amerada Hess (31 bids)." Kitsos went on to note that, "The 200 to 800 meter water depth area in Garden Banks saw the most competitive bidding with eight blocks having three bids or more." Kitsos also noted that, "We saw some industry interest in blocks in the area formerly known as the Western Gap, which is in extremely deep water. We also saw some bidding that was in response to our deep gas initiative in shallow water."

Two hundred and sixty-one tracts in water depths of 200 meters or more received bids. The highest bid on a tract was \$8,323,200, submitted by Kerr-McGee Oil & Gas Corporation, Amerada Hess Corporation and Petrobras America Inc. on Garden Banks Block 245.

The high bid on a block, each 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 in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal and Indian leases. These collections totaled nearly \$8 billion last year and more than \$110 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

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