

The NewsRoom

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MMS Issues Proposed Notice of Western Gulf Lease Sale 196

NEW ORLEANS - The Minerals Management Service announced in the *Federal Register* the availability of the Proposed Notice of Sale 196, an offshore oil and gas lease sale in the western Gulf of Mexico, scheduled for August 17, 2005.

The proposed sale 196 encompasses approximately 3,754 unleased blocks covering approximately 20.3 million acres in the western Gulf of Mexico outer continental shelf planning area offshore Texas and in deeper waters offshore Louisiana. The blocks are located five to 357 kilometers offshore in water depths ranging from eight to 3,100 meters. MMS estimates the proposed sale could result in the production of 136 to 262 million barrels of oil and 0.81 to 1.44 trillion cubic feet of natural gas.

Provisions proposed in this sale include the following:

- An increase in base rental rates (as well as minimum royalty) to \$6.25 per acre or fraction thereof for blocks in water depths of less than 200 meters and \$9.50 per acre or fraction thereof for blocks in water depths of 200 meters or deeper. The *Federal Register* notice published March 2, 2005, at 70 *FR* 10111 requests comments on this increase in base rentals, as well as the use of sliding scale rentals, for future Gulf of Mexico lease sales.
- Certifications regarding debarment, suspension, and other responsibility matters are no longer required to be filed with the MMS in order to qualify to bid at an OCS lease sale. However, compliance requirements for debarment and suspension (nonprocurement) will be prescribed in an addendum included in each lease resulting from this lease sale.

Statistical Information for Lease Sale 196:

Size: 3,754 unleased blocks: 20.3 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters:	1,754 blocks
8 years for blocks in water depths of 400 to less than 800 meters:	358 blocks
10 years for blocks in water depths of 800 meters or deeper:	1,642 blocks

Minimum Bonus Bid Amount:

\$25.00 per acre or fraction thereof for water depths less than 400 meters:	1,754 blocks
\$37.50 per acre or fraction thereof for water depths 400 meters or deeper:	2,000 blocks

Rental/Minimum Royalty Rates:

\$6.25 per acre or fraction thereof for water depths less than 200 meters:	1,567 blocks
\$9.50 per acre or fraction thereof for water depths 200 meters or deeper:	2,187 blocks

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Royalty Rates:

16-2/3% royalty rate in water depths less than 400 meters: 1,754 blocks
12-1/2% royalty rate in water depths 400 meters or deeper: 2,000 blocks

Royalty Suspension Areas:

0 to less than 200 meters: 1,567 blocks
400 to less than 800 meters: 358 blocks
800 to less than 1,600 meters: 903 blocks
1,600 meters or deeper: 739 blocks

The Proposed Notice of Sale will be posted on the MMS Website at <http://www.gomr.mms.gov>. In addition, copies of the document are available from the MMS Gulf of Mexico Regional Office, Public Information Unit, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123. Telephone (504) 736-2591, toll free 1-800-200-GULF.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with fiscal year 2004 disbursements of around \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for cooperative conservative, grants to states, and Federal land acquisition, gets nearly \$1 billion a year.

Relevant Web Sites:

[MMS Main Website](#)
[Gulf of Mexico Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior