

FOR RELEASE: May 10, 1995

CONTACT: Tom DeRocco
(202) 208-3983

HIGH BIDS TOTAL \$307 MILLION IN CENTRAL GULF OF
MEXICO LEASE SALE 152

High bids totaling \$307,328,050 were offered today in a federal offshore natural gas and oil lease sale in the Central Gulf of Mexico. A total of 88 companies participated in Sale 152, held in New Orleans, Louisiana.

The Department of the Interior's Minerals Management Service (MMS) received 880 bids on 588 tracts; 5810 tracts comprising approximately 31.2 million acres located offshore Alabama, Louisiana, and Mississippi were offered. This is the fourth highest number of bids received in 41 Central Gulf of Mexico sales; it also ranks fourth in total number of blocks receiving bids.

"The results of this sale certainly surpassed our expectations," said MMS Director Cynthia Quarterman, "and confirm industry's continuing interest in the viability of the Gulf." She said MMS had estimated \$112 million in high bids for Sale 152.

"The fact that this sale was even held is nothing short of miraculous given the severe weather in the New Orleans area recently," said Quarterman. "We've had reports of industry representatives wading through waist-deep water or landing helicopters near our office to get their bids submitted." Yesterday, MMS had extended the deadline for submitting bids for this sale until 8:59 (CST) this morning.

"But I'm in awe of our MMS employees," she declared. "At a time when bashing federal career employees seems to be in vogue, our people got the job done, with some putting themselves at risk to accomplish this sale. I'm very proud of them."

Quarterman said that some credit for the success of the sale may be attributable to the release for the first time ever of additional information about blocks with confirmed discoveries but no longer under lease. "Making this information available was the early fruit of the alternative leasing policies under consideration in the Western and Central Gulf of Mexico. We want to do whatever we can to promote promising deepwater portions of the Central and Western Gulf," declared Quarterman.

Estimated recoverable hydrocarbons expected to be developed through Sale 152 are about 110 million barrels of oil and 1.06 trillion cubic feet of natural gas. Sale 152 is the fifth sale under the 1992-1997 Comprehensive Natural Gas and Oil Resource Program.

The highest bid received was \$21,040,095 submitted by Kerr-McGee for Block South Timbalier S.266. The block receiving the highest number of bids (10 bids) was East Cameron 126.

The highest bid on a block will go through an evaluation process to assure that taxpayers receive fair market value before a lease is awarded. Each block is approximately nine square miles.

MMS is the federal agency that manages and regulates the nation's natural gas, oil and other mineral resources on the OCS, and collects and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

-MMS-