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Lease Sale in Gulf of Mexico Attracts \$ 301 Million in High Bids

The U. S. Department of the Interior's Minerals Management Service (MMS) in New Orleans held a sale of offshore oil and natural gas leases in the Gulf of Mexico today, attracting \$300,567,675 in high bids from 63 companies. Sale 175 is the ninth lease sale held subject to the provisions of the Deep Water Royalty Relief Act, passed in 1995.

Of 4,203 tracts comprising approximately 22.3 million acres offshore Alabama, Louisiana, and Mississippi offered, the MMS received 469 bids on 344 tracts. The total of all bids was \$454,929,870.

The highest bid received was \$23 million submitted by Exxon Asset Management Company for Mississippi Canyon Block 555. Approximately 34% of the tracts receiving bids are in ultra-deep water (more than 800 meters). The deepest tract bid on was Walker Ridge Block 812 in 3,379 meters of water. Approximately 60% of the bidding activity (202 of 344 tracts) was located in relatively shallower water with heavy activity coming from many independent oil companies.

According to MMS Director Walt Rosenbusch, "I am very pleased with the results of the sale. Today's sale further supports the continued health of the Gulf of Mexico as a viable source of energy for our nation. MMS will continue to work hard to make these increasingly valuable oil and natural gas resources available to the American public, contributing to the economic vigor of the Nation while providing maximum protection to its environment."

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.

The MMS is the Federal agency that manages the Nation's oil, natural gas, and other mineral resources on the OCS; and collects, accounts for, and disburses about \$4 billion in yearly revenues from offshore Federal mineral leases and from onshore mineral leases on Federal and American Indian lands.

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