



**U.S. Department of the Interior
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NEWS RELEASE

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SECRETARY NORTON ANNOUNCES PROPOSED FIVE-YEAR PLAN FOR OUTER CONTINENTAL SHELF OIL AND GAS LEASING

Secretary of the Interior Gale Norton announced today that the Minerals Management Service is proposing to schedule 20 lease sales in eight outer continental shelf planning areas in the Gulf of Mexico and off Alaska as part of a new five-year leasing program.

As required by law, the plan will be submitted to Congress for review. After 60 days, the Secretary may finalize the new program, which would take effect on July 1, 2002, and replace the current program due to expire at the end of June.

"We must ensure a vibrant economy and energy security for our children and grandchildren," Norton said. "This five-year plan will increase domestic production in an environmentally sensitive way while providing thousands of jobs."

Oil and gas produced from the OCS currently provides one-fourth of the total produced in the United States. New technology has opened up new areas for offshore drilling in the past decade, with 35 rigs currently exploring water depths of more than 1,000 feet.

The leases will make available from 10.2 billion to 21.5 billion barrels of oil and 40 to 60.6 trillion cubic feet of natural gas. This is enough oil to meet the nation's transportation needs - fuel for every commercial and private vehicle in America - for two to five years. It is enough gas to heat, cool and run appliances for every home in America for two to three years. In addition, the leases will generate thousands of jobs, produce billions of dollars in revenue for the federal and state governments, and provide oil to fill the Strategic Petroleum Reserve.

"The United States depends on oil and gas for about 60 percent of our energy, and this percentage is expected to increase to more than 66 percent by 2020," Norton said. "We must use new technologies and American ingenuity to develop reserves of domestic oil and gas on the outer continental shelf in a way that protects our environment."

The proposal is the third and final proposal required to be presented to the public before a new leasing program may be put in place. Previous proposals were issued for review and comment in July and October 2001.

The proposed final program schedules a total of 20 lease sales in eight OCS planning areas located offshore the gulf coast states and Alaska, carrying forward the provisions of the previous proposals with one adjustment.

The proposal for two lease sales in the Chukchi Sea/Hope Basin area off Alaska has been adjusted to convert those sales to the "special" category that originally was devised for the Norton Basin Planning Area. Under this process, MMS would issue a request for interest in May 2002, and if industry interest is not expressed, the sale process ends. If there is sufficient interest,

MMS would proceed with the remaining steps leading to holding the sale.

The same procedures would be followed the next year and annually until one or both proposed sales are held or the program for 2002-2007 ends.

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 revenues totaled nearly \$10 billion in 2001 and close to \$120 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>