



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

NEWS RELEASE

FOR RELEASE:

July 2, 2002

CONTACT: Nicolette Humphries
Becky Phipps
(202) 208-3985

INCENTIVE GRANTED ON OFFSHORE SUBSALT EXPLORATION

Vast resources of oil and natural gas may underlie sheets of salt on the outer continental shelf, and the Minerals Management Service is providing an extension of time to companies who are exploring to locate these resources.

Today, a final rule on the extension was published in the Federal Register. The extension provides flexibility to industry while ensuring that companies make continued progress toward development of the lease.

“Through this incentive, MMS supports the president’s National Energy Policy by providing additional flexibility to industry that will, ultimately, allow the development of oil and gas resources, thereby contributing to national domestic energy security,” said MMS Director Johnnie Burton.

Gas exploration under salt sheets can be expensive and time consuming because the salt sheets interfere with analysis of the geophysical data. The extension provides additional time to leaseholders so that they can complete analysis of the complex geophysical data in areas under salt sheets before having to choose a location to drill a well.

MMS estimates that six to 16 trillion cubic feet of gas may lie beneath the salt sheets and could yield 200 to 500 billion cubic feet of gas production between 2008 and 2010.

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 more than \$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 parks and recreation lands.

--MMS-20 Years of Service to America--

-MMS-

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