

The NewsRoom

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Companies Bypass Federal Cook Inlet Sale 191

Despite the increasing need for energy in south central Alaska, energy companies bypassed the opportunity to lease federal outer continental shelf (OCS) tracts in Cook Inlet. The Minerals Management Service, which oversees minerals production on the OCS, was scheduled to hold the sale May 19 but no bids were received prior to the May 18 deadline. Therefore the bid opening will not be held as scheduled.

MMS Regional Director John Goll said, "Part of our job is to provide access to acreage; but companies then must decide whether it fits in with their exploration plans." Goll also noted that "companies continued to express interest right up through the last few weeks."

According to Goll, another Federal lease sale is proposed for the Cook Inlet in 2006. The federal OCS area in Cook Inlet remains relatively unexplored, with the last exploration well drilled in 1984.

The Cook Inlet sale was important for the State of Alaska and those who live in Anchorage and the Kenai Peninsula Borough, where residents and industries are in need of a stable supply of energy and fuel.

Goll said, "MMS's goal is to keep options open both nationwide and in the State in the search for new energy. We hope that predictable sales in the federal portion of Cook Inlet and elsewhere can act as a complement to the State's strong program to find the energy and raw materials to keep the State's economy growing."

The Minerals Management Service 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 federal outer continental shelf. The agency also collects, accounts for, and disburses mineral revenues from federal and American Indian leases. MMS disbursed more than \$8 billion in fiscal year 2003 and more than \$135 billion since the agency was created in 1982. Nearly \$1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and federal park and recreation lands.

Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

Relevant Web Sites

[MMS Main Website](#)

[Alaska Website](#)

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