

FOR RELEASE: December 24, 1996

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Western Gulf of Mexico Sale Nets \$352 Million in High Bids

The U.S. Department of the Interior's Minerals Management Service (MMS) announced today the completion of Lease Sale 161 offshore Texas and deeper waters offshore Louisiana by awarding \$352 million in high bids after completion of a two-phase evaluation process.

This record-breaking sale in the Western Gulf area received 929 bids on 617 tracts, the largest number in both categories in the history of OCS leasing for this area.

"We are very pleased with this lease sale. This continues to signal growth in the Gulf," said Gulf of Mexico Regional Director Chris C. Oynes. The Gulf has entered a new era of leasing activity given the large number of tracts bid upon, caused by the Deepwater Royalty Relief Act, which provides for royalty suspensions. To this we must add subsalt activity and the use of 3-D seismic technology."

On completion of the sale, MMS rejected 11 bids totaling \$3,941,094 as insufficient for fair market value.

Nine of the eleven tracts rejected in Western Sale 155 (1995) received bids in Sale 161. The high bids on seven of those tracts were accepted for a net increase of \$9.58 million. The number of bids on these seven tracts increased from 8 bids in 1995 to 21 bids in 1996.

The top ten companies with winning bids on Sale 161:

Company Name	Tracts
Shell Offshore Inc.	123
Chevron U.S.A. Inc.	51
Texaco Exploration and Production Inc.	45
Conoco Inc.	26
Vastar Resources, Inc	26
Zilkha Energy Company	26
Amoco Production Company	26
Exxon Corporation	24
Amerada Hess Corporation	23
Mobil Producing Texas & New Mexico Inc	23

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