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Western Gulf of Mexico Sale 187 Nets \$145,917,314 in High Bids

The U.S. Department of the Interior's Minerals Management Service (MMS) announced today the completion of the two-phase bid evaluation process for Lease Sale 187, held on August 20, 2003. Of the 335 tracts receiving bids in that sale, MMS rejected 5 high bids totaling \$2,797,813 as insufficient for fair market value. As a result, MMS awarded 330 leases involving \$145,917,314 in high bids.

Fifty-four percent of the accepted bids were in deepwater ranging from 2,624 to 5,248 feet and have a lease term of ten years, and 26 percent of the bids were in ultra-deepwater (5,249 feet or greater) and have a lease term of ten years. Shallow-water blocks in water depths up to 655 feet with a 5-year lease term received 33 percent of the accepted bids. MMS now has a royalty relief provision for 20 Bcf of deep gas production (greater than 15,000 feet) in shallow shelf waters.

The highest bid accepted on a tract was a bid of \$22,600,000 by LLOG Exploration Offshore Inc. for High Island Block 170. High Island Block 170 is a block that has been on appeal since 1994. The second highest bid in the sale was \$5,356,556 by Dominion Exploration & Production, Inc. and Nexen Petroleum Offshore for Garden Banks Block 292, and the third highest bid was a bid of \$3,325,555 by Dominion Exploration & Production, Inc. for High Island Block A - 1.

There were 63 companies participating in the sale, with 52 companies submitting bids. The companies that rank in the top ten in numbers of bids accepted for Sale 187 are:

Company	Tracts	Company	Tracts
Amerada Hess Corporation	57	Total E & P USA, Inc.	18
BHP Billiton Petroleum (Deepwater) Inc.	56	Chevron Texaco USA, Inc.	18
BP Exploration & Production Inc.	36	Gryphon Exploration Company	17
Newfield Exploration Company	20	Devon Energy Production Co., L. P.	16
Kerr-McGee Oil & Gas Corporation	18	ExxonMobil Corporation	14

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 American Indian leases. These revenues totaled over \$6 billion in 2002 and nearly \$127 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.

MMS Main Website: www.mms.gov
Gulf of Mexico Website: www.gomr.mms.gov