



NEWS RELEASE

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Oil and Gas Interest Continues in Alaska's Beaufort Sea Mitigation Efforts to Protect Subsistence Culture

ANCHORAGE - Energy companies continued to show interest in exploring for oil and gas in Alaska's Beaufort Sea by bidding on 127 blocks offered by the Department of the Interior's Minerals Management Service at Oil and Gas Lease Sale 195 in Anchorage. This was the area's ninth federal offshore lease sale.

"We are pleased with the sale results," said John Goll, MMS Alaska Regional Director. "The Beaufort Sea contains the best near-term potential for offshore petroleum reserves on the Alaska Outer Continental Shelf that can be vital to our Nation's and Alaska's economy. Any resources discovered would help boost supplies into the Trans-Alaska Pipeline.

"While we are encouraged by the interest in the OCS, MMS is sensitive to the concerns of the subsistence users and will ensure that exploration and development in the Arctic will not adversely impact their subsistence culture," said Goll.

MMS developed seven lease stipulations to help minimize effects to the environment and to the Inupiat people from any development of the area's oil and gas resources. These include requirements for protection of biological resources and spectacled and Steller's eiders, bowhead whale monitoring, use of pipelines rather than tankers, and booming for fuel transfers.

In the previous eight Federal sales held in the Beaufort Sea planning area since 1979, MMS issued 690 leases of which 64 remain active. All current leases are within 3 to 12 miles of the coast or barrier islands. Lessees have drilled 30 exploratory wells in the federal portion of the Beaufort Sea, all but one well in the sale area.

Companies submitted bids totaling \$46,735,081 on 127 blocks, with high bids totaling \$46,735,081, covering about 618,751 acres offshore of Alaska's arctic coast.

The highest bid received for the sale was \$12,220,173 submitted by Shell Offshore, Inc. for block 6708. More complete information on the sale held today in Anchorage will be available on the MMS Alaska Homepage located at www.mms.gov/alaska by 3:00 p.m. on March 30th.

MMS offered 1,794 whole and partial blocks encompassing about 9.4 million acres. The sale area extends from three to approximately 60 nautical miles offshore in water depths generally ranging from about 25 to 3,000 feet. Water depth in the majority of the sale area is less than 200 feet. The area extends from the Canadian Border on the east to Barrow on the west.

The MMS has funded a large number of environmental, social, and economic studies about the effects of offshore petroleum exploration on the human and marine environment offshore Alaska. Many are exclusive to the Beaufort Sea Planning Area.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS's collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with Fiscal Year 2004 disbursements of approximately \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for cooperative conservation, grants to states, and federal land acquisition, gets nearly \$1 billion a year.

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.

MMS Main Website: www.mms.gov

MMS: Securing Ocean Energy and Economic Value for America