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NEWS RELEASE

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MMS Chukchi Sea Lease Sale 193 Breaks Energy Records With \$2.6 Billion in High Bids

Record Number of Bids on Record Number of Tracts

ANCHORAGE – The Department of the Interior’s Minerals Management Service (MMS) has completed the first Chukchi Sea sale since 1991. Today’s offshore lease sale is the most successful in Alaska’s history based on the number of bids received and the number of tracts receiving bids. The sale showed the industry’s heightened interest in this area with 667 bids on 488 blocks -- both record-setting numbers -- on the Federal Outer Continental Shelf. This was the third offshore lease sale in the Chukchi Sea. Tracts getting bids are spread throughout the Chukchi Sea, with the closest to land being approximately 54 miles offshore.

“We are very pleased with the sale’s historic results. The oil and gas resources present in the Chukchi Sea are vital to our Nation’s and Alaska’s economy and will boost future supplies into the Trans-Alaska pipeline,” said MMS Director Randall Luthi. “Over the past 30 years, MMS has funded nearly \$300 million for environmental studies in Alaska waters. Since 2000, we’ve conducted 30 to 40 active environmental studies each year offshore Alaska. We are committed to ensuring that all environmental concerns have been addressed while we move forward to supply energy to our nation.”

Companies submitted bids totaling almost \$3.4 billion, with high bids of more than \$2.6 billion. Each high bid on a block will now go through a thorough evaluation process to ensure that the public receives fair market value before a lease is awarded.

The highest bid received for the sale was \$105,304,581 submitted by Shell. More complete information on the sale held today will be available on the MMS Alaska homepage located at www.mms.gov/alaska by 3 p.m. AST on February 6th.

“We know that the Chukchi Sea is very important to the people who live along its coast and use its resources,” Luthi said. “MMS will continue working closely with the State of Alaska, local communities, whalers, and industry to help minimize any impacts of industry activity on subsistence hunting. In fact, leases issued from the sale will include stipulations for protection of biological resources, including marine mammals and migratory and other protected birds, and methods to minimize interference with subsistence hunting and other subsistence harvesting activities.”

The sale was first proposed in the 2002-2007 Oil and Gas Leasing Program, but MMS delayed it to provide sufficient time to complete the environmental analysis. It was then incorporated into the 2007-2012 Leasing Program.

The Chukchi Sea Sale 193 sale area is located offshore Alaska from north of Point Barrow to northwest of Cape Lisburne. It contains more than 29 million acres. The sale area extends from about 25 to 50 miles from shore out to 200 miles offshore. Two sales have been held in the Chukchi Sea Planning Area. Sale 109 was held in 1988 with 351 leases issued, and Sale 126 in 1991 with 28 leases issued. Five exploration wells have been drilled. All of the leases were either relinquished or have expired.

Relevant Website: www.mms.gov/alaska

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