



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

NEWS RELEASE

FOR RELEASE: August 26, 1998

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Western Gulf of Mexico Lease Sale 171 Attracts \$553.4 Million in High Bids

A Federal offshore natural gas and oil lease sale in the Western Gulf of Mexico received \$553.4 million in high bids. The U.S. Department of the Interior's Minerals Management Service (MMS) received 486 bids totaling \$741,855,047 at the sale held in New Orleans today. The 63 participating companies offered \$553,435,908 in high bids on 402 tracts in the Western Gulf of Mexico, offshore Texas and in deeper waters offshore Louisiana.

“We were very surprised at the high dollar amounts involved in this sale,” said MMS Gulf of Mexico Regional Director Chris Oynes. “Ninety percent of the 553 million in high bids was offered on tracts in very deep water (2,400) feet or greater) and with a lease term of 10 years. These conditions allowed companies to focus on the long-term potential of these tracts rather than any short term swing in the price of oil.” This is the third sale in the Western Gulf of Mexico, and the sixth sale overall, in which tracts receiving bids in water depths of 200 meters or more are eligible for consideration under provisions of the Deep Water Royalty Relief Act signed by President Clinton in November 1995.

MMS officials said 323 tracts receiving bids are in water depths of 200 meters or more. The highest bid on a tract was \$37,406,500 submitted by Union Oil Co. of California, Seagull Energy E. & P., Inc., and British-Borneo Petroleum, Inc. for Alaminos Canyon Block 947. Each tract is about nine square miles. The highest bid on each tract will go through an evaluation process to ensure the American taxpayer receives fair market value.

The MMS is the Federal agency that manages the Nation’s oil and gas and other mineral resources on the OCS and collects, accounts for and last year disbursed about \$6 billion in revenues from Federal offshore leases and Federal and Indian onshore mineral leases.

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