

**U.S. Department of the Interior
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Record Gulf of Mexico Sale Attracts \$521 Million

A federal offshore natural gas and oil lease sale in the Central Gulf of Mexico attracted high bids of \$520.9 million today in New Orleans.

The U.S. Department of the Interior's Minerals Management Service (MMS) received a record 1,381 bids on 924 tracts; 5,649 tracts comprising approximately 30,322,792 acres offshore Alabama, Louisiana and Mississippi were offered. South Marsh Island Area, North Addition 261 received the highest number of bids: 10. Seventy-eight companies submitted bids totaling \$716,059,864.

"We are very pleased. This signals a new era for the Gulf of Mexico," said MMS Director Cynthia Quarterman. "If this sale sends any message at all, it is that both independents and majors will be playing significant roles in the future of the Gulf of Mexico. It also means the U.S. is in a better position to reverse the trend of declining domestic production and create positive economic benefits for the Gulf region and the rest of the country. Deepwater royalty relief also appears to be a factor in the success of this sale with 442 bids on tracts in 400 to 800 meters of water."

The highest bid on a block will go through an evaluation process to ensure that taxpayers receive fair market value before a lease is awarded; each block is approximately nine square miles.

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects, accounts for and disburses about \$4 billion yearly in revenues from offshore federal mineral leases and from onshore minerals leases on federal and Indian lands.

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