

**U.S. Department of the Interior
Minerals Management Service
Office of Communications**

FOR RELEASE: July 3, 1996

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MMS EXTENDS TIME PERIOD TO ACCEPT OR REJECT BIDS ON OFFSHORE NATURAL GAS AND OIL TRACTS

The U.S. Department of the Interior's Minerals Management Service (MMS) today announced a final rule extending the 90-day time period within which the agency must accept or reject high bids received on Outer Continental Shelf (OCS) tracts offered for sale. The rule, which appears in the July 3, 1996, Federal Register, gives the authorized officer authority to extend the time period for 15 working days or longer, when circumstances warrant.

Agency officials noted that the 90-day time frame, established in 1982, is too rigid and may not provide enough time to complete the review process given the complexities in evaluating certain tracts. "For example," said MMS Director Cynthia Quarterman, "in the Central Gulf of Mexico Sale 157, held April 24, 1996, MMS received 1,381 bids on 924 tracts, with 632 tracts requiring detailed reviews. That increased workload--more than three times the normal number of tracts requiring further evaluation--was due in part to the Deep Water Royalty Relief Act, which provides for royalty suspensions, but didn't amend the requirement that we receive fair market value for tracts leased.

"MMS is unable to conduct and complete the entire bid review process for this sale within the 90 days, which expires July 22, 1996," explained Quarterman. "Dozens of high bids may be rejected because of the statutorily mandated review for fair market value. It only makes sense to change rules if they no longer are appropriate to the times. That's good government."

Quarterman said the rule, which becomes effective July 18, 1996, addresses "a house-keeping issue that will enable us to adjust the bid acceptance or rejection time period to meet changing conditions. We'll extend the bid review period only for circumstances beyond our control."

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

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