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Western Gulf of Mexico Lease Sale 161 Attracts \$352.5 Million in High Bids

For the second time this year, a federal offshore natural gas and oil lease sale in the Gulf of Mexico has set a record. The U.S. Department of the Interior's Minerals Management Service (MMS) said it received a record 929 bids on 617 tracts for acreage offered in the Western Gulf of Mexico offshore Texas and in deeper waters offshore Louisiana. The 57 participating companies offered \$352.5 million in high bids at the sale held in New Orleans today; the total of all bids submitted in Sale 161: \$503,648,405.

"This is the first sale in the Western Gulf of Mexico, and only the second sale overall, in which tracts receiving bids in water depths of 200 meters or more are eligible for consideration under provisions of the Deepwater Royalty Relief Act signed by President Clinton this past November," said MMS Director Cynthia Quarterman. "This sale, along with the record breaking Central Gulf Sale earlier this year, are clear indications that the Gulf of Mexico is embarking on a new era for offshore energy development."

MMS officials said 433 tracts receiving bids are in water depths of 200 meters or more. The highest bid on a tract was \$13,006,080 submitted by Barrett Resources for High Island, Block 545A. Each tract is about nine square miles. The highest bid on each tract will go through an evaluation process to assure the American taxpayer receives fair market value. The agency estimates recoverable hydrocarbons to be about 40 million barrels of oil and 0.65 trillion cubic feet of natural gas.

More complete sale information is available on the MMS World Wide Web page located at <http://www.mms.gov/omm/gomr/homepg/lseale/wgom161.html>.

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

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