



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

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MMS Issues Proposed Notice of Sale for Western Gulf of Mexico Sale 168

The U.S. Department of the Interior's Minerals Management Service (MMS) published in the April 15 issue of the Federal Register a proposed Notice of Sale for Sale 168 in the Western Gulf of Mexico. The proposal outlines the terms and conditions of the lease sale. Bids will be opened August 27, 1997, at the Royal Sonesta, 300 Bourbon, New Orleans, Louisiana, at 9:00 a.m.

The sale encompasses about 4,685 available blocks in the Western Gulf of Mexico Outer Continental Shelf (OCS) planning area offshore Texas and Louisiana. This area covers about 25.7 million acres. Blocks in this sale are located from 9 to 223 miles offshore in water depths ranging from 8 meters to more than 3,000 meters. There are 3,186 tracts in this sale offering that are in water depths of 200 meters or more. Resource estimates for recoverable hydrocarbons within this sale area are about 0.67 trillion cubic feet of natural gas and 40 million barrels of oil.

Statistical Summary

Size: 4,685 unleased blocks; 25.7 million acres

Lease Terms: 5 Year — 1,679 Blocks - Water depths less than 400 meters
8 Year — 354 Blocks - Water depths between 400 and 800 meters
10 Year — 2,652 Blocks - Water depths greater than 800 meters

Bidding Systems: 12 1/2% Royalty - 3,006 Blocks
16 2/3% Royalty - 1,679 Blocks

Royalty Suspension Areas: 200-400 Meter Royalty Suspension Area - 180 Blocks
400-800 Meter Royalty Suspension Area - 354 Blocks
800 Meter and Greater Royalty Suspension Area - 2,652 Blocks

Minimum Bid: \$25 per acre or fraction thereof

Other recent sales in the Western Gulf of Mexico include Sale 161, where MMS offered 5,168 tracts covering 28.4 million acres in September 1996. Of the area offered, 606 tracts were leased for bonuses totaling over \$352 million. Sale 155 in the Western Gulf of Mexico, held in September 1995, offered 5,181 tracts covering 28.5 million acres. Of these tracts, 263 were leased for bonuses totaling over \$110 million.

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 in revenues each year from Federal offshore mineral leases and from onshore mineral leases on Federal and Indian lands.

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