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Gulf of Mexico OCS Region

NEWS RELEASE

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**Central Gulf of Mexico Sale 182, Nets \$355,792,253 in High Bids**

The U.S. Department of the Interior's Minerals Management Service (MMS) announced today the completion of the two-phase bid evaluation process for Lease Sale 182. The sale was held on March 20, 2002.

Of the 506 tracts receiving bids, MMS rejected 15 high bids totaling \$5,478,221 as insufficient for fair market value. MMS accepted the high bids on 491 tracts, but the high bidders on two tracts decided not to accept and forfeited 1/5th of their high bonus bids. Therefore, MMS received \$355,307,255 on 489 high bids plus \$484,998.20 in forfeited monies, for a net amount of \$355,792,253 in high bids.

"We were pleased with the continued industry competition for Gulf of Mexico leases," said MMS Regional Director Chris Oynes. "Shallow-water bidding (water depths up to 655 feet) was significant for this sale, with shallow-water tracts receiving approximately 57% of the total accepted bids. This shallow-water activity can be attributed to relatively strong energy prices, and the MMS royalty relief provision for 20 bcf of deep gas production (greater than 15,000 feet) in shallow shelf waters," he continued. Sixteen percent of the accepted bids were in deep-water ranging from 2,624 feet to 5,248 feet with a lease term of 10 years, and 15% of the accepted bids were in ultra deep water (5,249 feet or greater), also with a lease term of ten years.

The highest bid accepted on a tract was \$17,466,000 by Phillips Petroleum Company for Green Canyon Block 199. The second highest bid was for \$14,857,000 by Chevron U.S.A. Inc., Enterprise Oil Gulf of Mexico, Inc., and PanCanadian Gulf of Mexico, Inc., for Green Canyon Block 726. The third highest bid was submitted by BP Exploration and Production Inc., for \$14,251,704 for Mississippi Canyon Block 726. All top three bids were in water depths greater than 800 meters (2,624 feet); however, the tract that received the most bids was in less than 200 feet of water. Eugene Island Block 159 received seven bids. This sale indicates the continued strong showing of both major and independent oil and gas companies participating in the Gulf.

The companies that rank in the top five for participating in the highest number of winning bids for Sale 182 are:

<b>Company</b>	<b>Tracts</b>	<b>Sum of High Bids</b>
Spinnaker Exploration Company, L.L.C.	42	\$28,770,381
Magnum Hunter Production, Inc.	41	\$5,691,106
BP Exploration & Production Inc.	39	\$27,244,990
Dominion Exploration & Production, Inc.	37	\$37,022,600
Kerr-McGee Oil and Gas Corporation	36	\$15,345,706

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal and Indian leases. These revenues totaled nearly \$10 billion in 2001 and more than \$120 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

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