



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

NEWS RELEASE

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Western Gulf of Mexico Sale 184 Nets \$148,558,145 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 184, held on August 21, 2002. Of the 323 tracts receiving bids in that sale, MMS rejected 7 high bids totaling \$2,400,830 as insufficient for fair market value. As a result, MMS awarded 315 leases involving \$148,558,145 in high bids. This sum includes a 1/5th bonus of \$76,570 forfeited on Lease OCS-G 24507.

Eighteen percent of the accepted bids were in deepwater ranging from 2,624 to 5,248 feet and have a lease term of ten years, and 22 percent of the bids were in ultra-deepwater (5,249 feet or greater) and have a lease term of ten years. Shallow-water blocks in water depths up to 655 feet with a 5-year lease term received almost 44 percent of the accepted bids. MMS now has a royalty relief provision for 20 Bcf of deep gas production (greater than 15,000 feet) in shallow shelf waters.

The highest bid accepted on a tract was a bid of \$8,353,500 by Dominion Exploration and Nexen Petroleum for Garden Banks Block 337. Garden Banks Block 337 is a block that was bid upon and rejected at the Western Gulf of Mexico Sale last year. The second highest bid in the sale was \$5,851,587 by Shell Offshore for Garden Banks Block 338, and the third highest bid was a bid of \$5,701,587 by Shell Offshore for Alaminos Canyon Block 432.

The highest bid and second highest bid in the sale were in the water depth interval of 400 to 799 meters (1,312 to 2,623 feet), and the third highest bid in the sale was in the water depth interval of 1,600+ meters (5,249 feet).

There were 44 companies participating in the sale, with 40 companies submitting bids. The companies that rank in the top ten in number of bids accepted for Sale 184 are:

Company	Tracts	Company	Tracts
Kerr-McGee Oil & Gas Corp.	45	BHP Petroleum (Deepwater) Inc.	18
Amerada Hess Corporation	42	Ocean Energy Inc.	15
Pioneer Natural Resources	40	Exxon Mobil Corporation	14
Shell Offshore, Inc.	34	Gryphon Exploration	12
LLOG Exploration Offshore Inc.	19	El Paso Production	12

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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