



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

News Release

FOR RELEASE: July 17, 2003

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**MMS Issues Proposed Notice of Eastern Gulf of Mexico Lease Sale 189**

The U.S. Department of the Interior's Minerals Management Service (MMS) published today a notice of availability for Proposed Notice of Sale 189 in the Eastern Gulf of Mexico (GOM), tentatively scheduled for December 10, 2003. This proposed sale is the 12<sup>th</sup> Eastern GOM Outer Continental Shelf (OCS) lease offering, and the configuration of this proposed sale is the same as MMS Eastern GOM Sale 181 held in December 2001. The notice was published in the *Federal Register* on July 17, 2003.

"The prospect of holding this sale in December is exciting because of the potential oil and gas in the area," commented MMS Regional Director Chris Oynes. "There already has been a discovery by Anadarko in this area, in Lloyd Ridge Block 50 on its Atlas prospect. Anadarko's earlier discovery on its Jubilee prospect in Atwater Valley Block 349 lies near the dividing line between the Central Gulf and the Eastern Gulf and directly across from this Sale 189 area. BP is already producing inside the Sale area at its Kings Peak project in Desoto Canyon Block 133."

As a further incentive towards meeting our Nation's energy needs and increasing domestic natural gas and oil production, a royalty suspension of 12 million barrels of oil equivalent for a lease in water depths of 1,600 meters and deeper has been continued in this Notice of proposed sale. In addition, lessees can apply for added discretionary royalty relief on these leases, if needed.

A recently revised Protected Species Stipulation designed to minimize or avoid potential adverse impacts to federally protected species is also included in this proposed notice. This stipulation, which will apply to all leases resulting from this sale, may have further revisions pending the completion of consultations with the National Oceanic and Atmospheric Administration-Fisheries and the Fish and Wildlife Service, pursuant to section 7 of the Endangered Species Act. These consultations are scheduled to be completed before the Final Notice of Sale.

Finally, this proposed notice contains a requirement that each bidder submit, by the bid submission deadline, a Geophysical Data and Information Statement declaring whether they possess or control depth-migrated geophysical data and information pertaining to each block upon which they are participating as a bidder. In connection therewith, MMS has issued a Notice To Lessees, No. 2003-G05, effective February 15, 2003, which provides more detail concerning submission of the Geophysical Data and Information Statement, making the data available to MMS following the lease sale, the preferred format, reimbursement for costs, and confidentiality.

The proposed sale area encompasses 256 blocks in the Eastern GOM Planning Area and covers approximately 1.47 million acres. Available unleased blocks in the planning area currently number 138 and cover about 0.79 million acres and are located from 100 to about 196 miles offshore in water depths of about 1,600 to more than 3,425 meters. Estimates of undiscovered economically recoverable hydrocarbons in this proposal range from 65 to 85 million barrels of oil and 0.265 to 0.34 trillion cubic feet of natural gas. The MMS estimates the net economic value for this proposed sale to be between \$100 million and \$500 million in 2003 dollars.

Complete sale notice packages, including the Notice, sale maps, and supporting documents, are available from the MMS Gulf of Mexico Region Public Information Unit; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Minerals Management Service  
Gulf of Mexico OCS Region  
Public Information Unit (MS 5034)  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394

**Statistical Information for Proposed Sale 189:**

**Size:** 138 unleased blocks; 794,880 acres

**The following terms and conditions apply to each block offered in this sale:**

**Initial Period:** 10 years

**Minimum Bonus Bid Amount:** \$37.50 per acre or fraction thereof

**Rental/Minimum Royalty Rates:** \$7.50 per acre or fraction thereof

**Royalty Rates:** 12-1/2%

**Royalty Suspension Areas:** 12 million barrels of oil equivalent

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 American Indian leases. These revenues totaled over \$6 billion in 2002 and nearly \$127 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.