



U.S. Department of the Interior
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NEWS RELEASE

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MMS Seeks Companies to Explore in Alaska's Frontier Areas

The Minerals Management Service is assessing industry interest in exploring for oil and gas in Alaska's Chukchi Sea/Hope Basin and Norton Basin. MMS looks to foster exploration in these areas of the Alaska Outer Continental Shelf and increase an awareness of potential energy sources.

"These areas have great potential as sources of oil or gas but are largely unexplored," said MMS Alaska Regional Director John Goll. "The high economic costs caused by the distance from any infrastructure make these areas challenging to lease. Our objective through this 'special interest' process is to see whether any companies are interested in exploring these frontier areas at this time. If they are, we can design a sale."

The Call for Information and Nominations, published in the Federal Register on February 9, 2005, asks for comments from industry and the public and requests that industry nominate small, very specific areas where they are willing to commit to exploration. This is the first step in a special 18-month leasing process for Federal OCS tracts in frontier areas. MMS is considering offering economic incentives for these areas similar to those offered recently in the Beaufort Sea Sale 186.

MMS will use the information it receives to decide whether to proceed with leasing. If industry does not express an interest at this time, MMS may issue another Call this year for Chukchi Sea/Hope Basin. This is the last Call for Norton Basin for the current 5-Year Program which ends in 2007.

Sale 193, Chukchi Sea/Hope Basin, and Sale 188, Norton Basin, are included in the MMS 5-Year Plan and are tentatively scheduled for 2006. Although the areas open for nomination are relatively large, the purpose of this "special-interest" process is to identify and offer small-focused areas in these federal waters where industry has a significant interest in exploration. In addition to identifying specific blocks to be included in a possible lease sale, MMS is also seeking comments on particular economic terms and conditions of a sale, geologic, environmental, biological, archaeological, or social and other information that might bear on potential leasing and development in the area.

Once a company shows interest, MMS will ask them to identify the specific area of interest. MMS will then proceed with steps to hold a sale with competitive bidding, in the general area of interest.

Nominations and comments must be received by May 10, 2005. Comments may be submitted in the following ways: by mail to the Regional Supervisor, Leasing & Environment, Alaska OCS Region, Minerals Management Service, 3801 Centerpoint Drive, Suite 500, Anchorage, AK 99503, in person to the above address, via e-mail to akeis@mms.gov, or through public connect on the MMS web site at: <http://ocsconnect.mms.gov/pcs-public/>.

For more information about the proposed sale or the Call, contact MMS Alaska Region at 907-271-6070, toll-free at 1-800-764-2627, or via e-mail at akwebmaster@mms.gov.

MMS, a bureau of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with fiscal year 2004 disbursements of around \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for acquisition of state and federal park and recreation land, gets nearly \$1 billion a year.

Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

MMS Main Website: www.mms.gov

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