

The NewsRoom

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Central Gulf of Mexico Sale 194 Attracts \$ 353,961,798 in High Bids

Eastern Gulf of Mexico Sale 197 Attracts \$ 6,974,531 in High Bids

NEW ORLEANS – Near record oil and gas prices led to robust bidding in two offshore federal lease sales today. The Central Gulf of Mexico Lease Sale 194, garnered \$ 353,961,798 in high bids from 80 companies for oil and natural gas leases in the Federal waters of the Gulf of Mexico. The total of all bids was \$ 540,254,193. Eastern Gulf of Mexico Lease Sale 197 exceeded expectations resulting in \$ 6,974,531 in total bids.

The sales, held today in New Orleans, were conducted by the U.S. Department of the Interior's Minerals Management Service. In sale 194 the agency received 651 bids on 428 tracts. According to Lynn Scarlett, Assistant Secretary for Policy, Management and Budget, Department of the Interior, who spoke briefly at the sale, "The Department is committed to working with all interested parties to enhance energy development in an environmentally responsible manner in available areas of the Gulf." In this sale, 4,063 tracts comprising approximately 21.4 million acres offshore Alabama, Louisiana, and Mississippi were offered.

In sale 197, the agency received 12 bids on 12 tracts. The lease sale area encompasses the unleased blocks in a section of the Eastern Gulf of Mexico outer continental shelf planning area. The area is directly south of Alabama. These 124 unleased blocks cover more than 714,240 acres and are located from 100 to 196 miles offshore in water depths of 1,600 to more than 3,425 meters. Estimates of undiscovered economically recoverable hydrocarbons in this lease range from 65 to 85 million barrels of oil and 0.265 to 0.34 trillion cubic feet of natural gas.

"We are excited about the outcome of these lease sales and look forward to the enhanced oil and gas opportunities associated with the sales," Scarlett said.

While interest in the deep water continues, the large number of tracts receiving bids in shallow water is of particular note. "We believe this reflects definite industry interest in deep gas in shallow waters, as well as deep water oil and gas production in response to royalty relief offered by MMS," MMS Director Johnnie Burton explained.

Lease Sale 194

The highest bid received on a block was \$ 21,157,755, submitted by Stone Energy Corporation and Dominion Exploration & Production, Inc. for West Cameron Area Block 132. The second highest bid received was \$ 20,153,300, submitted by Murphy Exploration & Production Company - USA, Dominion Exploration & Production, Inc, Pioneer Natural Resources USA, Inc. and Spinnaker Exploration Company, L.L.C. for Mississippi Canyon Block 819.

Each of the high bids on a block will go through an evaluation process to ensure the public receives fair market value before a lease is awarded.

Top Five Companies Based on Total Number of High Bids Submitted:

Company	Total High Bids	Sum of High Bids
Dominion Exploration & Production, Inc.	25	\$ 52,300,892
Focus Exploration, L.L.C.	25	\$ 10,176,565
Murphy Exploration & Production Co.	23	\$ 28,053,925

LLOG Exploration Offshore, Inc.	22	\$ 34,859,680
Energy Partners, Ltd.	22	\$ 15,052,672

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LLOG Exploration Offshore, Inc.	22	\$ 34,859,680
Murphy Exploration & Production Co.	23	\$ 28,053,925
Spinnaker Exploration Company, L.L.C.	19	\$ 17,013,825
Energy Partners, Ltd.	22	\$ 15,052,672

Lease Sale 197

The highest bid received on a block was \$ 2,037,379, submitted by Helis Oil & Gas Company, L.L.C., Houston Energy, L.P., and Red Willow Offshore, L.L.C. for Lloyd Ridge Block 272. The second highest bid received was \$ 1,566,000, submitted by Spinnaker Exploration Company, L.L.C. and Dominion Exploration & Production, Inc. for De Soto Canyon Block 797.

Each of the high bids on a block will go through an evaluation process to ensure the public receives fair market value before a lease is awarded.

Top Five Companies Based on Total Number of High Bids Submitted:

Company	Total High Bids	Sum of High Bids
Petrobras America Inc.	4	\$ 1,645,056
Anadarko Petroleum Corporation	3	\$ 785,088
Devon Energy Production Company, L.P.	2	\$ 711,050
Helis Oil & Gas Company, L.L.C.	1	\$ 916,821
Red Willow Offshore, L.L.C.	1	\$ 916,821

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Red Willow Offshore, L.L.C.	1	\$ 916,821
Anadarko Petroleum Corporation	3	\$ 785,088
Dominion Exploration & Production	1	\$ 783,000

MMS, part 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

cooperative conservation, grants to states, and Federal land acquisition, gets nearly \$1 billion a year.

Relevant Web Sites:

[MMS Main Website](#)

[Gulf of Mexico Website](#)

Media Contacts:

Dr. Joe Trahan (504) 736-2595

Debra Winbush (504) 736-2592

[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior