



Minerals Management Service

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News Release

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MMS Issues Final Notice of Central Gulf Lease Sale 208

New area to be offered will provide revenue to Gulf producing states.

NEW ORLEANS – The Department of the Interior’s Minerals Management Service (MMS) today issued the final notice for a Federal oil and gas lease sale in the Central Gulf of Mexico (CGOM). Lease Sale 208 will be held March 18, 2009, in the St. Charles Club Room, at the Louisiana Superdome in downtown New Orleans. The Final Notice of Sale (FNOS) was published in the [Federal Register](#) on January 14, 2009.

The proposed sale encompasses approximately 6,459 unleased blocks covering more than 34.6 million acres offshore Louisiana, Mississippi, and Alabama. This includes approximately 4.2 million acres, located in the southeastern part of the CGOM Planning Area, known as the 181 South Area which has not been offered for lease since 1988.

“The addition of the 181 South Area is significant because the states of Alabama, Mississippi, Louisiana, and Texas will share in all revenue from leases in this new area,” said MMS director Randall Luthi.

The Gulf of Mexico Energy Security Act of 2006 mandated that the # 181 South Area be offered for lease, and that the four Gulf producing states share in those revenues.

“Because MMS has increased the rental rates for leases issued in this sale, all the revenues generated by rentals from acreage leased in Sale 208 will be larger next year,” noted Luthi.

The increase in the base rental rate raises rates from \$6.25 per acre to \$7.00 per acre in water depths of less than 200 meters and from \$9.50 to \$11.00 per acre in 200 meters or deeper. For the first time, rental rates will be escalated for all leases with initial terms of more than five years. Rental rates will also be escalated for leases with an approved extension of the initial lease period. Amounts for each increase and details are listed in the FNOS.

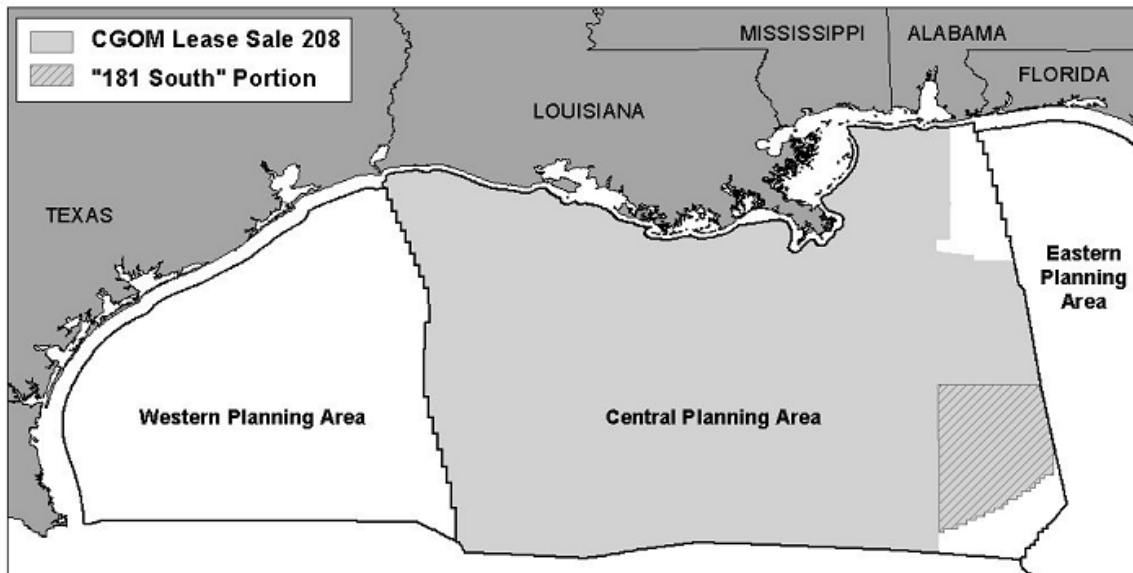
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MMS estimates that this sale could result in production of approximately 0.807 to 1.336 billion barrels of oil and 3.365 to 5.405 trillion cubic feet of natural gas. The acreage is located from three to 230 miles offshore in water depths of about 10 feet (three meters) to more than 11,200 feet (3,400 meters).

All terms and conditions for Central Sale 208 are detailed in the FNOS information package on the MMS Website at

<http://www.gomr.mms.gov/homepg/1sesale/208/cgom208.html>.

Copies can be requested from the MMS Gulf of Mexico Region's Public Information Unit, 1201 Elmwood Park Boulevard, New Orleans, LA 70123, phone (504) 736-2519, toll free 1-800-200-GULF.



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