



**U.S. Department of the Interior  
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***NEWS RELEASE***

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**Modest Interest in Eastern Gulf of Mexico Sale 189  
Sale Attracts \$ 8,376,765 in High Bids**

With the Nation reeling from high natural gas prices, the U. S. Department of the Interior's Minerals Management Service (MMS) hoped a lease sale today in New Orleans might generate fresh prospects for new domestic production. The offshore oil and natural gas lease sale for a small area in the Eastern Gulf of Mexico, attracted \$8,376,765 in high bids, a moderate turnout from the agency's perspective.

MMS Director Johnnie Burton said, "The bidding activity today was moderate. However, the area offered is of relatively small size, and the highly successful Sale 181 was held only two years ago. Time for assessment of the area is needed. We believe industry remains interested in frontier areas and MMS is committed to managing these areas to help ensure America's energy future."

Six companies participated in Lease Sale 189 which offered 256 blocks comprising approximately 1.47 million acres offshore Alabama adjacent to the Central Gulf of Mexico planning area. The MMS received 16 bids on 14 tracts. The total of all bids was \$ 9,081,842.

The highest bid received on a block was \$2,225,251 submitted by Shell Offshore, Inc. and Nexen Petroleum Offshore USA for Desoto Canyon block 398. The deepest block bid on was Desoto Canyon Block 972, in about 8,900 feet of water.

The high bid on a block will go through an evaluation process to ensure the public receives market value before a lease is awarded.

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.

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MMS Internet website address: <http://www.boem.gov>