

## The NewsRoom

Release #: 3023

Date: January 30, 2004

### MMS Samples Interest in Exploring Alaska's Frontier Areas

The Minerals Management Service is asking companies about their interest in exploring for oil and gas in the Chukchi Sea, Hope Basin, and Norton Basin. MMS seeks to foster exploration in these largely unexplored areas of the Alaska Outer Continental Shelf.

"The Chukchi Sea and Norton Basin have great potential as sources of oil or gas but the accompanying high economic cost due to the distance from any infrastructure make them challenging areas to lease," said MMS Alaska Regional Director John Goll. "Our objective through this "special interest" process is to see whether any companies are interested at this time to explore these frontier areas. If they are, we can design a sale. If no one expresses interest, we save a lot of work and money."

The Call for Information and Nominations, published in the Federal Register on January 30, 2004, seeks comments on the proposals from industry and the public and requests that industry nominate small, very specific areas where they are willing to commit to exploration. This would be the first step in the special 18-month leasing process for Federal OCS tracts in frontier areas. MMS is considering offering economic incentives similar to those offered recently in the Beaufort Sea Sale 186 held in September 2003.

MMS will use the information received to make the decision whether to proceed with leasing. If no industry interest is forthcoming this year, MMS will postpone the sales and reissue the Calls next year. This process will continue throughout the 2002-2007 5-Year Program until sufficient interest to hold a sale is expressed.

If a company is interested, MMS will ask them to identify the area of interest. MMS would then proceed through steps to hold a sale, with competitive bidding, in the general area of interest. One of the terms will be a commitment from industry to explore the area leased within a specific period.

The sales, Sale 193, Chukchi Sea and Hope Basin, and Sale 188, Norton Basin, are included in the MMS 5-Year Plan and are tentatively scheduled for September 2005. Although the areas open for nomination are relatively large, the purpose of this "special-interest" process is to identify and offer only 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, comments are sought about particular economic terms and conditions of a sale, geologic, environmental, biological, archaeological, or social and economic conditions and other information that might bear on potential leasing and development in the area.

**Nominations and comments must be received by April 29, 2004.** You may submit comments in three ways: by mail to the Regional Supervisor, Leasing & Environment, Alaska OCS Region, Minerals Management Service, 949 East 36th Avenue, Room 308, Anchorage, AK 99508-4363, in person to the above address, or via e-mail to [callforinformation@mms.gov](mailto:callforinformation@mms.gov),

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](mailto:akwebmaster@mms.gov).

The Minerals Management Service 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 lands. MMS disbursed more than \$8 billion in FY 2003 and more than \$135 billion since the agency was created in 1982. Nearly \$1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and Federal park and recreation lands.

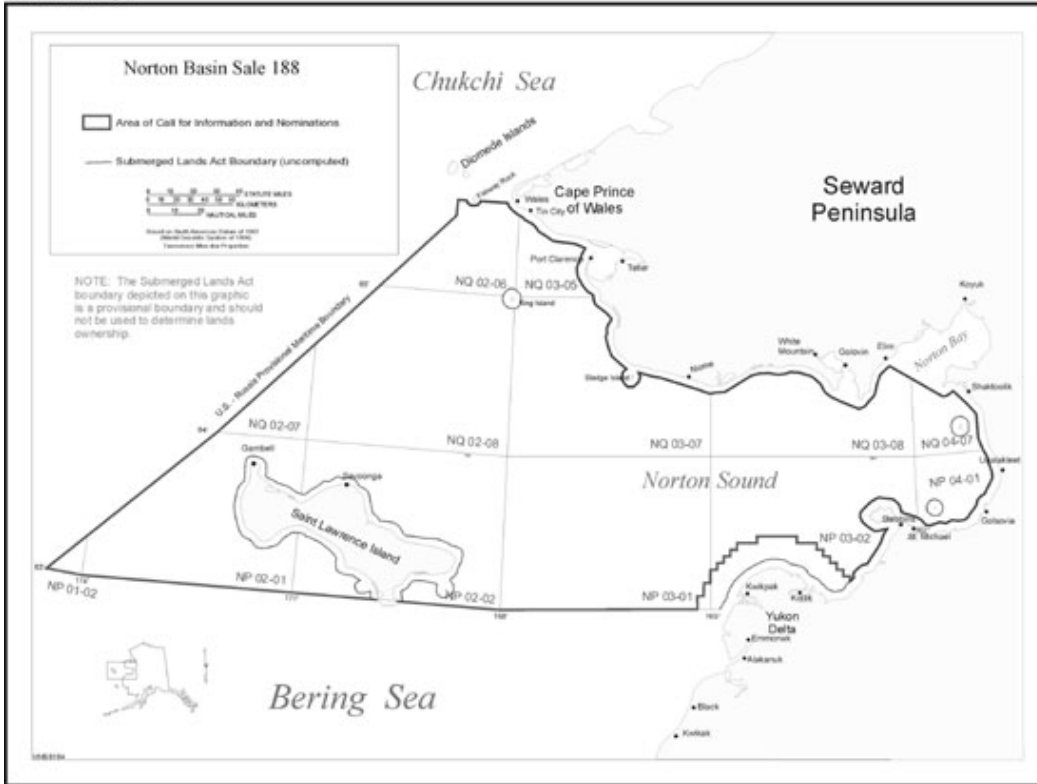
Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

## Relevant Web Sites

[MMS Main Website](#)

[Gulf of Mexico Website](#)





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