

The NewsRoom

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MMS Issues Final Notice of Western Gulf Lease Sale 192

The final notice of Lease Sale 192 for offshore oil and gas in the Western Planning Area of the Gulf of Mexico was published in the *Federal Register* today. The Minerals Management Service estimates the sale, scheduled for August 18, 2004 in New Orleans, Louisiana, could result in production of 136 to 262 million barrels of oil and 0.81 to 1.44 trillion cubic feet of natural gas.

The sale area encompasses 3,907 available blocks on 21.2 million acres of federal land offshore Texas and Louisiana. The blocks are located from nine to about 210 miles offshore in water depths of four to more than 3,425 meters.

The final notice introduces recent changes that were not included in the proposed notice of Lease Sale 192, published March 25, 2004. These revisions are:

- New deepwater royalty suspension price thresholds, expressed in 2004 dollars, of \$39.00 per barrel for oil and \$6.50 per MMBTU for gas.
- A revision of the shallow water deep gas royalty suspension provisions. This revision incorporates references to recent amendments to the January 26, 2004, final rule and to recent related Notices to Lessees.
- A final rule which requires compliance with the Department of the Interior's nonprocurement debarment and suspension requirements pursuant to 43 CFR, part 42, subpart C, was published at 68 FR 66533 on November 26, 2003. Each lessee must communicate this requirement to comply with these regulations to persons with whom they do business related to their lease by including this term as a condition in their contracts and other transactions. This agreement will be evidenced by language prepared by MMS through an Addendum included in each lease resulting from this lease sale.

Other noteworthy matters in this final notice are:

- The minimum bonus bid amount for tracts located in water depths of 400-799 meters is increased from \$25 per acre to \$37.50 per acre.
- Mustang Island Blocks 793, 799, and 816, which have been deferred from recent Western GOM sales, are now available for leasing, subject to a recently revised lease stipulation for operations in the naval mine warfare area. This stipulation requires exploration, development, and production activities to be conducted from outside the lease.
- A revised protected species stipulation that is designed to minimize or avoid potential adverse impacts to federally protected species. Having completed formal consultations (pursuant to the Endangered Species Act) with the National Oceanic and Atmospheric Administration and the U.S. Fish and Wildlife Service, MMS has included terms and conditions as appropriate in the protected species stipulation and in several Notices to Lessees. This revised stipulation was applicable to Western GOM Lease Sale 187 (August 2003) and subsequent sales.

In addition to the naval mine warfare area and protected species lease stipulations, this final notice includes previously adopted lease stipulations relative to topographic features, military areas, and Law of the Sea Convention royalty payment. The final notice also contains a requirement that every bidder submit, by the bid submission deadline, a geophysical data and information statement identifying any processed or reprocessed pre- and post-stack depth migrated geophysical data and information in its possession or control and used in the evaluation for each block upon which they are participating as a bidder.

Complete sale notice packages, including the Notice, sale maps and supporting documents, are available from the MMS Gulf of Mexico Region Public Information Unit; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Minerals Management Service
Gulf of Mexico OCS Region
Public Information Unit (MS 5034)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Lease Sale 192 is scheduled for August 18, 2004, in the Versailles Ballroom of the Hilton New Orleans Riverside Hotel, Two Poydras Street, New Orleans, Louisiana.

Statistical Information for Lease Sale 192

Size 3,907 unleased blocks; 21.2 million acres

Initial Period

5 years for blocks in water depths less than 400 meters:	1,823 blocks
8 years for blocks in water depths of 400 to 799 meters:	375 blocks
10 years for blocks in water depths of 800 meters or deeper:	1,709 blocks

Minimum Bonus Bid Amount

\$25.00 per acre or fraction thereof for water depths less than 400 meters:	1,823 blocks
\$37.50 per acre or fraction thereof for water depths 400 meters or deeper:	2,084 blocks

Rental/Minimum Royalty Rates

\$5.00 per acre or fraction thereof for water depths less than 200 meters:	1,623 blocks
\$7.50 per acre or fraction thereof for water depths 200 meters or deeper:	2,284 blocks

Royalty Rates

16-2/3% royalty rate in water depths less than 400 meters:	1,823 blocks
12-1/2% royalty rate in water depths 400 meters or deeper:	2,084 blocks

Royalty Suspension Areas

0 to 199 meters:	1,623 blocks
400 to 799 meters:	375 blocks
800 to 1599 meters:	968 blocks
1600 meters and deeper:	741 blocks

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. 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.

Relevant Web Sites

[MMS Main Website](#)

[Gulf of Mexico Website](#)

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