

The NewsRoom

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Western Gulf of Mexico Sale 200 Attracts \$462.8 Million in Bids

NEW ORLEANS – Near record oil and gas prices and increased industry interest in deepwater production led to robust bidding in today’s offshore federal lease sale. The Western Gulf of Mexico Lease Sale 200 garnered \$340,935,514 in high bids from 62 companies for oil and natural gas leases in the Federal waters of the Gulf of Mexico. The total of all bids was \$462,760,912, a 38 percent increase over last year’s Western Gulf Sale.

The sale, held today in New Orleans, was conducted by the Minerals Management Service. In Sale 200, the agency received 541 bids on 381 tracts. “Sale 200 is the best Western Sale in terms of number of bids submitted in the past nine years, and the best in eight years for the amount of money bid,” said Chris Oynes, Gulf of Mexico Regional Director, “The level of activity under- scores the Gulf of Mexico’s importance to domestic energy production and the oil and gas industry’s interest in expanding their deepwater operations.”

This activity was led by interest in the Garden Banks and Keathley Canyon areas. In all, more than 50 percent of the tracts receiving bids in the Sale were in these two areas. Several companies were new first time bidders.

High levels of activity in Sale 200 were also sparked by the large number of newly available tracts that were offered for lease. Of the 445 newly available tracts, 130 received bids. The Garden Banks and Keathley Canyon areas accounted for 80 of the newly available tracts receiving bids.

Interest in deepwater oil and gas production continues to grow, with 67 percent of all tracts receiving bids in water depths of greater than 400 meters. The increased number of tracts receiving bids in shallow water indicates ongoing industry interest in deep gas in shallow waters, as well.

“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,” Oynes said.

In this sale, 3,865 blocks comprising approximately 20.87 million acres offshore Texas and the deeper waters offshore Louisiana were offered.

The top bidders in the sale included BP Exploration & Production, Inc. and Petrobras America Inc. BP submitted the highest bid, \$21,011,812, for Keathley Canyon Block 58. Petrobras America Inc., submitted the second highest bid, \$12,800,111, which went for Keathley Canyon Block 59.

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

<i>Top Five Companies by Number of High Bids</i>		
Company	Total High Bids	Sum of High Bids
Petrobras America Inc.	34	45,483,774
BP Exploration & Production Inc.	31	37,469,796
Hess Corporation	30	16,804,661

Shell Offshore Inc.	28	35,420,316
Kerr-McGee Oil & Gas Corporation	27	17,968,470
<i>Top Five Companies by Amount of High Bids</i>		
Company	Total High Bids	Sum of High Bids
Petrobras America Inc	34	45,483,774
BP Exploration & Production Inc.	31	37,469,797
Shell Offshore Inc.	28	35,420,316
Cobalt International Energy, L.P.	24	33,125,180
Chevron U.S.A. Inc.	19	26,152,108

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Media Contact:
[Debra Winbush](#) 504/736-2597
[Caryl Fagot](#) 504/736-2590

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