



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

NEWS RELEASE

For Release: February 13, 1998

Contact: Barney Congdon
(504) 736-2595

Caryl Fagot
(504) 736-2590

MMS Issues Final Notice of Sale for Central Gulf of Mexico Sale 169

The U.S. Department of the Interior's Minerals Management Service (MMS) published the Final Notice of Sale for Central Gulf of Mexico (GOM) Sale 169 in the February 13, 1998, *Federal Register*. The sale will be held March 18, 1998, at the Hyatt Regency Hotel, 500 Poydras Plaza, New Orleans, Louisiana.

"This is the third Central Gulf of Mexico sale in which blocks receiving bids in water depths of 200 meters or more are eligible for consideration under the Deep Water Royalty Relief Act," said MMS Director Cynthia Quarterman. "Because of the tremendous success of royalty relief, there has been an unprecedented level of new activity in the Gulf of Mexico," she explained. "Four new record lease sales, a 95-percent increase in plans filed in deepwater (45 to 88 in the last 3 years), and 11 new deepwater discoveries were announced in 1997, as well as record installations for a tension leg platform and the deepest subsea well. In this sale, there are 3,347 blocks in water depths of 200 meters or more. From these deepwater records and current nearshore activity, the Gulf is alive and well for many years to come."

The final Notice of Sale covers 4,180 available blocks encompassing about 22.55 million acres in the Central GOM Outer Continental Shelf (OCS) Planning Area offshore Louisiana, Mississippi, and Alabama. Blocks in this sale area are located from 3 to approximately 200 miles offshore in water depths ranging from 4 to more than 3,425 meters.

Under the final rule, MMS will apply royalty suspension volumes to new fields that were not producing prior to November 28, 1995 (i.e., the date of the Deep Water Royalty Relief Act enactment). Royalty suspension volumes are:

- 17.5 million barrels of oil equivalent (MMBOE) in 200 to 400 meters of water;
- 52.5 MMBOE in 400 to 800 meters of water; and
- 87.5 MMBOE in more than 800 meters of water.

Statistical Information (Sale 169)

- Lease Terms:
 - 5 Year — 903 Blocks — Water depths less than 400 meters
 - 8 Year — 116 Blocks — Water depths between 400-800 meters
 - 10 Year — 3,161 Blocks — Water depths greater than 800 meters
- Bidding Systems: 12 1/2% Royalty — 3,277 Blocks; 16 2/3% Royalty — 903 Blocks

- Royalty Suspension Areas:
200-400 Meter Royalty Suspension Area — 70 Blocks
400-800 Meter Royalty Suspension Area — 116 Blocks
800 Meter and Greater Royalty Suspension Area — 3,161 Blocks
- Minimum Bid: \$25 per acre or fraction thereof

Note: Tracts beyond the U.S. Exclusive Economic Zone (tracts in the northern portion of the Western Gap and in the northern portion of the Eastern Gap) are **NOT** offered for leasing in this sale.

Sale 169 will be the 55th OCS lease sale in the Central Gulf. Copies of the final Notice of Sale are available from the Gulf Region's Public Information Office, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394, telephone (504) 736-2519 or 1-800-200-GULF. Supplemental documents may also be obtained from that office.

MMS is the Federal Agency that manages the Nation's oil and gas and other mineral resources on the OCS and collects, accounts for, and disburses about \$6 billion yearly in revenues from Federal offshore leases and Federal and Indian onshore mineral leases.



-MMS-GOM-

MMS's Website Address: <http://www.boem.gov>
24 Hour Fax-on-Demand Service: 202-219-1703