

# MMS Alaska OCS Region

# News Release

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## MMS GAUGES INTEREST IN PROPOSED NORTON BASIN SALE

The Minerals Management Service is seeking companies interested in exploring Norton Basin for oil and gas, possibly as a means to bring natural gas to western Alaska communities. MMS is proposing a new process for leasing federal OCS tracts in this frontier area.

"The areas off Western Alaska, although largely unexplored, may contain substantial natural gas resources that could be used for local communities, as well as export," MMS Alaska Regional Director John Goll said. "Communities, such as Nome, are seeking new energy sources to improve their economic outlook. They are intrigued about the possibilities this sale could offer. What we hope is some enterprising company can find an economical way to make this happen."

The Call for Information and Nominations is the first step in an 18-month "special interest" process. The Call, published in the Federal Register on January 22, 2002, seeks comments on the proposal from industry and the public and requests that industry nominate small, very specific areas where they are willing to commit to exploration.

MMS will use the information received to make the decision whether to proceed with leasing. If there is no industry interest this year, MMS will defer the sale for one year and reissue the Call next year. This process will continue throughout the 2002-2007 5-Year Program until there is sufficient interest to hold a sale and that the area nominated is deemed appropriate for leasing. Only one round of leasing will occur during this 5-Year Program.

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 time period.

Sale 188 is included in the MMS Proposed 5-Year Plan being considered by the Department of the Interior and is tentatively scheduled for 2003. The Call area is located offshore Alaska in Norton Sound and the northern Bering Sea, west and south of the Seward Peninsula, and covers about 25 million acres ranging from 3-320 miles offshore. Water depths in the area range from 25 feet to approximately 650 feet. Although the area open for nomination is relatively large, the purpose of this "special-interest" process is to identify and offer only small-focused areas 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 22, 2002.** You may mail comments to the Regional Supervisor, Leasing & Environment, Alaska OCS Region, Minerals

Management Service, 949 East 36th Avenue, Room 308, Anchorage, AK 99508-4363, or hand deliver them to the Alaska OCS Region, 949 East 36<sup>th</sup> Avenue, Room 308, Anchorage, Alaska.

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.

MMS is the federal agency that manages the Nation's natural gas, oil 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 Indian leases. These revenues totaled nearly \$8 billion last year and more than \$110 billion since the Agency was created in 1982. Annually, nearly \$1 billion from those revenues goes into the Land and Water Conservation Fund for the acquisition and development of state and Federal park and recreation lands. The federal offshore leasing program also provides all of the funding for the Coastal Impact Assistance Program and the National Historic Preservation Fund.

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