

Central Gulf of Mexico Sale 190 Attracts \$368,763,482 in High Bids

Strong competition that produced robust bidding was a key factor in Central Lease Sale 190, garnering \$368,763,482 in high bids from 83 companies for oil and natural gas leases in the Federal waters of the Gulf of Mexico. The total of all bids was \$636,819,534.

The sale, held today in New Orleans, was conducted by the U.S. Department of the Interior's Minerals Management Service. The agency received 829 bids on 557 tracts. "The fact that this was the highest number of bids received in a Central Sale in the past six years is a clear indication of industry's continued confidence in the Gulf as a source of energy for the nation," said MMS Director Johnnie Burton. In this sale, 4,324 tracts comprising approximately 23 million acres offshore Alabama, Louisiana, and Mississippi were offered.

"The results of this lease sale are impressive and reflect a strong commitment by industry to increase domestic oil and gas production during this crucial period for our Nation," Burton said. While interest in the deepwater continues, the large number of tracts receiving bids in the ultra-deepwater is of particular note. The most noteworthy aspect is that 60% of the bids were on the shelf. "We believe this reflects definite industry interest in deep gas in shallow waters in response to royalty relief offered as part of MMS's Deep Gas Initiative," she explained. The final rule was announced earlier this year.

The highest bid received on a block was \$35,290,892, submitted by Amerada Hess for Green Canyon Block 468. The second highest bid received was \$31,088,000, submitted by a group that included Nexen Petroleum Offshore U.S.A. Inc., Anadarko Petroleum Corporation, Union Oil Company of California, and BHP Billiton Petroleum (Deepwater) Inc. for Green Canyon Block 512.

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

Because of a federal court order issued March 15, 2004, the MMS web site and external email systems have been temporarily disconnected. Until these systems are restored, MMS will rely on telephone, fax, and regular mail for all external communications. Therefore, information on Lease Sale 190 will not be available on our website. Sale information is available by calling the Gulf of Mexico Region Public Affairs Office at (504) 736-2589. You may also fax us at (504) 736-2432.

Top Five Companies Based on Total Number of High Bids Submitted

Company	Total High Bids	Sum of High Bids
Magnum Hunter Production, Inc.	55	\$8,364,868
BHP Billiton Petroleum (Deepwater) Inc	32	\$18,496,331
Chevron U.S.A. Inc	29	\$10,032,218
Remington Oil and Gas Corporation	25	\$4,571,124
BP Exploration & Production Inc	24	\$8,162,608

Top Five Companies Based on Total Amount of High Bids Submitted

Company	Total High Bids	Sum of High Bids
Amerada Hess Corporation	17	\$40,710,005.00
BHP Billiton Petroleum (Deepwater) Inc.	32	\$18,496,330.50
Stone Energy Corporation	8	\$15,544,000.00
Pogo Producing Company	15	\$12,647,000.00
Tana Exploration Company LLC	10	\$12,145,905.75

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.

Relevant Web Sites

[Central Lease Sale 190](#)

[Deep Gas Incentives and Lease Sale 190](#)

[Deep Gas Prospects, Lease Sale 190](#)

[MMS Main Website](#)

[Gulf of Mexico Website](#)

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