

The NewsRoom

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MMS Marks 50th Anniversary of the First Offshore Lease Sale

A half century ago, responding to the ever-increasing demand for energy to fuel the lives of a burgeoning middle class, trailblazing regional energy companies purchased their first federal offshore leases in a quest for oil and gas in the Gulf of Mexico. The Minerals Management Service, which oversees the federal Outer Continental Shelf today, recently commemorated the 50th Anniversary of that first federal offshore oil and gas lease sale held on October 13, 1954.

While that lease sale was encouraging energy companies to venture out beyond the sight of land, Americans were enjoying the benefits of the new post World War II consumer-based economy. It was a time of blue jeans, hula hoops and surfboards, and when owning a home and a car became tangible realities for many Americans. The fuel hungry, American-made cars allowed the newly mobile and cash-flush middle class to take jaunts to the Grand Canyon with layovers at tourist attractions and the occasional road-side restaurant. This American economic model was critical in the cold-war economic struggle and the driving force behind the need for more domestic energy.

"We have come a long way since those early ventures by pioneering companies into the shallow waters of the Gulf," said Johnnie Burton, director of MMS, marking the 50th Anniversary of that first federal offshore oil and gas lease sale. "While the first leases were in waters less than 250 feet deep and less than 50 miles from shore, today we have operations in two miles of water and 200 miles from shore."

At the first lease sale, the federal government leased 90 of the available 199 tracts, with a total bonus paid to the U.S. Treasury of \$116.3 million. Twenty-six of those 90 tracts leased 50 years ago remain active today and continue producing oil and gas. Those 26 leases have produced 507,774,911 barrels of oil and 1,943,179,702 cubic feet of natural gas. A list of the twenty-six leases that are still producing is attached. Today, there are 4,000 platforms operating in the Gulf of Mexico producing nearly 1.7 million barrels of oil per day and 12.3 billion cubic feet of natural gas per day.

The deepwater Gulf of Mexico frontier areas offer many challenges. Burton noted, "The space-age technological advances made in the offshore industry during these last 50 years tell a remarkable story of American ingenuity." Today, the oil and gas industry safely continues their pioneering efforts to bring energy to a new economy.

While the success of the American consumer-based economic model continues, there are a similar set of concerns faced 50 years ago that are driving a new need for more domestic energy. "Soaring energy prices, diminishing natural resources and a new national security threat are just a few of the reasons the federal offshore leasing program is so important today," said Burton. "While we have to look for new oil and gas deposits we also need to explore for alternative sources of energy," she added. Over the next fifty years, MMS is expected to be at the center of those efforts to meet today's needs while looking for alternative ways to fuel our economy and provide this nation with a secure energy future.

MMS, a bureau of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with fiscal year 2004 disbursements of around \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for acquisition of state and federal park and recreation land, gets nearly \$1 billion a year.

[Map of the 26 Active Leases from Lease Sale 01](#)

Leases from Sale 01 Still Active

Lease	Sale	Area Name	Block
00487	01	Vermillion	119
00495	01	Vermillion	124
00479	01	Eugene Island	53
00424	01	Eugene Island	62
00466	01	Eugene Island	77
00438	01	Eugene Island	175
00445	01	Eugene Island	176
00443	01	Eugene Island	188
00423	01	Eugene Island	189
00436	01	Eugene Island	198
00437	01	Eugene Island	199
00453	01	Ship Shoal	130
00434	01	Ship Shoal	149
00419	01	Ship Shoal	150
00420	01	Ship Shoal	154
00422	01	South Timbalier	54
00421	01	South Timbalier	55
00498	01	South Timbalier	128
00465	01	South Timbalier	129
00456	01	South Timbalier	130
00457	01	South Timbalier	131
00459	01	South Timbalier	133
00461	01	South Timbalier	134
00462	01	South Timbalier	135
00463	01	South Timbalier	151
00464	01	South Timbalier	152

Relevant Web Sites:

[MMS Main Website](#)

[Gulf of Mexico Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
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