



NEWS RELEASE

U.S. Department of the Interior
Minerals Management Service
Office of Public Affairs

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FOR IMMEDIATE RELEASE
Wednesday, October 3, 2007

Record Oil and Gas Lease Sale Attracts \$ 2,904,321,011 for Offshore Tracts in the Central Gulf of Mexico

NEW ORLEANS – A Federal sale of offshore oil and natural gas leases in the Central Gulf of Mexico attracted \$ 2,904,321,011 in high bids today, the second highest total of high bids in U.S. leasing history. The sale underscores the Gulf’s continuing importance as a vital source of domestic energy production for the Nation.

The U.S. Department of the Interior’s Minerals Management Service, which conducted Oil and Gas Lease Sale 205, received a total of 1,428 bids on 723 tracts. The sum of all bids received – losing as well as winning bids -- was \$ 5,245,583,944. There were 84 companies participating in this sale.

“Today’s historic sale emphasizes the Gulf’s strategic value for America’s energy security and the significant economic benefits of environmentally safe oil and gas production for the Nation and the Gulf States,” said Secretary of the Interior Dirk Kempthorne, who officially opened the sale.

“Gulf production creates jobs for American workers and generates hundreds of millions of dollars annually to help Gulf States meet the educational, environmental and infrastructure needs of their communities,” Kempthorne said. The Gulf accounts for 25 percent of domestically produced oil and 15 percent of domestically produced natural gas in the Nation, he noted. More than 30,000 jobs are directly related to Gulf energy exploration and production.

The sale offered 5,359 tracts comprising about 28.7 million acres in federal areas offshore Louisiana, Mississippi, and Alabama. Winning bids were received on 723 of those tracts. Developing these oil and gas rights in the Gulf could result in the production of 776 million to 1.3 billion barrels of oil and 3.2 to 5.2 trillion cubic feet of natural gas, according to Interior officials.

Approximately 40 percent of the tracts receiving bids in this sale are in ultra-deep water -- more than 5,249 feet or 1,600 meters. The deepest tract to receive a bid is Amery Terrace, Block 206 in 3,398 meters of water. The highest bid received on a block was \$ 90,488,445 submitted by Shell Offshore Inc. for Walker Ridge, Block 7.

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“MMS expected the deepwater and ultra-deepwater areas of the Central Gulf to receive a high level of interest in this sale,” said Randall Luthi, Director of Interior’s Minerals Management Service. “The progress being made both in terms of discoveries and advanced technology provide incentive for operators to explore these frontier areas.”

Each high bid on a block will now go through a thorough evaluation process to ensure that the public receives fair market value before a lease is awarded.

The top five companies submitting the highest dollar amount of high bids for Sale 205:

Company	Number of High Bids Submitted	Sum of High Bids Submitted
Shell Offshore Inc.	69	\$ 554,563,223
Chevron U.S.A. Inc.	44	\$ 283,354,944
Marathon Oil Company	27	\$ 221,713,596
Cobalt International Energy, L.P.	53	\$ 211,314,797
Murphy Exploration & Production Company	26	\$ 161,054,671

The top five companies submitting the highest number of high bids for Sale 205:

Company	Number of Total Bids Submitted	Sum of Total Bids Submitted
BP Exploration & Production Inc.	83	\$ 107,069,659
Shell Offshore Inc.	69	\$ 554,563,223
Cobalt International Energy, L.P.	53	\$ 211,314,797
Chevron U.S.A. Inc.	44	\$ 283,354,944
Nexen Petroleum Offshore U.S.A. Inc.	30	\$ 113,563,384

The top five companies submitting the highest dollar amount of total bids for Sale 205:

Company	Number of Total Bids Submitted	Sum of Total Bids Submitted
Shell Offshore Inc.	94	\$ 649,999,879
Chevron U.S.A. Inc.	90	\$ 379,701,723
Cobalt International Energy, L.P.	130	\$ 355,115,521
Marathon Oil Company	67	\$ 345,094,322
Petrobras America Inc.	55	\$ 279,848,602

Lease Sale 205 is the second lease sale under the new Five Year Outer Continental Shelf Oil and Gas Leasing Program which went into effect on July 1, 2007. It is the first lease sale in Central Gulf of Mexico; the previous lease sale under the plan was in the Western Gulf of Mexico on Aug. 22, 2007.