



MMS Alaska OCS Region

News Release

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MMS FINDS NO CURRENT INTEREST IN PROPOSED NORTON BASIN SALE

MMS received no request to continue the sale process for exploring Norton Basin for oil and gas in its first Call for Information for the area that closed on April 22nd.

"We didn't expect much interest from companies at this time," said MMS Regional Director John Goll. "This first Call for Information got the idea of a small focused sale out to the companies. I hope that they will consider the area and its needs and how working in Norton Sound might work into upcoming exploration plans."

The areas off Western Alaska are largely unexplored and have no developed infrastructure for supporting oil and gas exploration. They may contain substantial natural gas resources that could be used for local communities, as well as export. "We heard from communities, such as Nome, on St. Lawrence Island, and in the Yukon Delta, that they would like to see new energy sources to improve their economic outlook. They are intrigued about the possibilities this sale could offer. We will reissue a call annually for the next 4 years. We realize this is a longshot economically, but perhaps an approach could be worked out to make this happen."

The "special interest" process is a first for the Alaska Region. The Call for Information and Nominations was the first step in the 18-month "special interest" process. The Call sought comments on the proposal from industry and the public and requested that industry nominate small, very specific areas where they are willing to commit to exploration.

Since 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 a very specific 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.

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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