



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

For Release: September 24, 2003

Contact: Robin Cacy
(907) 271-6070

Oil and Gas Interest Continues in Alaska's Beaufort Sea

Oil and gas exploration in Alaska got a shot in the arm today with three companies bidding on 34 tracts of land in the Beaufort Sea. The Department of the Interior's Minerals Management Service (MMS) revealed the results of the Beaufort Sea Oil and Gas Lease Sale 186 at a public bid opening in Anchorage. This was the area's eighth federal offshore lease sale.

"We are pleased with the sale results," said John Goll, MMS Regional Director. "This is our largest Beaufort Sea sale in a decade. More importantly, the companies that submitted bids are those with active exploration programs on the North Slope and are experienced with arctic conditions. They have worked well with the North Slope Borough and communities, which will be very important for future exploration plans."

Companies submitted bids totaling \$10,175,949 on 34 blocks, with high bids totaling \$8,903,538, covering about 181 thousand acres offshore of Alaska's arctic coast.

The highest bid received for the sale was \$2,151,600 submitted by Conoco-Phillips for blocks 6456A, 6457B, and 6458C, in the Sandpiper prospect area. ConocoPhillips bid on three tracts.

EnCana Oil and Gas (USA) was the most active company, bidding on 24 blocks, including 19 tracts north of Smith Bay. Armstrong Alaska bid on 10 blocks to the east of the Colville River delta. More complete information on the sale held today in Anchorage will be available on the MMS Alaska Homepage located at www.mms.gov/alaska by 3:00 p.m. on September 24th.

MMS offered 1,792 whole and partial blocks encompassing about 9.4 million acres. The sale area extends from three to approximately 60 nautical miles offshore in water depths generally ranging from about 25 to 3,000 feet. Water depth in the majority of the sale area is less than 200 feet. The area extends from the Canadian Border on the east to Barrow on the west.

The MMS has funded environmental, social, and economic studies about the effects of offshore petroleum exploration on the human and marine environment offshore Alaska. Many are exclusive to the Beaufort Sea Planning Area.

MMS has held eight Federal sales in the Beaufort Sea planning area since 1979 and issued 690 leases of which 37 remain active. All current leases are within 3 to 12 miles of the coast or barrier islands. Lessees have drilled 30 exploratory wells in the federal portion of the Beaufort Sea, all but one well in the sale area.

MMS 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 Indian leases. These collections totaled more than \$6 billion last year and more than \$127 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

* * * www.mms.gov * * *