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WESTERN GULF OF MEXICO SALE 155 ATTRACTS \$114 MILLION IN HIGH BIDS

A federal offshore natural gas and oil lease sale in the Western Gulf of Mexico, a predominantly gas province, garnered \$114.3 million in high bids. Held today in New Orleans, Sale 155 attracted 60 companies offering 348 bids on 275 tracts, the largest number of bids for this area in five years.

Cynthia Quarterman, Director of the Department of the Interior's Minerals Management Service (MMS), said that the results of today's sale surpassed expectations.

"We had estimated high bids of \$37 million for this sale, so in my view, \$114 million is a pretty good indication that the upward trend of interest over the past few years is continuing," she said.

The highest bid received was \$5.2 million submitted by Forest Oil Corporation for block High Island East Addition South Extension A-274. That same block received the highest number of bids, attracting seven bids. Each block is approximately nine square miles. The highest bid on each block will go through an evaluation process to assure that taxpayers receive fair market value before a lease is awarded.

MMS had offered 5,181 tracts covering about 28.5 million acres offshore Texas and Louisiana. The agency estimates recoverable hydrocarbons in the Sale 155 area to be about 40 million barrels of oil and 0.65 trillion cubic feet of natural gas.

"I was especially pleased to see continuing interest in the deep water tracts available in this sale," said Quarterman, "as well as some for subsalt plays. That's where the future of offshore energy development lies."

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