Date: November 13, 2009

Contact: Frank Quimby (OS) 202-208-6416

Eileen Angelico (MMS) 504-736-2595

Salazar: Central Gulf of Mexico Lease Sale to Offer 36 Million Acres for Oil and Gas Development

March 17 Sale Could Produce up to 1.3 Billion Barrels of Oil

WASHINGTON, D.C. – Secretary of the Interior Ken Salazar today announced the Department will hold an oil and natural gas lease sale for the Central Gulf of Mexico Outer Continental Shelf that will offer nearly 36 million acres and could produce up to 1.3 billion barrels of oil and 5.4 trillion cubic feet of natural gas.

"As we build a comprehensive energy strategy for our nation, we are moving ahead both with environmentally-responsible renewable energy development on public lands and appropriate oil and natural gas exploration and development onshore and offshore," said Secretary Salazar. "Continued development in appropriate areas of the Outer Continental Shelf, such as in the areas we will offer in the Gulf of Mexico, is a key component of our efforts to reduce our country's dependence on foreign oil."

Interior's Minerals Management Service has proposed that oil and gas Lease Sale 213 for the Central Gulf of Mexico Planning Area be held March 17, 2010. The Notice of Availability of the Proposed Notice of Sale will be published in the *Federal Register* on November 16, 2009. The proposed sale encompasses about 6,800 unleased blocks covering more than 35.9 million acres offshore Louisiana, Mississippi, and Alabama. The proposed Central Gulf of Mexico lease sale could result in production of up to 1.3 billion barrels of oil and 5.4 trillion cubic feet of natural gas. The acreage is located from three to 230 miles offshore in water depths of about 10 feet (three meters) to more than 11,200 feet (3,400 meters).

Since January of 2009, the Minerals Management Service has conducted two offshore auctions and Interior's Bureau of Land Management has held 29 onshore oil and gas lease sales. Together these sales offered more than 55 million acres of U.S. public land for oil and natural gas exploration and development and generated more than $931 million in revenues that are shared between the states and federal government.

The Proposed Notice of Sale for the Central Gulf includes a proposed revision of the lease terms for blocks in water depths of 1,312 feet (400 meters) to 5,249 feet (1600 meters). Blocks in 400 to 800 meters change from an 8-year lease term to a 5-year initial lease term, where commencement of an exploratory well would extend the lease term to 8 years. Blocks in 800 to less than 1600 meters change from a 10-year initial lease term to a 7-year initial lease term, where commencement of an exploratory well would extend the lease term to 10 years.

"This new approach to lease terms will better ensure that taxpayer resources are being developed in a timely manner," Salazar said.

The proposed sale area includes an area known as 181 South, which has about 4.2 million acres, located in the southeastern part of the Central Planning Area. The acreage in the 181 South area was offered for lease for the first time since 1988 in last year's Central Gulf Lease Sale 208, as mandated by the Gulf of Mexico Energy Security Act of 2006. An enhanced revenue sharing program also mandated by that Act allows Alabama, Mississippi, Louisiana, and Texas to share 37.5 percent of all revenue from leases in that area. In addition, 12.5 percent of revenues from those leases will be deposited into the Land and Water Conservation Fund for use by all 50 states to enhance parklands and for other conservation projects.

Terms and conditions for Central Sale 213 are detailed in the Proposed Notice of Sale information package on the Minerals Management Website at http://www.gomr.mms.gov/homepg/lsesale/213/cgom213.html. Copies can be requested from the MMS Gulf of Mexico Region's Public Information Unit, 1201 Elmwood Park Boulevard, New Orleans, LA 70123, phone (504) 736-2519, toll free 1-800-200-GULF.

###