



NEWS RELEASE

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MMS Reevaluates Proposed Cook Inlet Sale

ANCHORAGE - The Minerals Management Service is again surveying industry to see if there is interest in a federal OCS lease sale in Cook Inlet. If there is sufficient interest, Sale 199 would be scheduled to be held in May 2007. Earlier this year MMS delayed the start of planning to offer OCS areas for lease in Cook Inlet from a May 2006 sale to a May 2007 sale because of lack of industry interest in the area.

“We are hopeful that companies have renewed interest in Cook Inlet given the current energy situation and the need for natural gas in the area,” said MMS Regional Director John Goll. “The federal OCS in Cook Inlet remains relatively unexplored, with the last exploration well drilled in 1984. The region needs a stable supply of energy and raw materials to keep the State’s economy growing. Sales in the federal portion of Cook Inlet would compliment the State’s strong program,” Goll said.

Sale 199 is the second Cook Inlet sale proposed under the 5-Year OCS Oil and Gas Leasing Program Plan for 2002-2007. Sale 191, held in May 2004, received no bids. MMS is proposing to lease in the federal waters of Cook Inlet between three and 30 nautical miles offshore. The area covers about 2.5 million acres extending just south of Kalgin Island to just northwest of Shuyak Island. The water depths in the area range from about 30 to 650 feet. No leasing is proposed in Shelikof Strait.

Comments on the proposal may be sent to the MMS Alaska OCS Region, 3801 Centerpoint Drive, Room 500 Anchorage, AK 99503; submitted via e-mail to AKRFI@mms.gov; hand delivered to the above address, or faxed to MMS at 907-334-5202. Comments must be received by MMS by January 5, 2005. Please call MMS at 907-334-5208 or toll-free at 1-800-764-2627 if you have additional questions.

MMS, an agency of the U.S. Department of the Interior, manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on

1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2005 disbursements of approximately \$9.9 billion and more than \$153 billion since 1982.

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.

MMS Main Website: www.mms.gov
MMS Alaska OCS Region Website: www.mms.gov/alaska