

## **Lease sale put off**

**By HAL SPENCE**

Peninsula Clarion ([www.peninsulaclarion.com](http://www.peninsulaclarion.com))

A lack of industry interest in the Cook Inlet offshore area has led the U.S. Minerals Management Service to postpone a lease sale scheduled for next spring until 2007, the service announced Tuesday.

In a press release, MMS officials said Cook Inlet Sale 199 originally set for May of next year would be tentatively rescheduled for May 2007.

"We will evaluate early next year whether we will restart planning for a sale in 2007," said John Goll, MMS Alaska Outer Continental Shelf regional director. "If conditions change, we could proceed. The Cook Inlet region faces future shortages in natural gas supplies, and we want to be ready to respond if companies decide to renew exploration offshore."

Robin Lee Cacy, of the MMS Public Affairs Office, said the agency had put out requests for information and interest and got no responses from any of the companies. The fact that no jack-up rig was available was a major factor, she said.

The lack of industry interest at this time is no surprise to Cook Inlet Keeper, a watchdog group dedicated to preserving the inlet watershed.

"We have been urging them to cancel the sale for that reason," said CIK's Senior Engineer Lois Epstein. "We have seen no change in interest on industry's part."

Holding the sale "would be a waste of taxpayer money and the public's and governmental staff's time," Epstein said.

MMS, a division of the U.S. Department of the Interior, oversees about 1.76 billion acres of the Outer Continental Shelf.

The OCS provides 30 percent of the oil and 21 percent of the natural gas produced domestically, as well as sand used for coastal restoration.

Alaska receives 27 percent of all revenues generated by federal leases lying within three to six miles offshore and half of that money goes into the Alaska Permanent Fund.