Leasing Activities Information

BOEM

U.S. Department of the Interior Bureau of Ocean Energy Management Gulf of Mexico OCS Region

PROPOSED NOTICE OF SALE 227 Central Planning Area

Attached is the Proposed Notice of Sale (NOS) Package (Package), for the Central Gulf of Mexico Planning Area Oil and Gas Lease Sale 227 (CPA Sale 227) proposed to be held on Wednesday, March 20, 2013, in New Orleans, Louisiana.

This Package consists of:

- Proposed NOS 227
- Lease Stipulations
- Information to Lessees
- Example of Preferred Format Geophysical Data and Information Statement
- Lease Terms and Economic Conditions Map
- Stipulations and Deferred Blocks Map

All documents listed above are available from the BOEM Gulf of Mexico Region Public Information Office; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Bureau of Ocean Energy Management Gulf of Mexico OCS Region Public Information Office (GM 217G) 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394

All of these documents may also be found on the Lease Sale Information page on the BOEM Gulf of Mexico website at: http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/GOMR-Historical-Lease-Sale-Information.aspx.

The Final NOS 227 Package is expected to be available in late-January, 2013. It will contain final versions of the documents listed above as well as the following:

- List of Blocks Available for Leasing
- Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred
- Bid Form and Envelope
- Telephone Numbers/Addresses of Bidders Form

Please Note:

Terms and conditions for the Proposed NOS 227 are generally the same as for the June 2012 CPA Lease Sale 216/222. The following noteworthy matters are highlighted for your attention:

Updated Electronic Funds Transfer (EFT) Instructions

Bidders are advised that the EFT instructions have been updated. Please refer to the following website for complete information:

http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/227/index.aspx

Geophysical Data and Information Statements

This Proposed NOS Package includes information for bidders regarding the submission of Geophysical Data and Information Statements (GDIS). Every bidder submitting a bid on a block in CPA Sale 227, or participating as a joint bidder in such a bid, must submit at the time of bid submission a GDIS in a separate and sealed envelope, identifying any proprietary data, reprocessed speculative data and/or any CSEM, Gravity or Magnetic data, or other information used as part of the decision to bid or participate in a bid on the block. Please note: You may submit the GDIS Information Table digitally on a Compact Disc or Digital Video Disc as an Excel Spreadsheet.

U.S. and Mexico Treaty

The U.S. and Mexico exchanged instruments of ratification in January 2001, and a continental shelf boundary treaty entered into force in the Western Gap area. This treaty contained provisions for a ten year moratorium on drilling within 1.4 nautical miles of the maritime boundary on both the U.S. and Mexican sides. While this moratorium was initially scheduled to expire in January 2011, the U.S. and Mexico mutually agreed to extend the Western Gap buffer zone for an additional three years. This buffer zone now remains in effect until January 2014.

U.S.-Mexico Maritime and Continental Shelf Boundary

Bidders are advised to refer to the Proposed NOS and paragraph (p) in the Information to Lessees portion of this document for detailed information pertaining to bids submitted on blocks in the Boundary Area. Such bids may not be opened on the date scheduled for the sale, but may be opened at a later date. On or before 30 days following execution of a Transboundary Agreement or September 30, 2013, whichever occurs first, the Secretary of the Interior will determine whether it is in the best interest of the United States either to open bids for Boundary Area blocks or to return the bids unopened. The following blocks comprise the Boundary Area:

<u>Sigsbee Escarpment – 151, 152, 195, 196, 197, 239, 240, 241, 242, 243, 284, 285, 286, 287, 288*, 289*, 290*, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349</u>

<u>Amery Terrace</u> – 118, 119, 120*, 121*, 122*, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164*, 165*, 166*, 167, 168, 169, 170, 171, 172, 173, 174, 175, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 265, 266, 267, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 355, 356, 357, 358, 359

<u>Lund South</u> – 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 293, 294, 295, 296

*Leased Blocks

Stipulation No. 10 - Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

Bidders are advised to refer to the Proposed NOS and Stipulation No. 10 in the Stipulations portion of the document. This stipulation notifies bidders that the terms stated in the agreement between Mexico and the United States may apply to some blocks offered in this sale.

New format for the Proposed Notice of Sale document

Bidders are advised that the format for the proposed notice of sale document has been revised.

Not Offered:

Whole and partial blocks that lie within the former Western Gap and are within 1.4 nautical miles north of the continental shelf boundary between the United States (U.S.) and Mexico:

Amery Terrace (OPD NG 15-09)

Whole Blocks: 280, 281, 318 through 320, and 355 through 359

Portions of Blocks: 235 through 238, 273 through 279, and 309 through 317

Sigsbee Escarpment (OPD NG 15-08)

Whole Blocks: 239, 284, and 331 through 341

Portions of Blocks: 151, 195, 196, 240, 241, 285 through 298, and 342 through 349

Whole blocks and portions of blocks that lie adjacent to or beyond the U.S. Exclusive Economic Zone, in or adjoining the area known as the northern portion of the Eastern Gap:

Lund South (OPD NG 16-07)

Whole Blocks: 128, 129, 169 through 173, 208 through 217, 248 through 261, 293 through 305, and 349

Henderson (OPD NG 16-05)

Whole Blocks: 466, 508 through 510, 551 through 554, 594 through 599, 637 through 643, 679 through 687, 722 through 731, 764 through 775, 807 through 819, 849 through 862, 891 through 905, 933 through 949, and 975 through 992

Portions of Blocks: 467, 511, 555, 556, 600, 644, 688, 732, 776, 777, 820, 821, 863, 864, 906, 907, 950, 993, and 994

Florida Plain (OPD NG 16-08)

Whole Blocks: 5 through 24, 46 through 67, 89 through 110, 133 through 154, 177 through 197, 221 through 240, 265 through 283, 309 through 327, and 363 through 370

Whole blocks and portions of blocks deferred by Gulf of Mexico Energy Security Act of 2006:

Pensacola (OPD NH 16-05)

Blocks: 751 through 754, 793 through 798, 837 through 842, 881 through 886, 925 through 930, and 969 through 975

Destin Dome (OPD NH 16-08)

Whole Blocks: 1 through 7, 45 through 51, 89 through 96, 133 through 140, 177 through 184, 221 through 228, 265 through 273, 309 through 317, 353 through 361, 397 through 405, 441 through 450, 485 through 494, 529 through 538, 573 through 582, 617 through 627, 661 through 671, 705 through 715, 749 through 759, 793 through 804, 837 through 848, 881 through 892, 925 through 936, and 969 through 981

DeSoto Canyon (OPD NH 16-11)

Whole Blocks: 1 through 15, 45 through 59, and 92 through 102

Portions of Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through

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Henderson (OPD NG 16-05)

Portions of Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

This block is deferred until measures to ensure the safety of decommissioning operations are completed:

Green Canyon (OPD NG15-03)

Block 20

The following blocks are under appeal and bids will not be accepted:

OCS-G 22966 Green Canyon 478

OCS-G 22975 Green Canyon 536

OCS-G 22983 Green Canyon 581

OCS-G 22921 Mississippi Canyon 999

OCS-G 22922 Mississippi Canyon 1000

Statistical Information (Lease Sale 227):

Approximate Size: 7,250 unleased blocks; 38.0 million acres

For more information on the Proposed NOS 227 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, of the BOEM Gulf of Mexico OCS Region Leasing and Financial Responsibility Section.

Gulf of Mexico Region Public Information Office Bureau of Ocean Energy Management 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394 Telephone: (504) 736-2519 or (800) 200-GULF [4853]

BOEM Homepage Address on the Internet at: http://www.boem.gov