Leasing Activities Information

BOEM

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

Information To Lessees (ITL)
Western Planning Area (WPA)
Oil and Gas Lease Sale 233 (WPA Sale 233)
Proposed Notice of Sale (NOS)

This document contains ITL clauses designed to inform potential bidders of select applicable Federal requirements and other information that may be of benefit to bidders participating in this sale.

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- (a) <u>Navigation Safety</u>. Bidders are advised that operations on certain blocks may be restricted by the designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard (USCG) pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221-1236), as amended in 2002, and the Deepwater Port Act of 1974 (33 U.S.C. 1501-1524). Bidders are advised to review the USCG regulations at 33 CFR part 150, including 33 CFR 150.940, "Safety zones for specific deepwater ports," and the Louisiana Offshore Oil Port Safety Zones, included in Appendix A to part 150 (4/13/1994).
- U.S. Army Corps of Engineers (USACE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed on the Outer Continental Shelf (OCS) in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional USCG information, contact Lieutenant Commander Brandon Sullivan, Waterways Management Division, Sector New Orleans, 200 Hendee Street, New Orleans, Louisiana 70114, or at (504) 365-2280. For additional USACE information, contact Mr. Martin S. Mayer, CEMVN-OD-S, P.O. Box 60267, New Orleans, Louisiana 70160-0267, or at (504) 862-2255.

- (b) Ordnance Disposal Areas. Bidders are advised that two inactive ordnance disposal areas are located in the Corpus Christi and East Breaks areas, as shown on the map "Stipulations and Deferred Blocks" included in the Proposed NOS Package. These areas were used to dispose of ordnance of unknown composition and quantity. These areas have not been used for ordnance disposal since about 1970. Water depths in the Corpus Christi area range from approximately 600 to 900 meters. Water depths in the East Breaks area range from approximately 300 to 700 meters. Bottom sediments in both areas are generally soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.
- (c) Existing and Proposed Artificial Reefs/Rigs-to-Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas for the Gulf of Mexico Region (GOMR) in which reef sites are or may be established for use in the Rigs-to-Reefs program. Proposals for reefing structures must be accepted by the appropriate state and approved by the Bureau of Safety and Environmental Enforcement (BSEE) GOMR and receive a permit from the USACE. Also, each State's Artificial Reefs/Rigs-to-Reefs program is managed under that State's Artificial Reef Plan. Additional information may be obtained from the points of contact and websites provided in the following table.

State	Coordinator	Phone	URL
AL	Kevin Anson	(251) 968-7577	http://www.outdooralabama.com/fishing/saltwater/fisheries/
			artificial-reefs/
FL	Jon Dodrill	(850) 487-	http://myfwc.com/conservation/saltwater/artificial-reefs/
		0580, ext. 209	
LA	Doug Peter	(225) 765-2375	http://www.wlf.louisiana.gov/fishing/artificial-reef-program
MS	K. Cuevas	(228) 523-4061	http://www.dmr.ms.gov/marine-fisheries/artificial-reef
TX	Dale Shively	(512) 389-4686	$\underline{http://www.tpwd.state.tx.us/landwater/water/habitats/artifici}$
			al_reef/

- (d) <u>Lightering Zones</u>. Bidders are advised that the USCG has designated certain areas of the OCS as lightering zones for the purpose of permitting single hull vessels to offload oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300-156.330 for the regulations concerning lightering zones. For more information, contact the USCG District 8 Waterways Management Division at (504) 671-2107.
- (e) <u>Indicated Hydrocarbons List</u>. Bidders are advised that BOEM makes available a list of unleased blocks in the Central, Western, and Eastern Planning Areas that have wellbores with indicated hydrocarbons approximately three months prior to a lease sale. Information relating to production, wellbores, and pay range for each block is included. See the BOEM website at: http://www.boem.gov/Oil-and-Gas-Energy-Program/Resource-Evaluation/Gulf-OCS-Region-Activities/Indicated-Hydrocarbon-List.aspx. Bidders should be aware that prior lessees on these lease blocks may have continuing rights and obligations with respect to the wells and infrastructure developed under the prior lessee's lease, for at least a year after termination of the prior lessee's lease (see 30 CFR 250.1710). Lessees seeking the right to use preexisting platforms, pipelines, wells or other infrastructure on a lease block must first obtain BSEE approval and, in the event the request is made within the time BSEE authorizes for the completion of decommissioning, the express consent of the prior lessee will also be required. Bidders should also refer to 30 CFR 250.1702 for the circumstances under which lessees accrue decommissioning liabilities, including but not limited to when reentering wells that were previously plugged.
- (f) <u>Military Areas</u>. Bidders are advised that Stipulation No. 2, Military Areas, in "Lease Stipulations" included in the Proposed NOS Package, will apply to leases in Military Warning and Water Test Areas as identified by the Federal Aviation Administration (FAA) in the FAA Air Traffic Document JO 7400.8U "Title 14-Aeronautics and Space Chapter 1 Federal Aviation Administration Subchapter Airspace Part 73 Special Use Airspace Regulatory and Nonregulatory." This document may be downloaded from the FAA website at http://www.faa.gov/documentLibrary/media/Order/SUA.pdf.

It is the lessees' responsibility to establish and maintain contact and to coordinate with the military commander(s) in any Military Warning and Water Test Area, in which operations, radio communications, or flights are planned during the occupation and development of any leased area, including flights that pass through a Military Warning and Water Test Area to a leased area that is not in a Military Warning and Water Test Area.

BOEM recommends that lessees establish and maintain contact, and coordinate with the appropriate military commander(s) whether or not their lease is subject to a Military Warning and Water Test Areas Stipulation.

For more information, contact:

Federal Aviation Administration - Airspace Office Houston Air Route Traffic Control Center (ARTCC) Attention: Mike McGee 16600 John F. Kennedy Boulevard

Houston, Texas 77032

Telephone: (281) 230-5563 (mission support/daily schedules)

Telephone: (281) 230-5520 (airspace and procedures)

For more information, including a map of the Military Warning and Water Test Areas, see Notice to Lessees (NTL) 2009-G06, available from the BOEM GOMR Public Information Office at the address listed below, or see BOEM's website at http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx.

- (g) <u>Safety Zones for Certain Production Facilities</u>. Bidders are advised to review the USCG regulations at 33 CFR part 147 Safety Zones. These regulations establish a 500-meter safety zone around several oil and gas production facilities on the OCS, measured from each point on its outer edge or from its construction site, so as not to interfere with the use of recognized sea lanes essential to navigation. These regulations prevent all vessels from entering or remaining in the safety zones except as follows: an attending vessel, a vessel under 100 feet in length overall not engaged in towing, or a vessel authorized by the Eighth Coast Guard District Commander. These facilities and their locations are specifically identified in 33 CFR 147.801-147.847.
- (h) <u>BSEE Inspection and Enforcement of Certain Coast Guard Regulations</u>. Bidders are advised to review the USCG regulations at 33 CFR part 140, subpart B Inspections. These regulations authorize BSEE to enforce USCG regulations applicable to fixed OCS facilities during BSEE inspections, in accordance with 33 CFR parts 140-147. For more information, contact USCG Sector New Orleans, 200 Hendee Street, New Orleans, Louisiana 70114.
- (i) <u>Potential Sand Dredging Activities</u>. Bidders are advised that offshore dredging activities to obtain OCS sand for beach nourishment and coastal restoration projects will occur in some of the blocks listed below:

WPA Blocks

Sabine Pass Area – 10, 16, 40, 44

High Island Area – 47, 48, 71, 72, 73, 74, 75, 76, 88, 89, 114, 199, 200, 202

High Island East Addition – 38, 39, 45, 46

West Cameron West Addition – 157, 160, 161

A BOEM - Texas Cooperative Sand Program identified offshore sand deposits at Heald Bank and Sabine Bank sand bodies for possible use in coastal restoration projects along the Texas coast. Although no specific beach nourishment or coastal restoration projects using OCS sand resources have been identified, future projects in this area may occur.

For more information or to obtain a map of the potentially affected blocks, contact the BOEM GOMR, Regional Supervisor, Office of Environment, at (504) 736-2759. Also see BOEM's

website at http://www.boem.gov/Non-Energy-Minerals/Managing-Multiple-Uses-in-the-Gulf-of-Mexico.aspx, and NTL No. 2009-G04, Significant OCS Sediment Resources in the GOM.

(j) Notice of Arrival on the Outer Continental Shelf. Bidders are advised that the USCG has published a Final Rule on the *Notice of Arrival on the Outer Continental Shelf* (76 FR 2254, January 13, 2011). This Final Rule, effective February 14, 2011, implements provisions of the Security and Accountability for Every Port Act of 2006 and requires owners or operators of U.S. and foreign flag floating facilities, Mobile Offshore Drilling Units, and vessels to submit notice of arrival information to the National Vessel Movement Center (http://www.nvmc.uscg.gov/NVMC/default.aspx) prior to engaging in OCS activities (33 CFR 146). Since the publication of the Final Rule, the Coast Guard and Maritime Transportation Act of 2012 (Pub. L. No. 112-213) was signed into law by the President of the United States on December 20, 2012, and mandates that "the regulations required under section 109(a) of the Security and Accountability For Every Port Act of 2006 (33 U.S.C. 1223 note [Pub. L. 109-347, §109]) dealing with notice of arrival requirements for foreign vessels on the Outer Continental Shelf shall not apply to a vessel documented under section 12105 of title 46, United States Code, unless the vessel arrives from a foreign port or place" (Pub. L. No. 112-213, §704). For more information, contact:

LCDR Mike Lendvay CVC-2 Port State Control Oversight Telephone: (202) 372-1218 Michael.D.Lendvay@uscg.mil

(k) <u>Bids on Blocks near the U.S.-Mexico Maritime and Continental Shelf Boundary</u>. Bidders are advised that bids submitted on blocks in the Boundary Area may not be opened on the date scheduled for the sale, but they may be opened at a later date. Within 30 days following the approval of the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico or by February 28, 2014, 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. For more information, see the WPA Sale 233 Proposed NOS.

The following blocks in the WPA Sale 233 leasing area comprise the Boundary Area:

<u>Port Isabel Blocks</u> – 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 945, 946, 947, 948, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 989, 990, 991, and 992

<u>Alaminos Canyon Blocks</u> – 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899*, 900*, 901*, 902*, 903*, 904*, 905, 906, 907, 908, 909, 910, 911, 912, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942*, 943*, 944*, 945*, 946, 947*, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, and 1009

<u>Keathley Canyon Blocks</u> – 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, and 981

<u>Sigsbee Escarpment Blocks</u> – 11, 12, 13, 14, 15, 57, 58, 59, 60, 61, 103, 104, 105, 106, 148, 149, 150, and 194

South Padre Island Blocks – 1154, 1163, 1164, 1165, and 1166

<u>South Padre Island, East Addition Blocks</u> – 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, A 78, A 79, A 80, A 81, A 82, A 83, A 84, A 85, A 86, A 87, A 89, and A 90

* Leased

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 BOEM Gulf of Mexico Region website at:

http://www.boem.gov/