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

#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA

LEASE SALE 248

DUE TO THE EPA SUSPENSION OF BLACK ELK ENERGY OFFSHORE OPERATIONS, LLC October 20, 2015

The U.S. Environmental Protection Agency (EPA) has suspended Black Elk Energy Offshore Operations, LLC (Black Elk) from new contracts with the federal government. For Western Planning Area Sale 248 (WPA 248) BOEM will accept bids from qualified Black Elk companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process Black Elk bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which Black Elk has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Black Elk is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Black Elk high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where Black Elk is the high bidder and determine whether Black Elk is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to Black Elk.
- 5. If Black Elk remains under suspension at the time of lease award, Black Elk will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

Contact: Carrol Williams, Supervisor, Leasing and Financial Responsibility Section, Gulf of Mexico Region Office of Leasing and Plans - (504) 736-2803 or carrol.williams@boem.gov

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#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA SALE 248 DUE TO THE EPA SUSPENSION OF ENERGY RESOURCE TECHNOLOGY GOM, LLC May 18, 2016

The U.S. Environmental Protection Agency (EPA) has suspended Energy Resource Technology GOM, LLC (ERT) from new contracts with the federal government. For Western Planning Area Sale 248, BOEM will accept bids from qualified ERT companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process ERT bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which ERT has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where ERT is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to ERT high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where ERT is the high bidder and determine whether ERT is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to ERT.
- 5. If ERT remains under suspension at the time of lease award, ERT will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA SALE 248 DUE TO THE EPA SUSPENSION OF TALOS ENERGY LLC June 14, 2016

The U.S. Environmental Protection Agency (EPA) has suspended Talos Energy LLC from new contracts with the federal government. For Western Planning Area Sale 248, BOEM will accept bids from qualified Talos Energy LLC companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process Talos Energy LLC bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which Talos Energy LLC has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Talos Energy LLC is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Talos Energy LLC high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where Talos Energy LLC is the high bidder and determine whether Talos Energy LLC is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to Talos Energy LLC.
- 5. If Talos Energy LLC remains under suspension at the time of lease award, Talos Energy LLC will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA SALE 248 DUE TO THE EPA SUSPENSION OF TALOS ENERGY OFFSHORE, LLC May 18, 2016

The U.S. Environmental Protection Agency (EPA) has suspended Talos Energy Offshore, LLC (Talos Energy) from new contracts with the federal government. For Western Planning Area Sale 248, BOEM will accept bids from qualified Talos Energy companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process Talos Energy bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which Talos Energy has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Talos Energy is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Talos Energy high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where Talos Energy is the high bidder and determine whether Talos Energy is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to Talos Energy.
- 5. If Talos Energy remains under suspension at the time of lease award, Talos Energy will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA SALE 248 DUE TO THE EPA SUSPENSION OF TALOS PRODUCTION LLC May 18, 2016

The U.S. Environmental Protection Agency (EPA) has suspended Talos Production LLC from new contracts with the federal government. For Western Planning Area Sale 248, BOEM will accept bids from qualified Talos Production LLC companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process Talos Production LLC bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which Talos Production LLC has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Talos Production LLC is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Talos Production LLC high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where Talos Production LLC is the high bidder and determine whether Talos Production LLC is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to Talos Production LLC.
- 5. If Talos Production LLC remains under suspension at the time of lease award, Talos Production LLC will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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#### CLARIFICATION OF LEASE ADMINISTRATION FOR WESTERN PLANNING AREA SALE 248 DUE TO THE EPA SUSPENSION OF WALTER OIL & GAS CORPORATION July 15, 2016

The U.S. Environmental Protection Agency (EPA) has suspended Walter Oil & Gas Corporation (Walter) from new contracts with the federal government. For Western Planning Area Sale 248, BOEM will accept bids from qualified Walter companies for this sale and proceed with the administration of the bids as follows:

- 1. BOEM will accept, open, and process Walter bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
- 2. BOEM will evaluate tracts upon which Walter has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Walter is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Walter high bids will be made when each applicable individual fair market evaluation analysis is completed.
- 3. The Regional Director will evaluate FMV adequacy recommendations where Walter is the high bidder and determine whether Walter is still under EPA suspension.
- 4. If the EPA suspension has been lifted at that time, the lease will be awarded to Walter.
- 5. If Walter remains under suspension at the time of lease award, Walter will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5<sup>th</sup> bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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