Leasing Activities Information

BOEM

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

FINAL NOTICE OF SALE 252 Gulf of Mexico Region-wide Planning Area

Attached is the Final Notice of Sale (NOS) Package, for the Gulf of Mexico Region-wide Planning Area Oil and Gas Lease Sale 252 scheduled to be held via live streaming at 9 a.m. on Wednesday, March 20, 2019.

This Final NOS Package consists of:

- Final NOS coversheet
- Final NOS for Region-wide Sale 252
- Lease Stipulations
- Information to Lessees
- Instructions For Making Electronic Funds Transfer (EFT)
- Example of Preferred Format: Geophysical Data and Information Statement (GDIS)(in a fillable format), Example of GDIS Spreadsheet, Table Definitions and Envelope, Submittal of Reprocessed Data Survey Map, and Example of Live Trace Map and Submission Instructions
- Blank GDIS Excel Spreadsheet
- Question and Answer section for the GDIS
- Lease Terms and Financial Conditions Map (pdf) (zip)
- Stipulations and Deferred Blocks Map (pdf) (zip)

The maps listed above are available from the BOEM Gulf of Mexico (GOM) 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 GOM website at <u>https://www.boem.gov/Sale-252/</u>

The Final Notice of Sale 252 Package (Final NOS Package) is scheduled to be available February 15, 2019. The Final NOS Package 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 Sample Envelope
- Telephone Numbers/Addresses of Bidders Form

Please Note:

This is the fourth sale in the 2017-2022 Five-Year Program. Terms and conditions for Regionwide Sale 252 are generally the same as for previous sales held in the Gulf of Mexico. The following noteworthy matters are highlighted for your attention:

Bid Opening Procedure

The bid opening, at a location in New Orleans to be determined, will not be open to the public. Instead, the bid opening will be available for the public to view in real-time on BOEM's website at <u>www.boem.gov</u> via video live-streaming beginning at 9:00 a.m. CST on the day of the sale. The use of live-streaming to announce provides greater access to a wider national and international audience while ensuring the security of BOEM staff. BOEM will also post the results on its website after bid opening and reading is completed.

Proposed Expansion of the Flower Garden Banks National Marine Sanctuary (FGBNMS) Information to Lessees (ITL)

Bidders are advised that on June 10, 2016, NOAA published a Notice of Availability in the Federal Register of a Draft Environmental Impact Statement analyzing the proposed expansion of the Flower Garden Banks National Marine Sanctuary (FGBNMS or Sanctuary) boundaries, based on the recommendation contained within the Sanctuary Expansion Action Plan of the FGBNMS Management Plan (April 2012), 81 *FR* 37576 (June 10, 2016) at https://www.gpo.gov/fdsys/pkg/FR-2016-06-10/pdf/2016-13661.pdf.

Bidders are advised that certain activities related to oil and gas exploration and development are already prohibited within the recommended FGHNMS expansion, as these areas have been designated "No Activity Zones" by BOEM (See Stipulation 1: Topographic Features). These restrictions are also explained in NTL No. 2009–G39: "Biologically Sensitive Underwater Features and Areas," for the Central and Western planning areas of the OCS in the Gulf of Mexico.

Electronic Funds Transfer (EFT) Instructions

Please note important payment information on the ONRR Payment Information webpage at <u>http://onrr.gov/ReportPay/payments.htm</u>. Please refer to the following website for complete information: <u>http://www.boem.gov/sale-252/</u>.

Geophysical Data and Information Statements

This Final NOS Package includes information for bidders regarding the submission of a GDIS. Every bidder submitting a bid on a block in the Region-wide Sale 252, 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. The sealed envelope shall include all identifying and proprietary data, reprocessed speculative data and/or any Controlled Source Electromagnetic, 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: The GDIS Information Table may be submitted digitally on a CD or DVD as an Excel Spreadsheet.

Bidder/Lessee Notice Obligations Related to Criminal/Civil Charges and Offenses, Suspension or Debarment ITL

Bidders and/or Lessees are advised to refer to the Region-wide Sale 252 Information to Lessees portion of the document, item (10). This ITL clause reminds bidders/lessees that it is incumbent upon them to notify BOEM of any conviction that may result in a suspension and/or debarment prohibiting them from entering into a contract with the United States.

Blocks Not Offered for Leasing:

Whole and partial blocks that lie within the boundaries of the Flower Garden Banks National Marine Sanctuary (in the East and West Flower Garden Banks and the Stetson Bank) are identified in the following list below:

<u>High Island, East Addition, South Extension (Leasing Map TX7C)</u> Whole Block: A-398 Partial of Blocks: A-366, A-367, A-374, A-375, A-383, A-384, A-385, A-388, A-389, A-397, A-399, A-401

High Island, South Addition (Leasing Map TX7B) Partial of Blocks: A-502, A-513

Garden Banks (OPD NG15-02) Partial of Blocks: 134, 135

Blocks that are adjacent to or beyond the United States Exclusive Economic Zone in 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

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

<u>Florida Plain (OPD NG 16-08)</u> 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

All whole or partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub. L. No. 109-432:

Pensacola (OPD NH 16-05)

Whole 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 Partial Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through 147

<u>Henderson (OPD NG 16-05)</u> Partial Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

Depth restricted, segregated block portion(s):

Block 299, Main Pass Area, South and East Addition (Louisiana Leasing Map LA10A), containing 1,125 acres, from the surface of the earth down to a subsea depth of 1,900 feet with respect to the following described portions:

$$\begin{split} SW_{1/4}NE_{1/4}; & NW_{1/4}SE_{1/4}NE_{1/4}; & W_{1/2}NE_{1/4}SE_{1/4}NE_{1/4}; & S_{1/2}S_{1/2}NW_{1/4}NE_{1/4}; \\ S_{1/2}SW_{1/4}NE_{1/4}NE_{1/4}; & S_{1/2}SW_{1/4}SE_{1/4}NE_{1/4}; & N_{1/2}SW_{1/4}SE_{1/4}NE_{1/4}; \\ SW_{1/4}SW_{1/4}SE_{1/4}NE_{1/4}; & NW_{1/4}SE_{1/4}SE_{1/4}NE_{1/4}; & N_{1/2}NW_{1/4}SE_{1/4}NE_{1/4}; \\ N_{1/2}SE_{1/4}SW_{1/4}SE_{1/4}NE_{1/4}; & N_{1/2}S_{1/2}SE_{1/4}SW_{1/4}SE_{1/4}NE_{1/4}; & S_{1/2}NE_{1/4}NW_{1/4}; \\ S_{1/2}N_{1/2}NE_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; & S_{1/2}SE_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; \\ S_{1/2}NE_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; \\ S_{1/2}NE_{1/4}SW_{1/4}NW_{1/4}; & N_{1/2}SE_{1/4}NW_{1/4}; & N_{1/4}SE_{1/4}NW_{1/4}; \\ N_{1/2}NW_{1/4}SW_{1/4}SE_{1/4}NW_{1/4}; & S_{1/4}SE_{1/4}NW_{1/4}; \\ S_{1/2}NW_{1/4}SW_{1/4}SW_{1/4}NW_{1/4}; & N_{1/2}S_{1/2}NW_{1/4}NW_{1/4}; \\ N_{1/2}NW_{1/4}NE_{1/4}SW_{1/4}NW_{1/4}; & N_{1/2}S_{1/2}NW_{1/4}NW_{1/4}; \\ N_{1/2}NE_{1/4}NE_{1/4}NE_{1/4}SW_{1/4}; & N_{1/2}N_{1/2}N_{1/2}NW_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NE_{1/4}SW_{1/4}; & N_{1/2}N_{1/2}N_{1/2}NW_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NE_{1/4}SW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NW_{1/4}; \\ N_{1/2}N_{1/2}NW_{1/4}NE_{1/4}NW_{1/4}SE_{1/4}. \\ \end{array}$$

The lease status of the following blocks are currently under appeal; should the appeal(s) be resolved prior to publishing the Final NOS, the block(s) may be available for lease in GOM Sale 252.

Keathley Canyon (Official Protraction Diagram NG15-05) Blocks 246, 247, 290, 291, 292, 335 and 336 Vermilion Area (Leasing Map LA3) Partial Block 179 and Vermilion (Leasing Map LA3) Block 153 Atwater Valley (Official Protraction Diagram NG16-01) Block 63

Statistical Information (Region-wide Sale 252):

Approximate Size: 14,699 unleased blocks; approximately 78.5 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters (subject to administrative requirements noted in the Final NOS):	5,772 blocks
5 years for blocks in water 400 meters to less than 800 meters (subject to administrative requirements noted in the Final NOS):	715 blocks
7 years for blocks in water depths of 800 meters to less than 1600 meters (subject to administrative requirements noted in the Final NOS):	2,392 blocks
10 years for water depths of 1600 meters or greater:	5,820 blocks
Minimum Bonus Bid Amount:	
\$25.00 or more per acre for water depths less than 400 meters:	5,772 blocks
\$100.00 or more per acre or fraction thereof for water depths 400 meters or deeper:	8,927 blocks
Rental Rates:	
\$7.00 per acre or fraction thereof for water depths less than 200 meters (with a possible escalation to as much as \$28.00 per acre if the lease has an approved extension of the initial 5 year period):	5,346 blocks
\$11.00 per acre or fraction thereof for water depths of less than 400 meters (with a possible escalation to as much as \$44.00 per acre as noted in the Final NOS	426 blocks):
\$11.00 per acre or fraction thereof for water depths 400 meters or deeper (with possible escalation to as much as \$16.00 per acre as noted in the Final NOS):	8,927 blocks
Minimum Royalty Rates:	
\$7.00 per acre or fraction thereof for water depths less than 200 meters:	5,346 blocks
\$11.00 per acre or fraction thereof for water depths 200 meters or deeper:	9,353 blocks
Royalty Rates:	
12.5% royalty rate in all water depths less than 200 meters:	5,346 blocks
18.75% royalty rate in all water depths 200 meters or deeper:	9,353 blocks

For more information on the Final NOS Package for Region-wide Sale 252, potential bidders are advised to contact Mr. Greg Purvis at (504) 736-1729 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 website: <u>http://www.boem.gov</u>