Leasing Activities Information



U.S. Department of the Interior Minerals Management Service Gulf of Mexico OCS Region

FINAL NOTICE OF OCS SALE 181

Eastern Gulf of Mexico December 5, 2001

Attached is the Final Notice of OCS Sale (FNOS) 181, Eastern Gulf of Mexico, which is scheduled to be held on December 5, 2001, in New Orleans.

In addition to the Final Notice, this package consists of:

- o Information to Lessees for Sale 181
- o Lease Stipulations for Oil and Gas Lease Sale 181
- o Royalty Suspension Provisions, Sale 181 (October 2001)
- o List of Blocks Available for Leasing, Sale 181
- o Debarment Certification Form
- o Bid Form and Envelope
- o Phone Numbers/Addresses of Bidders Form
- o Instructions for Making EFT Bonus Payments
- o Lease Terms, Economic Conditions, Stipulations, and Deferred Blocks, Sale 181 Map

All of these documents may be found on the MMS Homepage Address on the Internet: http://www.mms.gov.

NOTICE:

<u>Stipulations</u>. There are four stipulations which will be made a part of any lease resulting from this sale. Three relate to reducing potential conflicts with military operations and are somewhat different from those included in the Proposed Notice of Sale. The fourth stipulation, added since the Proposed Notice, is in regard to measures to protect endangered species and marine mammals. Bidders are also referred to paragraphs (t) and (u) in the document "Information To Lessees" included in this Sale Notice Package.

<u>Military Areas</u>. Note that the boundaries of W-155 and EWTAs 1 and 3 have changed since the publication of the Proposed Notice. See the map "Lease Terms, Economic Conditions, Stipulations, and Deferred Blocks, Sale 181" included in this Sale Notice Package.

<u>Royalty relief</u>. Royalty relief will be available for all leases resulting from this sale; see the document "Royalty Suspension Provisions, Sale 181 (October 2001) and paragraph (k) in the document "Information To Lessees", both included in this Sale Notice Package.

Rentals and Minimum Royalty. Lessees will pay rentals on or before the first day of each lease year until a discovery in paying quantities of oil or gas is made, then at the expiration of each lease year until the start of royalty-bearing production. After the start of royalty-bearing production, minimum royalty (if applicable) will be paid at the expiration of each lease year. See the Notice of Sale and paragraph (s) in the document "Information To Lessees" included in this Sale Notice Package.

Electronic Funds Transfer (EFT) payments for the 1/5th bonus. The MMS will continue to require the use of EFT for payment of the 1/5th bonus. Current OCS lessees and operators may secure such payment using only a signed bid form; others will be required to secure the EFT payment by any one of several additional methods (including advance EFT). Procedures for the use of EFT are available on our Homepage or from our Public Information Unit (see below). Questions or comments regarding EFT procedures should be directed to Ms. Vicki Zatarain at (504) 736-2779.

NOT OFFERED:

633 blocks east of 87°30' West longitude. 144 blocks within 100 miles south of Alabama.

23 blocks currently leased.

Bidders are reminded that Leasing Activity Update Lists are prepared monthly and are available on or about the 20th of each month through the MMS Gulf of Mexico Public Information Unit (see address below).

STATISTICAL INFORMATION (Sale 181)

Each block in this lease sale is offered with the following economic terms and conditions:

o **SIZE**: 233 Unleased blocks; 1.34 million acres

o **PRIMARY LEASE TERMS**: 10 Year

o <u>MINIMUM BIDS</u>: \$37.50 per acre
o <u>ANNUAL RENTAL/MINIMUM ROYALTY RATES</u>: \$7.50 per acre

o **ROYALTY RATES**: 12 1/2%

o **ROYALTY SUSPENSION** 12 million BOE

For more information on this FNOS, potential bidders are advised to contact Mr. Charles Hill of the MMS GOM OCS Region Sales and Support Unit at (504) 736-2795; email: Charles.Hill@mms.gov.

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Minerals Management Service
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Telephone: (504) 736-2519 or (800) 200-GULF

MMS Homepage Address on the Internet: http://www.mms.gov