Leasing Activities Information



FINAL NOTICE OF SALE 213 Central Planning Area

Attached is the Final Notice of Sale 213 Package (Final NOS 213 Package), for Central Planning Area (CPA) Oil and Gas Lease Sale 213 scheduled to be held at 9 a.m. on March 17, 2010, at the Louisiana Superdome in New Orleans, Louisiana.

This Package consists of:

- Final NOS 213
- Lease Stipulations
- Information To Lessees
- 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
- 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 MMS Gulf of Mexico Region Public Information Unit; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Minerals Management Service Gulf of Mexico OCS Region Public Information Unit (MS 5034) 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394

All of these documents may also be found on the Lease Information page on the MMS GOM Internet website at: www.gomr.mms.gov/homepg/lsesale/213/cgom213.html.

Please Note:

Terms and conditions for Final NOS 213 are generally the same as for the March 2009 CPA Lease Sale 208 except for the following noteworthy matters:

Changes in Initial Periods

Starting with this sale, MMS is revising the lease terms for blocks in water depths of 400 meters to less than 1,600 meters. Blocks in 400 to less than 800 meters change from an initial 8-year lease term (where a well has to be spudded within the first 5 years of the initial 8-year term to avoid lease cancellation) to a 5-year initial lease term (where spudding a well within the initial lease term would extend the lease term to 8 years). Blocks in 800 to less than 1,600 meters change from a 10-year initial lease term to a 7-year initial lease term (where spudding a well within the initial lease term to 10 years).

New Lease Form MMS-2005

The MMS will use the recently revised Form MMS-2005 (October 2009) to convey leases; it can be viewed at: <u>http://www.gomr.mms.gov/homepg/forms/FormMMS-2005.pdf</u>. The lease form will be modified with the specific terms, conditions and stipulations applicable to each individual lease.

Below Seabed Operations on a Portion of Mississippi Canyon, Blocks 692 and 735

A newly developed stipulation regarding Mississippi Canyon, Blocks 692 and 735, has been adopted. Please refer to the Lease Stipulations document - Stipulation No. 13 and paragraph (s) in the Information to Lessees document included in this Final NOS Package for more detailed information.

Commercial Waste Disposal Areas

Bidders are advised that an inactive commercial waste disposal site exists on all or portions of blocks in the Mississippi Canyon Area. Said site is more particularly described as being 28°00' 00" N to 28°10' 00" N by 89°15' 00" W to 89°30' 00" W, as depicted on the map "Stipulations and Deferred Blocks" included in this Final NOS Package. The disposal site was established in the 1970s to facilitate the USEPA's permitting for the seafloor deposition of thousands of steel barrels containing chemical wastes. According to limited USEPA documentation, the chemical wastes consist mostly of chlorinated hydrocarbons and liquid metal salts. See paragraph (t) in the Information to Lessees document included in this Final NOS Package for more detailed information.

Geophysical Data and Information Statements

This Final NOS Package includes additional information for bidders regarding the submission of Geophysical Data and Information Statements on compact disk (CD).

Not Offered:

The MMS will offer for bid in this lease sale all of the unleased acreage in the CPA in the GOM except:

Although currently unleased, the bid decision on the following block is under appeal and bids will not be accepted:

Mississippi Canyon (OPD NH16-10) Block 943

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

Green Canyon (OPD NG15-03) Block 20

Whole blocks and portions of blocks that lie within the 1.4 nautical mile buffer zone north of the "Western Gap" continental shelf boundary between the United States 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

<u>Sigsbee Escarpment (OPD NG 15-08)</u> Whole Blocks: 239, 284, 331 through 341 Portions of Blocks: 151, 195, 196, 240, 241, 285 through 298, 342 through 349

Whole blocks and portions of blocks, which are adjacent to or beyond the United States Exclusive Economic Zone, in or adjacent to 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 <u>Henderson (OPD NG 16-05)</u> 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:

Pensacola (OPD NH 16-05)

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

<u>DeSoto Canyon (OPD NH 16-11)</u> 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 147

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

Whole blocks and portions of blocks deferred from this lease sale are shown on the map "Final, Central Planning Area, Lease Sale 213, March 17, 2010, Stipulations and Deferred Blocks."

Statistical Information (Lease Sale 213):

Size: Approximately 6,958 unleased blocks; 36.9 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters (subject to administrative	
requirements noted in the Final NOS):	2,108 blocks
5 years for blocks in water depths of 400 to less than 800 meters (subject to	
administrative requirements noted in the Final NOS):	210 blocks
7 years for blocks in water depths of 800 to less than 1600 meters (subject to	
administrative requirements noted in the Final NOS):	444 blocks
10 years for blocks in water depths of 1600 meters or deeper:	4,196 blocks
Minimum Bonus Bid Amount:	
\$25.00 per acre or fraction thereof for water depths less than 400 meters:	2,108 blocks
\$37.50 per acre or fraction thereof for water depths 400 meters or deeper:	4,850 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):	1,904 blocks
\$11.00 per acre or fraction thereof for water depths 200 meters or deeper	
(with a possible escalation to as much as \$44.00 per acre in the 200	
to less than 400 meter water depth range if the lease has an approved	
extension of the initial 5-year period):	5,054 blocks

Minimum Royalty Rates: \$7.00 per acre or fraction thereof for water depths less than 200 meters \$11.00 per acre or fraction thereof for water depths 200 meters or deeper	1,904 blocks 5,054 blocks
Royalty Rates:	
18-3/4% royalty rate in all water depths:	6,958 blocks
Royalty Suspension Areas:	
0 to less than 400 meters:	2,108 blocks
400 to less than 800 meters:	210 blocks
800 to less than 1600 meters:	444 blocks
1600 to 2000 meters:	299 blocks
Greater than 2000 meters:	3,897 blocks
Greater than 2000 meters.	5,697 blocks

For more information on the Final NOS 213 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Nancy Kornrumpf at (504) 736-2726, Ms. Cynthia Thibodeaux at (504) 736-2809, or Ms. Denise Sebastian at (504) 736-2793 of the MMS GOM OCS Region Leasing and Financial Responsibility Unit.

Gulf of Mexico Region Public Information Unit Minerals Management Service 1201 Elmwood Park Boulevard New Orleans, Louisiana 70123-2394 Telephone: (504) 736-2519 or (800) 200-GULF MMS GOM Internet website at: www.gomr.mms.gov