Leasing Activities Information



PROPOSED NOTICE OF SALE 215 Western Planning Area

Attached is the Proposed Notice of Sale 215 Package (Proposed NOS 215 Package), for Western Planning Area (WPA) Oil and Gas Lease Sale 215 proposed to be held on Wednesday, August 18, 2010, in New Orleans, Louisiana.

This Package consists of:

- Proposed NOS 215
- Lease Stipulations
- Information To Lessees
- 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 website at: www.gomr.mms.gov/homepg/lsesale/215/wgom215.html.

The Final Notice of Sale 215 Package is expected to be available in mid-July 2010. It 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 Envelope
Telephone Numbers/Addresses of Bidders Form

Please Note:

Terms and conditions for Proposed NOS 215 are generally the same as for the August 2009 WPA Lease Sale 210, except for the following noteworthy matters:

Changes in Initial Periods

Starting with Central Planning Area (CPA) Sale 213, MMS revised 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 changed 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 changed from a 10-year initial lease term to a 7-year initial lease term (where spudding a well within the initial lease term would extend the lease term to 10 years).

Deepwater Royalty Suspensions

No deepwater royalty suspension provisions will be offered for leases issued from this sale. Section 345 of the Energy Policy Act of 2005 (EPAct05), which was signed into law on August 8, 2005, directed that royalty suspension volume levels at least as high as those then used by MMS be continued for 5 years following enactment. This sale is being held more than 5 years after the passage of EPAct05. For further information, please refer to the Royalty Suspension Provisions portion of the Proposed NOS.

New Lease Form MMS-2005

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

Geophysical Data and Information Statements

The Final NOS Package will include additional information for bidders regarding the submission of Geophysical Data and Information Statements on compact disk (CD), the same as for CPA Sale 213.

Not Offered:

Whole and portions of blocks which lie within the boundaries of the Flower Garden Banks National Marine Sanctuary at the East and West Flower Garden Banks and Stetson Bank (the following list includes all blocks affected by the Sanctuary boundaries):

High Island, East Addition, South Extension (Leasing Map TX7C)

Whole Block: A-398

Portions 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)

Portions of Blocks: A-502, A-513*

* Leased

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

Whole and portions of blocks which lie within the former Western Gap portion of the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico:

<u>Keathley Canyon (OPD NG15-05)</u> Portions of Blocks: 978 through 980

Sigsbee Escarpment (OPD NG15-08) Whole Blocks: 11, 57, 103, 148, 149, 194

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150

Whole and portions of blocks deferred from this lease sale are shown on the map "Proposed, Western Planning Area, Lease Sale 215, August 2010, Stipulations and Deferred Blocks"

Statistical Information (Lease Sale 215):

Approximate Size: 3,500 unleased blocks; 18.8 million acres

For more information on the Proposed NOS 215 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Nancy Kornrumpf at (504) 736-2726, Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Denise Sebastian (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 Homepage Address on the Internet at: www.gomr.mms.gov