

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF OCEAN ENERGY MANAGEMENT MINERAL LEASE OF SUBMERGED LANDS UNDER THE OUTER CONTINENTAL SHELF LANDS ACT Paperwork Reduction Act of 1995 statement: <i>This form does not constitute an information collection as defined by 44 U.S.C. 3501 et seq. and therefore does not require approval by the Office of Management and Budget.</i>	Office	Serial number
	Cash bonus	Rental rate per acre, Hectare, or fraction thereof
	Minimum royalty rate per acre, hectare or fraction thereof	Royalty rate

This lease is effective as of _____ (hereinafter called the “Effective Date”) and will continue for a primary term of _____ years (hereinafter called the “Primary Term”) by and between the United States of America (hereinafter called the “Lessor”), by the Bureau of Ocean Energy Management (BOEM), its authorized officer, and the entities listed below.

(hereinafter called the “Lessee”). In consideration of any cash payment heretofore made by the Lessee to the Lessor and in consideration of the promises, terms, conditions, and covenants contained herein, including the Stipulation(s) numbered _____ attached hereto, the Lessee and Lessor agree as follows:

Sec. 1. Statutes and Regulations

This lease is issued pursuant to the Outer Continental Shelf Lands Act of August 7, 1953; 43 U.S.C. 1331 *et seq.*, as amended, (hereinafter called “the Act”). This lease is subject to the Act, regulations promulgated pursuant thereto, and other statutes and regulations in existence upon the Effective Date of the lease, and those statutes enacted (including amendments to the Act or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of this lease. It is expressly understood that amendments to existing statutes and regulations, including but not limited to the Act, as well as the enactment of new statutes and promulgation of new regulations, which do not explicitly conflict with an express provision of this lease may be made and that the Lessee bears the risk that such may increase or decrease the Lessee’s obligations under the lease.

In accordance with the regulations at 2 CFR, parts 180 and 1400, the Lessee must comply with the U.S. Department of the Interior’s debarment and suspension (nonprocurement) requirements and must communicate this requirement to comply with these regulations to all persons with whom the Lessee does business as it relates to this lease by including this term as a condition when entering into contracts and transactions with others.

Sec. 2. Rights of Lessee

The Lessor hereby grants and leases to the Lessee rights and privileges to undertake preliminary activities and, with the approval of the Director of the Bureau of Ocean Energy Management or the Director's delegate (hereinafter called the "Director"), to explore for, test, mine, extract, and remove the following leased mineral(s):

(hereinafter referred to as the "Leased Mineral(s)") in the submerged lands of the Outer Continental Shelf (OCS) containing approximately _____ acres or _____ hectares (hereinafter referred to as the "leased area"), described as follows below.

These rights include:

- (a) the exclusive right to conduct preliminary activities, as defined in a stipulation attached to this Lease, and propose activities associated with delineation, testing, and mining of Leased Minerals, in accordance with plans submitted by the Lessee and approved by the Director and in accordance with applicable regulations; and
- (b) the right to designate, construct, and maintain within the leased area anchorages, installations, and other devices permanently or temporarily attached to the seabed, and other works and structures necessary to the full enjoyment of the lease, in accordance with plans submitted by the Lessee and approved by the Director and subject to compliance with applicable laws and regulations.

With the exception of minerals produced incidental to and in direct association with production of the Leased Minerals specifically identified herein, the Lessor reserves all rights to all other minerals or materials within the leased area. As provided in Section 16 of this lease, all other rights not expressly granted to the Lessee are reserved.

Sec. 3. Term

This lease will continue from the Effective Date of the lease for the Primary Term and will

continue for so long thereafter as the Leased Minerals are being produced in accordance with an approved Mining Plan or the Lessee is otherwise in compliance with provisions of the lease and the regulations.

Sec. 4. Rentals

- (a) The Lessee must pay to the Lessor an annual rental in the amount shown on the face of the lease or in accordance with the rental adjustment schedule (attached if applicable) pursuant to the leasing notice not later than the last day prior to the commencement of the rental year.
- (b) No rental is due or payable under a lease after the first lease anniversary date following the commencement of royalty payments on leasehold production.

Sec. 5. Minimum Royalty

The Lessee must pay to the Lessor minimum royalties at the beginning of the lease year and payable by the end of the month following the end of the lease year for which they are due. If the actual royalty paid exceeds the minimum royalty requirement, then no minimum royalty payment is due.

Sec. 6. Royalty on Production

- (a) The Lessee must pay to the Lessor or deliver royalty in kind to the Lessor (at the discretion of the Secretary) a royalty in the amount or value of the amount specified on the face of the lease, beginning with the year in which the OCS Leased Minerals are produced from the leasehold.
- (b) The value of production for purposes of computing royalty will be the reasonable value of the production as determined by the Lessor. The value upon which royalties will be paid is established under 30 CFR Chapter XII or applicable successor regulations.
- (c) When paid in value, royalties on production are due and payable monthly on the last day of the month following the month in which the production is obtained, unless the Lessor designates a later time.

Sec. 7. Payments

The Lessee must make all payments (rentals, royalties and any other payments required by this lease) to the Lessor by electronic transfer of funds unless otherwise provided by regulations or by direction of the Lessor. Rentals, royalties, and any other payments required by this lease shall be made payable to the Office of Natural Resources Revenue and tendered to the Lessor.

Determinations made by the Lessor as to the amount of payment due will be presumed to be correct and payable as due.

Sec. 8. Bonds and Financial Assurance

The Lessee must at all times maintain the bond(s) and other forms of financial assurance required by regulation prior to commencement of any activity on the lease. Prior to the approval of a Delineation, Testing, or Mining Plan, the bond amount may be adjusted, if appropriate, to cover the operations and activities described in the proposed plan. The Lessee must furnish such additional security as may be required by the Lessor if, after operations have begun, the Lessor determines additional security is necessary to ensure compliance with Lessee's obligations under this lease and the regulations.

Sec. 9. Plans

The Lessee must conduct all activities, other than preliminary activities as provided in section 2(a), on the leased area in accordance with the provisions of an approved Delineation Plan, Testing Plan, and/or Mining Plan, approval conditions, and any other applicable requirements provided by law or regulation. The Lessee may depart from an approved plan only as provided by applicable regulations. Additionally, in accordance with BOEM's regulations, no geological or geophysical prospecting activities can be conducted on the OCS outside the leased area without a geological or geophysical permit issued by BOEM, and no geological or geophysical scientific research activities can be conducted on the OCS outside the leased area without notice to BOEM.

Sec. 10. Diligence and Prevention of Waste

- (a) The Lessee must exercise diligence in the exploration and development of the leased area and must prevent unnecessary damage to, loss of, or waste of the leased area and the Leased Minerals, including during transport.
- (b) The Lessee must comply with all applicable laws, regulations and orders related to diligence, sound conservation practices and prevention of waste. Approved plans must conform to sound conservation practices to preserve, protect, and develop mineral resources while minimizing unnecessary damage to, loss of, or waste of other mineral or natural resources present in the leased area.

Sec. 11. Safety and Inspection Requirements

The Lessee must:

- (a) maintain all places of employment within the leased area in compliance with occupational safety and health standards and, in addition, free from recognized hazards to employees of the Lessee or of any contractor or subcontractor operating within the leased area;
- (b) maintain all operations within the leased area in compliance with regulations or orders intended to protect persons, property and the environment, including mineral deposits and formations of mineral deposits not leased hereunder, on the Outer Continental Shelf; and
- (c) allow prompt access, at the site of any operation subject to safety regulations, to any authorized Federal inspector and provide any documents and records that are pertinent to occupational or public health, safety, or environmental protection as may be requested.

Sec. 12. Suspension or Cancellation

- (a) The Lessor may suspend or cancel this lease pursuant to section 5 of the Act, and the Lessor will be liable to the Lessee for just compensation to be paid to the Lessee as provided by the Act.
- (b) The Lessor may, upon recommendation of the Secretary of War, or their successor, during a state of war or national emergency declared by Congress or the President of the United States, suspend operations under the lease, as provided in section 12(c) of the Act, and the Lessor will be liable to the Lessee for just compensation for damages arising from such suspension as may be required under the Constitution of the United States.

Sec. 13. Indemnification

The Lessee must indemnify the Lessor for, and hold it harmless from, any claim, including claims for loss or damage to property or injury to persons caused by or resulting from any operation on

the leased area conducted by or on behalf of the Lessee. However, the Lessee will not be responsible to the Lessor under this section for any loss, damage, or injury caused by or resulting from:

- (a) negligence of the Lessor other than the commission or omission of a discretionary function or duty on the part of a Federal Agency whether or not the discretion involved is abused; or
- (b) the Lessee's compliance with an order or directive of the Lessor against which an administrative appeal by the Lessee is filed before the cause of action for the claim arises and is pursued diligently thereafter.

Sec. 14. Mining Unit Agreement

Pursuant to 30 CFR 582.11(d), the Lessee may request to operate under a mining unit agreement within such time as the Lessor may prescribe, embracing all or parts of the lands subject to this lease as the Lessor may determine is in the interest of conservation of the natural resources of the Outer Continental Shelf or the prevention of waste. Where any provision of a mining unit agreement, approved by the Lessor, is inconsistent with a provision of this lease, the provision of the agreement will govern, so long as the lease remains committed to the mining unit. If the mining unit of which this lease is a part is dissolved, the lease will then be subject to the lease terms that would have been applied if the lease had not been included in the mining unit.

Sec. 15. Certification of Nonsegregated Facilities

By entering into this lease, the Lessee certifies, as specified in 41 CFR 60-1.8, that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. As used in this certification, the term "facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees. Segregated facilities include those that are segregated by explicit directive or those that are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom, or otherwise; provided, that separate or single-user restrooms and necessary dressing or sleeping areas will be provided to assure privacy, as appropriate. The Lessee further agrees that it will obtain identical certifications from proposed contractors and subcontractors prior to awarding contracts or subcontracts unless they are exempt under 41 CFR 60-1.5.

Sec. 16. Reservations to Lessor

All rights in the leased area not expressly granted to the Lessee by the Act, the regulations, or this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing, reserved rights include:

- (a) the rights to all source materials essential to production of fissionable materials, as specified under 43 U.S.C. 1341(e);
- (b) the right to authorize geological and geophysical exploration in the leased area that does not unreasonably interfere with or endanger actual operations under the lease, and the right to grant such easements or rights-of-way upon, through, or in the leased area as may be necessary or appropriate to the working of other lands or to the treatment and shipment of products thereof by or under authority of the Lessor;

- (c) the right to authorize other uses, including the right to grant leases for minerals not under lease, within the leased area and project easement(s) that will not unreasonably interfere with activities pursuant to this lease; and
- (d) the right, as provided in section 12(d) of the Act, to restrict operations in the leased area or any part thereof, which may be designated by the Secretary of War, or their successor, with approval of the President, as being within an area needed for national defense and, so long as such designation remains in effect, no operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of War, or their successor. If operations or production under this lease within any designated area are suspended pursuant to this paragraph, any payments of rentals and royalty prescribed by this lease likewise will be suspended. During such period of suspension of operations and production, the term of this lease will be extended by adding thereto any such suspension period, and the Lessor will be liable to the Lessee for such compensation as is required to be paid under the Constitution of the United States.

Sec. 17. Assignment of Lease

The Lessee must file for approval with the appropriate regional BOEM OCS office any instrument of assignment or other transfer of any rights or ownership interest in this lease in accordance with applicable regulations.

Sec. 18. Relinquishment of Lease

The Lessee may relinquish this lease or any officially designated subdivision thereof by electronically filing with the appropriate regional BOEM OCS office a relinquishment that shall be effective on the date it is filed. No relinquishment of this lease or of any portion of the leased area will relieve the Lessee of the continuing obligation to pay all accrued rentals, royalties, and other financial obligations or to abandon all operations and remove all facilities on the leased area to be surrendered in a manner satisfactory to the Director.

Sec. 19. Abandonment

Within a period of 1 year after completion of work in the leased area, or upon termination of this lease in whole or in part, the Lessee must institute the abandonment procedures described in the applicable approved plan. The Lessee must assure that leased areas, including presence of any facilities and tailing deposits, do not pose a threat to the environment and that the seafloor is left free of obstructions and structures that present a hazard to other users or uses of the OCS, in accordance with applicable regulations and orders of the Director. However, the Lessee may, with the approval of the Director, continue to maintain devices, works, and structures on the leased area for operations on other leases, provided the Lessee continues to maintain the level of bond or financial assurance coverage required by the Director.

Sec. 20. Remedies in Case of Default

- (a) Whenever the Lessee fails to comply with any of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease, the lease will be subject to cancellation in accordance with the provisions of section 5(c) and (d) of the Act and the Lessor may exercise any other remedies that the Lessor may have, including, but not limited to the penalty provisions of section 24 of the Act. Furthermore, pursuant to section 8(o) of the Act, the Lessor may cancel the lease if it is obtained by fraud or misrepresentation.

- (b) Nonenforcement by the Lessor of a remedy for any particular violation of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease shall not prevent the cancellation of this lease or the exercise of any other remedies under paragraph (a) of this section for any other violation or for the same violation occurring at any other time.

Sec. 21. Unlawful Interest

No member of, or delegate to, Congress, or Resident Commissioner, after election or appointment, or either before or after they have qualified and during their continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR Part 20, is allowed to be admitted to any share or part in this lease or derive any benefit that may arise therefrom, except to the extent that such benefit is obtained by the general public as well. The provisions of Section 3741 of the Revised Statutes, as amended, 41 U.S.C. 22, and the Act of June 25, 1948, 62 Stat. 702, as amended, 18 U.S.C. 431-433, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease insofar as they may be applicable.

THE UNITED STATES OF AMERICA, Lessor

1. Lessee

2. Signature of Lessee Authorized Officer

3. Name of Lessee Signatory

4. Title of Lessee Signatory

5. Date

6. Address of Lessee

7. Signature of Lessor Authorized Officer

8. Name of Lessor Signatory

9. Title of Lessor Signatory

10. Date

11. Lessee

12. Signature of Lessee Authorized Officer

13. Name of Lessee Signatory

14. Title of Lessee Signatory

15. Date

16. Address of Lessee

17. Lessee

18. Signature of Lessee Authorized Officer

19. Name of Lessee Signatory

20. Title of Lessee Signatory

21. Date

22. Address of Lessee

23. Lessee

24. Signature of Lessee Authorized Officer

25. Name of Lessee Signatory

26. Title of Lessee Signatory

27. Date

28. Address of Lessee

29. Lessee

30. Signature of Lessee Authorized Officer

31. Name of Lessee Signatory

32. Title of Lessee Signatory

33. Date

34. Address of Lessee

35. Lessee

36. Signature of Lessee Authorized Officer

37. Name of Lessee Signatory

38. Title of Lessee Signatory

39. Date

40. Address of Lessee

41. Lessee

42. Signature of Lessee Authorized Officer

43. Name of Lessee Signatory

44. Title of Lessee Signatory

45. Date

46. Address of Lessee

47. Lessee

48. Signature of Lessee Authorized Officer

49. Name of Lessee Signatory

50. Title of Lessee Signatory

51. Date

52. Address of Lessee

53. Lessee

54. Signature of Lessee Authorized Officer

55. Name of Lessee Signatory

56. Title of Lessee Signatory

57. Date

58. Address of Lessee

59. Lessee

60. Signature of Lessee Authorized Officer

61. Name of Lessee Signatory

62. Title of Lessee Signatory

63. Date

64. Address of Lessee

65. Lessee

66. Signature of Lessee Authorized Officer

67. Name of Lessee Signatory

68. Title of Lessee Signatory

69. Date

70. Address of Lessee

71. Lessee

72. Signature of Lessee Authorized Officer

73. Name of Lessee Signatory

74. Title of Lessee Signatory

75. Date

76. Address of Lessee

77. Lessee

78. Signature of Lessee Authorized Officer

79. Name of Lessee Signatory

80. Title of Lessee Signatory

81. Date

82. Address of Lessee