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# Leasing Activities Information



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

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## FINAL NOTICE OF OCS SALE 178, PART 2

### Central Gulf of Mexico August 22, 2001

Attached is the Final Notice of OCS Sale (FNOS) 178, Part 2, Central Gulf of Mexico, which is scheduled to be held on August 22, 2001, in New Orleans:

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

- o Royalty Suspension Provisions, Sale 178, Part 2 (August 2001)
- o Information to Lessees for Sale 178, Part 2
- o List of Blocks Available for Leasing, Sale 178, Part 2
- o Available Unleased Acreage of Blocks with Irregular Portions Deferred
- 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 and Economic Conditions, Deferred Blocks, Sale 178, Part 2, Map (page sized)

All of these documents may be found on the Internet at: <http://www.gomr.mms.gov>

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## NOTICE:

**Lease Stipulation.** There is only one stipulation to be applied to leases resulting from this sale; it is contained in the Sale Notice rather than in a separate document.

**Royalty relief.** Royalty relief will be available under certain conditions for leases resulting from this sale; see paragraph (i) in the document "Information To Lessees" and the document "Royalty Suspension Provisions for Sale 178, Part 2" 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 as prescribed in the Final Notice of Sale; 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.

**Tracts beyond U.S. Exclusive Economic Zone - Law of the Sea Convention Royalty Payment Stipulation.** Certain blocks beyond the U.S. Exclusive Economic Zone (blocks in the area formerly known as the Northern Portion of the Western Gap) are included in this Final Notice of Sale subject to the provisions of the stipulation contained in the Sale Notice. See also paragraph (q) of the document "Information to Lessees, Sale 178, Part 2."

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**NOT OFFERED**

Blocks or portions of blocks which are in the 1.4 nautical mile buffer zone (Article IV Zone) north of the continental shelf boundary between the United States and Mexico. (The Final Notice of Sale contains a complete list of these blocks. Block diagrams for partially deferred blocks are included in the "Available Unleased Acreage of Blocks with Irregular Portions Deferred" document within the Final Notice of Sale package.)  
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**STATISTICAL INFORMATION (Sale 178, Part 2)**

o **SIZE:** 53 Unleased blocks; 250,787.51 acres

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

- o **PRIMARY LEASE TERMS:** 10 Year
- o **MINIMUM BID:** \$37.50 per acre or fraction thereof
- o **ANNUAL RENTAL RATES:** \$7.50 per acre or fraction thereof
- o **ROYALTY RATES:** 12 1/2% Royalty
- 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.

**-MMS-**

Gulf of Mexico Public Information Unit  
Minerals Management Service  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394  
Telephone: (504) 736-2519 or (800) 200-GULF

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