
Leasing Activities Information



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

FINAL NOTICE OF OCS SALE 180

Western Gulf of Mexico August 22, 2001

Attached is the Final Notice of OCS Sale (FNOS) 180, Western 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 Lease Stipulations for Oil and Gas Lease Sale 180
- o Royalty Suspension Provisions, Sale 180 (August 2001)
- o Information to Lessees for Sale 180
- o List of Blocks Available for Leasing, Sale 180
- o Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or 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, Sale 180 Map
- o Stipulations and Deferred Blocks, Sale 180 Map

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

Terms and conditions for FNOS 180 are generally the same as for the most recent Western Gulf of Mexico Sale (Sale 177). Exceptions and other noteworthy information is noted below.

NOTICE:

New water depth data. The areas defining primary lease terms, minimum bids, annual rental rates, royalty rates, and royalty suspension are based on water depth. The MMS has received and implemented new water depth data, and these areas have changed slightly since the last Western Gulf of Mexico sale. Bidders are advised to check carefully the Lease Terms and Economic Conditions, Sale 180 Map included in this Sale Notice Package.

Royalty relief. Royalty relief will be available under certain conditions for leases on blocks in less than 200 meters (shallow water deep gas production) and on blocks in 800 meters or deeper (oil and gas); see the document "Royalty Suspension Provisions, Sale 180, Western Gulf of Mexico (August 2001) and paragraph (l) 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 (w) in the document "Information To Lessees" included in this Sale Notice Package.

Subsalt Lease Term Extension. A 1- or 2-year lease term extension **may** be available under **certain conditions** for subsalt development in water depths of less than 400 meters (i.e., for leases with a primary term of 5 years); see Notice To Lessees and Operators (NTL) 2000-G22 (available on our website).

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.

Blocks within the boundary of the Flower Garden Banks National Marine Sanctuary. Only the portions of blocks at the Sanctuary that are outside the Sanctuary boundary will be offered in Sale 180. Block diagrams of the affected blocks are included in the "Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred" document within the Final Sale Notice Package. This provision does not affect any existing leases in the Sanctuary area. For Sale 180, the blocks affected are: High Island Area, East Addition, South Extension, Blocks A-367 and A-401; High Island Area, South Addition, Block A-513; and Garden Banks Block 135.

Tracts beyond U.S. Exclusive Economic Zone - Law of the Sea Convention Royalty Payment Stipulation. Certain blocks beyond the U.S. Exclusive Economic Zone (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 Stipulation 4; see the document "Lease Stipulations for Oil and Gas Lease Sale 180" and paragraph (v) of the document "Information to Lessees for Sale 180"; both of these documents are contained in this Sale Notice Package.

Leasing Maps and Official Protraction Diagrams (OPDs). Bidders should note the publication in the May 21, 2001, Federal Register (66 FR 28002) of a notice regarding the status of outer continental shelf leasing maps and OPDs. The notice lists all of the Central and Western Gulf of Mexico leasing maps and OPDs and the dates of last revision. These maps and OPDs are currently available through our Public Information Unit at \$2.00 each (the Louisiana and Texas maps are no longer sold as sets). Also available is a CD-ROM (at \$15.00) of all the maps and OPDs of the Gulf of Mexico that are in digital format.

NOTE: The CD-ROM contains the maps and OPDs in .pdf format (for viewing and printing in Adobe Acrobat Reader, which is also on the CD) as well as in .gra format (for use in ARC/INFO).

The digital maps and OPDs are also available on our web site in both formats.

NOT OFFERED:

High Island Area, East Addition, South Extension, Blocks A-375 and A-398 (Flower Garden Banks)

Blocks or portions of blocks within the Flower Garden Banks National Marine Sanctuary (see above).

High Island Area Block 170 (under appeal)

Mustang Island Area Blocks 793, 799, and 816 (Naval Mine Warfare training areas)

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 (See the "Final Notice of Sale" for a complete list of blocks and the "Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred" document within the Final Sale Notice Package for diagrams of Article IV blocks partially deferred).

STATISTICAL INFORMATION (Sale 180)

- o **SIZE:** 4,114 Unleased blocks; 22.37 million acres
- o **PRIMARY LEASE TERMS:**
 - 5 Year - Water depths less than 400 meters - 1,807 Blocks
 - 8 Year - Water depths between 400-799 meters - 356 Blocks
 - 10 Year - Water depths 800 meters or deeper - 1,951 Blocks
- o **MINIMUM BIDS:**
 - \$25.00 per acre or fraction thereof - Water depths less than 800 meters - 2,163 Blocks
 - \$37.50 per acre or fraction thereof - Water depths 800 meters or deeper - 1,951 Blocks
- o **ANNUAL RENTAL RATES:**
 - \$5.00 per acre or fraction thereof - Water depths less than 200 meters - 1,625 Blocks
 - \$7.50 per acre or fraction thereof - Water depths 200 meters or deeper - 2,489 Blocks
- o **ROYALTY RATES:**
 - 16 2/3% Royalty - Water depths less than 400 meters - 1,807 Blocks
 - 12 1/2% Royalty - Water depths 400 meters or deeper - 2,307 Blocks
- o **ROYALTY SUSPENSION AREAS:**
 - 0-199 Meter Royalty Suspension Area – 1,625 Blocks
 - 800-1599 Meter Royalty Suspension Area – 1,074 Blocks
 - 1600 Meter and Greater Royalty Suspension Area - 877 Blocks

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.

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