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# ***Leasing Activities Information***

U.S. Department of the Interior  
Bureau of Ocean Energy Management  
Alaska OCS Region

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## **Instructions For Making EFT Bonus Payments**

Please Note: Electronic Funds Transfer (EFT) Bonus Payments are specific to one particular OCS Lease Sale. Therefore, if the bidder submits the valid high bid(s) in more than one OCS Lease Sale, more than one EFT bonus payment is expected.

If a bidder submits bid(s) for an OCS Lease Sale, then please read and comply with the following:

(A) On the bidder address form submitted by bidders to the OCS Regional Office, please provide the Bureau of Ocean Energy Management (BOEM) with the following information:

- (1) The name and telephone number (including area code) of the EFT coordinator. The BOEM will contact this person to resolve any EFT problems. Only one EFT coordinator and one alternate contact should be designated for bid(s) made by several companies as joint bidders.
- (2) Automated Clearing House (ACH) Payment information for the refund of rejected high 1/5 bonus bid and interest.
- (3) Tax Identification Number (TIN).

(B) Third Party Error: the bidder will not be held responsible for late payment due to mechanical or systems failure of the Fedwire Deposit System, Federal Reserve Communications System, or the ACH System.

- (1) The bidder will be held responsible for accurate EFT payments. This responsibility extends to any bank payment message coding error that prevents the payment from reaching the appropriate Office of Natural Resources Revenue (ONRR) account. The bidder must immediately contact Mr. Brian Hoffman at (303) 231-3235 or Ms. Del Clapp at (303) 231-3073 of the ONRR, General Ledger, if a bank coding error is expected to prevent timely payment to ONRR.

### ***1/5 Bonus Bid Payment***

The OCS lease final notice of sale mandates the use of these procedures in making electronic payment of the 1/5 bonus bid payment. EFT 1/5 bonus bid payments are required for each OCS

Lease Sale where the bidder submits valid high bid(s). If submitting bid(s) for an OCS lease sale, please read and comply with the following:

Payment of the 1/5 bonus bid amount must be by EFT, payable to ONRR, following the detailed instructions contained on the Payment Information Webpage, under Electronic Payment Information, which can be found on the ONRR website at <https://onrr.gov/ReportPay/payments.htm#EPO>. The bidder must use either the **Fedwire Deposit System (FI #021030004)** or the **Automated Clearing House (ABA #05103670)**. Pay.gov may not be used for payment of the 1/5 bonus bid amount. The ONRR considers every signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including paying the 1/5 bonus deposit on all high bids. Please instruct the financial institution to EFT the 1/5 bonus payment to the appropriate United States (US) Treasury account. The Receiving FI number (Fedwire Deposit System) and the Receiving ABA number (Automated Clearing House) printed in this document required for the 1/5 bonus bid payment have not changed. It is acceptable to continue to use the numbers from recent years for upcoming transactions until further notified. **\*\*Please note, there has been a change in the Beneficiary Number (there is no "D"). This change must be incorporated into message formatting, or payment may be returned by the US Treasury.**

If the bidder is currently a qualified OCS mineral lease record title holder or a designated operator for an OCS mineral lease, AND if the bidder has never defaulted on 1/5 bonus payments (via EFT or otherwise), then it is NOT a requirement to provide additional security for the EFT 1/5 bonus payment. Otherwise, see "**Methods for Securing EFT 1/5 Bonus Payments**" for payment options to secure the EFT 1/5 bonus payment.

- (1) **One EFT payment must be made for all leases for which you submitted the highest valid bid for each OCS Lease Sale.** The BOEM will make available at the sale site and on our BOEM website the "Notification of EFT 1/5 Bonus Liability" report denoting your EFT liability shortly after bid reading. It is your responsibility to obtain this report. This report is available on a sale specific basis, and your EFT 1/5 bonus payment is also required on a sale specific basis. If you are unable to obtain this report, you may contact Ms. Kaitlin Simenson at (907) 334-5259 or Ms. Deanna Benedetti at (907) 334-5282.
- (2) **The EFT payment must be received in the appropriate US Treasury account by the time stated in the final notice of sale, by 11:00 A.M. Eastern Time the day following bid reading (no exceptions). Please do not round up 1/5 bonus amounts.**
- (3) If the EFT payment is deficient in amount (payment is less than the sum total of your 1/5 bonus bids for high bids), then the bidder will correct the deficient payment immediately, but no later than 11:00 A.M. Eastern Time on the day following bid reading.
- (4) Should the bidder default on the EFT 1/5 bonus payment, then any or all of your bids (at BOEM's discretion) may be rejected. Additionally, the bidder will be required to secure EFT 1/5 bonus deposits in future OCS lease sales. Where applicable, BOEM will call on the instrument used to secure the 1/5 bonus payment in the event

of default.

- (5) Where applicable, BOEM will release the financial instrument used to secure the EFT 1/5 bonus payment upon receipt of the EFT 1/5 high bid deposit. The financial instrument will be available for pick-up from the OCS Regional Adjudication Office, or the bidder can arrange to have the financial instrument mailed back.

### **4/5 Bonus & Rent Payment**

Pursuant to 30 CFR 1218.155(c), the ONRR requires the use of EFT procedures in making payment of the 4/5 bonus and first year rental amounts. If you submitted a high bid and it is deemed to be acceptable by the BOEM, then please read and comply with the following:

Payment of the 4/5 bonus and first year rental must be by EFT, payable to the ONRR. All bidders must use either the **Fedwire Deposit System (FI# 021030004)** or the **Automated Clearing House System (ABA# 05103670)**. Pay.gov may NOT be used for payment of the 4/5 bonus and first year rental. The Regional Director of the OCS Regional Office conducting the lease offering will advise bidders of bid acceptance. After notification, please instruct the financial institution to EFT the 4/5 bonus and first year rental payment to the appropriate US Treasury account. The Receiving FI number (Fedwire Deposit System) and the Receiving ABA number (Automated Clearing House) printed in this document required for the 4/5 bonus and first year rental payment have not changed. .  
**\*\*Please note, there has been a change in the Beneficiary Number (there is no "D"). This change must be incorporated into message formatting, or payment may be returned by the US Treasury.**

- (1) EFT payment must be received in the appropriate US Treasury Account no later than noon Eastern Standard Time on the 11<sup>th</sup> business day after receipt of the lease forms. A business day is considered to be a day on which the OCS Regional Office issuing the lease is open for business.
- (2) If the EFT payment is deficient in amount, then it is considered a partial payment, and the bidder will have two days after the ONRR notification to correct the deficient payment amount. However, the ONRR will assess an interest charge on such deficient payments using the same interest rate assessed for late royalty payments.
- (3) Failure to pay by EFT within the time specified above will result in forfeiture of the 1/5 bonus amount, and the authorized officer will not execute the lease.
- (4) One EFT payment for multiple leases is preferred. If there is not enough room in the beneficiary [Fedwire] or addendum [ACH] records to identify leases being paid off, supply lease numbers via fax [(303) 231-3501], email [[brian.hoffman@onrr.gov](mailto:brian.hoffman@onrr.gov) or [rose.clapp@onrr.gov](mailto:rose.clapp@onrr.gov)], or call the ONRR General Ledger Point of Contact above. If there are simultaneous OCS sales occurring, then a separate payment must be made for each individual lease sale.
- (5) We request that all EFT payments contain both the 4/5 bonus(es) and the first year rental payment(s) in one transaction. If this is not possible, then please transmit the total amount due to execute the lease(s) in one business day.

## **Methods for Securing EFT 1/5 Bonus Payments**

If the bidder is **NOT** currently a qualified OCS mineral lease record title holder or a designated operator for an OCS mineral lease, **OR** if the bidder has ever defaulted on a 1/5 bonus payment in a previous OCS sale, then the bidder **MUST** secure the EFT 1/5 bonus payment using one of the following methods:

- (1) *Third Party Guarantee*: Using this option to secure EFT 1/5 bonus payments, the third party that guarantees the 1/5 EFT bonus payment must be a qualified OCS mineral lease record title holder OR a designated operator for an active OCS mineral lease. The third party guarantor must expressly consent to guarantee the EFT 1/5 bonus payment. The BOEM must receive the express written consent of guarantee of the EFT 1/5 bonus payment prior to bid submission. Please contact Ms. Kaitlin Simenson at (907) 334-5259, or Ms. Deanna Benedetti at (907) 334-5282 for additional information.

Should the bidder default on the 1/5 bonus payment by EFT, then the BOEM will call upon the third party to cover the delinquent payment.

- (2) *Amended Areawide Coverage*: Using this option to secure EFT 1/5 bonus payments, the bidder must amend the \$3 million areawide development bond with a Bond Rider from the issuing surety to contain provisions that the bond may be used to cover pre-lease obligations. All other terms and conditions for the bond must remain unchanged. The bidder must have the Bond Rider notarized and approved by BOEM prior to submitting bids for the OCS sale.

If the \$3 million areawide development bond coverage is through a US Treasury Note, then the BOEM must receive and approve a notarized letter from the bidder agreeing to the terms that the US Treasury Note may be used to cover pre-lease obligations prior to bid submission. That provision must remain in effect until the bidder is able to make the EFT deposit. Please contact Ms. Kaitlin Simenson at (907) 334-5259, or Ms. Deanna Benedetti at (907) 334-5282 for further information.

Should the bidder default on the 1/5 bonus payment by EFT, then BOEM will call the bond/US Treasury Note to cover the delinquent payment.

- (3) *Letter of Credit (LOC)*: Using this option to secure EFT 1/5 bonus payments, the bidder must use a clean, stand-by, irrevocable LOC. The bidder must submit the LOC for at least 1/5 of the sum of all bids submitted for an OCS lease sale, including joint bids, to the BOEM no later than one week prior to the OCS sale. Please contact Ms. Kaitlin Simenson at (907) 334-5259, or Ms. Deanna Benedetti at (907) 334-5282 to obtain a sample LOC, or to seek additional information.

The LOC must have a minimum coverage period of 120 days beginning with the date of the OCS sale. The LOC must be from a bank incorporated in the United States that has a minimum Thomson BankWatch rating of:

- “C” for a LOC less than \$1 million;
- “B/C” for a LOC between \$1 million to \$10 million; or
- “B” for a LOC over \$10 million.

The bidder is responsible for verifying that the bank provides a current rating to the BOEM. The issuing bank must submit this rating with each LOC. If the issuing bank's rating falls below the minimum acceptable level, then the bidder must submit a satisfactory replacement surety, or the BOEM may consider the bids to not be appropriately secured, and therefore invalid.

If the financial institution issuing the LOC becomes insolvent, then the BOEM will require an immediate replacement surety unless the current LOC is transferred in whole and completely honored by the receiving financial institution. If a replacement surety is not provided, then the BOEM may consider the bids not appropriately secured, and therefore invalid.

Once the appropriate EFT deposit is made, the BOEM will promptly return the LOC to the bidder. Alternatively, the bidder may pick up the LOC from the OCS Regional Adjudication Office upon verification that the EFT deposit was complete and timely.

Should the bidder default on the 1/5 bonus payment by EFT, then the BOEM will call the LOC to cover the delinquent payment.

- (4) *Advanced EFT Payment:* Using this option to secure the EFT 1/5 bonus payment, the bidder must make the Advanced EFT payment covering the sum of the 1/5 bonus for **all** bids prior to bid submission. **Please note that only bidders requiring security for their EFT 1/5 bonus payments should consider making an Advanced EFT Payment.** If a bidder does NOT have to secure the EFT 1/5 bonus payment (i.e., a qualified OCS mineral lease record title holder or a designated operator for an OCS mineral lease with a history of accurate and timely 1/5 bonus payments), then the bidder should wait until the bids are opened and read and the BOEM determines the EFT liability (for high bids) to make the EFT 1/5 bonus payment.

Using this option to secure the EFT 1/5 bonus payment, the bidder must use either the **Fedwire Deposit System** or the **Automated Clearing House** (see Attachments 1 and 2 for formatting). One EFT payment must be made for 1/5 of the sum of the bids for **all** blocks for which a bid has been submitted. EFT payments must be received and deposited in the appropriate US Treasury account prior to submitting bid(s). Bidders are reminded that the bid submission deadline is generally 11:00 A.M. Alaska Time the day before bid reading.

Once bids are opened and read, then the BOEM will determine the bidder's 1/5 bonus liability. Should the 1/5 bonus liability be less than the Advanced EFT Payment (i.e., if the bidder was not the high bidder on all bids submitted), the ONRR will refund the difference (the Advanced EFT Payment minus the 1/5 bonus liability) without interest as soon as practicable (generally before 7:00 P.M. Eastern Time the day of bid reading). That refund (when applicable) will be transmitted using ACH according to the payment information provided by the bidder at the time of bid submission on the bidder address form.

**UNITED STATES DEPARTMENT OF THE INTERIOR  
OFFICE OF NATURAL RESOURCES REVENUE**

**INSTRUCTION GUIDE FOR  
FEDWIRE DEPOSIT SYSTEM SALE PAYMENTS**

**FEDWIRE 1/5 BONUS MESSAGE FORMAT**

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$999,999.99
{3400}	Receiver ABA routing number	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR
{4200}	Beneficiary Identifier	14170001
{4200}	Beneficiary Name	Department of the Interior Office of Natural Resources Revenue Denver, Colorado
{5000}	Originator	XYZOO Oil Company 12345 Pleasant Avenue Broncoville, HI
{6000}	Originator to Beneficiary Information - Line 1	SaleXXX, QualXXXX, *XXLeases
{6000}	Originator to Beneficiary Information - Line 2	
{6000}	Originator to Beneficiary Information - Line 3	
{6000}	Originator to Beneficiary Information - Line 4	

\*XX = The number of awarded high bid leases.

**Sample: Message Format To Pay 1/5 Bonus Sale Monies**

**Amount of Wire**                   \$999,999.99  
**Receiver FI**                        021030004  
**Business Function**               CTR  
**Beneficiary**                        14170001  
   Department of Interior  
   Office of Natural Resources Revenue  
   Denver, CO  
**Originator**                         XYZOO Oil Company  
   12345 Pleasant Avenue  
   Broncoville, HI  
**Originator to Beneficiary**   Sale222, Qual9999, 5Leases

\*XX = The number of awarded high bid leases.

**UNITED STATES DEPARTMENT OF THE INTERIOR  
OFFICE OF NATURAL RESOURCES REVENUE**

**INSTRUCTION GUIDE FOR  
FEDWIRE DEPOSIT SYSTEM SALE PAYMENTS**

**RENT AND 4/5 BONUS MESSAGE FORMAT**

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$999,999.99
{3400}	Receiver ABA routing number	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR
{4200}	Beneficiary Identifier	14170001
{4200}	Beneficiary Name	Department of the Interior Office of Natural Resources Revenue Denver, Colorado
{5000}	Originator	XYZOO Oil Company 12345 Pleasant Avenue Broncville, HI
{6000}	Originator to Beneficiary Information - Line 1	SaleXXX, QualXXXX, Leases YXXXXX,
{6000}	Originator to Beneficiary Information - Line 2	YXXXXX, YXXXXX, YXXXXX,
{6000}	Originator to Beneficiary Information - Line 3	YXXXXX, YXXXXX, YXXXXX,
{6000}	Originator to Beneficiary Information - Line 4	YXXXXX, YXXXXX, YXXXXX

**Originator to Beneficiary** – You may fax lease numbers to (303) 231-3501 if there are too many characters to fit.

**Sample: Message Format To Pay Rent and 4/5 Bonus**

<b>Amount of Wire</b>	\$999,999.99
<b>Receiver FI</b>	021030004
<b>Business Function</b>	CTR
<b>Beneficiary</b>	14170001 Department of Interior Office of Natural Resources Revenue Denver, CO
<b>Originator</b>	XYZOO Oil Company 12345 Pleasant Avenue Broncoville, HI
<b>Originator to Beneficiary</b>	Sale222, Qual9999, Leases Y3456, Y34562, Y34563, Y34564, Y34565, Y34566, Y34567, Y34568, Y34569, Y34570



**UNITED STATES DEPARTMENT OF THE INTERIOR  
OFFICE OF NATURAL RESOURCES REVENUE**

**INSTRUCTION GUIDE  
FOR  
AUTOMATED CLEARING HOUSE SALE  
PAYMENTS**

**ACH FUNDS TRANSFER MESSAGE  
FORMAT (CCD)**

The following form is designed as an aid for the OCS lease sale bidders in providing complete and accurate data to their banks for the payment of the 1/5 bid and 4/5 bonus and first year rental amounts. The following payment record format is for an ACH CCD+ (Cash Concentration and Disbursement plus Addendum).

Payment Record Format

Data Element Name	Contents
Bank Name	CREDIT GATEWAY ACH RECEIVER
RTN (Routing Number)	051036706
Receiver Name	Office of Natural Resources Revenue
Account Number	220037
Record Type Code	6
Transaction Code	22
Addenda Indicator	'1' [This indicates an Addenda Record is attached; you <i>must</i> attach an Addenda Record.]

**Addenda Record Format for 1/5 Total Bid Amount**

- 1- OCS Lease Sale Number, example 'SALE222'
- 2- Company OCS Qualification Number, example 'QUAL9999'
- 3- The number of awarded high bid leases.

The following is an example of the "Payment Related" addenda record field:

**SALE222\*QUAL9999\*XXLeases**

\*XX = The number of awarded high bid leases.

**Addenda Record Format for 4/5 Bonus & First Year Rent**

- 1- OCS Lease Sale Number, example 'SALE222'
- 2- Company OCS Qualification Number, example 'QUAL9999'
- 3- Lease Serial Numbers, example 'Leases Y34567\*Y34568'

The following is an example of the "Payment Related" addenda record field:

**SALE222\*QUAL9999\*LeasesY34567\*Y34568**

*The asterisks (\*) are a separator and are required items.*

If your bank is following NATCHA Format, it may require additional information; this information is acceptable. Any questions call the ONRR Point of Contact.