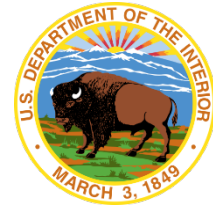




**Proposed Notice of Sale
Gulf of Mexico
Oil and Gas
Lease Sale 261**



Information to Lessees

This document contains Information to Lessees (ITL) clauses designed to inform potential bidders of select applicable Federal requirements and other information that may be of benefit to bidders participating in this sale.

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(1) Navigation Safety

Bidders and lessees are advised that operations on certain blocks offered for lease may be restricted by the designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard (USCG) pursuant to the Ports and Waterways Safety Act (46 U.S.C. §§ 70001 *et seq.*), as amended, and the Deepwater Port Act (33 U.S.C. §§ 1501-1524), as amended.

Bidders and lessees are advised to review the USCG regulations at 33 Code of Federal Regulations (CFR) part 150, including 33 CFR § 150.940, “Safety zones for specific deepwater ports,” and the Louisiana Offshore Oil Port Safety Zones in section (a). Bidders and lessees also are advised to review the USCG regulations at 33 CFR part 147, “Safety Zones.” These regulations establish a 500-meter (1,640-foot) safety zone around several oil and gas production facilities on the Outer Continental Shelf (OCS), measured from each point on its outer edge or from its construction site, so as not to interfere with the use of recognized sea lanes essential to navigation. These regulations prevent all vessels from entering or remaining in the safety zones except as follows: (1) an attending vessel, (2) a vessel less than 100 feet in length overall not engaged in towing, (3) a vessel authorized by the Eighth Coast Guard District Commander, or (4) as otherwise specified in the regulations. These oil and gas production facilities and their locations are specifically identified in 33 CFR part 147.

For additional information, contact the USCG Waterways Management Division, Sector New Orleans, 200 Hendee Street, New Orleans, Louisiana 70114, or at (504) 365-2280.

U.S. Army Corps of Engineers (USACE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed on the OCS in accordance with section 4(e) of the Outer Continental Shelf Lands Act (OCSLA, 43 U.S.C. §§ 1331 *et seq.*), as amended. For additional information, contact Mr. Martin Mayer, USACE, Regulatory Section Chief, P.O. Box 60267, New Orleans, Louisiana 70160-0267, or at (504) 862-2255.

(2) Ordnance Disposal Areas

Bidders and lessees are advised of the following ordnance disposal areas. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

Western Planning Area (WPA)

There are two inactive ordnance disposal areas in the Corpus Christi and East Breaks areas, as shown on the map entitled, “Proposed Notice of Sale, Gulf of Mexico OCS Oil and Gas Lease Sale 261, September 2023, Stipulations and Deferred Blocks,” which is included in the Proposed Notice of Sale (Proposed NOS) package. These areas were used to dispose of ordnance of unknown composition and quantity. These areas have not been used for ordnance disposal since 1970. Water depths in the Corpus Christi area range from approximately 600 to 900 meters. Water depths in the East Breaks area range from approximately 300 to 700 meters. Bottom sediments in both areas are generally soft, consisting of silty clays.

Central Planning Area (CPA)

Two known inactive ordnance disposal areas are in Mississippi Canyon, as shown on the map entitled, “Proposed Notice of Sale, Gulf of Mexico OCS Oil and Gas Lease Sale 261, September 2023, Stipulations and Deferred Blocks,” which is included in the Proposed NOS package. These areas were used to dispose ordnance of unknown quantity and composition in approximate water depths of 750 to 1,525 meters. Bottom sediments in both disposal areas are soft, consisting of silty clays.

Eastern and Central Planning Areas

The U.S. Air Force (USAF) has also released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas (EWTAs) 1, 2, 3, and 4. The exact location of unexploded ordnance is unknown. The EWTAs are identified on the map entitled, “Proposed Notice of Sale, Gulf of Mexico OCS Oil and Gas Lease Sale 261, September 2023, Stipulations and Deferred Blocks,” which is included in the Proposed NOS package. Bidders and lessees are advised that all lease blocks within these water test areas should be considered potentially hazardous for drilling and platform/pipeline placement.

(3) Existing and Proposed Artificial Reefs/Rigs-to-Reefs

Bidders and lessees are advised that there are OCS artificial reef planning and general permit areas for the Gulf of Mexico Region (GOMR), in which reef sites are or may be established for use by applicable sState artificial reef and Rigs-to-Reefs programs. Rigs-to-Reefs proposals for reefing oil and gas structures must be accepted by the appropriate State and approved by the Bureau of Safety and Environmental Enforcement (BSEE). Any State developing an Artificial Reef site must also obtain a permit from the USACE. Each State’s Artificial Reefs/Rigs-to-Reefs program is managed under that State’s Artificial Reef Plan. For more information, see the contact information in **Table 1**.

Table 1. Contacts for State Artificial Reefs/Rigs-to-Reefs Programs

State	Coordinator	Phone	URL
Alabama	Craig Newton	(251) 861-2882	http://www.outdooralabama.com/artificial-reefs
Florida	Keith Mille	(850) 617-9633	https://myfwc.com/fishing/saltwater/artificial-reefs/
Louisiana	Mike McDonough	(225) 763-5418	https://www.wlf.louisiana.gov/page/artificial-reefs
Mississippi	Travis Williams	(228) 523-4110	http://www.dmr.ms.gov/marine-fisheries/artificial-reef
Texas	Dale Shively	(512) 389-4686	http://www.tpwd.state.tx.us/landwater/water/habitats/artificial_reef/

(4) Lightering Zones

Bidders and lessees are advised that the USCG has designated certain areas of the OCS as lightering zones for the purpose of permitting single hull vessels to offload oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. See 33 CFR §§ 156.300-330 for the regulations concerning lightering zones. For

more information, contact Lieutenant Commander Ben Kerbs, USCG Attorney-Advisor, Eighth District Waterways Management Division, at (504) 671-2033, or via email at benjamin.j.kerbs@uscg.mil.

(5) Indicated Hydrocarbons List

Bidders and lessees are advised that the Bureau of Ocean Energy Management (BOEM) makes available, approximately 3 months prior to a lease sale, a list of unleased blocks in the Western, Central, and Eastern Planning Areas that have wellbores with indicated hydrocarbons. Information relating to production, wellbores, and pay range for each block is included (see BOEM's website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Resource-Evaluation/Gulf-OCS-Region-Activities/Indicated-Hydrocarbon-List.aspx>). Bidders and lessees should be aware that prior lessees on these lease blocks may have continuing rights and obligations with respect to the wells and infrastructure developed under the prior lessee's lease, for at least a year after termination of the prior lessee's lease (see 30 CFR part 250, subpart Q). Lessees seeking the right to use preexisting platforms, pipelines, wells, or other infrastructure on a lease block must first obtain BSEE approval and, in the event the request is made within the time BSEE authorizes for the completion of decommissioning, the express consent of the prior lessee. Bidders should also refer to 30 CFR § 250.1702 for the circumstances under which lessees accrue decommissioning liabilities, including, but not limited to, when re-entering wells that previously were plugged.

(6) Military Areas

Bidders and lessees are advised that Stipulation No. 1, "Military Areas," found within the document entitled "Lease Stipulations," which is included in the Proposed NOS package, applies to leases in any new Military Warning and Water Test Areas that may be established by the Federal Aviation Administration (FAA) and any blocks that previously were subject to the stipulation. Military Warning and Water Test Areas are established in the FAA Air Traffic Document JO 7400.10B, "Title 14-Aeronautics and Space - Chapter 1 Federal Aviation Administration - Subchapter Airspace - Part 73 - Special Use Airspace Regulatory and Non-regulatory." This document can be downloaded from the FAA website at: https://www.faa.gov/documentLibrary/media/Order/2022-02-16_Order_7400.10D.pdf

The stipulation also applies to the EWTAs established by the agreement between the USAF (Eglin Air Force Base) and the FAA. The lease sale area for GOM Lease Sale 261 includes all or portions of EWTAs 1, 2, 3, and 4.

The lessee is responsible for establishing and maintaining contact and coordinating with the military commander(s) in any Military Warning and Water Test Area in which operations, radio communications, or other traffic is planned during the occupation and development of any lease, including boat, ship, or aircraft traffic that passes through a Military Warning and Water Test Area to a leased block that is not in a Military Warning and Water Test Area. BOEM recommends lessees establish and maintain contact with and coordinate with the appropriate military commander(s) about whether their lease is subject to a Military Areas Stipulation. For more information, contact:

Federal Aviation Administration - Airspace Office
Houston Air Route Traffic Control Center (ARTCC)
Attention: Brian Pair

16600 John F. Kennedy Boulevard
Houston, Texas 77032
Telephone: (281) 230-5563 (mission support for daily schedules)
Telephone: (281) 230-5520 (operations support for procedural updates and information)

(7) Bureau of Safety and Environmental Enforcement Inspection and Enforcement of Certain U.S. Coast Guard Regulations

Lessees are advised to review the USCG regulations at 33 CFR part 140, subpart B “Inspections.” These regulations authorize BSEE to perform inspections on fixed OCS facilities engaged in OCS oil and gas activities and to enforce USCG regulations applicable to those facilities in accordance with 33 CFR subchapter N, parts 140-147. For more information, contact the Prevention Department, USCG Sector New Orleans, at 200 Hendee Street, New Orleans, Louisiana, 70114, or at (504) 365-2240.

(8) Significant Outer Continental Shelf Sediment Resource Areas

Bidders and lessees are advised that BOEM has designated lease blocks in the GOMR as Significant OCS Sediment Resource Areas. OCS sediment resources are minerals that are composed of sediment deposits, including clay, silt, sand, gravel-sized particles and shells found on or below the surface of the OCS seabed. These blocks, including those with proposed dredging (see below), are excluded from the lease sale area identified for GOM Lease Sale 261. Regarding off-lease activities that may support a lessee’s operations (e.g., for a right-of-use and easement or pipeline right of way), BOEM has implemented measures to prevent obstructions to the use of the most Significant OCS Sediment Resources, reduce multiple use conflicts, and minimize interference with oil and gas operations. For the most current listing of Significant OCS Sediment Resource blocks, see <https://www.boem.gov/marine-minerals/managing-multiple-uses-gulf-mexico>.

BOEM also advises lessees to refer to the most current NTL for obligations regarding Significant OCS Sediment Resources. The most recent NTL, No. 2009-G04, “Significant OCS Sediment Resources in the Gulf of Mexico,” can be accessed on BOEM’s website at <https://www.boem.gov/guidance>. NTL No. 2009-G04 states the following:

If it is determined that significant OCS sediment resources may be impacted by a proposed activity, the [BOEM and/or BSEE Gulf of Mexico Region] may require you to undertake measures deemed economically, environmentally, and technically feasible to protect the resources to the maximum extent practicable. Measures may include modification of operations and monitoring of pipeline locations after installation.

BSEE will not approve future requests for in-place decommissioning of pipelines in these designated areas unless the BSEE GOM Regional Supervisor determines that the pipeline does not constitute a hazard or obstruction to navigation and commercial fishing operations, unduly interfere with other uses of the OCS, or have adverse environmental effects. If it is deemed necessary, pipelines previously decommissioned in place may be required to be removed if the BSEE GOM Regional Supervisor determines that the pipeline is an obstruction.

There is potential for offshore dredging activities involving excavation and transportation of OCS minerals for beach nourishment and coastal restoration projects in some of the blocks listed

below and may include blocks with projects that are not currently identified. Sediment transport corridors and staging areas may extend beyond the listed blocks and into State waters.

Potential Areas with Active Sediment Dredging

St. Bernard Shoals in Chandeleur Area, Blocks 30-34, Main Pass Area, Blocks 86-90, 92-114, and 118-120, and Main Pass Area South and East Addition, Blocks 161, 162, 180, and 181, have been identified as possible sediment sources for the restoration of Breton and Chandeleur Islands.

In 2010, USACE released the Louisiana Coastal Area (LCA) ecosystem restoration plan, which proposed the use of 60 million cubic yards (mcy) of OCS sediment for barrier island and headland restoration. Potential sediment sources included the Ship, Tiger, Trinity, and Sabine Shoals. The State of Louisiana has begun building the projects because the LCA has been unfunded by the USACE. Louisiana has invested hundreds of millions of dollars over the past two decades to restore its barrier islands and shorelines and plans to continue to invest in rebuilding these features. The 2017 Louisiana Comprehensive Master Plan (CMP) included nearly \$18 billion for marsh creation using dredged material. One and a half billion dollars of the \$25 billion Louisiana restoration budget was identified to fund the Barrier Island Program, which included restoring the Terrebonne, Timbalier, and Barataria barrier islands and shorelines as part of a regular State rebuilding program. Planning has begun for the 2023 Louisiana Comprehensive Master Plan. The 2023 CMP will build on previous master plan efforts and invest in projects that reduce storm surge-based flood risk to communities, provide habitat to support commercial and recreational activities, and support infrastructure critical to the working coast of Louisiana.

Collier County is seeking a lease for the nourishment of beaches along 7.5 miles of coastline between Wiggins Pass and Gordon Pass, including Vanderbilt Beach, Pelican Bay, Park Shore, and Naples Beach. This project will be coordinated in future years through the Collier County Coastal Storm Risk and Management plan to be managed by the USACE-Jacksonville district. Lee County and the Town of Fort Myers have also notified BOEM of their intent to build coastal restoration projects in the County starting in 2023. These projects propose to use OCS sand from Charlotte Harbor Block 606 along with several State resource areas. In Texas, the USFWS is in planning and design phase of a project to restore the shoreline in the Texas Point National Wildlife Refuge. OCS resources from Sabine Bank are proposed for use with construction proposed for 2023. In addition, the Coastal Texas Study Project, led by the Galveston USACE and Texas General Land Office (GLO), proposes extraction of up to 200 mcy of material for use in projects in the State of Texas over the next 50 years.

To be effective stewards of the resource, BOEM must know the location, quantity, and quality of the available sediment. The U.S. Department of the Interior approved sediment inventory planning activities as part of its application to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE) council for funding all five Gulf States to work with BOEM on the Gulf-wide Sediment Inventory. BOEM currently has cooperative agreements in four Gulf Coast States (Texas, Louisiana, Mississippi, and Alabama) to assess OCS sediment resources off their coasts. BOEM is also a participating agency in the Northern Gulf of Mexico Regional Sediment Management project, led by the Mobile USACE, which is coordinating the efforts to synthesize sediment budget data along the Northern Gulf of Mexico to maximize future data collection, as well as planning and

management efforts based on the input and needs of stakeholders and technical experts.

For more information, or to obtain a map of the potentially affected blocks, contact Tershara Matthews, Chief of Emerging Programs, at (504) 736-2676.

(9) Notice of Arrival on the Outer Continental Shelf

Lessees are advised that, pursuant to 33 CFR § 146.405, which implements provisions of the Security and Accountability for Every Port Act of 2006 (Pub. L. No. 109-347), owners or operators of U.S. and foreign flag floating facilities, mobile offshore drilling units, and vessels are required to submit notice of arrival information to the National Vessel Movement Center (see website at <https://www.nvmc.uscg.gov>) prior to engaging in OCS activities (33 CFR part 146). Section 704 of the Coast Guard and Maritime Transportation Act of 2012 (Pub. L. No. 112-213) mandates that:

The regulations required under section 109(a) of the Security and Accountability For Every Port Act of 2006 (33 U.S.C. § 1223 note), dealing with notice of arrival requirements for foreign vessels on the Outer Continental Shelf, shall not apply to a vessel documented under section 12105 of title 46, United States Code, unless the vessel arrives from a foreign port or place.

For more information, contact:

CVC-2 Port State Control Oversight
Telephone: (202) 372-1218

(10) Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act

A. Information Bidders/Lessees Must Provide to BOEM Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment:

Under 2 CFR § 180.335, before submitting a bid, bidders/lessees must notify BOEM in writing if they know that they or any principals, as defined in 2 CFR § 180.995:

- are presently excluded or disqualified from entering into a transaction with a Federal agency;
- have been convicted within the preceding 3 years of any of the offenses listed in 2 CFR § 180.800(a), or had a civil judgment rendered against them for one of those offenses within that time period;
- are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in 2 CFR § 180.800(a); or
- have had one or more public transactions (Federal, State, or local) terminated within the preceding 3 years for cause or default.

Under 2 CFR § 180.350, after obtaining a lease, bidders/lessees must notify BOEM in writing if they learn that:

- they failed to disclose information earlier, as required by 2 CFR § 180.335; or
- due to changed circumstances, they or any of the principals for the transaction now meet

any of the criteria in 2 CFR § 180.335.

B. Effect of a Conviction Under the Clean Air Act or the Clean Water Act on Bidders/Lesseees:

Under 2 CFR § 1532.1110, bidders/lesseees (including any principals as defined in 2 CFR § 180.995) who are convicted of any offense described in 2 CFR § 1532.1105 are automatically disqualified from eligibility to receive any lease by award or assignment (i.e., a covered transaction under subpart A through I of 2 CFR part 180, or prohibited awards under 48 CFR part 9, subpart 9.4) if they:

- will perform any part of the transaction or award at the facility giving rise to their conviction (called the violating facility); and
- own, lease, or supervise the violating facility.

NOTE: A conviction under 2 CFR § 1532.1105 automatically disqualifying bidders/lesseees from eligibility, as described in 2 CFR § 1532.1110 set forth in “B” above, triggers the notice requirements in 2 CFR §§ 180.335 and 180.350 set forth in “A” above.

(11) Protected Species

Bidders and lesseees are advised that Stipulation No. 4, “Protected Species,” found within the document entitled, “Lease Stipulations,” which is included in the Proposed NOS package, addresses activities that may have an impact on species afforded special protection under the law, including, but not limited to, the Endangered Species Act (ESA, 16 U.S.C. §§ 1531 *et seq.*) and the Marine Mammal Protection Act (MMPA, 16 U.S.C. §§ 1361 *et seq.*). This lease stipulation will apply to all lease blocks included in this lease sale.

The purpose of the stipulation is to ensure that the lesseees acknowledge and agree that they will be required to implement measures designed to reduce or avoid potential impacts on these protected species during future lease activities. As new species are listed and/or delisted for protection, and as new measures and mitigations are identified to protect such species in the future (e.g., through ongoing or future consultations or amendments under the ESA or authorizations issued under the MMPA), BOEM and BSEE will condition approvals of plans and permits on implementation of the most current measures and mitigations including but not limited to Conditions of Approval (COAs) in place at the time.

Potential bidders should be aware that the National Marine Fisheries Service (NMFS) issued its programmatic Biological Opinion on March 13, 2020, (2020 NMFS BiOp) and Amended Incidental Take Statement (ITS) and Revised Appendices on April 26, 2021 (2021 Amended ITS and Revised Appendices). The 2020 NMFS BiOp and 2021 Amended ITS and Revised Appendices address the impacts to and incidental take of ESA-listed species as a result of the Bureaus’ proposed action(s) of new oil and gas lease sales and any future oil and gas approvals issued by BOEM and BSEE after March 13, 2020, under both existing and future OCS oil and gas leases in the GOM, for the 10 years following issuance of the BiOp.

The relevant terms and conditions, reasonable and prudent measures, reasonable and prudent alternative for the Rice’s whale (formerly the GOM Bryde’s whale), the Notification of Intention to Transit Rice’s Whale Area COA, and protocols from the 2020 NMFS BiOp and 2021 Amended ITS and Revised Appendices are incorporated by reference and made a binding part of the lease in the “Protected Species” Stipulation. On October 25, 2022, BOEM and BSEE

requested reinitiation of consultation with NMFS regarding upcoming oil-spill risk analyses and to incorporate certain previously developed and implemented mitigation measures for Rice's whales. The 2020 NMFS BiOp and 2021 Amended ITS and Revised Appendices currently remain in effect until the reinitiated consultation is completed and a new or amended BiOp becomes available. Any future BiOp amendments or COAs will be binding on subsequent post-lease actions. The 2020 NMFS BiOp, as amended, and supporting documents can be found online at <https://repository.library.noaa.gov/view/noaa/23738>.

Bidders should also be aware that certain post-lease approvals (e.g., for activities involving new and unusual technologies, certain seismic surveys, equipment involving entanglement risks, and all ancillary geological and geophysical (G&G) surveys, including ancillary G&G surveys that utilize High Resolution Geophysical (HRG) acoustic sources), will require step-down review with NMFS and may necessitate additional time and mitigations. Therefore, lessees must notify BOEM prior to conducting any ancillary G&G surveys, including ancillary G&G surveys that utilize HRG acoustic sources.

On April 20, 2018, the U.S. Fish and Wildlife Service issued a 10-year BiOp for BOEM and BSEE activities with no terms and conditions, and any future consultations may be informal, dependent upon the likelihood of take of ESA-listed species under that Service's jurisdiction.

BOEM also petitioned NMFS for rulemaking under the MMPA relating to G&G surveys on the OCS in the Gulf of Mexico. On January 19, 2021, NMFS published in the *Federal Register* a final Incidental Take Regulation (ITR), which became effective on April 19, 2021. To align the mitigation measures found in the ITR with the 2020 NMFS BiOp (Appendices A and C), NMFS issued the 2021 Amended ITS and Revised Appendices. On February 15, 2022, NMFS announced that it would be undertaking a new rulemaking for the ITR due to certain identified miscalculations in the take numbers in the 2021 ITR. NMFS published the proposed rule on January 5, 2023, opening a public comment period that closed on February 6, 2023. 88 Fed. Reg. 916 (Jan. 5, 2023).

(12) Expansion of the Flower Garden Banks National Marine Sanctuary

Bidders and lessees are advised that on May 1, 2020, the National Oceanic and Atmospheric Administration (NOAA) published a proposed rule to expand the boundaries of the Flower Garden Banks National Marine Sanctuary (FGBNMS). See 85 Fed. Reg. 25359 (May 1, 2020). In 2016, NOAA published its Draft Environmental Impact Statement, analyzing the proposed expansion of the FGBNMS boundaries, based on the recommendation contained within the Sanctuary Expansion Action Plan of the 2012 FGBNMS Management Plan (81 Fed. Reg. 37576 [June 10, 2016]; available online at <https://www.gpo.gov/fdsys/pkg/FR-2016-06-10/pdf/2016-13661.pdf>). NOAA's Final EIS for the proposed FGBNMS expansion was published on December 18, 2020, the rule expanding the boundaries of the sanctuary was issued on January 19, 2021 (86 FR 4953), and the expansion became effective on March 22, 2021. For additional information related to the expansion, contact George Schmahl at (409) 621-5151, extension 102, or email fgbexpansion@noaa.gov, or see NOAA's FGBNMS webpage at <https://flowergarden.noaa.gov/management/sanctuaryexpansion.html>.

For information on restrictions on oil and gas exploration and development activities (including off-lease activities under rights-of-use and easement, pipeline rights-of-way or geological and geophysical survey permits) that occur in the areas of the FGBNMS expansion, see NTL No. 2009-G39: "Biologically Sensitive Underwater Features and Areas," which can be accessed on

BOEM's website at <https://www.boem.gov/guidance>.

(13) Communication Towers

Bidders and lessees are advised that the USAF currently owns communication towers in the Chandeleur, Mobile, and Viosca Knoll areas that previously supported Air Combat Maneuvering Instrumentation (ACMI). Through advancements in technology, the need for the towers has ceased and they are no longer in use. While there are currently no plans to bring the towers back online for use, they remain on-site and are not scheduled for removal at this time. In the event the towers will be used in the future, BOEM will coordinate operations with the new user. These towers are within Mobile Blocks 769, 819, and 990, Viosca Knoll Block 116, Chandeleur Area Blocks 33 and 61, and Chandeleur Area, East Addition, Block 39. For information and maps of the specific locations and line-of-sight crossings for ACMI towers, contact Mr. Charles Smith, Range and Operations Sustainment Section 96 TW/XPO, Eglin Air Force Base, Florida, (850) 882-5614 or at charles.smith.7@us.af.mil.

(14) Deepwater Port (DWP) Applications for Offshore Oil and Liquefied Natural Gas Facilities

Bidders and lessees are advised that the USCG and the Maritime Administration (MARAD) may process applications for the licensing of deepwater ports involving both proposed liquefied natural gas (LNG) importation/exportation facilities and oil importation/exportation facilities in the GOM. There is currently only one such active facility in the GOM, the Louisiana Offshore Oil Port, located 16 miles southeast of Port Fourchon. Applications for new deepwater port import and/or export facilities may be received by MARAD at any time. Those applications will be processed by MARAD and the USCG in the order they are received. A list of approved, pending, and withdrawn/disapproved DWP license applications may be found at the following webpages:

- <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/licensing-process>
- <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/approved-applications>

Bidders and lessees also are advised to review and monitor U.S. DOT MARAD sources, such as MARAD records of decision and port licenses, for relevant deepwater port application information to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships' routing measures that could prevent or otherwise impact oil and gas operations around both existing and proposed deepwater port locations.

For more information, contact:

Commandant (CG-OES-22), U.S. Coast Guard Headquarters
2703 Martin Luther King Ave., SE (STOP 7509)
Attn: Deepwater Ports Standards Division
Washington, D.C. 20593-7509
(202) 372-1444

POC: Mr. Matthew Layman,

Email: matthew.d.layman@uscg.mil or DWP@comdt.uscg.mil

Web Address: <https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Commercial-Regulations-standards-CG-5PS/Office-of-Operating-and-Environmental-Standards/vfos/DWP/>

Ms. Yvette M. Fields, Director Maritime Administration
Office of Deepwater Ports and Offshore Activities
1200 New Jersey Avenue SE, W21-309 (MAR-530)
Washington, DC 20590
Telephone: 202-366-0926
Fax: 202-366-5123
Email: yvette.fields@dot.gov
Web Address: <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/approved-applications-and-operational-facilities>

(15) Ocean Dredged Material Disposal Sites

Bidders and lessees are advised that, pursuant to the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. §§ 1431 *et seq.* and 33 U.S.C. §§ 1401 *et seq.*), the U.S. Environmental Protection Agency (USEPA) has the responsibility for designating and managing Ocean Dredged Material Disposal Sites (ODMDS). The decision to issue a dredged material disposal permit is made by the USACE, using USEPA's environmental criteria and subject to USEPA's concurrence. The USEPA has several designated ODMDS in the GOM, all of which can be viewed on the USEPA website at <https://www.epa.gov/ocean-dumping/ocean-disposal-map>. Additional information can also be accessed on the USACE's Ocean Disposal Database <https://odd.el.erdc.dren.mil/>.

On August 4, 2020, the USEPA issued a final rule, enlarging the existing offshore ODMDS near Mobile, Alabama (85 Fed. Reg. 47042; Aug. 4, 2020). The USEPA Region 4 Final National Pollutant Discharge Elimination System Permit (General Permit No. GEG460000) for Offshore Oil and Gas Activities in the Eastern GOM (including portions of the CPA) does not allow the discharge of any drilling fluids, drill cuttings, or produced waters from offshore oil and gas facilities within 1,000 meters of, or within, any designated ODMDS. **Table 2** shows the contacts for additional information on ocean dredged disposal sites.

Table 2. Ocean Dredged Disposal Sites Contacts

Agency	Name/Title	Email	Phone Number
USEPA Region 4	Wade Lehmann Chief, Ocean and Estuarine Management Section	lehmann.wade@epa.gov	(404) 562-8082
USEPA Region 4	Gary Collins Biological Oceanographer	collins.garyw@epa.gov	(404) 562-9395
USEPA Region 4	Bridget Staples Lead, NPDES offshore oil and gas general permit	staples.bridget@epa.gov	(404) 562-9783
USEPA Region 6	Karen McCormick Ocean Disposal Program Coordinator	mccormick.karen@epa.gov	(214) 665- 8365
USACE Mobile District	LeKesha Reynolds	lekesha.w.reynolds@usace.army.mil	(251) 690-3260
USACE Mobile District	Jenny Jacobson	jennifer.l.jacobson@usace.army.mil	(251) 690-2724

(16) Rights-of-Use and Easement

There are current rights-of-use and easement (RUEs) on several lease blocks in the GOM. Bidders and lessees are advised to review the list of existing and pending RUEs that could limit operations on a lease block. Any successful bidder on such a block acknowledges that their lease operations must comply with no activity areas or other requirements to ensure the RUE holders may continue their operations. The current list of blocks with existing or pending RUEs is available at the website: <https://www.data.boem.gov/Plans/Files/rureport.pdf>. RUEs may allow permanent mooring of floating production facilities or other infrastructure (e.g., anchor chains, moorings). If an oil and gas lease is issued for such a block and the RUE is approved before lease issuance, Stipulation No. 7, “Restrictions due to Rights-of-Use and Easement for Floating Production Facilities,” contained within the document entitled “Lease Stipulations,” which is included in the Proposed NOS package, would apply.

Stipulation No. 7 prohibits certain activities from occurring or being located on the seafloor or in the water column within the surrounding area of existing and pending RUEs, including, but not limited to, the construction and use of structures, operation of drilling rigs, laying of pipelines, and/or anchoring. Below seabed activities that are part of exploration, development, and production activities from outside the no-activity zones and associated 500-foot buffer zones may be allowed within the surrounding area of RUEs, including the use of directional drilling or other techniques. Consistent with section 19 of the lease, BOEM may issue RUEs on blocks after lease issuance. Pursuant to 30 CFR § 550.160, a lessee is given certain rights to comment and obtain adjudication of objections if a RUE application is received on its lease block.

For more information, contact:

Michelle Uli Picou, BOEM GOMR, Plans Section Chief,
michelle.picou@boem.gov, (504) 736-2747

(17) Industrial Waste Disposal Areas

Bidders and lessees are advised that an inactive industrial waste disposal site exists on all or portions of blocks in the Mississippi Canyon Area. This site is depicted on the map entitled, “Proposed Notice of Sale, Gulf of Mexico OCS Oil and Gas Lease Sale 261, September 2023, Stipulations and Deferred Blocks,” which is included in the Proposed NOS package. The site was established by the USEPA in 1973 under the Marine Protection, Research, and Sanctuaries Act to permit the seafloor deposition of approximately 205,000 steel barrels containing chemical wastes and chlorinated hydrocarbons. More information about the waste site (Site B) is available in a 1975 National Academy of Sciences report, *Assessing Potential Ocean Pollutants, a Report of the Study Panel on Assessing Potential Ocean Pollutants to the Ocean Affairs Board, Commission on Natural Resources, National Research Council*.

Barrels have been detected during hazards surveys in the following blocks: Mississippi Canyon 81-82, 628, 631, 632, 635, 672, 679, 716, 718, 720-723, 759, 761-765, 768, 769, 805-813, 847-851, 853-855, 891-895, 897-899, 934-944, 977-978, 983-986.

Barrels may also exist in other nearby blocks not listed above. Bidders and lessees are advised that the blocks associated with the disposal site and adjacent blocks that are included in the sale area may exhibit hazards from barrel contents (toxic, corrosive, and/or potentially explosive materials). Thus, hazards surveys are required before bottom-disturbing activities can be approved in plans and permits. Drilling and platform/pipeline placement may require precautions, such as avoidance (recommended 30-foot minimum distance from individual barrels), decontamination of equipment, and personnel health and safety procedures.

(18) Gulf Islands National Seashore

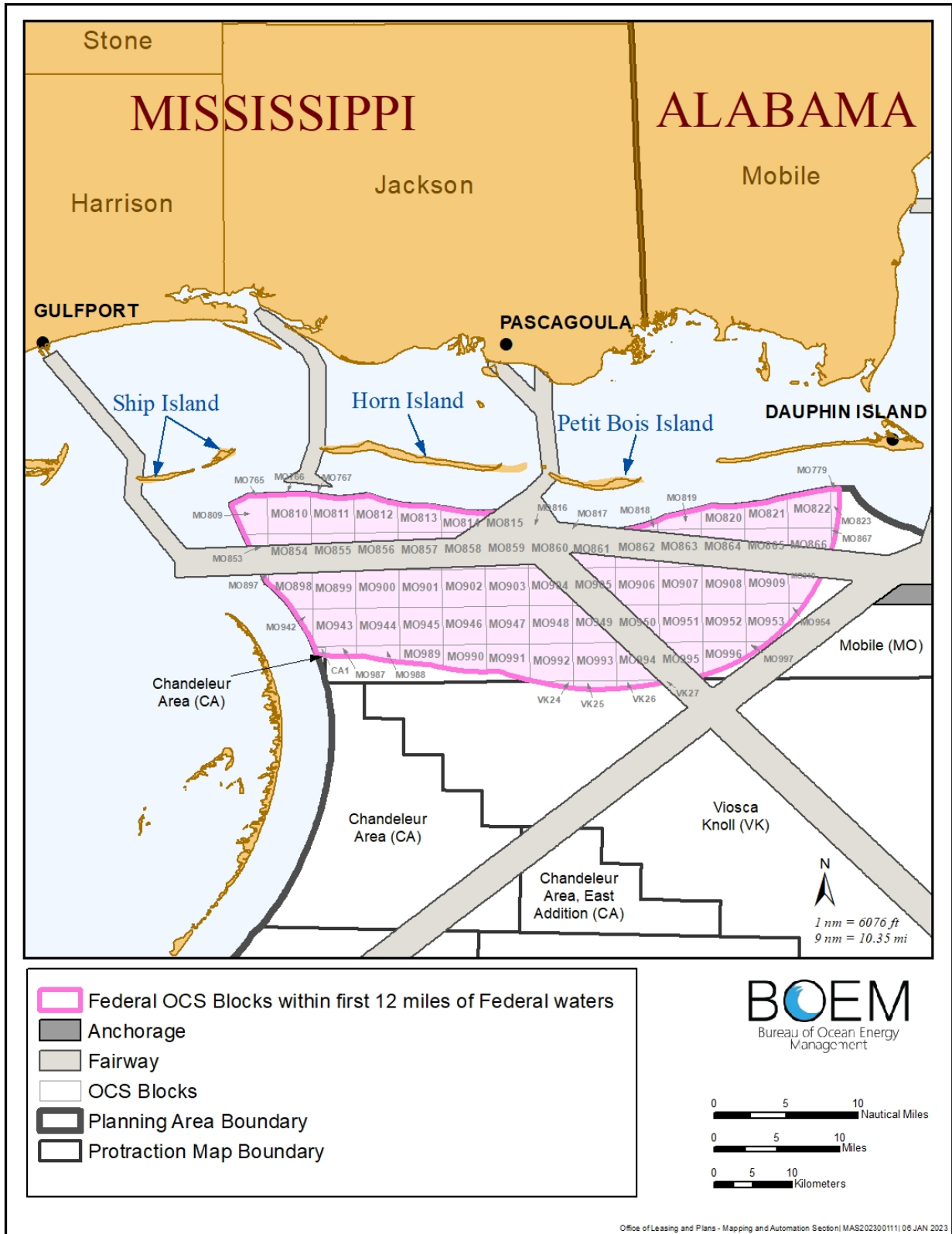
Bidders and lessees should be aware that post-lease plans submitted by lessees who are proposing development of whole and partial lease blocks within the first 12 miles of Federal waters near the Gulf Islands National Seashore (see State of Mississippi Barrier Island Chain Map at the end of this document) may be subject to additional review to minimize visual impacts from development operations on these blocks. BOEM will review and make decisions on a lessee’s plans for these blocks in accordance with applicable Federal law and regulations, and BOEM policies, to determine if visual impacts are expected to cause serious harm and if any additional mitigation is required. Mitigation could include, but is not limited to, requested changes in location, modifications to the design or direction of proposed structures, pursuing the joint use of existing structures on neighboring blocks, changes in color design, or other plan modifications. BOEM may consult with the State of Mississippi and/or the State of Alabama and with the National Park Service, Southeast Regional Office, during such reviews as appropriate.

The following whole and partial blocks, listed below and shown on the enclosed map, are specifically identified for this ITL in **Table 3**.

Table 3. Gulf Island National Seashore Blocks in Sale 261

Area	OCS Block
Mobile	944, 948, 949
Viosca Knoll	24-27

ITL 18 – Gulf Islands National Seashore Map



(19) Air Quality Permit/Plan Approvals

Bidders and lessees are advised that section 328(a)(1) of the Clean Air Act requires the USEPA to establish requirements to control air pollution from OCS sources under its jurisdiction. The USEPA implementing regulations at 40 CFR part 55 apply to OCS sources in the GOM, except those located westward of 87°30'W longitude, which are subject to BOEM regulations at 30 CFR part 550, subparts B and C. Therefore, lessees who plan activity eastward of 87°30'W longitude must consult with the USEPA.

Bidders and lessees are advised to refer to NTL No. 2009-N11, “Air Quality Jurisdiction on the OCS,” which can be accessed on BOEM’s website at <https://www.boem.gov/guidance>. This NTL retains its original identifying number No. 2009-N11, but was updated on June 19, 2020. Bidders and lessees are also advised to check the BOEM website to obtain up-to-date information on air quality requirements.

For more USEPA information, contact:

Ms. Kelly Fortin, Air Permits
USEPA, Region 4, APTMD
61 Forsyth Street SW
Atlanta, Georgia 30303
Telephone: (404) 562-9117
Email: fortin.kelly@epa.gov

For more BOEM GOMR plan approval information, contact:

Michelle Uli Picou,
BOEM GOMR, Plans Section Chief
Telephone: (504) 736-2747
Email: michelle.picou@boem.gov

(20) Provisions Pertaining to Certain Transactions by Foreign Persons Involving Real Estate in the United States

Bidders should be aware that the Office of Investment Security, Department of the Treasury issued a final rule, effective February 13, 2020, establishing regulations to implement the provisions relating to real estate transactions in section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018. The final rule was published at 85 Fed. Reg. 3158 (January 17, 2020) and is codified at 31 CFR part 802.

The rule sets forth the process relating to the national security review by the Committee on Foreign Investment in the United States (CFIUS) of certain transactions, referred to in the rule as “covered real estate transactions,” that involve the purchase or lease by, or concession to, a foreign person of certain real estate in the United States. Covered real estate transactions include some transactions involving real estate located within the territorial sea of the United States, as identified in the new rule, and may apply to certain lease blocks offered in this lease sale.

In determining whether a lessee is a foreign national, government, person, or entity, CFIUS looks not only at the entities that are lessees, but also to any person with the ability to exercise control, as defined by the statute and its implementing regulations, over the lessee. CFIUS is authorized to review covered real estate transactions and to mitigate any risk to the national security of the United States that arises as a result of such transactions. This could result in the modification,

suspension, or prohibition of a covered real estate transaction.

The CFIUS notification process in the regulation is largely voluntary. A party to a transaction may, pursuant to the regulations, notify CFIUS of the transaction by submitting a declaration or notice and seek a determination.

Accordingly, BOEM recommends that each bidder review the rule before bidding on blocks located within the U.S. territorial sea. The boundary of the U.S. territorial sea is delineated on the map entitled, “Proposed Notice of Sale, Gulf of Mexico OCS Oil and Gas Lease Sale 261, September 2023, Stipulations and Deferred Blocks,” which is included in the Proposed NOS package: <https://www.boem.gov/Sale-261/>.

For further information, please refer to the contact information for CFIUS in the Federal Register notice cited above.

(21) Inflation Reduction Act of 2022

Bidders are advised that the Inflation Reduction Act of 2022, Pub. L. No. 117-169, 136 Stat. 1818 (2022), directs BOEM to hold GOM Lease Sale 261 by September 30, 2023. Bidders should be aware that, among other requirements, the Inflation Reduction Act implements a new minimum royalty for OCS oil and gas leases and requires royalties to be paid on all gas produced, consumed, or lost by venting, flaring, or negligent releases through any equipment during upstream operations with limited exceptions (see Stipulation 8 in this Proposed NOS package). The full text of the statute is available at <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

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