
Leasing Activities Information

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

Instructions For Making Electronic Funds Transfer (EFT)

Bonus Payments

(Updated January 5, 2015)

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

If you submit bid(s) for an OCS Lease Sale, please read and comply with the following:

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

- (1) The name and telephone number (including the area code) of your EFT coordinator. BOEM will contact that person to resolve any EFT problems. Only one EFT coordinator and one alternate 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) Your Tax Identification Number (TIN).

(B) Third Party Error: You 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 Automated Clearing House System (ACH).

- (1) You are held responsible for accurate EFT payments. Your responsibility extends to any bank payment message coding error that prevents the payment from reaching the appropriate Office of Natural Resources Revenue (ONRR) account. You must immediately contact Mr. Alan Erpelding at (303) 231-3529 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 that you submit valid high bid(s). If you submit 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, that may be found on the ONRR website at <http://onrr.gov/ReportPay/payments.htm>. You must use either the **Fedwire Deposit System (FI #021030004)** or the **Automated Clearing House (ABA #051036706)**. Pay.gov may not be used for payment of the 1/5 bonus bid amount. 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. You must instruct your bank to EFT the 1/5 bonus payment to the appropriate U.S. 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. You may continue to use the numbers used in recent years for your 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 your message formatting or your payment may be returned by the U.S. Treasury.**

If you are currently an OCS mineral lease record title holder or a designated operator for an OCS mineral lease, AND if you have never defaulted on 1/5 bonus payments (via EFT or otherwise), you do NOT have to provide additional security for your EFT 1/5 bonus payment. Otherwise, see "**Methods for Securing EFT 1/5 Bonus Payments**" for your options of methods to secure your 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.** 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 also is required on a sale-specific basis. If you are unable to obtain this report, you may contact Ms. Yolanda Clark at (504) 736-2851 or Mr. Mark Selquist at (504) 736-2435.
- (2) **The EFT payment must be received in the appropriate U.S. Treasury account by the time stated in the final notice of sale, generally 11:00 a.m. Eastern Time the day following bid reading (no exceptions). Please do not round up your 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), you will correct the deficient payment immediately, but no later than 11:00 a.m. Eastern Time of the day following bid reading.
- (4) Should you default on your 1/5 bonus payment by EFT, any or all of your bids (at BOEM's discretion) may be rejected. Additionally, you 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 case of default.

- (5) Where applicable, BOEM will release your financial instrument used to secure your EFT 1/5 bonus payment upon receipt of your EFT 1/5 high bid deposit. You may pick up your financial instrument from the OCS Regional Adjudication Office or arrange to have the financial instrument mailed to you.

4/5 Bonus & Rent Payment

Pursuant to 30 CFR 1218.155(c), 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 BOEM, please read and comply with the following:

Payment of the 4/5 bonus and first year rental must be by EFT, payable to ONRR. You 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 4/5 bonus and first year rental. The Regional Director of the OCS Regional Office conducting the lease offering will advise you of bid acceptance. After notification, you must instruct your bank to EFT the 4/5 bonus and first year rental payment to the appropriate U.S. 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. You may continue to use the numbers used in recent years for your 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 your message formatting or your payment may be returned by the U.S. Treasury.**

- (1) Your EFT payment must be received in the appropriate United States Treasury Account no later than noon Eastern Standard Time, on the 11th business day after receipt of the lease forms. A business day is considered a day on which the OCS Regional Office issuing the lease is open for business.
- (2) If your EFT payment is deficient in amount, that is a partial payment, you will have two days after the ONRR notification to correct the deficient payment. However, 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 your 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 [Alan.Erpelding@onrr.gov or Rose.Clapp@onrr.gov] or call the ONRR General Ledger Point of Contact above. If, however, there are simultaneous OCS sales occurring, a separate payment must be made for each lease sale.
- (5) We request that your EFT payment contain both the 4/5 bonus(es) and the first year rental payment(s) as one transaction. If this is not possible, please transmit the total amount due to execute your lease(s) in one business day.

Methods for Securing EFT 1/5 Bonus Payments

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

- (1) *Third party guaranty.* If you use this option to secure EFT 1/5 bonus payments, the third party that guarantees your 1/5 EFT bonus payment must be an active 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 your EFT 1/5 bonus payment. BOEM must receive the express written consent of guarantee of your EFT 1/5 bonus payment prior to bid submission. You may contact Ms. Yolanda Clark at (504) 736-2851 or Ms. Kasey Couture at (504) 736-2909 for additional information.

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

- (2) *Amended Areawide Coverage.* If you use this option to secure EFT 1/5 bonus payments, you must amend your \$3 million areawide development bond by a 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. You must have the 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 U.S. Treasury Note, BOEM must receive and approve a notarized letter from the bidder agreeing to the terms that the Treasury Note may be used to cover pre-lease obligations prior to bid submission. That provision must remain in effect until you make your EFT deposit. You may contact Ms. Yolanda Clark at (504) 736-2851 for further information.

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

- (3) *A Letter of Credit (LOC).* If you use this option to secure EFT 1/5 bonus payments, you must use a clean, stand-by, irrevocable LOC. You must submit your LOC for at least 1/5 of the sum of all bids that you submit for an OCS lease sale, including joint bids, to BOEM no later than one week prior to the OCS lease sale. Please contact Ms. Yolanda Clark at (504) 736-2851 or Mr. Mark Selquist at (504) 736-2435 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 lease 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 and \$10 million; or
- “B” for a LOC over \$10 million.

You are responsible for verifying that the bank provides a current rating to BOEM. The

issuing bank must submit this rating with each LOC. If the issuing bank's rating falls below the minimum acceptable level, you must submit a satisfactory replacement surety or BOEM may consider the bids to not be appropriately secured and therefore invalid.

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

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

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

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

If you use this option to secure your EFT 1/5 bonus payment, you must use either the **Fedwire Deposit System** or the **Automated Clearing House** (see Attachments 1 and 2 for formats). One EFT payment must be made for 1/5 of the sum of the bids for **all** blocks for which you submitted a bid. Your EFT payment must be received and deposited in the appropriate U.S. Treasury account before you submit your bid(s). Bidders are reminded that the bid submission deadline is generally 11:00 a.m. Eastern Time the day before bid reading.

Once the bids are opened and read, BOEM will determine your 1/5 bonus liability. Should your 1/5 bonus liability be less than your Advanced EFT payment (i.e., you were not the high bidder on all bids that you submitted), ONRR will refund the difference (your Advanced EFT payment minus your 1/5 bonus liability) without interest to you as soon as practicable. That refund (when applicable) will be transmitted using Automated Clearing House format (ACH) according to the payment information provided by you at the time of bid submission on the bidder address form. (Do not submit FedWire Information)

**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 the 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 GXXXXX,
{6000}	Originator to Beneficiary Information - Line 2	GXXXXX, GXXXXX, GXXXXX,
{6000}	Originator to Beneficiary Information - Line 3	GXXXXX, GXXXXX, GXXXXX,
{6000}	Originator to Beneficiary Information - Line 4	GXXXXX, GXXXXX, GXXXXX

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

Amount of Wire	\$999,999.99
Receiver FI	021030004
Business Function	CTR
Beneficiary	14170001 Department of the Interior Office of Natural Resources Revenue Denver, CO
Originator	XYZOO Oil Company 12345 Pleasant Avenue Broncoville, HI
Originator to Beneficiary	Sale222, Qual9999, Leases G3456, G34562, G34563, G34564, G34565, G34566, G34567, G34568, G34569, G34570

**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 G34567*G34568'

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

SALE222*QUAL9999*LeasesG34567*G34568

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. If you have any questions, call the ONRR Point of Contact.