
Leasing Activities Information

BOEM

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

**CLARIFICATION OF LEASE ADMINISTRATION FOR
CENTRAL PLANNING AREA SALE 241 AND
EASTERN PLANNING AREA SALE 226
DUE TO THE EPA SUSPENSION OF
BLACK ELK OFFSHORE OPERATIONS, LLC
October 20, 2015**

The U.S. Environmental Protection Agency (EPA) has suspended Black Elk Offshore Operations, LLC, from new contracts with the federal government. For Central Planning Area Sale 241 & Eastern Planning Area Sale 226, BOEM will accept bids from qualified suspended Black Elk Offshore Operations, LLC for these sales and proceed with the administration of the bids as follows:

1. BOEM will accept, open, and process suspended Black Elk Offshore Operations, LLC bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
2. BOEM will evaluate tracts upon which Black Elk Offshore Operations, LLC has submitted a bid under existing bid adequacy procedures, following the normal deliberative Phase 1 and Phase 2 process. When Fair Market Value (FMV) is determined for a tract, including those where Black Elk Offshore Operations, LLC is the apparent high bidder, a recommendation to the Regional Director for acceptance or rejection following standard internal procedures will be made. This process occurs periodically throughout the 90-day post-sale evaluation period. Accordingly, each individual lease award decision pertaining to Black Elk Offshore Operations, LLC high bids will be made when each applicable individual fair market evaluation analysis is completed.
3. The Regional Director will evaluate FMV adequacy recommendations where Black Elk Offshore Operations, LLC is the high bidder and determine whether Black Elk Offshore Operations, LLC is still under EPA suspension.
4. If the EPA suspension has been lifted at that time, the lease will be awarded to Black Elk Offshore Operations, LLC
5. If Black Elk Offshore Operations, LLC remains under suspension at the time of lease award, Black Elk Offshore Operations, LLC will be disqualified as the highest responsible qualified bidder as to that lease. Concurrently, the previous second highest bidder will assume the position of the highest responsible qualified bidder. BOEM will notify the new highest bidder to submit the required 1/5th bonus bid deposit within 24 hours. BOEM will then adjudicate that bid, evaluate its acceptability based on the FMV determination and make a recommendation to the Regional Director for acceptance or rejection following the standard BOEM procedures.

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