

---

---

# ***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 227 DUE TO THE EPA SUSPENSION OF BP AND AFFILIATES March 14, 2013**

**The U.S. Environmental Protection Agency (EPA) has suspended BP Exploration and Production, Inc. and named affiliated companies (BP) from new contracts with the federal government. For Central Planning Area Sale 227 (CPA 227), BOEM will accept bids from qualified BP companies for this sale and proceed with the administration of the bids as follows:**

1. BOEM will accept, open, and process BP bids and Geophysical Data and Information Statements (GDIS) following standard procedures.
2. BOEM will evaluate tracts upon which BP 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 BP 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 BP 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 BP is the high bidder and determine whether BP is still under EPA suspension.
  - If the EPA suspension has been lifted at that time, the lease will be awarded to BP.
  - If BP remains under suspension at the time of lease award, BP 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 1/5<sup>th</sup> 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.

Contact: Carrol Williams, Supervisor, Leasing and Financial Responsibility Section, Gulf of Mexico Region Office of Leasing and Plans - (504) 736-2803 or [carrol.williams@boem.gov](mailto:carrol.williams@boem.gov)