
Leasing Activities Information



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

FINAL NOTICE OF SALE 187 Western Gulf of Mexico

Attached is the Final Notice of Sale 187 Package (FNOS 187 Package), Western Gulf of Mexico (GOM), scheduled to be held on August 20, 2003, in New Orleans, Louisiana.

In addition to the FNOS 187, this Package consists of:

- Lease Stipulations for Oil and Gas Lease Sale 187
- Royalty Suspension Provisions, Sale 187
- Information To Lessees, Sale 187
- Example of Preferred Format - Geophysical Data and Information Statement
- List of Blocks Available for Leasing, Sale 187
- Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred
- Debarment Certification Form
- Bid Form and Envelope
- Telephone Numbers/Addresses of Bidders Form
- Instructions for Making EFT Bonus Payments
- Lease Terms and Economic Conditions Map, Sale 187, Final
- Stipulations and Deferred Blocks Map, Sale 187, Final

All of these documents may be found on the MMS Homepage Address on the Internet: www.mms.gov.

Please Notice:

Terms and conditions for FNOS 187 are generally the same as last year's Western GOM Sale 184 except for the following noteworthy matters:

Protected Species Stipulation

Included in the FNOS 187 Package is a recently revised Protected Species Stipulation that is designed to minimize or avoid potential adverse impacts to federally protected species. Having completed formal consultations (pursuant to the Endangered Species Act) with the National Oceanic and Atmospheric Administration and the U.S. Fish and Wildlife Service, the MMS has included terms and conditions as appropriate in the Protected Species Stipulation and in several Notices to Lessees (NTLs).

Please note that NOAA Fisheries included in its opinion a non-discretionary term and condition requiring that permit holders maintain helicopter traffic over the Gulf at altitudes above 1,000 feet as practicable, to avoid disturbance to whales and sea turtles. FWS has recommended in its opinion that, to avoid disturbance of brown pelican nesting activities, aircraft working on OCS activities should avoid flying lower than 1,000 feet above ground level or within a 2,000 foot perimeter around an island containing a nesting colony.

Bidders should also note that the three NTLs which implement the requirements of the Protected Species Stipulation have recently been revised; the revisions became effective in June 2003. See paragraph (h) of the Information To Lessees document included in the FNOS 187 Package.

Royalty Relief

Shallow water deep gas and deepwater relief price thresholds differ from Western GOM Sale 184. Please refer to the "Royalty Suspension Provisions, Sale 187" document.

Information To Lessees

The Information To Lessees document for this sale has been shortened to include only items that involve information about other agencies or MMS agency requirements not covered by the sale notice, including stipulations or existing NTLs and regulations.

Geophysical Data and Information Statement

The FNOS 187 Package contains a requirement that each bidder submit, by the bid submission deadline, a Geophysical Data and Information Statement declaring whether they possess or control depth migrated geophysical data and information pertaining to each block upon which they are participating as a bidder. In connection therewith, the MMS has issued a Notice to Lessees (NTL) No. 2003-G05, effective February 15, 2003, to provide more detail concerning submission of the Geophysical Data and Information Statement, making the data available to the MMS following the lease sale, preferred format, reimbursement for costs, and confidentiality.

Electronic Funds Transfer (EFT) Payments

Bidders are reminded that the 1/5th bonus bid deposits will be due by 1:00 p.m. Eastern Time the day following bid reading. In addition, certain bid submitters (i.e., those that do NOT currently own or operate an OCS mineral lease OR those that have ever defaulted on a 1/5th bonus bid payment (EFT or otherwise)) will be required to guarantee (secure) their 1/5th bonus bid payment prior to the submission of bids. Also, when paying the 4/5ths bonus and rental payments, it is requested that only one transaction be used. For further details, please see the document "Instructions for Making EFT Bonus Payments."

High Island Block 170

This block, previously on appeal, is now available for leasing. The MMS Director's decision has been affirmed.

Revised OCS Leasing Map

An OCS Leasing Map in the Western GOM Planning Area, TX3A, Mustang Island Area, East Addition, has been revised, effective September 26, 2002. This revision, published in the *Federal Register* (67 FR 60701) on September 26, 2002, corrects an error on Leasing Map TX3A, Mustang Island Area, East Addition, November 1, 2000. The area value 4926.76 acres in Block A47 is corrected as follows: 4928.76 acres.

Not Offered:

Currently unleased whole blocks and portions of blocks which lie within the boundaries of the Flower Garden Banks National Marine Sanctuary at the East and West Flower Garden Banks and Stetson Bank (the following list includes all blocks affected by the Sanctuary boundaries):

High Island, East Addition, South Extension (Area TX7C)

Whole Blocks: A-375, A-398

Portions of Blocks: A-366, A-367, A-374, A-383, A-384, A-385, A-388, A-389, A-397, A-399, A-401

High Island, South Addition (Area TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (Area NG15-02)

Portions of Blocks: 134, 135

Blocks located off Corpus Christi which have been identified by the Navy as needed for testing equipment and training mine warfare personnel:

Mustang Island (Area TX3)

Whole Blocks: 793, 799, 816

Whole blocks and partial portions of blocks which lie within the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico:

Keathley Canyon (Area NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (Area NG15-08)

Whole Blocks: 11, 57, 103, 148, 149, 194, 239, 284, 331 through 341

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150, 151, 195, 196, 240, 241, 285 through 298, 342 through 349

Whole blocks and portions of blocks deferred from this sale are shown on the map "Stipulations and Deferred Blocks, Sale 187, Final."

Statistical Information (Sale 187):

Size: 3,996 unleased blocks; 21.7 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters:	1,831 blocks
8 years for blocks in water depths of 400 to 799 meters:	387 blocks
10 years for blocks in water depths of 800 meters or deeper:	1,778 blocks

Minimum Bonus Bid Amount:

\$25.00 per acre or fraction thereof for water depths less than 800 meters:	2,218 blocks
\$37.50 per acre or fraction thereof for water depths 800 meters or deeper:	1,778 blocks

Rental/Minimum Royalty Rates:

\$5.00 per acre or fraction thereof for water depths less than 200 meters:	1,637 blocks
\$7.50 per acre or fraction thereof for water depths 200 meters or deeper:	2,359 blocks

Royalty Rates:

16-2/3% royalty rate in water depths less than 400 meters:	1,831 blocks
12-1/2% royalty rate in water depths 400 meters or deeper:	2,165 blocks

Royalty Suspension Areas:

0 to 199 meters:	1,637 blocks
400 to 799 meters:	387 blocks
800 to 1599 meters:	996 blocks
1600 meters and deeper:	782 blocks

For more information on the FNOS 187 Package, potential bidders are advised to contact Mr. Charles Hill at (504) 736-2795 or Ms. Jane Burrell Johnson at (504) 736-2811 of the MMS GOM OCS Region Sales and Support Unit.

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