

Billing Code: 4310-MR

**DEPARTMENT OF THE INTERIOR**

**Bureau of Ocean Energy Management (BOEM)**

Outer Continental Shelf (OCS) Western Planning Area (WPA) Gulf of Mexico (GOM) Oil and Gas Lease Sale 218

**AGENCY:** Bureau of Ocean Energy Management, Interior.

**ACTION:** Final notice of sale.

**SUMMARY:** On Wednesday, December 14, 2011, BOEM will open and publicly announce bids received for the blocks offered in WPA Oil and Gas Lease Sale 218, in accordance with provisions of the OCS Lands Act (OSCLA) (43 U.S.C. 1331-1356, as amended) and the regulations issued thereunder (30 CFR Part 556). The Final NOS 218 Package (Package) contains information essential to potential bidders, and bidders are charged with the knowledge of the documents contained in the Package.

Sale 218 includes five changes from WPA Sale 210 in August 2009: 1) BOEM revised the initial period of the lease term for blocks in water depths of 400 meters to less than 1,600 meters, 2) the minimum bonus bid has increased for blocks in water depths of 400 meters or deeper, 3) no deepwater royalty suspension provisions will be offered for leases issued from this sale, 4) bids submitted for blocks within the U.S.-Mexico "Boundary Area" will be held unopened until on or before 30 days following a Transboundary Agreement is executed or June 14, 2012, as explained below, and 5) the lease form has been revised.

**DATES:** Public bid reading for the WPA Oil and Gas Lease Sale 218 will begin at 9 a.m., Wednesday, December 14, 2011, at the Louisiana Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana, 70112. All times referred to in this document are local New Orleans times, unless otherwise specified.

**ADDRESS:** Interested parties can obtain a Package by contacting BOEM at:

Gulf of Mexico Region Public Information Unit  
Bureau of Ocean Energy Management  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394  
(504) 736-2519 or (800) 200-GULF  
[www.gomr.boem.gov](http://www.gomr.boem.gov).

**FILING OF BIDS:** Bidders must submit sealed bids to the Regional Director (RD), BOEM Gulf of Mexico Region, 1201 Elmwood Park Boulevard, New Orleans, Louisiana, 70123-2394, between 8 a.m. and 4 p.m. on normal working days, and from 8 a.m. to the Bid Submission Deadline of 10 a.m. on Tuesday, December 13, 2011, the day before the lease sale. If bids are

mailed, please address the envelope containing all of the sealed bids as follows:

Attention: Chief, Leasing and Financial Responsibility Section  
BOEM, Gulf of Mexico Region  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394

**Contains Sealed Bids for WPA Oil and Gas Lease Sale 218**  
**Please Deliver to Ms. Nancy Kornrumpf, 6<sup>th</sup> Floor, Immediately**

Please note:

1. Bidders mailing bid(s) are advised to call Ms. Nancy Kornrumpf at (504) 736-2726 or Ms. Cindy Thibodeaux at (504) 736-2809 immediately after putting their bid(s) in the mail. If the RD receives bids later than the time and date specified above, he will return those bids unopened to bidders. Should an unexpected event such as flooding or travel restrictions be significantly disruptive to bid submission, BOEM may extend the Bid Submission Deadline. Bidders may call (504) 736-0557 or access our BOEM Gulf of Mexico Internet website at: [www.gomr.boem.gov](http://www.gomr.boem.gov) for information about the possible extension of the Bid Submission Deadline due to such an event.
2. Blocks or portions of blocks beyond the United States (U.S.) Exclusive Economic Zone are offered based upon provisions of the 1982 Law of the Sea Convention, and could be subject to a continental shelf delimitation agreement between the United States and Mexico. Bidders are advised to refer to the **Bids on Blocks Near U.S.-Mexico Maritime and Continental Shelf Boundary** portion of this document for detailed information pertaining to the opening of bids affecting blocks in this area.

**AREAS OFFERED FOR LEASING:** In WPA Oil and Gas Lease Sale 218, BOEM is offering to lease all blocks and partial blocks listed in the document “List of Blocks Available for Leasing” included in the Final NOS 218 Package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPD’s):

**Outer Continental Shelf Leasing Maps - Texas Map Numbers 1 through 8**  
**(These 16 maps sell for \$2.00 each.)**

TX1	South Padre Island Area (revised November 1, 2000)
TX1A	South Padre Island Area, East Addition (revised November 1, 2000)
TX2	North Padre Island Area (revised November 1, 2000)
TX2A	North Padre Island Area, East Addition (revised November 1, 2000)
TX3	Mustang Island Area (revised November 1, 2000)
TX3A	Mustang Island Area, East Addition (revised September 3, 2002)
TX4	Matagorda Island Area (revised November 1, 2000)
TX5	Brazos Area (revised November 1, 2000)
TX5B	Brazos Area, South Addition (revised November 1, 2000)
TX6	Galveston Area (revised November 1, 2000)
TX6A	Galveston Area, South Addition (revised November 1, 2000)

TX7 High Island Area (revised November 1, 2000)  
TX7A High Island Area, East Addition (revised November 1, 2000)  
TX7B High Island Area, South Addition (revised November 1, 2000)  
TX7C High Island Area, East Addition, South Extension (revised November 1, 2000)  
TX8 Sabine Pass Area (revised July 1, 2011)

**Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1A, 1B, and 12  
(These 3 maps sell for \$2.00 each.)**

LA1A West Cameron Area, West Addition (revised February 28, 2007)  
LA1B West Cameron Area, South Addition (revised February 28, 2007)  
LA12 Sabine Pass Area (revised February 28, 2007)

**Outer Continental Shelf Official Protraction Diagrams  
(These 7 diagrams sell for \$2.00 each.)**

NG14-03 Corpus Christi (revised November 1, 2000)  
NG14-06 Port Isabel (revised November 1, 2000)  
NG15-01 East Breaks (revised November 1, 2000)  
NG15-02 Garden Banks (revised February 28, 2007)  
NG15-04 Alaminos Canyon (revised November 1, 2000)  
NG15-05 Keathley Canyon (revised February 28, 2007)  
NG15-08 Sigsbee Escarpment (revised February 28, 2007)

Please note: A CD-ROM (in ARC/INFO and Acrobat (.pdf) format) containing all of the GOM leasing maps and OPD's, except for those not yet converted to digital format, is available from BOEM Gulf of Mexico Region Public Information Unit for a price of \$15. These GOM leasing maps and OPD's are also available for free online in .pdf and .gra format at [http://www.gomr.boem.gov/homepg/lseale/map\\_arc.html](http://www.gomr.boem.gov/homepg/lseale/map_arc.html)

For the current status of all GOM WPA leasing maps and OPD's, please refer to 66 FR 28002 (published May 21, 2001), 67 FR 60701 (published September 26, 2002), and 72 FR 27590 (published May 16, 2007). In addition, Supplemental Official OCS Block Diagrams (SOBD's) for these blocks are available which contain the U.S. 200 Nautical Mile Limit line and the U.S.-Mexico Maritime and Continental Shelf Boundary line. These SOBD's are also available from BOEM Gulf of Mexico Region Public Information Unit. For additional information, please call the Mapping and Automation Section at (504) 736-5768.

All blocks are shown on these leasing maps and OPD's. The available Federal acreage of all whole and partial blocks in this lease sale is shown in the document "List of Blocks Available for Leasing" included in the Final NOS 218 Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the Federal/state jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Also, information on the unleased portions of such blocks is found in the document "Western Planning Area, Lease Sale 218, December 14, 2011- Unleased Split Blocks and Available Unleased Acreage of Blocks

with Aliquots and Irregular Portions Under Lease or Deferred” included in the Final NOS 218 Package.

**AREAS NOT AVAILABLE FOR LEASING:** The following whole and partial blocks are not offered for lease in this sale:

Whole blocks and portions of blocks that 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 (Leasing Map TX7C)

Whole Block: A-398

Portions of Blocks: A-366\*, A-367\*, A-374\*, A-375, A-383\*, A-384\*, A-385\*, A-388, A-389, A-397\*, A-399, A-401

\*Leased

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (OPD NG15-02)

Portions of Blocks: 134, 135

Whole blocks and portions of blocks that lie within the former Western Gap and lie within the 1.4 nautical mile north of the continental shelf boundary between the United States and Mexico:

Keathley Canyon (OPD NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (OPD NG15-08)

Whole Blocks: 11, 57, 103, 148, 149, 194

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150

Blocks currently under appeal (although currently unleased, the following blocks are under appeal and bids will not be accepted):

Garden Banks (NG15-02)

Blocks 623 and 624

NOTE:

**Bids on Blocks Near the U.S.-Mexico Maritime and Continental Shelf Boundary.** Due to ongoing negotiations with the Government of Mexico on a Transboundary Agreement, bids submitted on any block in the “Boundary Area” as defined below will be segregated from bids submitted on blocks outside the Boundary Area. Bids submitted on blocks outside the Boundary Area will be opened on the date scheduled for sale, as is normally the practice. Bids submitted on blocks in the Boundary Area will not be opened on the date scheduled for the sale, but may be

opened at a later date. On or before 30 days following execution of a Transboundary Agreement or June 14, 2012, whichever occurs first, the Secretary of the Interior will determine whether it is in the best interest of the United States either to open bids for Boundary Area blocks or to return the bids unopened.

BOEM will notify bidders at least 30 days prior to bid opening. Bidders on these blocks may withdraw their bids at any time after such notice and prior to 10 a.m. (New Orleans local time) of the day before bid opening. If BOEM does not give notice by 30 days after execution of a Transboundary Agreement or by June 14, 2012, whichever occurs first, BOEM will return the bids unopened. This will provide time for companies to make decisions regarding the next annual Western Gulf of Mexico Planning Area lease sale proposed for 2012, which may also offer blocks in this area. BOEM reserves the right to return these bids at any time. BOEM will not disclose which blocks received bids or the names of bidders in this area unless and until the bids are opened.

In the event the Secretary decides to open bids on blocks in the Boundary Area, BOEM will notify such bidders of the agreement and will describe the terms under which leases in the Boundary Area will be issued. The bidders will have 20 days from the date of the notice to inform BOEM whether they will withdraw their bids on blocks in the Boundary Area or to reaffirm their interest in such a lease subject to the new terms that are necessary to implement the United States' obligations under the Transboundary Agreement.

BOEM currently anticipates that blocks in the Boundary Area that are not awarded as a result of Lease Sale 218 would be reoffered in the following lease sale for the Western Planning Area, tentatively scheduled for later in 2012.

“Transboundary Agreement,” refers to a possible agreement between the United Mexican States and the United States of America that may be approved by both governments after October 21, 2011 and before June 15, 2012, and that addresses identification and unitization of transboundary hydrocarbon reservoirs, allocation of production, inspections, safety, and environmental protection.

“Boundary Area,” means an area comprised of the entirety of any and all blocks in the Western Planning Area, that are located or partially located within three nautical miles of the maritime and continental shelf boundary with Mexico, as that maritime boundary is delimited in the November 24, 1970 Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary, the May 4, 1978 Treaty on Maritime Boundaries between the United Mexican States and the United States of America, and the June 9, 2000 Treaty on the Continental Shelf between the Government of the United Mexican States and the Government of the United States of America.

The following blocks comprise the Boundary Area:

Port Isabel Blocks – 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 945, 946, 947, 948, 958, 959, 960, 961, 962, 963, 964, 965, 965, 966, 967, 968, 989, 990, 991, and 992

Alaminos Canyon Blocks – 881, 882, 883\*, 884\*, 885, 886, 887, 888, 889\*, 890\*, 891, 892, 893\*, 894\*, 895, 896, 897, 898, 899\*, 900\*, 901\*, 902\*, 903\*, 904\*, 905, 906, 907, 908, 909, 910, 911, 912, 925, 926, 927\*, 928\*, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939\*, 940\*, 941, 942\*, 943\*, 944\*, 945\*, 946, 947\*, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, and 1009

Keathley Canyon Blocks – 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, and 981

Sigsbee Escarpment Blocks – 11, 12, 13, 14, 15, 57, 58, 59, 60, 61, 103, 104, 105, 106, 148, 149, 150, and 194

South Padre Island Blocks – 1154, 1163, 1164, 1165, and 1166\*

South Padre Island, East Addition Blocks – 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, A 78, A 79, A 80, A 81, A 82, A 83, A 84, A 85, A 86, A 87, A 89, and A 90

**\*Leased**

**STATUTES AND REGULATIONS:** Each lease is issued pursuant to the OCS Lands Act (OCSLA) of August 7, 1953; 43 U.S.C. 1331 et seq., as amended, (hereinafter called “the Act”) and is subject to the Act, regulations promulgated pursuant thereto, and other statutes and regulations in existence upon the Effective Date of the lease, and those statutes enacted (including amendments to the Act or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of this lease. It is expressly understood that subsequent amendments to the Act, other statutes, and regulations which do not explicitly conflict with an express provision of the lease may be made and that the Lessee bears the risk that such amendments may increase or decrease the Lessee’s obligations under the lease.

BOEM will use a new lease form (BOEM Form 2005 (October 2011)) to convey leases offered in this sale. The new lease form may be viewed on the BOEM website at: <http://www.gomr.boem.gov/homepg/boemforms/FormBOEM-2005.pdf>. The lease form will be amended to conform with the specific terms, conditions and stipulations applicable to the individual lease. Addressed below are the terms, conditions, and stipulations applicable to this sale.

**LEASE TERMS AND CONDITIONS:** Initial periods, extensions of initial periods, minimum bonus bid amounts, rental rates, escalating rental rates for leases with an approved extension of the initial 5-year period, royalty rate, minimum royalty, and royalty suspension provisions, if any, applicable to this sale are noted below. Related areas are depicted on the map “Final, Western Planning Area, Lease Sale 218, December 14, 2011, Lease Terms and Economic Conditions,” for leases resulting from this lease sale.

**Initial Periods:** Initial periods are summarized in the following table.

<u>Water Depth in meters</u>	<u>Initial Periods</u>
0 to <400	5 years extended to 8 years if a well is spudded during the initial 5-year period targeting hydrocarbons below 25,000 feet true vertical depth (TVD) subsea (SS)
400 to <800	5 years extended to 8 years if a well is spudded during the initial 5-year period
800 to <1,600	7 years extended to 10 years if a well is spudded during the initial 7-year period
1,600+	10 years

**Extensions of Initial Periods:**

1. The 5-year initial period for a lease in water depths of less than 400 meters may be extended to 8 years if a well, targeting hydrocarbons below 25,000 feet TVD SS, is spudded within the 5-year initial period. The 3-year extension will be granted in cases where the well is drilled to a target below 25,000 feet TVD SS and may also be granted in cases where the well targets but does not reach a depth below 25,000 feet TVD SS due to mechanical or safety reasons.

In order for the 5-year initial period to be extended to 8 years, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) GOM Regional Supervisor for Production and Development, within 30 days after completion of the drilling operation, a letter providing the well number, spud date, information demonstrating the target below 25,000 feet TVD SS, and if applicable, any safety or mechanical problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The Regional Supervisor must concur in writing that the conditions have been met to extend the initial period 3 years. The Regional Supervisor will provide written confirmation of any lease extension within 30 days of receipt of the letter provided.

A lease that has earned a 3-year extension by spudding a well during the 5-year initial period with a hydrocarbon target below 25,000 feet TVD SS, confirmed by BSEE, will not be eligible for a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

2. The 5-year initial period for a lease in water depths of 400 meters to less than 800 meters issued from this sale will be extended to 8 years if a well is spudded within the initial 5-year period; otherwise, the lease expires on its own terms.

In order for the 5-year initial period to be extended to 8 years, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number, spud date, and requesting confirmation of a 3-year

extension of the initial period. The District Manager will review the request and make a determination. A written response will be sent to the lessee documenting the District Manager’s decision within 30 days of receipt of the request. For an extension to be granted, the District Manager must concur in writing that the conditions have been met to extend the initial period 3 years.

3. The 7-year initial period for a lease in water depths of 800 meters to less than 1,600 meters issued from this sale will be extended to 10 years if a well is spudded within the initial 7-year period; otherwise, the lease expires on its own terms.

In order for the 7-year initial period to be extended to 10 years, the lessee is required to submit to the appropriate District Manager, within 30 days after spudding a well, a letter providing the well number, spud date, and requesting confirmation of a 3-year extension of the initial period. The District Manager will review the request and make a determination. A written response will be sent to the lessee documenting the District Manager’s decision within 30 days of receipt of the request. For an extension to be granted, the District Manager must concur in writing that the conditions have been met to extend the lease term 3 years.

**Minimum Bonus Bid Amounts:** A bonus bid will not be considered for acceptance unless it provides for a cash bonus in the amount of \$25 or more per acre or fraction thereof for blocks in water depths of less than 400 meters, or \$100 or more per acre or fraction thereof for blocks in water depths of 400 meters or deeper; to confirm the exact calculation of the minimum bonus bid amount for each block, see “List of Blocks Available for Leasing,” contained in the Final NOS 218 Package. Please note that bonus bids must be in whole dollar amounts (i.e., BOEM will disregard partial dollar amounts).

**Rental Rates:** Annual rental rates are summarized in the following table:

<b>Rental Rates per Acre or Fraction Thereof</b>		
Water Depth in meters	Years 1-5	Years 6, 7, and 8+
0 to <200	\$7.00	\$14.00, \$21.00, \$28.00
200 to <400	\$11.00	\$22.00, \$33.00, \$44.00
400 to <800	\$11.00	\$16.00
800+	\$11.00	\$16.00

**Escalating Rental Rates for Leases with an Approved Extension of the Initial Period:** Any lease in water depths less than 400 meters and granted a 3-year extension beyond the 5-year

initial period as provided above will pay an escalating rental rate as shown above. The escalating rental rates after the 5<sup>th</sup> year for blocks in less than 400 meters will become fixed and no longer escalate if another well is spudded during the 3-year extended term of the lease that targets hydrocarbons below 25,000 feet TVD SS, and BOEM concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

**Royalty Rate:** 18.75 percent

**Minimum Royalty:** \$7.00 per acre or fraction thereof per year for blocks in water depths of less than 200 meters and \$11.00 per acre or fraction thereof per year for blocks in water depths of 200 meters or deeper.

**Royalty Suspension Provisions:** Leases with royalty suspension volumes (RSV), are authorized under existing BSEE rules at 30 CFR part 203 and BOEM rules at 30 CFR part 560.

### **Deep and Ultra-Deep Gas Royalty Suspensions**

A lease issued as a result of this sale may be eligible for royalty relief for deep and ultra-deep wells pursuant to 30 CFR 203.0 and 30 CFR 203.30-203.49. The regulations provide deep gas incentives in two ways. First, they provide an RSV of 35 billion cubic feet of natural gas for certain wells completed in a drilling depth category (20,000 feet TVD SS or deeper) for leases in 0 to less than 400 meters of water. Second, they offer RSVs to leases in 200 to less than 400 meters of water that are the same as the RSVs that were previously offered in shallower water i.e., in zero to 200 meters of water. These RSV incentives are conditional on applicable price thresholds and require that wells completed from 15,000 to 20,000 feet TVD SS on leases in 200 to less than 400 meters of water must begin production before May 3, 2013.

### **Deepwater Royalty Suspensions**

No deepwater royalty suspension provisions will be offered for leases issued from this sale.

**LEASE STIPULATIONS:** The map “Final, Western Planning Area, Lease Sale 218, December 14, 2011, Stipulations and Deferred Blocks” depicts those blocks on which one or more of four lease stipulations apply: (1) Topographic Features; (2) Military Areas; (3) Law of the Sea Convention Royalty Payment; (4) Protected Species.

The texts of the stipulations are contained in the document “Lease Stipulations, Western Planning Area, Oil and Gas Lease Sale 218, Final Notice of Sale” included in this Final NOS 218 Package. In addition, the “List of Blocks Available for Leasing,” contained in the Final NOS 218 Package identifies for each listed block the lease stipulations applicable to that block.

**INFORMATION TO LESSEES:** The Final NOS 218 Package contains “Information To Lessees” document that provides information on certain issues pertaining to this oil and gas lease sale.

**METHOD OF BIDDING:** For each block bid upon, a bidder must submit a separate signed bid in a sealed envelope. The outside of the envelope should be labeled “Sealed Bid for Oil and Gas Lease Sale 218, not to be opened until 9 a.m., Wednesday, December 14, 2011.” The submitting company's name, its GOM company number, the map name, map number, and block number should be clearly identified on the outside of the envelope.

The sealed bid should list the total amount of the bid in a whole dollar amount, as well as, the sale number, the sale date, the submitting company's name, its GOM company number, the map name, map number, and the block number clearly identified. The information required on the bid(s) and the bid envelope(s) are specified in the document “Bid Form and Envelope” contained in the Final NOS 218 Package. A blank bid form has been provided therein for convenience and may be copied and filled in. The Final NOS 218 Package includes a sample bid envelope for reference.

The Final NOS 218 Package also includes the Telephone Numbers/Addresses of Bidders Form. BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The Telephone Numbers/Addresses of Bidders Form should not be enclosed inside the sealed bid envelope.

BOEM published a list of restricted joint bidders for this lease sale in the *Federal Register* at 76 FR 67759 on November 2, 2011. Please also refer to joint bidding provisions at 30 CFR 556.41 for additional information. All bidders must execute all documents in conformance with signatory authorizations on file in BOEM Gulf of Mexico Region Adjudication Section. Designated signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have an incumbency certificate setting forth the authorized signatories on file with the GOM Region Adjudication Section. Bidders submitting joint bids must include on the bid form the proportionate interest of each participating bidder, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent) with total interest equaling 100 percent. BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46. BOEM warns bidders against violation of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document “Bid Form and Envelope” contained in the Final NOS 218 Package).

**WITHDRAWAL OF BIDS:** Once submitted, bid(s) may not be withdrawn unless the RD receives a written request for withdrawal from the company who submitted the bid(s), prior to 10 a.m. on Tuesday, December 13, 2011. This request must be typed on company letterhead and must contain the submitting company's name, its company number, the map name/number and block number of the bid(s) to be withdrawn. The request must be in conformance with signatory authorizations on file in BOEM Gulf of Mexico Region Adjudication Section. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have an incumbency certificate setting forth the authorized signatories on file with BOEM GOM Region Adjudication Section. The name and title of said signatory must be typed under the signature block on the withdrawal letter. Upon the RD's, or his designee's,

approval of such requests, he will indicate his approval by affixing his signature and date to the submitting company's request for withdrawal.

**ROUNDING:** The following procedure must be used to calculate the minimum bonus bid, annual rental, and minimum royalty: Round up to the next whole acre if the block acreage contains a decimal figure prior to calculating the minimum bonus bid, annual rental, and minimum royalty amounts. The appropriate rate per acre is applied to the whole (rounded up) acreage.

The bonus bid must be in whole dollar amounts and greater than or equal to the minimum bonus bid. The appropriate minimum bid per-acre rate is applied to the whole (rounded up) acreage and the resultant calculation is rounded up to the next whole dollar amount if the calculation results in any cents. The minimum bonus bid calculation, including all rounding, is shown in the document "List of Blocks Available for Leasing" included in the Final NOS 218 Package.

**BONUS BID DEPOSIT:** Each bidder submitting an apparent high bid must submit a bonus bid deposit to the Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. All payments must be electronically deposited into an interest-bearing account in the U.S. Treasury (account information provided in the Electronic Funds Transfer (EFT) instructions found on the BOEM website at:

<http://gomr.boem.gov/homepg/lseale/218/EFT-Inst-June 20-2011.pdf>) by 11 a.m. Eastern Time the day following bid reading (no exceptions). Under the authority granted by 30 CFR 556.46(b), BOEM requires bidders to use electronic funds transfer procedures for payment of one-fifth bonus bid deposits for Lease Sale 218, following the detailed instructions contained on the Payment Information Webpage that may be found on the ONRR website at:

<http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States. If a lease is awarded, ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

**Note: Certain bid submitters** (i.e., those that are NOT currently an OCS mineral lease record title holder or designated operator OR those that have ever defaulted on a one-fifth bonus bid payment (EFT or otherwise)) **are required to guarantee (secure) their one-fifth bonus bid payment prior to the submission of bids.** For those who must secure the EFT one-fifth bonus bid payment, one of the following options may be used: (1) provide a third-party guarantee; (2) amend bond coverage; (3) provide a letter of credit; or (4) provide a lump sum payment in advance via EFT. The EFT instructions specify the requirements for each option.

**WITHDRAWAL OF BLOCKS:** The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

**ACCEPTANCE, REJECTION, OR RETURN OF BIDS:** The United States reserves the right to reject any and all bids. In any case, no bid will be accepted, and no lease for any block will be awarded to any bidder, unless the bidder has complied with all requirements of this Notice, including those set forth in the documents contained in the associated Final NOS 218

Package and applicable regulations; the bid is the highest valid bid; and the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not conform to the requirements of this Notice, the Act, and other applicable regulations may be returned to the bidder submitting that bid by the RD and not be considered for acceptance. The Attorney General may also review the results of the lease sale prior to the acceptance of bids and issuance of leases for anti-trust issues.

To ensure that the Government receives a fair return for the conveyance of lease rights for this lease sale, high bids will be evaluated in accordance with BOEM bid adequacy procedures. A copy of current procedures, "Modifications to the Bid Adequacy Procedures" at 64 FR 37560 on July 12, 1999, can be obtained from the BOEM Gulf of Mexico Region Public Information Unit or via the BOEM Gulf of Mexico Region Internet website at: <http://www.gomr.boem.gov/homepg/lseale/174/174BIDAD.PDF>. In the existing bid adequacy procedures, water depth categories in the Gulf of Mexico are specified as (1) less than 800 meters and (2) 800 meters or more. Per 64 FR 37560, if different water depth categories are used for a Gulf of Mexico sale, they will be specified in the sale's final notice. For Sale 218, the water depth categories are specified as (1) less than 400 meters and (2) 400 meters or more.

**SUCCESSFUL BIDDERS:** The BOEM requires each company that has been awarded a lease to execute all copies of the lease (Form BOEM-2005 (October 2011), as amended), pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155; and satisfy the bonding requirements of 30 CFR 556, subpart I, as amended.

**AFFIRMATIVE ACTION:** The BOEM requests that, prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM 2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM 2033 (October 2011) in the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR Part 60 and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967. In any event, prior to the execution of any lease contract, both forms are required to be on file for the bidder in the GOM Region Adjudication Section.

**GEOPHYSICAL DATA AND INFORMATION STATEMENT:** Pursuant to 30 CFR 251.12, BOEM has a right to access geophysical data and information collected under a permit in the OCS.

Every bidder submitting a bid on a block in Sale 218, or participating as a joint bidder in such a bid, must submit at the time of bid submission a Geophysical Data and Information Statement (GDIS) in a separate and sealed envelope, identifying any enhanced or reprocessed geophysical data and information generated or used as part of the decision to bid or participate in a bid on the block (including the use of Controlled Source Electromagnetics, Gravity, etc.). The data identified in the GDIS should clearly identify whether the data or information are multi-client (speculative) data sets available directly from geophysical contractors or exclusive (proprietary) data sets specially processed for or by bidders. In addition, the GDIS should clearly identify the data type (2-D or 3-D, pre-stack or post-stack and time or depth); areal extent (i.e., number of line miles for 2-D or number of blocks for 3-D) and migration algorithm (Wave Equation

Migration, Reverse Time Migration, etc.) of the data and information. The statement must also include the name, phone number and full address of a contact person, and an alternate, who are both *knowledgeable* about the information and data listed and *available* for 30 days post-sale, the processing company, date processing was completed, owner of the original data set (who initially acquired the data), original data survey name and permit number. BOEM reserves the right to query about alternate data sets and to quality check and compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process.

The statement must also identify each block upon which the bidder submitted a bid or participated as a partner in a bid, but for which it did *not* use enhanced or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate in the bid. The GDIS must be submitted, even if no enhanced geophysical data and information were used in bid preparation for the block.

In the event a company supplies any type of data to BOEM, that company must meet the following requirements to qualify for reimbursement:

1. The company must be registered with the Central Contractor Registration (CCR). The initial registration is valid for one year and must be updated annually thereafter. The website for registering is: <http://www.ccr.gov>. This is a requirement that was implemented on October 1, 2003, and requires all entities doing business with the Government to complete a business profile in the CCR. Payments are made electronically based on the banking information contained in the CCR. Therefore, if the company is not *actively* registered in the CCR, BOEM *will not* be able to reimburse or pay that company for any data supplied.
2. Effective May 1, 2011, the Department of Interior is requiring all of its agencies and bureaus to use the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The company must enroll at the IPP website if it has not already done so. Access will then be granted to use IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
3. In addition, the company must complete an on-line Representations and Certifications application at [www.bpn.gov](http://www.bpn.gov). Even though the company may have never provided this information previously, it must now do so in order to do business with the Government or receive reimbursement.

**Note:** The GDIS Information Table can be submitted digitally on a CD or DVD as an Excel Spreadsheet.

**FORCE MAJEURE:** The BOEM Regional Director of the GOM Region has the discretion to change any date, time, and/or location specified in the Final NOS 218 Package in case of a force

majeure event that the RD deems may interfere with the carrying out of a fair and proper lease sale process. Such events may include, but are not limited to, natural disasters (earthquakes, hurricanes, and floods), wars, riots, and acts of terrorism, fire, strikes, civil disorder or other events of a similar nature. In case of such events, bidders should call (504) 736-0557 or access our website at: <http://www.gomr.boem.gov> for information about any changes.

s/Tommy P. Beaudreau  
Tommy P. Beaudreau  
Director, Bureau of Ocean Energy Management

November 8, 2011  
Date