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Resource Evaluation

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OMB Approval Expires: 1/31/15

U.S. Dept. of the Interior
Bureau of Ocean Energy Mgmt.
Alaska OCS Region

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT**

Alaska OCS Region
(Insert Appropriate Regional Office)

**Requirements for Geological and Geophysical Explorations
or Scientific Research on the Outer Continental Shelf**

**Application for Permit to Conduct Geological or Geophysical
Exploration for Mineral Resources or Scientific Research
on the Outer Continental Shelf**

(Attachment 1)

Nonexclusive Use Agreement for Scientific Research

(Attachment 2)

SUBMIT: Original plus three copies, totaling four copies, which include one digital copy and one public information copy (all with original signatures).

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that the Bureau of Ocean Energy Management (BOEM) collects this information to evaluate applications for permits to conduct pre-lease exploration offshore and to monitor activities of scientific research conducted under notices. BOEM uses the information to ensure there is no environmental degradation, personnel harm, damage to historical or cultural sites, or interference with other uses. Responses are mandatory or to obtain or retain a benefit. Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(1), (4)), and Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget control number. The reporting burden for this form is estimated to average 3 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 381 Elden Street, Herndon, VA 20170.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT**

**REQUIREMENTS FOR GEOLOGICAL AND GEOPHYSICAL EXPLORATIONS
OR SCIENTIFIC RESEARCH ON THE OUTER CONTINENTAL SHELF**

Authority

You must perform all geological and geophysical explorations or scientific research activities authorized and conducted in the Outer Continental Shelf (OCS) according to the OCS Lands Act, 30 CFR Parts 251, 551, and other applicable Federal statutes and regulations, and amendments thereto.

General Requirements of Permits and Notices

You must conduct geological and geophysical activities for mineral exploration or scientific research activities authorized under 30 CFR Parts 251 and 551 so that those activities do not:

- A. Interfere with or endanger operations under any lease or right-of-way or permit issued or maintained pursuant to the OCS Lands Act;
- B. Cause harm or damage to aquatic life or to the marine, coastal, or human environment;
- C. Cause pollution;
- D. Create hazardous or unsafe conditions;
- E. Unreasonably interfere with or harm other uses of the area; or
- F. Disturb archaeological resources.

Any person conducting geological or geophysical activities for mineral exploration or scientific research under 30 CFR Parts 251 and 551 must immediately report to the Director, BOEM:

- A. Detection of hydrocarbon occurrences;
- B. Encounters of environmental hazards that constitute an imminent threat to human activity; or
- C. Activities that adversely affect the environment, aquatic life, archaeological resources, or other uses of the area in which the exploration or scientific research activities are conducted.

Any person conducting shallow or deep stratigraphic test drilling activities under a permit for mineral exploration or scientific research under 30 CFR Parts 251 and 551 must utilize the best available and safest technologies that BOEM determines to be economically feasible.

The authorization that BOEM grants you under 30 CFR Parts 251 and 551 to conduct geological and geophysical explorations for minerals or for scientific research does not confer a right to any discovered oil, gas, or other minerals, or to a lease under the OCS Lands Act.

Time Restriction for Permits and Notices

Permitted activities approved for a specified period, including requests for extensions, and activities under a notice may not exceed 1 year.

Geological and Geophysical Activities Requiring Permits and Notices

Geological and Geophysical Explorations for Mineral Resources

You may not conduct geological and geophysical explorations for mineral resources in the OCS without an approved permit unless you conduct such activities pursuant to a lease issued or maintained under the OCS Lands Act. You must obtain separate permits for either geological or geophysical explorations for mineral resources. If BOEM disapproves an application, the statement of rejection will state the reasons for the denial and will advise the applicant of those changes needed to obtain approval.

Geological and Geophysical Scientific Research

You may not conduct geological and geophysical scientific research related to oil, gas, and sulphur in the OCS without an approved application for permit or filing of a notice. You must obtain separate permits for geological and geophysical scientific research that involves the use of solid or liquid explosives or the drilling of a deep stratigraphic test. If BOEM disapproves an application for permit, the statement of rejection will state the reasons for the denial and will advise the applicant of the changes needed to obtain approval.

You must file a notice with the BOEM at least 60 days before you begin scientific research not requiring a permit. We may inform you of all environmental laws and regulations pertaining to the OCS.

Information Required for Permits

Each applicant for a permit must complete the applicable sections of the Application for Permit (Attachment 1) and must include a public-information, page-size plat(s) showing the location of the proposed area of activity (Section B.2 or C.2). In addition, each applicant for a geological or geophysical permit must submit the appropriate attachment to section D of the application. This includes a detailed map of the proposed activity for Section D.8 (Geological Application) or Section D.12 (Geophysical Application). Only applicants for a notice of scientific research must complete a Nonexclusive Use Agreement (Attachment 2).

The information provided on the Application for Permit (excluding section D) and on the Nonexclusive Use Agreement, including continuation sheets and the page-size plat(s), is considered NON-PROPRIETARY INFORMATION. These non-proprietary portions of the application constitute the "public information" copy of Form BOEM-0327 and with the executed permit will be available to the public upon request.

The information listed in section D is considered PROPRIETARY INFORMATION and you should NOT attach it to the public information copy. BOEM will not make this information available to the public without the consent of the potential permittee or for a period mandated by law or regulation. However, BOEM may determine that earlier release is necessary for the proper development of the area permitted.

Modifications to Approved Permits

The BOEM Regional Supervisor must approve any modification to the permitted operations.

Filing Locations for Permits to Conduct Explorations for Mineral Resources and for Permits or Notices to Conduct Scientific Research

File each notice or application for a permit with an original plus three copies, totaling four copies, which include one digital copy and one public information copy (all with original signatures) at the following locations at least 60 days before you begin operations:

A. For the OCS off the State of Alaska:

Regional Supervisor for Resource Evaluation
Bureau of Ocean Energy Management
Alaska OCS Region
3801 Centerpoint Drive
Suite #500
Anchorage, Alaska 99503-5823

B. For the OCS in the Gulf of Mexico and off the Atlantic Coast:

Regional Supervisor for Resource Evaluation
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

C. For the OCS off the States of California, Oregon, Washington, or Hawaii:

Chief, Office of Reservoir Evaluation & Production
Bureau of Ocean Energy Management
Pacific OCS Region
770 Paseo Camarillo
Camarillo, California 93010-6092

UNITED STATES
DEPARTMENT OF THE INTERIOR
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Alaska OCS Region

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(Insert Appropriate Regional Office)

U.S. Dept. of the Interior
Bureau of Ocean Energy Mgmt.
Alaska OCS Region

APPLICATION FOR PERMIT TO CONDUCT GEOLOGICAL OR GEOPHYSICAL
EXPLORATION FOR MINERAL RESOURCES OR SCIENTIFIC RESEARCH
ON THE OUTER CONTINENTAL SHELF

(Section 11, Outer Continental Shelf Lands Act of August 7, 1953, as amended on September 18, 1978, by Public Law 95-372, 92 Statute 629, 43 U.S.C. 1340; and 30 CFR Parts 251 and 551)

ION Geophysical Corporation

Name of Applicant
2105 CityWest Boulevard, Suite 900

Number and Street
Houston, TX 77042

City, State, and Zip Code

Application is made for the following activity: (check one)

Geological exploration for mineral resources

Geological scientific research

Geophysical exploration for mineral resources

Geophysical scientific research

Submit: Original plus three copies, totaling four copies, which include one digital copy, and one public information copy.

To be completed by BOEM

Permit Number: 12-01 Date: _____

A. General Information

1. The activity will be conducted by:

ION Geophysical Corporation
Service Company Name

For ION Geophysical Corporation
Purchaser(s) of the Data

2105 CityWest Boulevard, Suite 900
Address

2105 CityWest Boulevard, Suite 900
Address

Houston, TX 77042
City, State, Zip

Houston, TX 77042
City, State, Zip

832-344-6852
Telephone/FAX Numbers

832-344-6852
Telephone/FAX Numbers

Edward.Nelson@iongeo.com
E-Mail Address

Edward.Nelson@iongeo.com
E-Mail Address

2. The purpose of the activity is: Mineral exploration
 Scientific research

3. Describe your proposed survey activities (i.e., vessel use, benthic impacts, acoustic sources, etc) and describe the environmental effects of the proposed activity, including potential adverse effects on marine life. Describe what steps are planned to minimize these adverse effects (mitigation measures). For example: 1) Potential Effect; Excessive sound level Mitigation; Soft Start, MMOs, mammal exclusion zone or 2) Potential Effect; Bottom disturbance; Mitigation; ROV deployment/retrieval of bottom nodes) (use continuation sheets as necessary or provide a separate attachment):

No anticipated adverse effects. Marine mammal monitoring and mitigation are included in IHA application (NMFS) and LOA application (USFWS).

4. The expected commencement date is: October 1, 2012

The expected completion date is: December 15, 2012

5. The name of the individual(s) in charge of the field operation is:

Ed Nelson, Project Manager

May be contacted at: 2105 CityWest Boulevard, Suite 900, Houston, TX 77042

Telephone (Local) 713-789-7250 (office) 832-344-6852 (cell) (Marine) No; N/A

Email Address: Edward.Nelson@iongeo.com

Radio call sign N/A

6. The vessel(s) to be used in the operation is (are):

Name (s)	Registry Number(s)	Registered owners)
<u>M/V Geo Arctic</u>	<u>273458600/8409018</u>	<u>Sevmorneftegeofizika (SMNG)</u>
<u>M/V Polar Prince</u>	<u>310141/5329566</u>	<u>GX Technology</u>

7. The port from which the vessel(s) will operate is: Tuktoyaktuk, Canada

8. Briefly describe the navigation system (vessel navigation only): SPECTRA CONCEPT SYSTEM

B. Complete for Geological Exploration for Mineral Resources or Geological Scientific Research

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U.S. Dept. of the Interior
Bureau of Ocean Energy Mgmt.
Alaska OCS Region

1. The type of operation(s) to be employed is: (check one)

- (a) _____ Deep stratigraphic test, or
- (b) _____ Shallow stratigraphic test with proposed total depth of _____, or
- (c) X Other N/A

2. Attach a page-size plat showing: 1) The generalized proposed location for each test, where appropriate, a polygon enclosing the test sites may be used, 2) BOEM protraction areas; coastline; point of reference; 3) Distance and direction from a point of reference to area of activity.

N/A

C. Complete for Geophysical Exploration for Mineral Resources or Geophysical Scientific Research

1. The type(s) of operation(s) to be employed is (are):

- a) Acquisition method (OBN, OBC, Streamer): Streamer
- b) Type of acquisition: (High Resolution Seismic, 2D Seismic, 3D Seismic, gravity, magnetic, CSEM, etc.):
 Marine 2D Seismic; Gravity and Magnetic Survey

2. Attach a page-size plat showing:

- a) The generalized proposed location of the activity with a representative polygon,
- b) BOEM protraction areas; coastline; point of reference,
- c) Distance and direction from a point of reference to area of activity.

3. List all energy source types to be used in the operation(s): (Air gun, air gun array(s), sub-bottom profiler, sparker, towed dipole, side scan sonar, etc.). A towed airgun array and echosounder

4. Explosive charges will _____ will not X be used. If applicable, indicate the type of explosive and maximum charge size (in pounds) to be used:

Type _____ Pounds _____ Equivalent Pounds of TNT _____

D. Proprietary Information Attachments

Use the appropriate form on page 9 for a "geological" permit application or the form on page 11 for a "geophysical" permit application. You must submit a separate Form BOEM-0327 to apply for each geological or geophysical permit.

E. Certification

I hereby certify that foregoing and attached information are true and correct.

Print Name: Ed Nelson

SIGNED *Ed Nelson* DATE MAR - 9 2012

TITLE Project Manager

COMPANY NAME: ION Geophysical Corporation

TO BE COMPLETED BY BOEM

Permit No. 12-01 Assigned by Virginia Hoffman Date 3-12-2012
of BOEM

This application is hereby:

- a. X Accepted
- b. _____ Returned for reasons in the attached

SIGNED _____ TITLE Regional Supervisor DATE _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT
ALASKA OCS REGION

(Insert Appropriate Regional Office)

PERMIT FOR GEOPHYSICAL EXPLORATION
FOR MINERAL RESOURCES OR SCIENTIFIC RESEARCH
ON THE OUTER CONTINENTAL SHELF

In consideration of the terms and conditions contained herein and the authorization granted hereby, this permit is entered into by and between the United States of America (the Government), acting through the Bureau of Ocean Energy Management (BOEM) of the Department of the Interior, and

ION Geophysical Corporation

(Name of Permittee)

2105 CityWest Boulevard, Suite 900

(Number and Street)

Houston, TX 77042

(City, State, and Zip Code)

PERMIT NUMBER: 12-01 DATE: _____

This permit is issued pursuant to the authority of the Outer Continental Shelf Lands Act, as amended, (43 U.S.C. 1331 et seq.), hereinafter called the "Act," and Title 30 Code of Federal Regulations Parts 251 and 551 (Geological and Geophysical (G&G) Explorations of the Outer Continental Shelf).

Paperwork Reduction Act of 1995 (PRA) Statement: This permit refers to information collection requirements contained in 30 CFR Parts 251 and 551 regulations. The Office of Management and Budget (OMB) has approved those reporting requirements under OMB Control Number 1010-0048.

Section I. Authorization

JUN 11 2012

The Government authorizes the permittee to conduct:

- X Geophysical exploration for mineral resources as defined in 30 CFR 551.1. U.S. Department of the Interior
Bureau of Ocean Energy Mgmt.
Alaska OCS Region
- Geophysical scientific research as defined in 30 CFR 551.1. A permit is required for any geophysical investigation that involves the use of solid or liquid explosives or developing data and information for proprietary use or sale.

This permit authorizes the permittee to conduct the above geophysical activity during the period from October 1, 2012 to December 15, 2012 in the following area(s):
Beaufort Sea of Alaska (2012 BeaufortSPAN West Program). Extensions of the time period specified above must be requested in writing. A permit plus extensions for activities will be limited to a period of not more than 1 year from the original issuance date of the permit. Inspection and reporting of geophysical exploration activities, suspension and cancellation of authority to conduct exploration or scientific research activities under permit, and penalties and appeals will be carried out in accordance with 30 CFR 551.8, 551.9, and 551.10.

The authority of the Regional Director may be delegated to the Regional Supervisor for Resource Evaluation for the purposes of this permit.

Section II. Type(s) of Operations and Technique(s)

- A. The permittee will employ the following type(s) of operations:
Acquisition Method: Streamer
Type of Acquisition: Marine 2D Seismic, Gravity and Magnetic Survey ;

and will utilize the following instruments and/or technique(s) in such operations:
A towed airgun array and echosounder
- B. The permittee will conduct all activities in compliance with the terms and conditions of this permit, including the "Stipulations," "Special Provisions," and the approved "Application for Permit," which are attached to and incorporated into this permit.
- C. The permittee will conduct all geophysical exploration or scientific research activities in compliance with the Act, the regulations in 30 CFR Parts 251 and 551, and other applicable statutes and regulations whether such statutes and regulations are enacted, promulgated, issued, or amended before or after this permit is issued. Some of the provisions of 30 CFR Parts 251 and 551 are restated in this permit for emphasis. However, all of the provisions of 30 CFR Parts 251 and 551 apply to this permit.

Section III. Reports on Operations

- A. The permittee must submit status reports on a weekly basis in a manner approved or prescribed by the Regional Supervisor, Resource Evaluation (hereinafter referred to as Supervisor). The report must include a daily log of operations and a map (preferably on a scale of 1: 250,000) showing traverse lines according to Bureau of Ocean Energy Management (BOEM) area and block numbers.

- B. The permittee must submit to the Supervisor a final report within 30 days after the completion of operations. The final report must contain the following:
1. A description of the work performed and areal extent including number of line miles for 2-D or high resolution surveys or OCS blocks for 3-D geophysical data acquired;
 2. Chart(s), map(s), or plat(s) depicting the areas and blocks in which any exploration or scientific research activities were conducted. These graphics must clearly indicate the location of the activities so that the data produced from the activities can be accurately located and identified
 3. The dates on which the actual geophysical exploration or scientific research activities were performed;
 4. A narrative summary of any: (a) hydrocarbon occurrences or environmental hazards observed and (b) adverse effects of the geophysical exploration or scientific research activities on the environment, aquatic life, archaeological resources, or other uses of the area in which the activities were conducted;
 5. The estimated date on which the processed or interpreted data or information will be available for inspection by BOEM;
 6. A final edited navigation file on suitable storage medium of all data or sample locations in latitude/longitude degrees including datum used. The navigation for 2D lines should include line name and locations for the first, last and every tenth SP. For 3D surveys, please supply a navigation file for the acquired track lines that includes the location of the first and last SP and/or the corner locations for the area acquired. Contact the G&G permitting office for the specific navigation required for this permitted activity. The digital file is to be formatted in standard SEG-P1, UKOOA P1-90 or other current, standard industry format, coded in ASCII. A printed data listing and a format statement are to be included;
 7. Identification of geocentric ellipsoid (NAD 27 or NAD 83) used as a reference for the data or sample locations; and
 8. Such other descriptions of the activities conducted as may be specified by the Supervisor.
- C. The last status report and the final report can be combined into one report.

Section IV. Submission, Inspection, and Selection of Geophysical Data and Information

- A. The permittee must notify the Supervisor, in writing, when the permittee has completed the initial processing and interpretation of any geophysical data and information collected under an exploration permit or a scientific research permit that involves developing data and information for proprietary use or sale. If the Supervisor asks if the permittee has further processed or interpreted any geophysical data and information collected under a permit, the permittee must respond within 30 days. If further processing of the data and information is conducted, it is the responsibility of the permittee to keep the most current resulting products available in the event the Supervisor requests the current status of data processing. At any time within 10 years after receiving notification of the completion of the acquisition activities conducted under the permit, the Supervisor may request that the permittee submit for inspection and possible retention all or part of the geophysical data, processed geophysical information, and interpreted geophysical information.

- B. The Supervisor will have the right to inspect and select the geophysical data, processed geophysical information, or interpreted geophysical information. This inspection will be performed on the permittee's premises unless the Supervisor requests that the permittee submit the data or information to the Supervisor for inspection. Such submission must be within 30 days following the receipt of the Supervisor's request unless the Supervisor authorizes a later delivery date. If the inspection is done on the permittee's premises, the permittee must submit the geophysical data or information selected within 30 days following receipt of the Supervisor's request, unless the Supervisor authorizes a longer period of time for delivery. The data or information requested for inspection or selected by the Supervisor must be submitted regardless of whether the permittee and the Government have or have not concluded an agreement for reimbursement. If the Supervisor decides to retain all or a portion of the geophysical data or information, the Supervisor will notify the permittee, in writing, of this decision.
- C. In the event that a third party obtains geophysical data, processed geophysical information, or interpreted geophysical information from a permittee, or from another third party, by sale, trade, license agreement, or other means:
1. The third party recipient of the data and information assumes the obligations under this section except for notification of initial processing and interpretation of the data and information and is subject to the penalty provisions of 30 CFR Part 550, Subpart N; and
 2. A permittee or third party that sells, trades, licenses, or otherwise provides the data and information to a third party must advise the recipient, in writing, that accepting these obligations is a condition precedent of the sale, trade, license, or other agreement; and
 3. Except for license agreements, a permittee or third party that sells, trades, or otherwise provides data and information to a third party must advise the Supervisor in writing within 30 days of the sale, trade, or other agreement, including the identity of the recipient of the data and information; or
 4. With regard to license agreements, a permittee or third party that licenses data and information to a third party, within 30 days of a request by the Supervisor, must advise the Supervisor, in writing, of the license agreement, including the identity of the recipient of the data and information.
- D. Each submission of geophysical data, processed geophysical information, and interpreted geophysical information must contain, unless otherwise specified by the Supervisor, the following:
1. An accurate and complete record of each geophysical survey conducted under the permit, including digital navigational data and final location maps of all surveys;
 2. All seismic data developed under a permit presented in a format and of a quality suitable for processing;
 3. Processed geophysical information derived from seismic data with extraneous signals and interference removed, presented in a format and of a quality suitable for interpretive evaluation, reflecting state-of-the-art processing techniques; and
 4. Other geophysical data, processed geophysical information, and interpreted geophysical information obtained from, but not limited to, shallow and deep subbottom profiles,

bathymetry, side-scan sonar, gravity, magnetic, and electrical surveys, and special studies such as refraction, shear wave, and velocity surveys.

Section V. Reimbursement to Permittees

- A. After the delivery of geophysical data, processed geophysical information, and interpreted geophysical information requested by the Supervisor in accordance with subsection IV of this permit, and upon receipt of a request for reimbursement and a determination by BOEM that the requested reimbursement is proper, BOEM will reimburse the permittee or third party for the reasonable costs of reproducing the submitted data and information at the permittee's or third party's lowest rate or at the lowest commercial rate established in the area, whichever is less.
- B. If the processing was in a form and manner other than that used in the normal conduct of the permittee's business at BOEM's request, BOEM will reimburse the permittee or third party for the reasonable costs of processing or reprocessing such data. Requests for reimbursement must identify processing costs separate from acquisition costs.
- C. The permittee or third party will not be reimbursed for the costs of acquiring or interpreting geophysical information.
- D. Data and information required under section IV.D.1. of this permit are not considered to be geophysical data or processed geophysical information and must be provided by the permittee at no cost to the Government.

Section VI. Disclosure of Data and Information to the Public

- A. BOEM will make data and information submitted by a permittee available in accordance with the requirements and subject to the limitations of the Freedom of Information Act (5 U.S.C. 552) and the implementing regulations (43 CFR Part 2), the requirements of the Act, and the regulations contained in 30 CFR Parts 250 and 550 (Oil and Gas and Sulphur Operations in the Outer Continental Shelf), 30 CFR Parts 251 and 551, and 30 CFR Parts 252 and 552 (Outer Continental Shelf (OCS) Oil and Gas Information Program).
- B. Except as specified in this section, or Section VIII, or in 30 CFR Parts 250, 252, 550, and 552, no data or information determined by BOEM or the Bureau of Safety and Environmental Enforcement to be exempt from public disclosure under subsection A of this section will be provided to any affected State or be made available to the executive of any affected local government or to the public, unless the permittee or third party and all persons to whom such permittee has sold, traded, or licensed the data or information under promise of confidentiality agree to such an action.
- C. Geophysical data and processed or interpreted geophysical information submitted under a permit, and retained by BOEM, will be disclosed as follows:
 - 1. Except for deep stratigraphic tests, BOEM will make available to the public geophysical data 50 years after the date of issuance of the permit under which the data were collected (see 30 CFR 551.12 (a) (b) (c) and (d)).
 - 2. Except for deep stratigraphic tests, BOEM will make available to the public processed geophysical information and interpreted geophysical information 25 years after the date of

issuance of the permit under which the original data were collected (see 30 CFR 551.12(a), (b), (c) and (d)).

3. BOEM will make available to the public all geophysical data and information and geophysical interpretations related to a deep stratigraphic test, at the earlier of the following times:
 - (a) 25 years after the completion of the test, or
 - (b) for a lease sale held after the test well is completed, 60 calendar days after the Department of the Interior executes the first lease for a block, any part of which is within 50 geographic miles (92.6 kilometers) of the site of the completed test.
- D. All line-specific preplot or postplot plat(s), and navigation tapes, including but not limited to seismic survey traverses and shotpoint locations, submitted as a requirement of 30 CFR 251.7, 551.7 or 551.12, will be considered as "PROPRIETARY INFORMATION." Such information will not be made available to the public without the consent of the permittee for a period of 25 years from the date of issuance of the permit, unless the Director, BOEM, determines that earlier release is necessary for the proper development of the area permitted.
- E. All other information submitted as a requirement of 30 CFR 551.8 and determined by BOEM to be exempt from public disclosure will be considered as "PROPRIETARY." Such data and information will not be made available to the public without the consent of the permittee for a period of up to 25 years from the date of issuance of the permit as addressed in 30 CFR 551.14, unless the Director, BOEM, determines that earlier release is necessary for the proper development of the area permitted. The executed permit will be considered as "PROPRIETARY" except the public information copy which will be available to the public upon request.
- F. The identities of third party recipients of data and information collected under a permit will be kept confidential. The identities will not be released unless the permittee and the third parties agree to the disclosure.

Section VII. Disclosure to Independent Contractors

BOEM reserves the right to disclose any data or information acquired from a permittee to an independent contractor or agent for the purpose of reproducing, processing, reprocessing, or interpreting such data or information. When practicable, BOEM will advise the permittee who provided the data or information of intent to disclose the data or information to an independent contractor or agent. BOEM's notice of intent will afford the permittee a period of not less than 5 working days within which to comment on the intended action. When BOEM so advises a permittee of the intent to disclose data or information to an independent contractor or agent, all other owners of such data or information will be deemed to have been notified of BOEM's intent. Prior to any such disclosure, the contractor or agent will be required to execute a written commitment not to sell, trade, license, or disclose any data or information to anyone without the express consent of BOEM.

Section VIII. Sharing of Information with Affected States

- A. At the time of soliciting nominations for the leasing of lands within 3 geographic miles of the seaward boundary of any coastal State, BOEM, pursuant to the provisions of 30 CFR Parts 252.7 552.7 and subsections 8(g) and 26(e) (43 U.S.C. 1337(g) and 1352(e)) of the Act, will provide the Governor of the State (or the Governor's designated representative) the following information that has been acquired by BOEM on such lands proposed to be offered for leasing:

1. All information on the geographical, geological, and ecological characteristics of the areas and regions proposed to be offered for leasing;
 2. An estimate of the oil and gas reserves in the area proposed for leasing; and
 3. An identification of any field, geological structure, or trap located within 3 miles of the seaward boundary of the State.
- B. After the time of receipt of nominations for any area of the OCS within 3 geographic miles of the seaward boundary of any coastal State and Area Identification in accordance with the provisions of Subparts D and E of 30 CFR Part 556, BOEM, in consultation with the Governor of the State (or the Governor's designated representative), will determine whether any tracts being given further consideration for leasing may contain one or more oil or gas reservoirs underlying both the OCS and lands subject to the jurisdiction of the State.
- C. At any time prior to a sale, information acquired by BOEM that pertains to the identification of potential and/or proven common hydrocarbon-bearing areas within 3 geographic miles of the seaward boundary of any such State will be shared, upon request by the Governor and pursuant to the provisions of 30 CFR Parts 252.7 and 552.7 and subsections 8(g) and 26(e) of the Act, with the Governor of such State (or the Governor's designated representative).
- D. Knowledge obtained by a State official who receives information under subsections A, B, and C of this section will be subject to the requirements and limitations of the Act and the regulations contained in 30 CFR Parts 250, 251, 252, 550, 551, and 552.

Section IX. Permit Modifications

The Department will have the right at any time to modify or amend any provisions of this permit, except that the Department will not have such right with respect to the provisions of Sections VI, VII, and VIII hereof, unless required by an Act of Congress.

IN WITNESS WHEREOF the parties have executed this permit and it will be effective as of the date of signature by the Supervisor.

PERMITTEE:

THE UNITED STATES OF AMERICA:



(Signature of Permittee)

(Signature of Regional Supervisor)

Ed Nelson

Rance R. Wall

(Type or Print Name of Permittee)

(Type or Print Name of Regional Supervisor)

Project Manager

(Title)

(Date)

MAR - 9 2012

(Date)