
Leasing Activities Information



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

CHANGE TO OCS Oil and Gas Lease Sale 196 Western Gulf of Mexico

The Minerals Management Service (MMS) hereby notifies potential bidders that certain portions of the deepwater royalty suspension volume provisions contained in the Final Notice of Sale (FNOS) 196, published in the *Federal Register* on July 7, 2005, are superseded by provisions contained in Paragraph (b) of Subtitle E, Section 345 of the Energy Policy Act of 2005, entitled "Royalty Relief for Deep Water Production." The Act was signed by the President on August 8, 2005.

The new provisions eliminate the 1600 meters or deeper category of royalty relief and establish two new royalty suspension volume categories: 12 million barrels of oil equivalent (BOE) for leases located in water depths of 1600 meters to 2000 meters, and 16 million BOE for leases located in water depths greater than 2000 meters. These new royalty suspension volumes will apply to relevant leases issued as a result of Sale 196. All other provisions of the sale, including price thresholds for these new categories of deepwater royalty suspensions, remain the same as stated in the FNOS 196.

Attached is a Supplemental FNOS 196 Package containing noteworthy documents relating to these revised royalty suspension provisions. This package includes:

- MMS *Federal Register* Notice Regarding Sale 196;
- "Revised" Statistical Information;
- "Revised" Royalty Suspension Provisions;
- "Revised" List of Blocks Available for Leasing; and,
- "Revised" Lease Terms and Economic Conditions Map.

Additional copies of these documents are available from the MMS Gulf of Mexico Region Public Information Unit; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Minerals Management Service
Gulf of Mexico OCS Region
Public Information Unit (MS 5034)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

This supplementary package is also available on our Internet Homepage:

MMS Homepage Address on the Internet:

www.mms.gov

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