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# Leasing Activities Information



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## FINAL NOTICE OF SALE 200 Western Gulf of Mexico

Attached is the Final Notice of Sale 200 Package (FNOS 200 Package), Western Gulf of Mexico (GOM), scheduled to be held on August 16, 2006, in New Orleans, Louisiana.

This Package consists of:

- FNOS 200
- Lease Stipulations
- Royalty Suspension Provisions
- Information To Lessees
- List of Blocks Available for Leasing
- Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred
- Bid Form and Envelope
- Telephone Numbers/Addresses of Bidders Form
- Example of Preferred Format - Geophysical Data and Information Statement
- Lease Terms and Economic Conditions Map
- Stipulations and Deferred Blocks Map

All documents listed above 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

All of these documents may also be found on the MMS Homepage Address on the Internet: [www.gomr.mms.gov](http://www.gomr.mms.gov).

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### Please Notice:

Terms and conditions for FNOS 200 are generally the same as the August 2005 Western GOM Lease Sale 196 except for the following noteworthy matters:

#### Deep Gas Royalty Suspensions

Royalty suspension volumes, subject to price thresholds, will apply to certain gas production from wells completed to depths of at least 15,000 true vertical depth subsea on leases located in water depths less than 400 meters, in accordance with regulations in effect at the time of production. Currently, the regulations are at 30 C.F.R. 203.41-203.47, but these will be revised pursuant to section 344 of the Energy Policy Act of 2005, 42 U.S.C. 15904.

#### Deepwater Royalty Suspensions

Royalty suspension volumes, subject to price thresholds for both oil and gas, will apply to leases located in water depths of at least 400 meters, as prescribed in section 345 of the Energy Policy Act of 2005, 42 U.S.C. 15905, and applicable MMS rules. The new provisions of the Energy Policy Act of 2005 eliminated the 1600 meters or deeper category of royalty relief and established 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 Lease Sale 200.

#### Effect of Future Gulf of Mexico Planning Area Boundary Changes

Bidders are advised that if the 2007-2012 Draft Proposed Oil and Gas Leasing Program is implemented in July 2007, as currently formulated, the availability of certain blocks currently in the Western GOM will transfer from the Western GOM Planning Area to the Central GOM Planning Area in future proposed lease sales. Please refer to paragraph (n) in the Information To Lessees document for additional information.

#### Change in Submission Time for Electronic Funds Transfer (EFT) to 11 a.m. Eastern Time

Bidders are advised of the change in submission time for the 1/5<sup>th</sup> bonus, 4/5<sup>th</sup> bonus, and 1st year rental payments to 11 a.m. Eastern Time versus the prior time of 1 p.m. Eastern Time. Please refer to paragraph (m) in the Information To Lessees document for specific details.

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**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 (Map Number 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 (Map Number TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (Map Number NG15-02)

Portions of Blocks: 134, 135

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

Keathley Canyon (Map Number NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (Map Number 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

**Important -- Please Note:**

**High Island Block 21 - Unavailable for Bidding in Lease Sale 200**

Due to a recent lease termination that is still in a pending status, this currently unleased block is unavailable for bidding in Lease Sale 200.

Whole blocks and portions of blocks deferred from this lease sale are shown on the map "Stipulations and Deferred Blocks, Lease Sale 200, Final."

**Statistical Information (Lease Sale 200):**

**Size:** 3,865 unleased blocks; 20.87 million acres

**Initial Period:**

5 years for blocks in water depths less than 400 meters:	1,808 blocks
8 years for blocks in water depths of 400 to less than 800 meters (pursuant to 30 CFR 256.37, commencement of an exploratory well is required within the first 5 years of the initial 8-year term to avoid lease cancellation):	338 blocks
10 years for blocks in water depths of 800 meters or deeper:	1,719 blocks

**Minimum Bonus Bid Amount:**

\$25.00 per acre or fraction thereof for water depths less than 400 meters:	1,808 blocks
\$37.50 per acre or fraction thereof for water depths 400 meters or deeper:	2,057 blocks

**Rental/Minimum Royalty Rates:**

\$6.25 per acre or fraction thereof for water depths less than 200 meters:	1,624 blocks
\$9.50 per acre or fraction thereof for water depths 200 meters or deeper:	2,241 blocks

**Royalty Rates:**

16-2/3% royalty rate in water depths less than 400 meters:	1,808 blocks
12-1/2% royalty rate in water depths 400 meters or deeper:	2,057 blocks

**Royalty Suspension Areas:**

0 to less than 400 meters:	1,808 blocks
400 to less than 800 meters:	338 blocks
800 to less than 1600 meters:	933 blocks
1600 to 2000 meters:	286 blocks
Greater than 2000 meters:	500 blocks

For more information on the FNOS 200 Package, potential bidders are advised to contact Ms. Jane Burrell Johnson at (504) 736-2811 or Ms. Nancy Kornrumpf at (504) 736-2726 of the MMS GOM OCS Region Sales and Support Unit.

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