
Leasing Activities Information



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

FINAL NOTICE OF SALE 210 Western Planning Area

Attached is the Final Notice of Sale 210 Package (Final NOS 210 Package), for Western Planning Area (WPA) Oil and Gas Lease Sale 210 scheduled to be held on Wednesday, August 19, 2009, in New Orleans, Louisiana.

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**NOTICE:** On April 17, 2009, the U.S. Court of Appeals for the District of Columbia Circuit issued a ruling in *Center for Biological Diversity v. Department of the Interior*, Nos. 07-1247, 07-1344, vacating and remanding for the Secretary's reconsideration the 2007-2012 OCS Oil and Gas Leasing Program. On May 11, 2009, the Department of the Interior filed a petition for rehearing and/or clarification of the court's order. The U.S. Court of Appeals for the D.C. Circuit is reviewing the Government's petition. The decision to hold this sale will be subject to further proceedings in that case. In the event the Department determines that it is necessary to cancel the sale, the bid envelopes will be returned to bidders unopened.  
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This Package consists of:

- Final NOS 210
- Lease Stipulations
- 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 GOM Lease Information page on the website at:
www.gomr.mms.gov/homepg/lseale/210/wgom210.html.
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### **Please Notice:**

Terms and conditions for Final NOS 210 are generally the same as for the August 2008 WPA Lease Sale 207, except for the following noteworthy matters:

#### **Minimum Royalty Change**

This will be the first WPA sale with the increased minimum royalty that was implemented for Central Planning Area (CPA) Lease Sale 208. The minimum royalty has been revised to \$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.

**Deep and Ultra-Deep Gas Royalty Suspension Provisions**

Bidders are reminded that leases 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. Please reference the Lease Terms and Conditions portion of the Final NOS for specific details.

**Rental Rate Change**

This will be the first WPA lease sale with the higher rental rates that were implemented for CPA Lease Sale 208 that was held on March 18, 2009. The revised rental rates for this lease sale are in accordance with the following table.

| <b>Sale 210 Rental Rates per Acre or Fraction Thereof</b> |                  |                                                                    |                 |
|-----------------------------------------------------------|------------------|--------------------------------------------------------------------|-----------------|
| <b>Water Depth<br/>in meters</b>                          | <b>Years 1-5</b> | <b>Years 6, 7 &amp; 8</b>                                          | <b>Years 9+</b> |
| <b>0 to &lt;200</b>                                       | \$7.00           | \$14.00, \$21.00 & \$28.00                                         | \$28.00         |
| <b>200 to &lt;400</b>                                     | \$11.00          | \$22.00, \$33.00 & \$44.00                                         | \$44.00         |
| <b>400 to &lt;800</b>                                     | \$11.00          | \$16.00<br>(if exploratory well drilled<br>per 30 CFR part 256.37) | \$16.00         |
| <b>800+</b>                                               | \$11.00          | \$16.00                                                            | \$16.00         |

**Deepwater Port Application for an Offshore Crude Oil Facility**

Bidders are advised of the new ITL added as a result of the application received by the U.S. Coast Guard and the Maritime Administration for the licensing of a crude oil deepwater port in Galveston Block A56. Please refer to paragraph (l) of the Information To Lessees document included in the Final NOS 210 Package for more information.

**Stipulation for Operations in the Naval Mine and Anti-Submarine Warfare Area is Deleted**

The MMS was officially notified that the Office of the Naval Mine and Anti-Submarine Warfare Command in Corpus Christi, Texas will close its doors and move to San Diego, California on August 31, 2009. The ships and helicopters that were previously using the space in the WPA for routine operations will no longer be using this area. This stipulation will no longer be needed in the future.

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Not Offered:

Whole 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 (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

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513*

* Leased

Garden Banks (OPD NG15-02)

Portions of Blocks: 134, 135

Whole 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 (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

Whole and portions of blocks deferred from this lease sale are shown on the map "Final, Western Planning Area, Lease Sale 210, August 19, 2009, Stipulations and Deferred Blocks"

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**Statistical Information (Lease Sale 210):**

**Approximate Size:** 3,435 unleased blocks; 18.4 million acres

**Initial Period:**

5 years for blocks in water depths less than 400 meters (with a possible extension to 8 years if drilling requirements are met): 2,022 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): 321 blocks

10 years for blocks in water depths of 800 meters or deeper: 1,092 blocks

**Minimum Bonus Bid Amount:**

\$25.00 per acre or fraction thereof for water depths less than 400 meters: 2,022 blocks

\$37.50 per acre or fraction thereof for water depths 400 meters or deeper: 1,413 blocks

**Rental Rates:**

\$7.00 per acre or fraction thereof for water depths less than 200 meters (with a possible escalation to as much as \$28.00 per acre if the lease has an approved extension of the initial 5-year period): 1,879 blocks

\$11.00 per acre or fraction thereof for water depths 200 to less than 400 meter water depth range (with a possible escalation to as much as \$44.00 per acre if the lease has an approved extension of the initial 5-year period): 143 blocks

\$11.00 per acre or fraction thereof for water depths 400 to less than 800 meter water depth range (with a possible escalation to as much as \$16.00 per acre if an exploratory well is drilled per 30 CFR 256.37): 321 blocks

\$11.00 per acre or fraction thereof for water depths 800 meters or deeper (with a possible escalation to as much as \$16.00 per acre): 1,092 blocks

**Minimum Royalty Rates:**

\$7.00 per acre or fraction thereof for water depths less than 200 meters: 1,879 blocks

\$11.00 per acre or fraction thereof for water depths 200 meters or deeper: 1,556 blocks

**Royalty Rates:**

18-3/4% royalty rate in all water depths: 3,435 blocks

**Royalty Suspension Areas:**

0 to less than 400 meters: 2,022 blocks

400 to less than 800 meters: 321 blocks

800 to less than 1600 meters: 624 blocks

1600 to 2000 meters: 177 blocks

Greater than 2000 meters: 291 blocks

For more information on the Final NOS 210 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Nancy Kornrumpf at (504) 736-2726, or Ms. Cindy Thibodeaux at (504) 736-2809 of the MMS GOM OCS Region Leasing and Financial Responsibility Unit.

**-MMS-**

Gulf of Mexico Region Public Information Unit

Minerals Management Service

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

Telephone: (504) 736-2519 or (800) 200-GULF

MMS GOM Homepage Address on the Internet: [www.gomr.mms.gov](http://www.gomr.mms.gov)