
Leasing Activities Information



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

Information To Lessees Western Planning Area, Oil and Gas Lease Sale 210 (Final Notice of Sale)

This document contains Information to Lessees (ITL) paragraphs designed to inform potential bidders of notable applicable requirements of Federal agencies other than the United States (U.S.) Minerals Management Service (MMS) as well as emerging MMS requirements that may apply to this sale.

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(a) Navigation Safety. Operations on some of the blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.), as amended, and the Deepwater Port Act (33 U.S.C. 1501-1524). Bidders are advised to review the U.S. Coast Guard regulations at 33 CFR Part 150, including Appendix A, regarding Deepwater Port Safety Zone Boundaries, and Annex A regarding the Louisiana Offshore Oil Port (LOOP) Safety Zones.

U.S. Army Corps of Engineers (COE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf (OCS) in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional information, prospective bidders should contact, Lieutenant Commander Eva VanCamp, Sector New Orleans, 1615 Poydras Street, Suite 700, New Orleans, Louisiana 70112, (504) 565-5044. For COE information, prospective bidders should contact Mr. Kevin Morgan, Chief Evaluation Section, Regulatory Branch, Post Office Box 1229, Galveston, Texas 77553-1229, (409) 766-3938.

(b) Ordnance Disposal Areas. Bidders are cautioned as to the existence of two inactive ordnance disposal areas in the Corpus Christi and East Breaks areas, shown on the map “Final, Western Planning Area, Lease Sale 210, August 19, 2009, Stipulations and Deferred Blocks” included in the Final Notice of Sale Package (Final NOS). These areas were used to dispose of ordnance of unknown composition and quantity. These areas have not been used since about 1970. Water depths in the Corpus Christi area range from approximately 600 to 900 meters. Water depths in the East Breaks area range from approximately 300 to 700 meters. Bottom sediments in both areas are generally soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

(c) Proposed Artificial Reefs/Rigs to Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas, and reef sites for the Gulf of Mexico (GOM). These are located in water depths of less than 200 meters. While all artificial reef sites require a permit from the U.S. Army Corps of Engineers, the Artificial Reefs/Rigs-to-Reefs program is implemented through State sponsorship through the following State Coordinators:

<u>Alabama</u>	Mr. Kevin Anson	(251) 968-7577
<u>Florida</u>	Mr. Jon Dodrill	(850) 487-0580, ext. 209
<u>Louisiana</u>	Mr. Doug Peter	(225) 765-2375
<u>Mississippi</u>	Mr. Kerwin Cuevas	(228) 523-4061
<u>Texas</u>	Mr. Dale Shively	(512) 389-4686

For more information on Artificial Reef/Rigs-to-Reefs sites, prospective bidders should contact the above listed State Artificial Reef Coordinators for their areas of interest.

(d) Lightering Zones. Bidders are advised that the U.S. Coast Guard has designated certain areas of the Gulf of Mexico as lightering zones for the purpose of permitting single hull vessels to off-load oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300 for the regulations concerning lightering zones; additional information may be obtained from Lieutenant Commander Kevin Ullrich, Program Manager/Team Leader of Offshore Compliance and Commercial Diving, Office of Vessel Activities CG5432 Foreign and Offshore Compliance Division at (202) 372-1232.

(e) Information about Indicated Hydrocarbons. Bidders are advised that the MMS makes available, approximately 3 months prior to a lease sale, a list of unleased blocks having well bores with indicated hydrocarbons, which includes Eastern Planning Area, Central Planning Area and Western Planning Area data. Basic information relating to: production, well bores, and pay range for each block is included in the list. The list is available from the MMS Gulf of Mexico Region website at:
<http://www.gomr.mms.gov/homepg/offshore/gulfocs/hclist/hclist.html>.

(f) Military Areas. Military Warning Areas are established in the Federal Aviation Administration (FAA) Air Traffic Document JO 7400.8P "Title 14-Aeronautics and Space - Chapter 1 Federal Aviation Administration - Subchapter Airspace - Part 73 - Special Use Airspace Regulatory and Nonregulatory." This document may be downloaded from the FAA website:
http://www.faa.gov/airports_airtraffic/air_traffic/publications/at_orders/media/SUA.pdf.

The Military Areas Stipulation (Stipulation No. 2 in the document "Lease Stipulations" included in the Sale Notice Package) will be applied to leases in any new areas that may be established by that publication in addition to blocks in those Warning Areas which have had the stipulation in past sales.

Certain restrictions on flights and radio communications in the Warning Areas will require close coordination between lessees (and their operators and agents) and the appropriate military commander using the specific Warning Area. It is the responsibility of lessees to establish and maintain contact and coordination with the military commander(s) in any Warning Area in which operations or flights would be expected in the course of occupying and developing any leases; this could include flights through a Warning Area traveling to a leased block which is not in a Warning Area.

Lessees should establish and maintain contact and coordination with the appropriate military commander(s) whether or not there is a military stipulation in their lease(s).

The contact for administrative questions about the warning areas is:

Federal Aviation Administration
Houston Air Route Traffic Control (ARTC) Center
16600 John F. Kennedy Boulevard
Houston, Texas 77032
Telephone: (281) 230-5563/5520

For additional information, including a map of the Military Warning and Water Test Areas, see Notice to Lessees 2009-G06, available from the MMS GOM Region Office Public Information Unit at the address at the end of this document and from the MMS Internet site at: <http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2009NTLs/09-g06.pdf>.

(g) Safety Zones for Certain Production Facilities. Bidders are advised to review the USCG regulations at 33 CFR, Chapter I, Part 147 - Safety Zones. These regulations established a 500-meter (1,640.4-foot) safety zone around several oil and gas production facilities on the Gulf of Mexico OCS, measured from each point on its outer edge or from its construction site, not to interfere with the use of recognized sea lanes essential to navigation. These facilities and their locations are specifically identified at 33 CFR, Chapter I, Parts 147.801 through 147.843.

These regulations prevent all vessels from entering or remaining in the safety zones except for: an attending vessel, a vessel under 100 feet in length overall not engaged in towing, or a vessel authorized by the Eighth Coast Guard District Commander..

(h) MMS Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the U.S. Coast Guard regulations at 33 CFR, Chapter I, Part 140, Subpart B – Inspections. These regulations authorize the MMS to perform inspections on fixed OCS facilities engaged in OCS activities and to enforce Coast Guard regulations applicable to those facilities in accordance with 33 CFR, Chapter I, Subchapter N. Specific questions regarding this authorization may be directed to the U.S. Coast Guard’s Eighth District, Marine Safety Office, 1615 Poydras Street, New Orleans, Louisiana 70112.

(i) Debarment and Suspension (Nonprocurement). Bidders are advised that in accordance with regulations at 2 CFR Parts 180 and 1400, the lessee shall comply with the U.S. Department of the Interior's nonprocurement debarment and suspension requirements, and agrees to communicate this requirement to comply with these regulations to persons with whom the lessee does business as it relates to this lease by including this term as a condition to enter into their contracts and other transactions. This agreement will be evidenced by language prepared by MMS through an addendum included in each lease resulting from this lease sale.

(j) Potential Sand Dredging Activities (Western and Central Planning Areas) in High Island Area, Blocks 38, 39, 45 through 48, 71 through 76, 88, 89, 114, 199, 200, and 202; Sabine Pass Area, Blocks 10 through 16, 40 (TX), 44 (TX); West Cameron Area, Blocks 20 through 22, 43 through 45, 56 through 58, 90 through 93, 113 through 118, 128 through 134, 147 through 149, 155 through 157, 160 through 162, and 168 through 172; Vermilion Area, Blocks 11, 30, 51 through 54, 69 through 75, and 87 through 96; South Marsh Island Area, North Addition, Blocks 207 through 237, 241 through 249, 259, and 260; Eugene Island Area, Blocks 10, 18 through 35, 37 through 69, and 71 through 93; Ship Shoal Area, Blocks 64, 71, 84 through 100, and 107 through 110; South Pelto Area, Blocks 11 through 14, and 18 through 20; West Delta Area, Blocks 20 through 31, 43 through 50, and 56 through 61; Main Pass Area, Blocks 86 through 90, 93 through 114, 161, 162, 180, and 181; Chandeleur Area, Blocks 16 through 27, and 29 through 34; and Mobile, Blocks 816 through 821, 860 through 865, 904 through 909.

It is possible that offshore dredging activities to obtain OCS sand for beach nourishment and coastal restoration projects will occur in some of the blocks cited above in the next 5 years. Additional High Island Area, Sabine Pass Area, West Cameron Area, Vermillion Area, South Marsh Island Area, Ship Shoal Area, South Pelto Area, West Delta Area, Main Pass Area, Chandeleur Area, and Mobile Blocks have been recently added to the list.

Central Planning Area: The National Oceanic and Atmospheric Administration and the Louisiana Department of Natural Resources (LDNR) plan to use approximately 4.8 million cubic yards of sand from the Sandy Point borrow areas in the West Delta Area to restore Pelican Island. The U.S. Department of Agriculture Natural Resource Conservation Service and LDNR plan to use approximately 0.75 million cubic yards of OCS material from a borrow area immediately north of Ship Shoal to restore the marsh on Raccoon Island. The LDNR is considering the use of sand from the Ship Shoal Area for a coastal barrier island protection project at Whiskey Island and sand from the South Pelto Area for the restoration of the Caminada Headland. In November 2004, the U.S. Army Corps of Engineers released the Louisiana Coastal Area (LCA) Louisiana Ecosystem Restoration Study that identified Ship, Tiger, and Trinity Shoals as possible sand sources for the coastal restoration portion of a 10-year program to address the most critical ecological needs facing the Louisiana coastal area. In 2007, the passage of the Water Resources Development Act of 2007 authorized the LCA Plan.

Western Planning Area: The MMS-Texas Cooperative Sand Program identified offshore sand deposits at Heald Bank and Sabine Bank for possible use in coastal restoration projects along the Texas coast. Although no specific beach nourishment or coastal restoration projects have been identified to date, that will be using those resources, it is possible that projects may occur in the future.

For further information or a map of the potentially affected lease blocks, please contact Chief, Leasing Division, Minerals Management Service, at (703) 787-1215.

www.mms.gov/sandandgravel/MultipleUse/Index.htm

(k) Concrete Anchors. - Bidders are advised of the existence of nondegradable and degradable concrete anchors left on the seafloor after acquisition of several geophysical surveys in various areas in the GOM.

The locations of these anchors should be considered when conducting post lease hazard surveys, as required by MMS regulation 30 CFR 250 Subpart B.

Additional information regarding the locations of these anchors is available at website: <http://www.gomr.mms.gov/homepg/fastfacts/anchors/anchmaster.asp>. Questions regarding the concrete anchors may be directed to Ms. Rebecca Murphey at (504) 736-2430 or Mr. John Johnson at (504) 736-2455.

(l) Deepwater Port Application. To date, the United States Coast Guard (USCG) and the Maritime Administration (MARAD) have received one application for the licensing of a crude oil deepwater port in the Western Planning Area of the Gulf of Mexico OCS Region. The Texas Offshore Port System (TOPS) application has been evaluated, deemed complete, and is being processed under the statutory timelines prescribed by the Deepwater Port Act of 1974, as

amended. This proposed deepwater port will serve as an offshore crude oil receiving terminal and transmission facility delivering crude oil via a new pipeline that will terminate at a crude oil storage terminal in Texas City, Texas. The MMS is offering the unleased block in Galveston Area, Block A56 and if the project is licensed, oil and gas lease operations on adjacent blocks may be affected.

Additional information regarding the proposed crude oil deepwater port can be obtained at the following address:

Deepwater Ports Standards Division (CG-5225)
U.S. Coast Guard Headquarters (Room 1210)
2100 Second Street, SW
Washington, DC 20593
202-372-1401

By email to the USCG at:
dwp@comdt.uscg.mil

From the USCG Deepwater Port Division web site at:
<http://www.uscg.mil/hq/g-m/mso/mso5.htm>

Or by contacting:
Mr. Kevin Tone
U.S. Coast Guard
(202) 372-1441
Kevin.P.Tone@uscg.mil

You may also access all of the publicly available data related to this deepwater port project by searching on the docket number noted below, at the following website at:
<http://www.regulations.gov/search/index.jsp>.

Texas Offshore Port System (TOPS) Deepwater Port System License Application. Docket Number: USCG-2008-1239.

**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 at: <http://www.gomr.mms.gov/>**