
Leasing Activities Information



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

Information To Lessees Central Planning Area, Oil and Gas Lease Sale 213 (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 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. Bidders are advised that operations on certain blocks may be restricted by the designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard (USCG) 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 USCG regulations at 33 CFR Part 150, including Appendix A, Deepwater Port Safety Zone Boundaries, and Annex A 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 more USCG information contact Lieutenant Commander Marty Daniels, Sector New Orleans, 1615 Poydras Street, Suite 700, New Orleans, Louisiana 70112, (504) 565-5044. For more COE information contact Mr. Pete Serio CEMVN-OD-S, P.O. Box 60267, New Orleans, Louisiana 70160-0267 at (504) 862-2255.

(b) Ordnance Disposal Areas. Bidders are advised that two inactive ordnance disposal areas are located in Mississippi Canyon, as shown on the map “Stipulations and Deferred Blocks” included in the Notice of Sale (NOS) Package. These areas were used to dispose of ordnance of unknown quantity and composition in approximate water depths of 750 to 1,525 meters. Bottom sediments in both disposal areas are soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

The U.S. Air Force (USAF) has released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas 1, 3, and 4. The exact location of the unexploded ordnance is unknown, and lessees are advised that all lease blocks within these water test areas should be considered potentially hazardous to drilling and platform /pipeline placement.

(c) Communication Towers. Bidders are advised that the USAF has installed seven military communications towers in the Chandeleur/Mobile/Viosca Knoll area that support Air Combat Maneuvering Instrumentation (ACMI). This project may impose certain restrictions on oil and gas activities in that area since no activity can take place within 500 feet of a tower site and unobstructed lines of sight must be maintained between towers. The seven towers are located within Mobile Blocks 769, 819, and 990; Viosca Knoll Block 116; Chandeleur Area Blocks 33 and 61; and Chandeleur Area, East Addition, Block 39.

For information and maps of the specific locations and line of sight crossings for ACMI towers contact: Mr. Carrol Williams at (504) 736-2803 or Ms. Denise Sebastian at (504) 736-2793, in the MMS Gulf of Mexico OCS Region (GOMR).

Also see Notice to Lessees (NTL) 2009-G26, available from the MMS GOMR Public Information Unit at the address below, or the MMS website at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2009NTLs/09-g26.pdf>

(d) Existing and Proposed Artificial Reefs/Rigs-to-Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas for the GOMR in which reef sites are or may be established for use in the Rigs-to-Reefs program. Proposals for reefing structures must be accepted by the appropriate state and approved by the MMS and the COE. Also, each State's Artificial Reefs/Rigs to Reefs program is managed under that State's Artificial Reef Plan. For more information, see the contact information in the table below.

State	Coordinator	Phone	URL
AL	Kevin Anson	(251) 968-7577	http://www.outdooralabama.com/fishing/saltwater/where/artificial-reefs/
FL	Jon Dodrill	(850) 487-0580, ext. 209	http://myfwc.com/CONSERVATION/Conserv_Progs/Habitat_Saltwater_AR.htm
LA	Doug Peter	(225) 765-2375	http://www.wlf.louisiana.gov/fishing/programs/habitat/artificialreef.cfm
MS	K. Cuevas	(228) 523-4061	http://www.dmr.state.ms.us/Fisheries/Reefs/offshore-reefs.htm
TX	Dale Shively	(512) 389-4686	http://www.tpwd.state.tx.us/landwater/water/habitats/artificial_reef/

(e) Lightering Zones. Bidders are advised that the USCG has designated certain areas of the Gulf of Mexico (GOM) as lightering zones for the purpose of permitting single hull vessels to offload oil within the U.S. Exclusive Economic Zone (EEZ). Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300 for the regulations concerning lightering zones. For more information contact USCG Lieutenant Commander Joseph R. Bowes, III, Program Manager/Team Leader of Offshore Compliance and Commercial Diving, Office of Vessel Activities CG5432 Foreign and Offshore Compliance Division, at (202) 372-1232.

(f) Indicated Hydrocarbons List. Bidders are advised that approximately three months prior to a lease sale the MMS makes available a list of unleased tracts in the Central, Western, and Eastern Planning Area that have wellbores with indicated hydrocarbons. Information relating to production, wellbores, and pay range for each tract is included. See the MMS website at: <http://www.gomr.mms.gov/homepg/offshore/gulfocs/hclist/hclist.html>.

(g) Military Areas. Bidders are advised that Stipulation No. 3, Military Areas, in "Lease Stipulations" included in the NOS Package, will apply to leases in any new areas that may be established by that publication and any blocks that were previously subject to the stipulation.

The stipulation also applies to the Eglin Water Test Areas (EWTA's) established by agreement between the USAF (Eglin Air Force Base) and the Federal Aviation Administration (FAA). A small portion of the extreme eastern portion of the Central Planning Area is included in EWTA's 1, 3, and 4.

Military Warning Areas are established in the 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.” See the FAA website at: <http://www.faa.gov/documentLibrary/media/Order/JO%207400.8P.pdf>

It is the lessees’ responsibility to establish and maintain contact and coordinate with the military commander(s) in any Military Warning Area in which operations, radio communications or flights are planned during the occupation and development of any leases, including flights that pass through a Military Warning Area to a leased block that is not in a Military Warning Area.

Lessees should establish and maintain contact and coordinate with the appropriate military commander(s) whether or not their lease is subject to a Military Areas Stipulation.

For more information contact:

Federal Aviation Administration- Airspace Office
Houston Air Route Traffic Control Center (ARTCC)
Attention: Steve Stooksberry
16600 John F. Kennedy Boulevard
Houston, Texas 77032
Telephone: (281) 230-5563 (mission support)
Telephone: (281) 230-5520 (airspace and procedures)

For more information, including a map of the Military Warning Areas and Water Test Areas, see Notice to Lessees (NTL) 2009-G06, available from the MMS GOMR Public Information Unit at the address listed below or see the MMS website at: <http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2009NTLs/09-g06.pdf>

(h) 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 establish a 500-meter (1,640.4-foot) safety zone around several oil and gas production facilities on the GOM 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 regulations prevent all vessels from entering or remaining in the safety zones except as follows: 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. These facilities and their locations are specifically identified at 33 CFR, Chapter I, Parts 147. 801 through 147.843.

(i) MMS Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the USCG 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 USCG regulations applicable to those facilities in accordance with 33 CFR, Chapter I, Subchapter N. For more information contact: USCG, Eighth District, Sector New Orleans, 1615 Poydras Street, New Orleans, Louisiana 70112.

(j) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities. Bidders are advised that the USCG and the Maritime Administration (MARAD) have received seventeen applications for the licensing of deepwater ports involving proposed liquefied natural gas (LNG)

importation facilities in the GOMR; one of these applications has been formally withdrawn. One of these projects, Gulf Landing on West Cameron Area, Block 213 (currently unleased), surrendered its license to MARAD on April 30, 2009, officially terminating the project. The remaining active or proposed facilities are designed to receive LNG ships, re-gasify the LNG offshore, and transport the natural gas to onshore markets either through new pipelines to onshore facilities or through pre-existing pipeline systems. Two of these LNG projects have been granted licenses by MARAD to operate in the Central GOM OCS planning area: Gulf Gateway Energy Bridge® on West Cameron Area, South Addition, Block 603 (currently unleased) and Port Pelican on Vermilion Area, Blocks 139 and 140 (currently unleased). A third LNG project, Main Pass Energy Hub, has received a positive record of decision from MARAD but has not met the requirements to be issued a license. The Gulf Gateway facility has been constructed and is receiving periodic LNG shipments. The Port Pelican project has been put on hold indefinitely by its license holders. In this lease sale the MMS is offering the two unleased blocks in Vermilion Area, Blocks 139 and 140 that are subject to stipulations that limit the use of the seabed and water column in the vicinity of the approved Port Pelican offshore LNG deepwater port receiving terminal. For more specific information see Stipulation No. 9 within the "Lease Stipulations" in the NOS Package. Lessees are also advised to review relevant deepwater port applications, MARAD records of decision, and port licenses to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships' routing measures that could prevent or otherwise impact oil and gas operations on and around both existing and proposed deepwater port locations.

For more information contact:

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

E-mail: DWP@comdt.uscg.mil

USCG Deepwater Port Standards Division website at:

<http://www.uscg.mil/hq/g-m/mso/mso5.htm>

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

For information on specific deepwater port projects search by the docket numbers noted below on the website at: <http://www.regulations.gov>.

License Issued: Port Pelican L.L.C. Deepwater Port License Application. Docket Number: USCG-2002-14134.

License Issued: Gulf Gateway (formerly El Paso Energy Bridge Gulf of Mexico L.L.C.) Deepwater Port License Application. Docket Number: USCG-2003-14294.

License Issued: Port Dolphin Energy L.L.C. Deepwater Port License Application. Docket Number: USCG-2007-28532.

Bienville LNG Offshore Energy Terminal Deepwater Port License Application. Docket Number: USCG-2006-24644.

Freeport McMoRan Energy L.L.C. Main Pass Energy Hub Deepwater Port License Application. Docket Number: USCG-2004-17696.

Compass Port L.L.C. LNG Deepwater Port License Application. Docket Number: USCG-2004-17659.

Calypso LNG, L.L.C. LNG Deepwater Port License Application. Docket Number: USCG-2006-26009.

Beacon Port L.L.C. LNG Deepwater Port License Application. Docket Number: USCG-2005-21232.

Texas OffShore Port System. LNG Deepwater Port License Application. Docket Number: USCG-2008-1239.

Formally Withdrawn: Pearl Crossing LNG Terminal L.L.C. Deepwater Port License Application. Docket Number: USCG-2004-18474.

License Surrendered Officially Terminating Project: Gulf Landing L.L.C Liquefied Natural Gas Deepwater Port. Docket Number: USCG-2004-16860.

(k) Ocean Dredged Material Disposal Sites. Bidders are advised that pursuant to the Marine Protection, Research, and Sanctuaries Act of 1972 (MPRSA) the U.S. Environmental Protection Agency (USEPA) has the responsibility for designating and managing Ocean Dredged Material Disposal Sites (ODMDS). The USEPA currently has six ODMDS in the GOMR. Four of these ODMDS are located within the Central GOM Planning Area, offshore Pascagoula and Gulfport, Mississippi, and Mobile, Alabama. Another two are located within the Eastern Planning Area, offshore Pensacola, Florida (located in Pensacola Blocks 846 and 847 and another site in State waters). In addition, USEPA is considering designation of an additional ODMDS offshore Gulfport, Mississippi, and enlarging the existing or designating a new ODMDS offshore Mobile, Alabama. The USEPA, Final National Pollutant Discharge Elimination System (NPDES), General Permit No. GMG460000 for Offshore Oil and Gas Activities in the Eastern GOM does not allow the discharge of any drilling fluids, drill cuttings, or wastewaters from those facilities within 1,000 meters of, or within, any USEPA-designated ODMDS. Coordinates for each ODMDS are found at 40 CFR 228.15(h) or on the website at: <http://www.epa.gov/region4/water/oceans/sites.html>.

For more information contact:

Mr. Chris McArthur, Ocean Disposal Program Coordinator,
mcarthur.christopher@epa.gov, (404) 562-9391

Mr. Doug Johnson, Regional Sediment Quality Coordinator,
johnson.doug@epa.gov, (404) 562-9386

Mr. Gary Collins, Biological Oceanographer, (404) 562-9395

Ms. Jenny Jacobson, COE, Mobile District,
Jennifer.L.Jacobson@usace.army.mil, (251) 690-2724.

(l) 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 the leases resulting from this sale by including this term as a condition to enter into their contracts and other transactions. This requirement is now evidenced by language in Section 1, paragraph 2 of the leases resulting from this lease sale.

(m) Potential Sand Dredging Activities. Bidders are advised that in the next five years offshore dredging activities to obtain OCS sand for beach renourishment and coastal restoration projects will occur in some of the blocks listed below:

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

Central Planning Area: The National Oceanic and Atmospheric Administration (NOAA) 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 Resources Conservation Service and the LDNR plan to use 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 buried Peveto Channel deposit in the West Cameron Area

and Sabine Bank in the Sabine Pass and West Cameron Areas to renourish Holly Beach and other parts of the Cameron Parish coast. In July 2004, the COE released the draft plan that identified Ship, Tiger, and Trinity Shoals as possible sand sources for the coastal restoration portion of a 10-year, \$1.9 billion program to address the most critical ecological needs facing the Louisiana coastal area. St. Bernard Shoals has been identified as a possible target for the restoration of the Chandeleur Islands. In late 2007, the Water Resources Development Act of 2007 authorized the Louisiana Coastal Area Restoration Plan. More than 60 million cubic yards of OCS sand may be required for barrier shoreline, headlands, and island restoration actions.

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 renourishment or coastal restoration projects have been identified, future projects in this area may occur.

For more information or to obtain a map of the potentially affected blocks, contact Chief, Leasing Division, MMS, at (703) 787-1215.

(n) Concrete Anchors. Bidders are advised that after several geophysical surveys were acquired in various GOM OCS areas, non-degradable and degradable concrete anchors were left on the seafloor. Lessees should consider the location of these anchors when conducting hazards surveys as required in the MMS regulations 30 CFR 250, Subpart B.

For information and anchor locations contact: Ms. Rebecca Murphey at (504) 736-2430 or Mr. John Johnson at (504) 736-2455. Also, see the MMS website at: <http://www.gomr.mms.gov/homepg/fastfacts/anchors/anchmaster.asp>.

(o) Updated Geophysical Data and Information Statement Instructions. Bidders are advised that the “Geophysical Data and Information Statement” section of the NOS Package as well as the Example of Preferred Format have been updated. Please note that every bidder submitting a bid on a block in this sale or participating as a joint bidder in this sale must submit a Geophysical Data and Information Statement.

(p) Blocks Deferred near the limit of the Exclusive Economic Zone (EEZ) in the Eastern Gap. Bidders are advised that in past sales the MMS has deferred the split blocks along the limit of the EEZ in the Eastern Gap. An additional one-block setback was implemented for Sale 208. The additional blocks being deferred include: Henderson Blocks 466, 508, 509 551, 552, 594, 637, 679, 680, 722, 764, 765, 807, 849, 850, 891, 892, 933, 934, 975, 976; Florida Plain Blocks 5, 6, 46-48, 89; and Lund South Blocks 128, 129, 169-171, 208-212 and 251.

(q) Central-Eastern Planning Area Boundary Change. Bidders are advised that the Central-Eastern Planning Area Boundary has been revised to match the Federal OCS Administrative Boundary for the DeSoto Canyon, Lloyd Ridge, and Henderson Areas. The new boundary splits blocks that were formerly “stair-stepped;” and, can be seen on the “Stipulations and Deferred Blocks” or “Lease Terms and Economic Conditions” maps included in the NOS Package. The boundaries along the Pensacola, Destin Dome, and Florida Plain Areas will remain “stair-stepped” for this sale. See the Official Protraction Diagrams and Supplemental

Official Block Diagrams available from the MMS websites at:

<http://www.gomr.mms.gov/homepg/lseale/sorb.html> and
http://www.gomr.mms.gov/homepg/lseale/map_arc.html

(r) Below Seabed Operations on a Portion of Walker Ridge, Blocks 293 and 294. Bidders are advised that a right-of-use and easement has been approved for Walker Ridge, Blocks 293 and 294 (currently unleased) that allows the permanent mooring of a floating production facility. For more specific information on this matter, see Stipulation No. 12 within the "Lease Stipulations" document within the NOS Package.

(s) Below Seabed Operations on a Portion of Mississippi Canyon, Blocks 692 and 735. Bidders are advised that a right-of-use and easement has been approved for Mississippi Canyon, Blocks 692 and 735 (currently unleased) that allows the permanent mooring of a floating production facility. For more specific information on this matter, see Stipulation No. 13 within the "Lease Stipulations" document within the NOS Package.

(t) Commercial Waste Disposal Areas. Bidders are advised that an inactive commercial waste disposal site exists on all or portions of blocks in the Mississippi Canyon Area. Said site is more particularly described as being 28°00' 00" N to 28°10' 00" N by 89°15' 00" W to 89°30' 00" W, as depicted on the map "Stipulations and Deferred Blocks" included in the NOS Package. The disposal site was established in the 1970s to facilitate the USEPA's permitting for the seafloor deposition of thousands of steel barrels containing chemical wastes. According to limited USEPA documentation, the chemical wastes consist mostly of chlorinated hydrocarbons and liquid metal salts. The exact location of the waste material is unknown because the geospatial data was not collected when the barrels were jettisoned. The MMS requires hazards surveys before bottom-disturbing activities are approved in plans and permits. Hundreds of barrels have been detected during hazards surveys conducted on blocks over ten miles away from the designated disposal site boundaries making the actual disposal site area much larger than the USEPA-permitted site shown on the map. Therefore, lessees are advised that the blocks associated with the disposal site and adjacent blocks associated with the disposal site that are included in the sale should be considered potentially hazardous. Drilling and platform/pipeline placement may require precautions such as avoidance upon identification and any other appropriate precautions.

(u) Air Quality Permits. Bidders are advised that Section 328(a) (1) of the Clean Air Act (CAA) requires the USEPA to establish requirements to control air pollution from the OCS. Implementing regulations in 40 CFR Part 55 apply to all OCS sources except those located in the GOM OCS westward of 87°30'W. longitude which are subject to MMS regulations at 30 CFR 250 Subpart C. Therefore, lessees who plan activity eastward of 87°30'W. longitude must consult with the USEPA.

Bidders are advised to refer to NTL 2009-N11, Air Quality Jurisdiction, effective December 4, 2009.

For more USEPA information contact:

Mr. Sean Lakeman - 404-562-9043
USEPA, Region 4
61 Forsythe Street S.W.
Atlanta, Georgia, 30303
Attention: Sean Lakeman, Air Division
E-mail: lakeman.sean@epa.gov

**Gulf of Mexico Region Public Information Unit
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1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
Telephone: (504) 736-2519 or (800) 200-GULF
MMS GOMR website at: www.gomr.mms.gov**