
Leasing Activities Information

BOEM

U.S. Department of the Interior
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region

FINAL NOTICE OF SALE 216/222 Consolidated Central Gulf of Mexico Planning Area Sale

Attached is the Final Notice of Sale (NOS) Package (Package) for the Consolidated Central Gulf of Mexico Planning Area Sale 216/222 (CPA 216/222) scheduled to be held at 9 a.m. on Wednesday, June 20, 2012, at the Mercedes-Benz Superdome in New Orleans, Louisiana.

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This Package consists of:

- Final NOS 216/222
- 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 Sample Envelopes
- Telephone Numbers/Addresses of Bidders Form
- Example of Preferred Format - Geophysical Data and Information Statement and Sample Envelopes
- Lease Terms and Economic Conditions Map
- Stipulations and Deferred Blocks Map

All documents listed above are available from the BOEM Gulf of Mexico Region Public Information Office; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
Public Information Office (MS 5034)  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394

All of these documents may also be found on the Lease Sale Information page on the BOEM GOM website at: <http://www.boem.gov/sale-216-222/>.

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Please Note: Terms and conditions for Final NOS 216/222 are generally the same as for the March 2010 CPA Lease Sale 213, except for the following noteworthy matters:

Change in Minimum Bonus Bid

The minimum bonus bid has been increased from \$37.50 per acre or fraction thereof to \$100 per acre or fraction thereof for blocks in water depths of 400 meters or deeper.

Deepwater Royalty Suspensions

No deepwater royalty suspension provisions will be offered for leases issued from this sale. Section 345 of the Energy Policy Act of 2005 (EPAAct05), which was signed into law on August 8, 2005, directed that royalty suspension volume levels at least as high as those then used by BOEM be continued for 5 years following enactment. This sale is being held more than 5 years after the passage of EPAAct05. For further information, please refer to the Royalty Suspension Provisions portion of the Final NOS.

New Lease Form

The BOEM will use lease form, BOEM-2005 (October 2011), to convey leases offered in this sale. This lease form was first used in Western Planning Area Sale 218 in December 2011, and referenced in the Final NOS for CPA Sale 216/222. The lease form is available to view on the BOEM website at: <http://www.boem.gov/About-BOEM/Procurement-Business-Opportunities/BOEM-OCS-Operation-Forms/BOEM-OCS-Operation-Forms.aspx>. The lease form will be amended to conform with the specific terms, conditions and stipulations applicable to the individual lease.

Updated Electronic Funds Transfer (EFT) Instructions

Bidders are advised that the EFT instructions have been updated. Please refer to the following website for complete information: <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/216-222/Central-Planning-Area-Lease-Sale-216-222-Information.aspx> **Please Note: Bidders are advised that due to database requirements at the Office of Natural Resources Revenue, all payments for this sale should be referenced as Sale 222. Additionally, all sale documents generated from the Technical Information Management System for this sale will be referenced as Sale 222.**

Geophysical Data and Information Statements

This Final NOS Package includes information for bidders regarding the submission of Geophysical Data and Information Statements (GDIS). Every bidder submitting a bid on a block in CPA Sale 216/222, or participating as a joint bidder in such a bid, must submit at the time of bid submission a GDIS in a separate and sealed envelope, identifying any enhanced or reprocessed geophysical data and information generated or used as part of the decision to bid or participate in a bid on the block (including the use of Controlled Source Electromagnetics, Gravity, etc.). **Please note: You may now submit the GDIS Information Table digitally on a Compact Disc or Digital Video Disc as an Excel Spreadsheet.**

U.S. and Mexico Treaty

The U.S. and Mexico exchanged instruments of ratification in January 2001, and a continental shelf boundary treaty entered into force in the Western Gap area. This treaty contained provisions for a ten year moratorium on drilling within 1.4 nautical miles of the maritime boundary on both the U.S. and Mexican sides. While this moratorium was initially scheduled to expire in January 2011, the U.S. and Mexico mutually agreed to extend the Western Gap buffer zone for an additional three years. This buffer zone now remains in effect until January 2014.

U.S.-Mexico Maritime and Continental Shelf Boundary

Bidders are advised to refer to the Final Notice of Sale, and to paragraph (q) in the Information to Lessees portion of this document for detailed information pertaining to the handling of bids in this area. Bidders are also advised to refer to Stipulation 10 regarding potential future implementation of the "Agreement

between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico” (Agreement).

Bids submitted on blocks in the Boundary Area may not be opened on the date scheduled for the sale, but may be opened at a later date. On or before 30 days following execution of the Agreement or December 31, 2012, whichever occurs first, the Secretary of the Interior will determine whether it is in the best interest of the United States either to open bids for Boundary Area blocks or to return the bids unopened.

The following blocks comprise the “Boundary Area” :

Sigsbee Escarpment – 151, 152, 195, 196, 197, 239, 240, 241, 242, 243, 284, 285, 286, 287, 288*, 289*, 290*, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349

Amery Terrace – 118, 119, 120*, 121*, 122*, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164*, 165*, 166*, 167, 168, 169, 170, 171, 172, 173, 174, 175, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 265, 266, 267, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 355, 356, 357, 358, 359

Lund South – 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 293, 294, 295, 296

*Leased Blocks

U.S. Coast Guard (USCG) Final Rule on Notice of Arrival on the Outer Continental Shelf (OCS)

Bidders are advised that the U.S. Coast Guard has published a Final Rule that revises the USCG regulations on the OCS. For more information on this, please refer to paragraph (p) in the Information to Lessees portion of this document.

Consolidation of Stipulations for Below Seabed Operations

Bidders are advised that the stipulations on blocks with rights-of-use and easements granted to allow permanent mooring of floating production facilities that were previously contained in 4 different stipulations have now been consolidated into one stipulation entitled, “Below Seabed Operations” (please refer to the Lease Stipulations document - Stipulation No. 9 for more detailed information). Each block that is partially affected will have a map showing the No Activity Zone (buffer), buffer from anchor location, anchor location, and the location of the floating production facility. The blocks currently affected by this stipulation are:

Mississippi Canyon	919, 920, 921 and 964 (see map attached to stipulation)
Mississippi Canyon	650, 651 and 694 (see map attached to stipulation)
Mississippi Canyon	692 and 735 (see map attached to stipulation)
Walker Ridge	293 and 294 (see map attached to stipulation)
Walker Ridge	762 and 763 (see map attached to stipulation)

Not Offered:

Whole and partial blocks that lie within the former Western Gap and are within 1.4 nautical miles north of the continental shelf boundary between the United States (U.S.) and Mexico:

Amery Terrace (OPD NG 15-09)

Whole Blocks: 280, 281, 318 through 320, and 355 through 359

Portions of Blocks: 235 through 238, 273 through 279, and 309 through 317

Sigsbee Escarpment (OPD NG 15-08)

Whole Blocks: 239, 284, and 331 through 341

Portions of Blocks: 151, 195, 196, 240, 241, 285 through 298, and 342 through 349

Whole and partial blocks that lie adjacent to or beyond the U.S. Exclusive Economic Zone, in or adjoining the area known as the northern portion of the Eastern Gap:

Lund South (OPD NG 16-07)

Whole Blocks: 128, 129, 169 through 173, 208 through 217, 248 through 261, 293 through 305, and 349

Henderson (OPD NG 16-05)

Whole Blocks: 466, 508 through 510, 551 through 554, 594 through 599, 637 through 643, 679 through 687, 722 through 731, 764 through 775, 807 through 819, 849 through 862, 891 through 905, 933 through 949, and 975 through 992

Portions of Blocks: 467, 511, 555, 556, 600, 644, 688, 732, 776, 777, 820, 821, 863, 864, 906, 907, 950, 993, and 994

Florida Plain (OPD NG 16-08)

Whole Blocks: 5 through 24, 46 through 67, 89 through 110, 133 through 154, 177 through 197, 221 through 240, 265 through 283, 309 through 327, and 363 through 370

Whole and partial blocks deferred by Gulf of Mexico Energy Security Act of 2006:

Pensacola (OPD NH 16-05)

Blocks: 751 through 754, 793 through 798, 837 through 842, 881 through 886, 925 through 930, and 969 through 975

Destin Dome (OPD NH 16-08)

Whole Blocks: 1 through 7, 45 through 51, 89 through 96, 133 through 140, 177 through 184, 221 through 228, 265 through 273, 309 through 317, 353 through 361, 397 through 405, 441 through 450, 485 through 494, 529 through 538, 573 through 582, 617 through 627, 661 through 671, 705 through 715, 749 through 759, 793 through 804, 837 through 848, 881 through 892, 925 through 936, and 969 through 981

DeSoto Canyon (OPD NH 16-11)

Whole Blocks: 1 through 15, 45 through 59, and 92 through 102

Portions of Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through 147

Henderson (OPD NG 16-05)

Portions of Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

This block is deferred until measures to ensure the safety of decommissioning operations are completed:

Green Canyon (OPD NG15-03)
Block 20

The following blocks are under appeal and bids will not be accepted:

OCS G 22966 Green Canyon	478
OCS G 22975 Green Canyon	536
OCS G 22983 Green Canyon	581
OCS G 22921 Mississippi Canyon	999
OCS G 22922 Mississippi Canyon	1000

Statistical Information (Lease Sale 216/222):

Approximate Size: 7434 unleased blocks; 39.3 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters (subject to administrative requirements noted in the Final NOS):	2,492 blocks
5 years for blocks in water depths of 400 to less than 800 meters (subject to administrative requirements noted in the Final NOS):	239 blocks
7 years for blocks in water depths of 800 to less than 1600 meters (subject to administrative requirements noted in the Final NOS):	513 blocks
10 years for blocks in water depths of 1600 meters or deeper:	4,190 blocks

Minimum Bonus Bid Amount:

\$25.00 per acre or fraction thereof for water depths less than 400 meters:	2,492 blocks
\$100.00 per acre or fraction thereof for water depths 400 meters or deeper:	4,942 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):	2,281 blocks
\$11.00 per acre or fraction thereof for water depths 200 meters or deeper (with a possible escalation to as much as \$44.00 per acre in the 200 to less than 400 meter water depth range if the lease has an approved extension of the initial 5-year period):	5,153 blocks

Minimum Royalty Rates:

\$7.00 per acre or fraction thereof for water depths less than 200 meters	2,281 blocks
\$11.00 per acre or fraction thereof for water depths 200 meters or deeper	5,153 blocks

Royalty Rates:

18-3/4% royalty rate in all water depths:	7,434 blocks
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Royalty Suspension Areas:

0 to less than 400 meters:	2,492 blocks
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For more information on the Final NOS 216/222 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Nancy Kornrumpf at (504) 736-2726, Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, of the BOEM GOM OCS Region Leasing and Financial Responsibility Section.

**Gulf of Mexico Region Public Information Office**  
**Bureau of Ocean Energy Management**  
**1201 Elmwood Park Boulevard**  
**New Orleans, Louisiana 70123-2394**  
**Telephone: (504) 736-2519 or (800) 200-GULF [4853]**  
BOEM Homepage Address on the Internet at: <http://www.boem.gov>