

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Outer Continental Shelf (OCS) Consolidated Central Gulf of Mexico Planning Area Sale 216/222

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior

ACTION: Final Notice of Sale

SUMMARY: On Wednesday, June 20, 2012, BOEM will open and publicly announce bids received for the blocks offered in Central Gulf of Mexico Planning Area (CPA) Sale 216/222, in accordance with provisions of the OCS Lands Act (OCSLA) (43 U.S.C. 1331-1356, as amended) and the regulations issued thereunder (30 CFR Part 556). The CPA Sale 216/222 Package contains information essential to potential bidders, and bidders are charged with the knowledge of the documents contained in that package.

DATES: Public bid reading for CPA Sale 216/222 will begin at 9 a.m., Wednesday, June 20, 2012, at the Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level, and parking will be available at Garage 6. All times referred to in this document are local New Orleans time, unless otherwise specified.

ADDRESS: Interested parties may obtain a CPA Sale 216/222 Package by writing, calling or visiting the website:

Gulf of Mexico Region Public Information Office
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
(504) 736-2519 or (800) 200-GULF
BOEM Gulf of Mexico Region Internet website at:
<http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx>

FILING OF BIDS: Bidders must submit sealed bids to the address below, between 8 a.m. and 4 p.m. on normal working days, and from 8 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, June 19, 2012, the day before the lease sale. If bids are mailed, please address the envelope containing all of the sealed bids as follows:

Attention: Leasing and Financial Responsibility Section
BOEM Gulf of Mexico Region
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

**Contains Sealed Bids for CPA Oil and Gas Lease Sale 216/222
Please Deliver to Ms. Nancy Kornrumpf, Ms. Cindy Thibodeaux,
or Ms. Kasey Couture, 6th Floor, Immediately**

Please note:

1. Bidders mailing bid(s) are advised to call Ms. Nancy Kornrumpf at (504) 736-2726, Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909 immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM -Regional Director (RD) will return those bids unopened to bidders. Should an unexpected event such as flooding or travel restrictions be significantly disruptive to bid submission, BOEM may extend the Bid Submission Deadline. Bidders may call (504) 736-0557 or access the BOEM Gulf of Mexico Internet website at: <http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx> for information about the possible extension of the Bid Submission Deadline due to such an event.
2. Blocks or portions of blocks beyond the United States (U.S.) Exclusive Economic Zone are offered based upon provisions of the 1982 Law of the Sea Convention.
3. Blocks near the U.S.-Mexico maritime and continental shelf boundaries could become subject to the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico (Agreement). Bidders are advised to refer to the **Bids on Blocks Near U.S.-Mexico Maritime and Continental Shelf Boundary** portion of this document for detailed information pertaining to the opening of bids affecting blocks in this area.

AREA OFFERED FOR LEASING: In CPA Sale 216/222, BOEM is offering to lease all blocks and partial blocks listed in the document “List of Blocks Available for Leasing” included in the CPA Sale 216/222 Package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPD’s):

**Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1 through 12
(These 30 maps sell for \$2.00 each.)**

| | |
|------|--|
| LA1 | West Cameron Area (Revised July 1, 2011) |
| LA1A | West Cameron Area, West Addition (Revised February 28, 2007) |
| LA1B | West Cameron Area, South Addition (Revised February 28, 2007) |
| LA2 | East Cameron Area (Revised November 1, 2000) |
| LA2A | East Cameron Area, South Addition (Revised November 1, 2000) |
| LA3 | Vermilion Area (Revised November 1, 2000) |
| LA3A | South Marsh Island Area (Revised November 1, 2000) |
| LA3B | Vermilion Area, South Addition (Revised November 1, 2000) |
| LA3C | South Marsh Island Area, South Addition (Revised November 1, 2000) |
| LA3D | South Marsh Island Area, North Addition (Revised November 1, 2000) |
| LA4 | Eugene Island Area (Revised November 1, 2000) |
| LA4A | Eugene Island Area, South Addition (Revised November 1, 2000) |
| LA5 | Ship Shoal Area (Revised November 1, 2000) |
| LA5A | Ship Shoal Area, South Addition (Revised November 1, 2000) |

| | |
|-------|--|
| LA6 | South Timbalier Area (Revised November 1, 2000) |
| LA6A | South Timbalier Area, South Addition (Revised November 1, 2000) |
| LA6B | South Pelto Area (Revised November 1, 2000) |
| LA6C | Bay Marchand Area (Revised November 1, 2000) |
| LA7 | Grand Isle Area (Revised November 1, 2000) |
| LA7A | Grand Isle Area, South Addition (Revised February 17, 2004) |
| LA8 | West Delta Area (Revised November 1, 2000) |
| LA8A | West Delta Area, South Addition (Revised November 1, 2000) |
| LA9 | South Pass Area (Revised November 1, 2000) |
| LA9A | South Pass Area, South and East Additions (Revised November 1, 2000) |
| LA10 | Main Pass Area (Revised November 1, 2000) |
| LA10A | Main Pass Area, South and East Additions (Revised November 1, 2000) |
| LA10B | Breton Sound Area (Revised November 1, 2000) |
| LA11 | Chandeleur Area (Revised November 1, 2000) |
| LA11A | Chandeleur Area, East Addition (Revised November 1, 2000) |
| LA12 | Sabine Pass Area (Revised July 1, 2011) |

**Outer Continental Shelf Official Protraction Diagrams
(These 19 diagrams sell for \$2.00 each.)**

| | |
|---------|--|
| NG15-02 | Garden Banks (Revised February 28, 2007) |
| NG15-03 | Green Canyon (Revised November 1, 2000) |
| NG15-05 | Keathley Canyon (Revised February 28, 2007) |
| NG15-06 | Walker Ridge (Revised November 1, 2000) |
| NG15-08 | Sigsbee Escarpment (Revised February 28, 2007) |
| NG15-09 | Amery Terrace (Revised October 25, 2000) |
| NG16-01 | Atwater Valley (Revised November 1, 2000) |
| NG16-02 | Lloyd Ridge (Revised August 1, 2008) |
| NG16-04 | Lund (Revised November 1, 2000) |
| NG16-05 | Henderson (Revised August 1, 2008) |
| NG16-07 | Lund South (Revised November 1, 2000) |
| NG16-08 | Florida Plain (Revised February 28, 2007) |
| NH15-12 | Ewing Bank (Revised November 1, 2000) |
| NH16-04 | Mobile (Revised July 1, 2011) |
| NH16-05 | Pensacola (Revised February 28, 2007) |
| NH16-07 | Viosca Knoll (Revised November 1, 2000) |
| NH16-08 | Destin Dome (Revised February 28, 2007) |
| NH16-10 | Mississippi Canyon (Revised November 1, 2000) |
| NH16-11 | De Soto Canyon (Revised August 1, 2008) |

Please note: A CD-ROM (in ARC/INFO and Acrobat (.pdf) format) containing all of the Gulf of Mexico (GOM) leasing maps and OPD's, except those not yet converted to digital format, is available from the GOM Region Public Information Office for a price of \$15.00. In addition, Supplemental Official OCS Block Diagrams (SOBD's) are available for blocks that contain the U.S.-Mexico Maritime Boundary, the U.S.-Mexico Continental Shelf Boundary, the U.S. 200 Nautical Mile Limit, and the U.S.-Mexico Continental Shelf Article IV "Area" Limit lines (i.e., the 1.4 nautical mile buffer). These SOBD's are also available from the GOM Region Public Information Office.

These GOM leasing maps, SOBD's, and OPD's are also available for free online at:
<http://www.boem.gov/Oil-and-Gas-Energy-Program/Mapping-and-Data/Maps-And-Spatial-Data.aspx>.

For the current status of all CPA leasing maps and OPD's, please refer to 66 FR 28002 (published May 21, 2001), 69 FR 23211 (published April 28, 2004), 72 FR 27590 (published May 16, 2007), 72 FR 35720 (published June 29, 2007), 73 FR 63505 (published October 24, 2008), and 76 FR 54787 (published September 2, 2011).

All blocks are shown on these leasing maps and OPD's. The available Federal acreage of all whole and partial blocks in this lease sale is shown in the document "List of Blocks Available for Leasing" included in the CPA Sale 216/222 Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the Federal/state jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Also, information on the unleased portions of such blocks is found in the document "Central Planning Area, Consolidated Lease Sale 216/222, June 20, 2012 - Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred" included in the CPA Sale 216/222 Package.

For additional information, please call Mr. Lenny Coats, Chief of the Mapping and Automation Section, at (504) 736-1457.

AREAS NOT AVAILABLE FOR LEASING: The following whole and partial blocks are not offered for lease in this sale:

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 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 blocks and portions of 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 blocks and portions of blocks deferred by the 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

The following 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

NOTE:

Bids on Blocks Near the U.S.-Mexico Maritime and Continental Shelf Boundary. The following definitions apply to this section: “Agreement” refers to the agreement between the United Mexican States and the United States of America that addresses identification and unitization of transboundary hydrocarbon reservoirs, allocation of production, inspections, safety, and environmental protection. “Boundary Area,” means an area comprised of any and all blocks in the CPA, that are located or partially located within three statute miles of the maritime and continental shelf boundary with Mexico, as that maritime boundary is delimited in the November 24, 1970 Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary, the May 4, 1978 Treaty on Maritime Boundaries between the United Mexican States and the United States of America, and the June 9, 2000 Treaty on the Continental Shelf between the Government of the United Mexican States and the Government of the United States of America. A copy of the Agreement can be found at the Department of the Interior website at: <http://www.boem.gov/BOEM-Newsroom/Library/Boundaries-Mexico.aspx> .

The Agreement was signed on February 20, 2012, but has not yet been bilaterally approved. Bids submitted on any block in the “Boundary Area” (as defined above) may be segregated from bids submitted on blocks outside the Boundary Area. Bids submitted on blocks outside the Boundary Area will be opened on the date scheduled for sale. 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. Within 30 days after the approval 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.

In the event the Secretary decides to open bids on blocks in the Boundary Area, BOEM will notify such bidders at least 30 days prior to opening such bids, and will describe the terms of the Agreement under which leases in the Boundary Area will be issued. Bidders on these blocks may withdraw their bids at any time after such notice up until 10 a.m. (New Orleans local time) of the day before bid opening. If BOEM does not give notice within 30 days of bilateral approval of the Agreement or by December 31, 2012, whichever comes first, BOEM will return the bids unopened. This timing will allow companies to make decisions regarding the next annual CPA lease sale anticipated in 2013, which may also offer blocks in this area. BOEM reserves the right to return these bids at any time. BOEM will not disclose which blocks received bids or the names of bidders in this area unless and until the bids are opened. BOEM currently anticipates that blocks in the Boundary Area that are not awarded as a result of Lease Sale 216/222 would be reoffered in the next lease sale for the CPA in 2013.

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**

STATUTES AND REGULATIONS: Each lease is issued pursuant to OCSLA, regulations promulgated pursuant thereto, other applicable statutes and regulations in existence upon the Effective Date of the lease, and those applicable statutes enacted (including amendments to OCSLA or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of the lease. It is expressly understood that amendments to existing statutes and regulations, including but not limited to OCSLA, as well as the enactment of new statutes and promulgation of new regulations, which do not explicitly conflict with an express provision of the lease will apply to the leases issued as a result of this sale. Moreover, the lessee expressly bears the risk that such new statutes and regulations (i.e., that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee’s obligation under the lease.

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale. This lease form may be viewed 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. The terms, conditions, and stipulations applicable to this sale are set forth below.

LEASE TERMS AND CONDITIONS: Initial periods, extensions of initial periods, minimum bonus bid amounts, rental rates, escalating rental rates for leases with an approved extension of the initial 5-year period, royalty rate, minimum royalty, and royalty suspension provisions, if any, applicable to this sale are noted below. Additionally, these terms and conditions are depicted on the map “Final, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, June 20, 2012, Lease Terms and Economic Conditions,” for leases resulting from this lease sale.

Initial Periods: Initial periods are summarized in the following table:

| Water Depth in meters | Initial Periods |
|----------------------------------|--|
| 0 to <400 | 5 years extended to 8 years if a well is spudded during the initial 5-year period targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) |
| 400 to <800 | 5 years extended to 8 years if a well is spudded during the initial 5-year period |
| 800 to <1,600 | 7 years extended to 10 years if a well is spudded during the initial 7-year period |
| 1,600+ | 10 years |

Extensions of Initial Periods:

A. The 5-year initial period for a lease in water depths of less than 400 meters may be extended to 8 years if the operator, targeting hydrocarbons below 25,000 feet TVD SS, spuds a well within the 5- year initial period. The lessee will receive the 3-year extension in cases where the well is drilled to a target below 25,000 feet TVD SS and may also receive an extension in cases where the well targets, but does not reach a depth below 25,000 feet TVD SS due to mechanical or safety reasons. Operators who do not target hydrocarbons with a depth of at least 25,000 feet within the initial 5-year period may not receive an extension of the lease.

In order for the 5-year initial period to be extended to 8 years, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE), GOM Regional Supervisor for Production and Development, 1201 Elmwood Park Boulevard, Mail Stop 5300, New Orleans, Louisiana, 70123-2394, within 30 days after completion of the drilling operation, a letter providing the well number, spud date, information demonstrating whether the target below 25,000 feet TVD SS was reached, and if applicable, any safety or mechanical problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The BSEE Regional Supervisor for Production and Development must concur in writing that the conditions have been met to extend the initial period by 3 years. The BSEE Regional Supervisor for Production and Development will provide written confirmation of any lease extension within 30 days of receipt of the letter provided.

A lease that has earned a 3-year extension by spudding a well during the 5-year initial period with a hydrocarbon target below 25,000 feet TVD SS, confirmed by BSEE, will not be eligible for a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

B. The 5-year initial period for a lease in water depths of 400 meters to less than 800 meters issued from this sale will be extended to 8 years if the operator spuds a well within the initial 5-year period.

In order for the 5-year initial period to be extended to 8 years, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting confirmation of a 3-year extension of the initial period. The BSEE District Manager will review the request and make a determination. A written response will be sent to the lessee documenting the BSEE District Manager's decision within 30 days of receipt of the request. For an extension to be granted, the BSEE District Manager must concur in writing that the conditions have been met to extend the initial period by 3 years.

C. The 7-year initial period for a lease in water depths of 800 meters to less than 1,600 meters issued from this sale will be extended to 10 years if the operator spuds a well within the initial 7-year period.

In order for the 7-year initial period to be extended to 10 years, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting confirmation of a 3-year extension of the initial period. The BSEE District Manager will review the request and make a determination.

A written response will be sent to the lessee documenting the BSEE District Manager’s decision within 30 days of receipt of the request. For an extension to be granted, the BSEE District Manager must concur in writing that the conditions have been met to extend the initial period by 3 years.

Minimum Bonus Bid Amounts: \$25 per acre or fraction thereof for blocks in water depths of less than 400 meters and \$100 per acre or fraction thereof for blocks in water depths of 400 meters or deeper.

A bonus bid will not be considered for acceptance unless it provides for a cash bonus in the amount equal to, or exceeding, the minimum bid of \$25 per acre or fraction thereof for blocks in water depths of less than 400 meters, and \$100 per acre or fraction thereof for blocks in water depths of 400 meters or deeper. To confirm the exact calculation of the minimum bonus bid amount for each block, see “List of Blocks Available for Leasing,” contained in the CPA Sale 216/222 Package, which will become available approximately 30 days before the scheduled sale date. Please note that bonus bids must be in whole dollar amounts. BOEM will disregard partial dollar amounts.

Rental Rates: Annual rental rates are summarized in the following table:

| Rental Rates per Acre or Fraction Thereof | | |
|--|------------------|-----------------------------|
| Water Depth in meters | Years 1-5 | Years 6, 7, & 8+ |
| 0 to <200 | \$7.00 | \$14.00, \$21.00 & \$28.00 |
| 200 to <400 | \$11.00 | \$22.00, \$33.00 & \$44.00 |
| 400 to <800 | \$11.00 | \$16.00 |
| 800+ | \$11.00 | \$16.00 |

Escalating Rental Rates for leases with an approved extension: Any lease in water depths less than 400 meters and granted a 3-year extension beyond the 5-year initial period will pay an escalating rental rate as shown above. The escalating rental rates after the 5th year for blocks in less than 400 meters will become fixed and no longer escalate if another well is spudded during the 3-year extended term of the lease that targets hydrocarbons below 25,000 feet TVD SS, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

Royalty Rate: 18.75 percent

Minimum Royalty: \$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.

Royalty Suspension Provisions: Leases with royalty suspension volumes (RSVs) are authorized under existing BSEE regulations at 30 CFR Part 203 and BOEM regulations at 30 CFR Part 560.

Deep and Ultra-Deep Gas Royalty Suspensions: A lease issued as a result of this sale may be eligible for RSV incentives for deep and ultra-deep wells pursuant to 30 CFR Part 203. These RSV incentives are conditioned upon applicable price thresholds.

- Certain wells on leases in 0 to less than 200 meters of water depth completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet of natural gas.
- Certain wells on leases in 200 to less than 400 meters of water depth completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet of natural gas. Wells completed from 15,000 to 20,000 feet TVD SS that begin production before May 3, 2013, may receive smaller RSV incentives.

Deepwater Royalty Suspensions: No deepwater royalty suspension provisions will be offered for leases issued from this sale.

LEASE STIPULATIONS: The map “Final, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, June 20, 2012, Stipulations and Deferred Blocks” depicts the blocks on which one or more of ten lease stipulations apply: (1) Topographic Features; (2) Live Bottoms; (3) Military Areas; (4) Evacuation; (5) Coordination; (6) Blocks South of Baldwin County, Alabama; (7) Law of the Sea Convention Royalty Payment; (8) Protected Species; (9) Below Seabed Operations; and (10) Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico.

The texts of the stipulations are contained in the document “Lease Stipulations, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, Final Notice of Sale” included in the CPA Sale 216/222 Package. In addition, the “List of Blocks Available for Leasing” contained in the CPA Sale 216/222 Package identifies for each block listed the lease stipulations applicable to that block.

INFORMATION TO LESSEES: The CPA Sale 216/222 Package contains an “Information To Lessees” document that provides information on certain issues pertaining to this oil and gas lease sale.

METHOD OF BIDDING: For each block bid upon, a bidder must submit a separate signed bid in a sealed envelope. The outside of the envelope should be labeled “Sealed Bid for Oil and Gas Lease Sale 216/222, not to be opened until 9 a.m., Wednesday, June 20, 2012.” The submitting company's name, its GOM company number, the map name, map number, and block number should be clearly identified on the outside of the envelope.

The sealed bid should list the total amount of the bid in a whole dollar amount, as well as, the sale number, the sale date, the submitting company's name, its GOM company number, the map name, map number, and the block number clearly identified. The information required on the bid(s) and the bid envelope(s) are specified in the document “Bid Form and Envelope” contained in the CPA Sale 216/222 Package. A blank bid form has been provided therein for convenience and may be copied and filled in. The CPA Sale 216/222 Package includes a sample bid envelope for reference.

The CPA Sale 216/222 Package also includes a form for the telephone numbers and addresses of bidders. BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The Telephone Numbers/Addresses of Bidders Form should not be enclosed inside the sealed bid envelope.

BOEM published a list of restricted joint bidders for this lease sale in the *Federal Register* at 77 FR 24980 on April 26, 2012. Please also refer to joint bidding provisions at 30 CFR 556.41 for additional information. All bidders must execute all documents in conformance with signatory authorizations on file in BOEM's Gulf of Mexico (GOM) Region Adjudication Section. Designated signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have an incumbency certificate setting forth the authorized signatories on file with the GOM Region Adjudication Section. Bidders submitting joint bids must include on the bid form the proportionate interest of each participating bidder, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent) with total interest equaling 100 percent. BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46. BOEM warns bidders against violation of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document "Bid Form and Envelope" contained in the CPA 216/222 Package).

WITHDRAWAL OF BIDS: Once submitted, bid(s) may not be withdrawn unless the BOEM Regional Director (RD) receives a written request for withdrawal from the company who submitted the bid(s), prior to 10 a.m. on Tuesday, June 19, 2012. This request must be typed on company letterhead and must contain the submitting company's name, its company number, the map name/number and block number of the bid(s) to be withdrawn. The request must be in conformance with signatory authorizations on file in BOEM's GOM Region Adjudication Section. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have: (i) an incumbency certificate and/or specific power of attorney setting forth express authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA and (ii) the authorized signatories on file with BOEM's GOM Region Adjudication Section. The name and title of said signatory must be typed under the signature block on the withdrawal letter. Should the BOEM RD or the BOEM RD's designee approve such a request, he or she will indicate approval by affixing his or her signature and the date to the submitting company's request for withdrawal.

ROUNDING: The following procedure must be used to calculate the minimum bonus bid, annual rental, and minimum royalty: Round up to the next whole acre if the block acreage contains a decimal figure prior to calculating the minimum bonus bid, annual rental, and minimum royalty amounts. The appropriate rate per acre is applied to the whole (rounded up) acreage. The bonus bid must be in whole dollar amounts and greater than or equal to the minimum bonus bid. The appropriate minimum bid per-acre rate is applied to the whole (rounded up) acreage and the resultant calculation is rounded up to the next whole dollar amount if the calculation results in any cents. The minimum bonus bid calculation, including all rounding, is shown in the document "List of Blocks Available for Leasing" included in the CPA Sale 216/222 Package.

BONUS BID DEPOSIT: Each bidder submitting an apparent high bid must submit a bonus bid deposit to the U.S. Department of the Interior’s Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder’s one-fifth bonus liability may be obtained at the Electronic Funds Transfer (EFT) Area outside the Bid Reading Room on the day of the bid opening or it may be obtained on the BOEM website at: <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> under the heading “Notification of EFT 1/5 Bonus Liability.” All payments must be electronically deposited into an interest-bearing account in the U.S. Treasury by 11 a.m. Eastern Standard Time the day following bid reading (no exceptions). Account information is provided in the “Instructions for Making Electronic Funds Transfer Bonus Payments” found on the BOEM website identified above.

Under the authority granted by 30 CFR 556.46(b), BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for CPA Sale 216/222, following the detailed instructions contained on the Payment Information Webpage that may be found on the ONRR website at: <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States. If a lease is awarded, ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

Note: Certain bid submitters (i.e., those that are not currently an OCS mineral lease record title holder or designated operator or those that have ever defaulted on a one-fifth bonus bid payment (EFT or otherwise)) are required to guarantee (secure) their one-fifth bonus bid payment prior to the submission of bids. For those who must secure the EFT one-fifth bonus bid payment, the EFT instructions specify the requirements for each of the following four options:

- (a) provide a third-party guarantee;
- (b) amend bond coverage;
- (c) provide a letter of credit; or
- (d) provide a lump sum payment in advance via EFT.

WITHDRAWAL OF BLOCKS: The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

ACCEPTANCE, REJECTION, OR RETURN OF BIDS: The United States reserves the right to reject any and all bids. In any case, no bid will be accepted, and no lease for any block will be awarded to any bidder, unless (1) the bidder has complied with all requirements of this Notice of Sale (NOS), including those set forth in the documents contained in the associated CPA Sale 216/222 Package and applicable regulations; (2) the bid is the highest valid bid; and (3) the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not conform to the requirements of this NOS, OCSLA, and other applicable regulations may be returned to the bidder submitting that bid by the RD and not be considered for acceptance. The U.S. Attorney General and the Federal Trade Commission will review the results of the lease sale for antitrust issues prior to the issuance of leases.

To ensure that the Federal Government receives a fair return for the conveyance of lease rights for this lease sale, BOEM will evaluate high bids in accordance with its bid adequacy procedures. A copy of current procedures, "Modifications to the Bid Adequacy Procedures" at 64 FR 37560 (July 12, 1999), can be obtained from the BOEM Gulf of Mexico Region Public Information Office or via the BOEM Gulf of Mexico Region Internet website at: <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Bid-Adequacy-Procedures.aspx>. In the existing bid adequacy procedures, water depth categories in the Gulf of Mexico are specified as (1) less than 800 meters and (2) 800 meters or more. Per 64 FR 37560, if different water depth categories are used for a Gulf of Mexico sale, they are specified in the final NOS. For CPA Sale 216/222, the water depth categories are specified as (1) less than 400 meters and (2) 400 meters or more.

SUCCESSFUL BIDDERS: BOEM requires each company that has been awarded a lease to (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended), (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155 and 556.47(f); and (3) satisfy the bonding requirements of 30 CFR Part 556, subpart I, as amended.

AFFIRMATIVE ACTION: BOEM requests that, prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) in the BOEM GOM Region Adjudication Section. This certification is required by 41 CFR Part 60 and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967. In any event, prior to the execution of any lease contract, both forms are required to be on file for the bidder in the GOM Region Adjudication Section.

GEOPHYSICAL DATA AND INFORMATION STATEMENT: Pursuant to 30 CFR 551.12, BOEM has a right to access geophysical data and information collected under a permit in the OCS.

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 Geophysical Data and Information Statement (GDIS) in a separate and sealed envelope, identifying any proprietary and/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, but not limited to, seismic, controlled source electromagnetic, and gravity data). The data identified in the GDIS should clearly state whether the data or information are speculative data sets available directly from geophysical contractors or proprietary data sets specially processed/reprocessed for or by bidders. In addition, the GDIS should clearly identify the data type (e.g., 2-D, 3-D or 4-D, pre-stack or post-stack and time or depth); areal extent (i.e., number of line miles for 2-D or number of blocks for 3-D) and migration algorithm (e.g., Kirchoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data, velocity models used and information. The statement must also include the name, the phone number, and full address of a contact person, and an alternate, who are both *knowledgeable* about the information and data listed and *available* for 30 days post-sale, the processing company, date processing was completed, owner of the original data set (who initially acquired the data), original data survey name, and permit number. BOEM reserves the right to query about alternate data sets and to quality check and compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process.

The statement must also identify each block upon which the bidder submitted a bid or participated as a partner in a bid, but for which it did *not* use enhanced or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate in the bid. The GDIS must be submitted even if no proprietary/reprocessed geophysical data and information were used in bid preparation for the block.

In the event a company supplies any type of data to BOEM, that company must meet the following requirements to qualify for reimbursement:

1. The company must be registered with the Central Contractor Registration (CCR). The initial registration is valid for one year and must be updated annually thereafter. The website for registering is: <http://www.ccr.gov>. This requirement was implemented on October 1, 2003, and requires all entities doing business with the Federal Government to complete a business profile in the CCR. Payments are made electronically based on the banking information contained in the CCR. Therefore, if the company is not *actively* registered in the CCR, BOEM *will not* be able to reimburse or pay that company for any data supplied.
2. Effective May 1, 2011, the Department of the Interior is requiring all of its agencies and bureaus to use the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The website for registering is: <https://www.ipp.gov>. The company must enroll at the IPP website if it has not already done so. Access will then be granted to use IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
3. In addition, the company must complete an on-line Representations and Certifications application at: www.bpn.gov. Even though the company may have never provided this information previously, it must now do so in order to do business with the Federal Government or receive reimbursement.

Note: The GDIS Information Table can be submitted digitally on a CD or DVD as an Excel Spreadsheet. If you have any questions, please contact Dee Smith at (504) 736-2706 or John Johnson at (504) 736-2455.

FORCE MAJEURE: The BOEM RD has the discretion to change any date, time, and/or location specified in the CPA Sale 216/222 Package in case of a force majeure event that the RD deems may interfere with the carrying out of a fair and proper lease sale process. Such events may include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fire, strikes, civil disorder, or other events of a similar nature. In case of such events, bidders should call (504) 736-0557 or access the BOEM website at: <http://www.boem.gov> for information about any changes.

s/Tommy P. Beaudreau
Tommy P. Beaudreau
Director, Bureau of Ocean Energy Management

May 10, 2012
Date