

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management (BOEM)

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

AGENCY: Bureau of Ocean Energy Management, Interior

ACTION: Proposed Notice of Sale 216/222

SUMMARY: BOEM proposes to hold CPA Sale 216/222 on Wednesday, June 20, 2012, 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 Proposed Notice of Sale (NOS) Package for CPA Sale 216/222 (Package) contains information essential to potential bidders, and bidders are charged with the knowledge of the documents contained in the Package.

DATES: BOEM proposes to hold CPA Sale 216/222 on Wednesday, June 20, 2012, at a New Orleans, Louisiana site to be determined. Public bid reading is proposed to begin at 9:00 a.m. All times referred to in this document are local New Orleans times, unless otherwise specified.

ADDRESS: Interested parties may obtain a Package by writing, calling or visiting the website:

Gulf of Mexico Region Public Information Unit
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
(504) 736-2519 or (800) 200-GULF
BOEM Internet website at: www.boem.gov

BID SUBMISSION DEADLINE: Bidders will be required to submit bids to BOEM at the GOM Region, 1201 Elmwood Park Boulevard, New Orleans, Louisiana, 70123-2394, by 10:00 a.m. on Tuesday, June 19, 2012, the day before the proposed lease sale. BOEM will specify procedures for bid submission in the Final NOS 216/222 Package.

PROPOSED LEASE SALE AREA: BOEM proposes to offer for bid in this lease sale all of the unleased acreage in the CPA in the GOM, except the following whole and partial blocks:

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 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 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

NOTE: Bids on Blocks Near the U.S.-Mexico Maritime and Continental Shelf Boundary.

Due to ongoing negotiations with the Government of Mexico on a Transboundary Agreement (as defined below), bids submitted on any block in the “Boundary Area” (as defined below) 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, as is normally the practice. 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 a Transboundary Agreement or December 20, 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.

BOEM will notify bidders at least 30 days prior to opening such bids. Bidders on these blocks may withdraw their bids at any time after such notice and prior to 10 a.m. (New Orleans local time) of the day before bid opening. If BOEM does not give notice by 30 days after execution of a Transboundary Agreement or by December 20, 2012, whichever occurs 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.

In the event the Secretary decides to open bids on blocks in the Boundary Area, BOEM will notify such bidders of the Transboundary Agreement and will describe the terms under which leases in the Boundary Area will be issued. The bidders will have 20 days from the date of the notice to inform BOEM whether they will withdraw their bids on blocks in the Boundary Area or to reaffirm their interest in such a lease subject to the new terms that are necessary to implement the United States obligations under the Transboundary Agreement.

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 following lease sale for the CPA in 2013.

“Transboundary Agreement,” refers to a possible 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. Both countries seek to bring the final agreement into force before October 2012.

“Boundary Area,” means an area comprised of any and all blocks in the CPA, that are located or partially located within three nautical 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. 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 and is subject to OCSLA, regulations promulgated pursuant thereto, other statutes and regulations in existence upon the Effective Date of the lease, and those 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 may be made and that the lessee bears the risk that such may increase or decrease the lessee’s obligation under the lease.

BOEM will use lease 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. Addressed below are the terms, conditions, and stipulations applicable to this sale.

LEASE TERMS AND CONDITIONS: Proposed 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. Related areas are shown on the map “Proposed, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, June 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 (TVD) subsea (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 a well, targeting hydrocarbons below 25,000 feet TVD SS, is spudded within the 5-year initial period. The 3-year extension will be granted in cases where the well is drilled to a target below 25,000 feet TVD SS and may also be granted in cases where the well targets but does not reach a depth below 25,000 feet TVD SS due to mechanical or safety reasons. A 5-year initial period in water depths of less than 400 meters that does not target hydrocarbons at least 25,000 feet of depth may not be extended.

In order for the 5-year initial period to be extended to eight years, the lessee is required to submit to the GOM Bureau of Safety and Environmental Enforcement (BSEE), 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 must concur in writing that the conditions have been met to extend the initial period three years. The BSEE Regional Supervisor 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 a well is spudded 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, Field Operations District Manager, within 30 days after spudding a well, a letter providing the well number, 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 three 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 a well is spudded 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, Field Operations District Manager, within 30 days after spudding a well, a letter providing the well number, 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 as to whether the lessee qualifies for such an extension. 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 term by 3 years.

Minimum Bonus Bid Amounts: A bonus bid will not be considered for acceptance unless it provides for a cash bonus in the amount of \$25 or more per acre or fraction thereof for blocks in water depths of less than 400 meters, or \$100 or more 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 Final NOS CPA Sale 216/222 Package (Final NOS 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 (RSV) 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 royalty suspension volumes (RSVs) incentives for deep and ultra-deep wells pursuant to 30 CFR 203.0 and 30 CFR 203.30-203.49. 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 “Proposed, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, June 2012, Stipulations and Deferred Blocks” depicts the blocks on which one or more of nine 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.

The texts of the stipulations are contained in the document “Lease Stipulations, Consolidated Central Gulf of Mexico Planning Area Sale 216/222, Proposed Notice of Sale” included in the Proposed NOS CPA Sale 216/222 Package. In addition, the “List of Blocks Available for Leasing” contained in the Final NOS CPA Sale 216/222 Package available approximately 30 days before Sale 216/222 will identify for each block listed the lease stipulations applicable to that block.

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

BONUS BID DEPOSIT: Each bidder submitting an apparent high bid must submit a bonus bid

deposit to the Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. All payments must be electronically deposited into an interest-bearing account in the U.S. Treasury by 11 a.m. Eastern Time the day following bid reading (no exceptions). Account information is provided in the Electronic Funds Transfer (EFT) instructions found on the BOEM website at: http://www.boem.gov/uploadedFiles/BOEM/Oil_and_Gas_Energy_Program/Leasing/Regional_Leasing/Gulf_of_Mexico_Region/lseale/218/EFT-Inst-Nov15-2011.pdf. 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, one of the following options may be used. The EFT instructions specify the requirements for each option:

- (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.

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.

A. Every bidder submitting a bid on a block in CPA Sales 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 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, but not limited to, seismic, controlled source electromagnetics, and gravity data).

The data identified in the GDIS should clearly state whether the data or information are multi-client (speculative) data sets available directly from geophysical contractors or exclusive (proprietary) data sets specially processed 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 (including, but not limited to, Kirchoff Migration, Wave Equation Migration, Reverse

Time Migration, etc.) of the data and information. The statement must also include the name; 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 the 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(s) most closely meets the needs of the fair market value determination process.

B. 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 enhanced geophysical data and information were used in bid preparation for the block.

C. In the event a company supplies any type of data to BOEM, that company must meet the following requirements to get reimbursed:

(a) 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 is a requirement that was implemented on October 1, 2003, and requires all entities doing business with the Federal government to complete a business profile in the CCR, which must be updated annually. 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.

(b) Effective May 1, 2011, the Department of the Interior required all of its Agencies and Bureaus to use the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The IPP website 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.

(c) In addition, the company must complete an on-line Representations and Certifications application at www.bpn.gov. Regardless of whether the company has 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.

FORCE MAJEURE: The BOEM Regional Director of the GOM Region has the discretion to change any date, time, and/or location specified in the Final NOS CPA Sale 216/222 Package in case of a force majeure event that the Regional Director 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 (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 our website at: <http://www.boem.gov> for information about any changes.

UPCOMING MILESTONES: After the Governors of the affected states (Texas, Louisiana, Mississippi, Alabama, and Florida) have had an opportunity to comment on the size, timing, or location of the proposed lease sale, as required by Section 19 of OCSLA, the Assistant Secretary for Land and Minerals Management will make a decision on the Final NOS 216/222. The Department of the Interior reserves the right to revise the areas offered for bidding and associated terms and conditions described in this Proposed NOS. If the Assistant Secretary decides to proceed with the lease sale, a Final NOS for CPA Oil and Gas Lease Sale 216/222 will be published in the *Federal Register* at least 30 days prior to the date of the public bid reading. A Final NOS 216/222 Package containing all lease sale terms and conditions and detailed instructions to bidders will also be available at that time from the BOEM GOM Public Information Unit and on the GOM website at: <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/GOMR-Historical-Lease-Sale-Information.aspx>.

Appendix

Repeal Language for Royalty Suspension Provisions for CPA Sale 216/222

Please Note:

Potential bidders are advised about possible changes in royalty relief for this sale. Congress could adopt and the President sign a bill that repeals the Energy Policy Act of 2005, Section 344 before BOEM issues the Final NOS for Sale 216/222.

Should Section 344 be repealed on or before April 19, 2012, a date giving enough lead time for bidders and BOEM to prepare for the Final NOS for Sale 216/222, BOEM intends to offer leases for sale with no deep gas royalty suspension volumes in their lease terms. If Section 344 is repealed, leases located in 200 to 400 meters of water with deep gas wells would not earn RSVs, and leases located in 0 to 400 meters of water with ultra-deep wells also would not earn RSVs.