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# ***Leasing Activities Information***

***BOEMRE***

U.S. Department of the Interior  
Bureau of Ocean Energy Management,  
Regulation and Enforcement  
Gulf of Mexico OCS Region

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## **PROPOSED NOTICE OF SALE 218 Western Planning Area**

Attached is the Proposed Notice of Sale 218 Package (Proposed NOS 218 Package), for Western Planning Area (WPA) Oil and Gas Lease Sale 218 proposed to be held on Wednesday, December 14, 2011, in New Orleans, Louisiana.

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This Package consists of:

- Proposed NOS 218
- Lease Stipulations
- Information To Lessees
- Example of Preferred Format - Geophysical Data and Information Statement
- Lease Terms and Economic Conditions Map
- Stipulations and Deferred Blocks Map

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

Bureau of Ocean Energy Management, Regulation and Enforcement  
Gulf of Mexico OCS Region  
Public Information Unit (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 BOEMRE GOM website at: [www.gomr.boemre.gov/homepg/lseale/218/wgom218.html](http://www.gomr.boemre.gov/homepg/lseale/218/wgom218.html).

The Final Notice of Sale 218 Package is expected to be available in mid-November 2011. It will contain final versions of the documents listed above as well as the following:

- 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 Envelope
  - Telephone Numbers/Addresses of Bidders Form
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## **Please Note:**

Terms and conditions for Proposed NOS 218 are generally the same as for the August 2009 WPA Lease Sale 210, 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.

### **Changes in Initial Periods**

Starting with Central Planning Area Sale 213, BOEMRE revised the lease terms for blocks in water depths of 400 meters to less than 1,600 meters. Blocks in 400 to less than 800 meters changed from an initial 8-year lease term (where a well has to be spudded within the first 5 years of the initial 8-year term to avoid lease cancellation) to a 5-year initial lease term (where spudding a well within the initial lease term would extend the lease term to 8 years). Blocks in 800 to less than 1,600 meters changed from a 10-year initial lease term to a 7-year initial lease term (where spudding a well within the initial lease term would extend the lease term to 10 years).

### **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 (EPA05), which was signed into law on August 8, 2005, directed that royalty suspension volume levels at least as high as those then used by BOEMRE be continued for 5 years following enactment. This sale is being held more than 5 years after the passage of EPA05. For further information, please refer to the Royalty Suspension Provisions portion of the Proposed NOS.

### **New Lease Form**

The BOEMRE will use a new lease form to convey leases offered in this sale. The new lease form will be referenced in the Final Notice of Sale for WPA Lease Sale 218, and will be available to view at that time on the BOEMRE website. A list of proposed changes to the lease form may be viewed at: <http://www.gomr.boemre.gov/homepg/lseale/218/wgom218.html>. 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 for WPA Sale 218. Please refer to the following website: <http://gomr.boemre.gov/hoempg/lseale/218/EFT-Inst-June-20-2011.pdf> for complete information.

### **Geophysical Data and Information Statements**

This Proposed 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 WPA Sale 218, 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. 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 (m) in the Information to Lessees portion of this document.

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**Not Offered:**

Whole and portions of blocks which lie within the boundaries of the Flower Garden Banks National Marine Sanctuary at the East and West Flower Garden Banks and Stetson Bank (the following list includes all blocks affected by the Sanctuary boundaries):

High Island, East Addition, South Extension (Leasing Map TX7C)

Whole Block: A-398

Portions of Blocks: A-366\*, A-367\*, A-374\*, A-375, A-383\*, A-384\*, A-385\*, A-388, A-389\*, A-397\*, A-399, A-401

\* Leased

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (OPD NG15-02)

Portions of Blocks: 134, 135

Whole and portions of blocks which lie within the former Western Gap portion of the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico:

Keathley Canyon (OPD NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (OPD NG15-08)

Whole Blocks: 11, 57, 103, 148, 149, 194

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150

Whole and portions of blocks deferred from this lease sale are shown on the map "Proposed, Western Planning Area, Lease Sale 218, December 2011, Stipulations and Deferred Blocks"

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**Statistical Information (Lease Sale 218):**

**Approximate Size:** 3,900 unleased blocks; 20.6 million acres  
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For more information on the Proposed NOS 218 Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Nancy Kornrumpf at (504) 736-2726, or Ms. Cindy Thibodeaux at (504) 736-2809 of the BOEMRE GOM OCS Region Leasing and Financial Responsibility Unit.

**Gulf of Mexico Region Public Information Unit  
Bureau of Ocean Energy Management, Regulation and Enforcement  
1201 Elmwood Park Boulevard  
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BOEMRE GOM Homepage Address on the Internet at: [www.gomr.boemre.gov](http://www.gomr.boemre.gov)**