
Leasing Activities Information



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

Information To Lessees Eastern Gulf of Mexico Planning Area Lease Sale 224 (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. Operations on some of the blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard 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 U.S. Coast Guard regulations.

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 additional information, prospective bidders should contact, Lieutenant Commander Steve Keel, Sector New Orleans, 1615 Poydras Street, Suite 700, New Orleans, Louisiana 70112, (504) 565-5044. For COE information, prospective bidders should contact:

Mobile District (for offshore Alabama)

Mr. Craig J. Littiken(CESAM-OP-S)
U.S. Army Corps of Engineers
P.O. Box 2288
Mobile, Alabama 36628
(251) 690-2658

Jacksonville District (for offshore Florida)

Mr. David Hobbie (CESAJ-RD)
U.S. Army Corps of Engineers
P.O. Box 4970
Jacksonville, Florida 32232-0019
(904) 232-1177

(b) Unexploded Ordnance. The U.S. Air Force has released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas. The exact locations of the unexploded ordnance are unknown, and lessees are advised that all lease blocks included in this lease sale within these water test areas should be considered potentially hazardous to drilling and platform and pipeline placement.

(c) Lightering Zones. Bidders are advised that the U.S. Coast Guard 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. Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300 for the regulations concerning lightering zones; additional information may be obtained from Lieutenant Commander Kevin Ullrich of the Coast Guard's Ports and Facilities Compliance Staff (G-MOC-3) at (202) 372-1232.

(d) Information about Indicated Hydrocarbons. Bidders are advised that MMS makes available, approximately 3 months prior to a lease sale, a list of unleased tracts having wellbores

with indicated hydrocarbons, which includes Eastern Planning Area data as well as Central and Western Planning Area data. Basic information relating to production, wellbores, and pay range for each tract is included in the list. The list is available from the MMS Gulf of Mexico Region website at: <http://www.gomr.mms.gov/homepg/offshore/gulfocs/hclist/hclist.html>

(e) Military Areas. Military Warning Areas are established in the Federal Aviation Administration (FAA) Air Traffic Document JO 7400.8N “Title 14-Aeronautics and Space - Chapter 1 Federal Aviation Administration - Subchapter Airspace - Part 73 - Special Use Airspace Regulatory and Nonregulatory.” This document may be downloaded from the FAA website: http://www.faa.gov/airports_airtraffic/air_traffic/publications/at_orders/media/SUA.pdf.

The Military Areas Stipulation (Stipulation No. 1 in the document “Lease Stipulations , Eastern Gulf of Mexico Oil and Gas Lease Sale 224” included in the Sale Notice package) will be applied to leases in any new areas that may be established by that publication in addition to blocks in those warning areas which have had the stipulation in past lease sales.

Certain restrictions on flights and radio communications in the warning areas will require close coordination between lessees (and their operators and agents) and the appropriate military commander using the specific warning area. It is the responsibility of lessees to establish and maintain contact and coordination with the military commander(s) in any warning area in which operations or flights would be expected in the course of occupying and developing any leases; this could include flights through a warning area traveling to a leased block which is not in a Warning Area.

Lessees should establish and maintain contact and coordination with the appropriate military commander(s) whether or not there is a military stipulation in their lease(s).

The contact for administrative questions about the warning areas is:

Federal Aviation Administration
Houston Air Route Traffic Control (ARTC) Center
16600 John F. Kennedy Boulevard
Houston, Texas 77032
Telephone: (281) 230-5563

(f) Lease Stipulation for Protected Species (Sea Turtles, Marine Mammals, Gulf Sturgeon, Brown Pelican, Whooping Cranes, and Other Federally Protected Species). Bidders are advised that, pursuant to requirements of section 7 of the Endangered Species Act, the MMS has conducted consultations with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (FWS). The biological opinions issued by NMFS and FWS specify measures to minimize or avoid potential adverse impacts to protected species. In accordance with these opinions, the MMS has included terms and conditions, as appropriate, in the Protected Species Stipulation (Stipulation No. 4) and in several Notices to Lessees (NTL’s). Bidders should also note that NMFS included in its opinion a conservation recommendation that

permit holders maintain helicopter traffic over the Gulf at altitudes above 1,000 feet, if practicable, to avoid disturbance to whales and sea turtles. The FWS has recommended in its opinion that, to avoid disturbance of brown pelican nesting activities, aircraft working on OCS activities should avoid flying lower than 1,000 feet above ground level or within a 2,000-foot perimeter around an island containing a nesting colony.

Three NTL's are currently in force to explain how lessees may implement these measures.

NTL No. 2007-G02, entitled "Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program," is effective February 7, 2007. The NTL, issued pursuant to 30 CFR 250.103, explains how to implement seismic survey mitigation measures. This NTL supersedes and replaces NTL No. 2004-G01, and applies to all seismic operations throughout the Gulf of Mexico OCS in waters greater than 200 meters (656 feet) in depth, and in all water depths in the Eastern Planning Area of the Gulf of Mexico. These measures apply to all on-lease seismic surveys conducted under 30 CFR 250.201 and all off-lease seismic surveys conducted under 30 CFR 251. This NTL may be obtained from the Public Information Unit at the address at the end of this document or online at: www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g02.pdf.

NTL No. 2007-G03, entitled "Marine Trash and Debris Awareness and Elimination" became effective on February 7, 2007, and is issued pursuant to 30 CFR 250.103. This NTL supersedes NTL No. 2003-G11 on this subject. The NTL provides guidance to prevent intentional and/or accidental introduction of debris into the marine environment. This NTL applies to all existing and future oil and gas operations in the Gulf of Mexico OCS. The NTL provides information on the marine trash debris awareness training video and slide show, and both postal and e-mail addresses for submitting annual training reports. This NTL may be obtained from our Public Information Unit at the address at the end of this document or online at: www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g03.pdf.

NTL No. 2007-G04, entitled "Vessel Strike Avoidance and Injured/Dead Protected Species Reporting", became effective on February 7, 2007, and is issued pursuant to 30 CFR 250.103 and 30 CFR 250.282 which explains how to implement measures to minimize the risk of vessel strikes to protected species and report observations of injured or dead protected species. This NTL supersedes NTL 2003-G11 on this subject and revises the protected species reporting procedures and contact information. This NTL applies to all existing and future oil and gas operations in the Gulf of Mexico OCS. This NTL may be obtained from our Public Information Unit at the address at the end of this document or online at: www.gomr.mms.gov/homepg/regulate/regs/ntls/2007NTLs/07-g04.pdf.

(g) MMS Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the U.S. Coast Guard 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 Coast Guard regulations applicable to those facilities in accordance with 33 CFR, Chapter I, Subchapter N. Specific questions regarding this authorization may be directed to the U.S. Coast Guard, Eighth District, Marine Safety Office, 1615 Poydras Street, New Orleans, Louisiana 70112.

(h) Ocean Dredged Material Disposal Sites. Under the Marine Protection, Research, and Sanctuaries Act of 1972, the U.S. Environmental Protection Agency (EPA) has the responsibility for designating and managing Ocean Dredged Material Disposal Sites (ODMDS). The EPA currently has six ODMDS in the Gulf of Mexico. Four of these ODMDS are located within the GOM Central Planning Area offshore Pascagoula and Gulfport, Mississippi, and Mobile, Alabama. Another two are within the GOM Eastern Planning Area offshore Pensacola (located in Pensacola Blocks 846 and 847 and another site in State waters). In addition, the EPA is considering designation of an additional ODMDS offshore Gulfport, Mississippi and enlarging the existing or designating a new ODMDS offshore Mobile, Alabama. The EPA Final National Pollutant Discharge Elimination System General Permit No. GMG460000 For Offshore Oil and Gas Activities in the Eastern Gulf of Mexico does not allow the discharge of any drilling fluids, drill cuttings, or wastewaters from those facilities within 1,000 meters of or in an EPA-designated ODMDS. Coordinates for the ODMDS can be found in the U.S. Code of Federal Regulations at 40 CFR 228.15.15(h) or at <http://www.epa.gov/region4/water/oceans/sites.htm>. The EPA contacts on this matter are Mr. Chris McArthur, Ocean Disposal Program Coordinator, mcArthur.christopher@epa.gov, (404) 562-9391 or Mr. Doug Johnson, Johnson.doug@epa.gov, (404) 562-9386.

You may also wish to contact the COE Mobile District, as they jointly manage the sites with EPA. Their contacts are as follows:

Ms. Susan Rees, Susan.I.Rees@sam.usace.army.mil, (251) 694-4141, or Ms. Jenny Jacobson, Jennifer.L.Jacobson@sam.usace.army.mil, (251) 690-2724.

(i) Debarment and Suspension (Nonprocurement). Bidders are advised that in accordance with regulations at 2 CFR Part 180 and 2 CFR Part 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 this lease by including this term as a condition to enter into their contracts and other transactions. This agreement will be evidenced by language prepared by MMS through an addendum included in each lease resulting from this lease sale.

(j) Concrete Anchors - Bidders are advised of the existence of non-degradable concrete anchors left on the seafloor after acquisition of several geophysical surveys in various areas in the GOM.

The locations of these anchors should be considered when conducting postlease hazard surveys, as required by MMS regulation 30 CFR Part 250 Subpart B.

Additional information regarding the locations of these anchors will be made available on our web site in the near future; however, until this web site is available, you may contact Mr. Harshad Patel at (504) 736-5712 or Mr. Ron Brinkman at (504) 736-2720.

(k) Force Majeure – Bidders are advised that the Regional Director (RD) of the MMS Gulf of Mexico Region has the discretion to change any date, time, and/or location specified in the Final Notice of Sale package in case of a force majeure which 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 (earthquakes, hurricanes, 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 for detailed information about any changes.

**Gulf of Mexico Region Public Information Unit
Minerals Management Service
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New Orleans, Louisiana 70123-2394
Telephone: (504) 736-2519 or (800) 200-GULF
MMS Homepage Address on the Internet: www.mms.gov**