

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management (BOEM)

Central Gulf of Mexico Planning Area (CPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 227 (CPA Sale 227)

AGENCY: Bureau of Ocean Energy Management, Interior

ACTION: Proposed Notice of Sale 227

SUMMARY: On Wednesday, March 20, 2013, BOEM proposes to open and publicly announce bids received for blocks offered in this lease sale, pursuant to the OCS Lands Act (43 U.S.C. 1331-1356, as amended) and the regulations issued pursuant thereto (30 CFR part 556).

DATES: BOEM proposes to hold CPA Sale 227 at 9:00 a.m. on Wednesday, March 20, 2013, at a New Orleans, Louisiana, site to be determined. Unless otherwise specified, all times referred to in this document are in local New Orleans time.

BID SUBMISSION DEADLINE: Bidders shall submit bids to the Regional Director (RD), BOEM Gulf of Mexico Region (GOMR), 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394. Bids may be submitted on business days between 8 a.m. and 4 p.m. and from 8 a.m. until the Bid Submission Deadline of 10 a.m. on Tuesday, March 19, 2013.

ADDRESS: Bidders may obtain a Proposed Notice of Sale (NOS) by writing or calling the:
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
<http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx>

This Proposed NOS includes the following sections:

- I. LEASE SALE AREA
- II. STATUTES AND REGULATIONS
- III. LEASE TERMS AND ECONOMIC CONDITIONS
- IV. LEASE STIPULATIONS
- V. INFORMATION TO LESSEES
- VI. MAPS
- VII. BIDDING INSTRUCTIONS
- VIII. BIDDING RULES AND RESTRICTIONS
- IX. FORMS
- X. THE LEASE SALE
- XI. FORCE MAJEURE
- XII. UPCOMING MILESTONES

Appendix A – Repeal Language for Royalty Suspension Provisions for CPA Sale 227

I. LEASE SALE AREA

BOEM proposes to offer for bid in this lease sale all of the available unleased acreage in the CPA except:

Whole and partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub. L. 109-432:

Pensacola (OPD NH 16-05)

Whole 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

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

Henderson (OPD NG 16-05)

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

Blocks that are adjacent to or beyond the United States Exclusive Economic Zone in 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

Partial 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 that lie within the 1.4 nautical mile buffer zone 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

Partial 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

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

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; therefore, they are currently unavailable:

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

Bids on Blocks near the U.S. – Mexico Maritime and Continental Shelf Boundary

Terms used in this section will have the following meanings:

“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. 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>.

“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.

The Agreement was signed on February 20, 2012, but has not yet been approved by the United States Congress (Congress). Bids submitted on any available block in the Boundary Area 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 available 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 by Congress of the Agreement, or by September 30, 2013, 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 available Boundary Area blocks or to return the bids unopened.

In the event the Secretary decides to open bids on available 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. of the day before bid opening. If BOEM does not give notice within 30 days of approval of the Agreement or by September 30, 2013, 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 2014), 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 CPA Sale 227 would be reoffered in the next lease sale for the CPA in 2014.

The following whole and partial blocks comprise the entire Boundary Area (not all of which are available under CPA Sale 227):

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

II. 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. 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 leases issued as a result of this sale. Moreover, the lessee expressly bears the risk that such new statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligation under the lease.

III. LEASE TERMS AND ECONOMIC CONDITIONS

Lease Terms

OCS Lease Form

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 proposed terms, conditions, and stipulations applicable to this sale are set forth below.

Initial Periods

Initial periods are summarized in the following table:

Water Depth in Meters	Initial Periods
0 to <400	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded during the first 5 years of the lease targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS)
400 to <800	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded during the first 5 years of the lease
800 to <1,600	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period), if a well is spudded during the first 7 years of the lease
1,600+	10 years

- (1) The standard initial period for a lease in water depths of less than 400 meters issued from this sale is 5 years. If the lessee spuds a well within the first 5 years of the lease targeting hydrocarbons below 25,000 feet TVD SS, then the lessee may earn an additional 3 years, for an 8-year extended initial period. The lessee will earn the 8-year extended initial period in cases where the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) GOMR 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 a target below 25,000 feet TVD SS and whether that target 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/GOMR Regional Supervisor for Production and Development must concur in writing that the conditions have been met in order for the lessee to earn the 8-year extended initial period. The BSEE/GOMR Regional Supervisor for Production and Development will provide a written response within 30 days of receipt of the letter provided.

A lease that has earned the 8-year extended initial period by spudding a well during the first 5 years of the lease 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.

- (2) The standard initial period for a lease in water depths of 400 meters to less than 800 meters issued from this sale is 5 years. The lessee will earn an additional 3 years, for an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, 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 concurrence that the lessee has earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- (3) The standard initial period for a lease in water depths of 800 meters to less than 1,600 meters issued from this sale will be 7 years. The lessee will earn an additional 3 years, for a 10-year extended initial period, if the lessee spuds a well within the first 7 years of the lease.

In order to earn the 10-year extended initial period, 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 concurrence that the lessee has earned the 10-year extended 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. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

Economic Conditions

Minimum Bonus Bid Amounts

- \$25.00 per acre or fraction thereof for blocks in water depths of less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths of 400 meters or deeper

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 +	\$11.00	\$16.00

Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Depths of Less than 400 Meters

Any lease in water depths less than 400 meters that earns an 8-year extended initial period will pay an escalating rental as shown above. The 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 after the 5th year 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
- \$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.

IV. LEASE STIPULATIONS

One or more of the following proposed stipulations will be applied to leases resulting from this sale. The detailed text of these stipulations is contained in the Lease Stipulations section of the Proposed NOS Package.

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

V. INFORMATION TO LESSEES

The “Information to Lessees” (ITL) clauses provide detailed information on certain issues pertaining to this oil and gas lease sale. The detailed text of these ITL clauses is contained in the “Information to Lessees” section of the Proposed NOS Package:

- (1) Navigation Safety
- (2) Ordnance Disposal Areas
- (3) Communications Towers
- (4) Existing and Proposed Artificial Reefs/Rigs to Reefs
- (5) Lightering Zones
- (6) Indicated Hydrocarbons List
- (7) Military Areas
- (8) Safety Zones for Certain Production Facilities
- (9) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain Coast Guard Regulations
- (10) Ocean Dredged Material Disposal Sites
- (11) Potential Sand Dredging Activities
- (12) Below Seabed Operations
- (13) Commercial Waste Disposal Areas
- (14) Air Quality Permits
- (15) Notice of Arrival on the Outer Continental Shelf
- (16) Bids on Blocks near U.S.-Mexico Maritime and Continental Shelf Boundary

VI. MAPS

The following maps are included in the Proposed NOS Package; they also may be found on the BOEM website at: <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/227/Proposed-Notice-of-Sale-227-Package.aspx>.

Lease Terms and Economic Conditions Map

The lease terms and economic conditions and the blocks to which these terms and conditions apply are shown on the map “Proposed, Central Planning Area, Lease Sale 227, March 2013, Lease Terms and Economic Conditions” included in the Proposed NOS Package.

Stipulations and Deferred Blocks Map

The blocks on which one or more lease stipulations apply are shown on the map “Proposed, Central Planning Area, Lease Sale 227, March 2013, Stipulations and Deferred Blocks Map” included in the Proposed NOS Package.

VII. BIDDING INSTRUCTIONS

The Final NOS will contain instructions on how to submit a bid and what information must be included with the bid.

Advance 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/227/index.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 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.

BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for CPA Sale 227, 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.

Please 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:

- (1) provide a third-party guarantee,
- (2) amend bond coverage,
- (3) provide a letter of credit, or
- (4) provide a lump sum payment in advance via EFT.

Geophysical Data and Information Statement (GDIS)

Bidders should note that pursuant to 30 CFR § 551.12, BOEM has a right to access geophysical data and information collected under a permit in the OCS. The Final NOS for CPA Sale 227 will contain the preferred format for submitting the GDIS and the GDIS table, including definitions of the terms included in the GDIS table.

Every bidder submitting a bid on a block in CPA Sale 227, 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 all proprietary data; reprocessed speculative data and/or any Controlled Source Electromagnetic surveys, Gravity or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block.

Please Note: A bidder must submit the GDIS even if a joint bidder or bidders on a specific block also have submitted a GDIS. Any speculative data that has been reprocessed externally or in-house is considered proprietary due to the proprietary processing and is no longer considered to be speculative. The GDIS should clearly state who did the reprocessing (e.g., external company name or "in-house"). 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., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data, velocity models used, and other requested metadata. 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); and original data survey name and permit number. Seismic survey information also should include the computer storage size, to the nearest megabyte, of each seismic data and velocity volume used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set during the requisition process prior to requesting data. BOEM reserves

the right to query about alternate data sets, to quality check, and to 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 GDIS must also include entries for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder (partner) in the bid. The GDIS must be submitted even if no proprietary 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) Companies must be registered with the Central Contractor Registration. The initial registration is valid for one year and must be updated annually thereafter. The website for registering is: <https://www.bpn.gov/ccr/>.
- (2) Companies must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The company must enroll at the IPP (<https://www.ipp.gov/>) 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) Companies must have a current On-line Representations and Certifications Application at: <https://orca.bpn.gov>.

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.

VIII. BIDDING RULES AND RESTRICTIONS

The Final NOS will contain information on restricted joint bidders and other unlawful combination or intimidation of bidders as well as rules on bid withdrawal, and bid rounding.

IX. FORMS

The Final NOS Package will include instructions, samples and/or the preferred format for the following items:

- (1) Bid Form and Envelope Instructions
- (2) Bid Form
- (3) Sample Bid
- (4) Bid Envelope

- (5) Mailing Envelope Form
- (6) Telephone Numbers/Addresses of Bidders
- (7) Geophysical Data and Information Statement (GDIS)
- (8) GDIS Envelope Form

X. THE LEASE SALE

The Final NOS will include information on bid opening and reading, instructions for high bidders on the bonus bid deposit, withdrawal of blocks by the United States, and the acceptance, rejection, or return of bids.

XI. FORCE MAJEURE

The BOEM/GOMR RD has the discretion to change any date, time, and/or location specified in the Final NOS 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.

XII. 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, and location of the proposed lease sale, as required by Section 19 of OCSLA, 43 U.S.C. 1345, the Assistant Secretary for Land and Minerals Management will make a decision on the Final NOS for CPA Sale 227. 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 for Land and Minerals Management decides to proceed with the lease sale, a Final NOS for CPA Sale 227 will be published in the *Federal Register* at least 30 days prior to the date of the public bid reading. The CPA Sale 227 Package containing all lease sale terms and conditions and detailed instructions to bidders also will be available at that time from the BOEM/GOMR Public Information Office and on the BOEM/GOMR 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 A

REPEAL LANGUAGE FOR ROYALTY SUSPENSION PROVISIONS FOR CPA SALE 227

Potential bidders are advised about possible changes in royalty relief for this sale. Congress could adopt and the President could sign a bill that repeals the Energy Policy Act of 2005, Pub. L. 109-58, Section 344 before BOEM issues the Final NOS for CPA Sale 227.

Should Section 344 be repealed on or before December 28, 2012, a date giving enough lead time for bidders and BOEM to prepare for the Final NOS for CPA Sale 227, 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 likewise would not earn RSVs.