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# ***Leasing Activities Information***

***BOEM***

U.S. Department of the Interior  
Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region

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## **FINAL NOTICE OF SALE 229 Western Planning Area**

Attached is the Final Notice of Sale (NOS) Package (Final NOS Package), for the Western Gulf of Mexico Planning Area Oil and Gas Lease Sale 229 (WPA Sale 229) scheduled to be held at 9 a.m. on Wednesday, November 28, 2012, at the Mercedes-Benz Superdome in New Orleans, Louisiana.

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This Package consists of:

- WPA Sale 229 Final NOS
- Lease Stipulations
- Information to Lessees
- 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 Sample Envelopes
- Telephone Numbers/Addresses of Bidders Form
- Example of Preferred Format - Geophysical Data and Information Statement and Sample Envelopes
- Lease Terms and Economic Conditions Map
- Stipulations and Deferred Blocks Map

All documents listed above are available from the Bureau of Ocean Energy Management (BOEM) Gulf of Mexico Region Public Information Office; telephone (800) 200-GULF or (504) 736-2519; or by written request to:

Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
Public Information Office (GM 217G)  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394

All of these documents also may be found on the Lease Sale Information page on the BOEM Gulf of Mexico (GOM) website at: <http://www.boem.gov/sale-229/>

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**Please Note:**

Terms and conditions for WPA Sale 229 are generally the same as for the December 2011 WPA Sale 218, except for the following noteworthy matters:

**Updated Electronic Funds Transfer (EFT) Instructions**

Bidders are advised that the EFT instructions have been updated for WPA Sale 229. Please refer to the following website: <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/229/index.aspx> for complete information.

**Geophysical Data and Information Statements**

This WPA Sale 229 Final 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 229, 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 proprietary data, reprocessed speculative data and/or any Controlled Source Electromagnetic, Gravity or Magnetic data, and other information used as part of the decision to bid or participate in a bid on the block. You may submit the GDIS Information Table digitally on a Compact Disc or Digital Video Disc as an Excel spreadsheet.

The Central Contractor Registration system used for registering a company for reimbursement of funds has been replaced by the System for Award Management (SAM) system. The SAM system (<http://www.sam.gov/>) is described in detail in the following article: <http://www.govcontractors.org/apps/blog/entries/show/15621707-sam-gov-to-replace-ccr-orca-fbo-and-6-other-systems#.UCKbkYxr7rE.email>

**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.-Mexico Maritime and Continental Shelf Boundary**

Bidders are advised to refer to the Final NOS and paragraph (k) in the Information to Lessees portions of these documents for detailed information pertaining to the ongoing negotiations with the Government of Mexico on the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico (Agreement). Bids submitted on blocks in the Boundary Area will not be opened on the date scheduled for the sale, but may be opened at a later date. On or before 30 days following the approval by the U.S. Congress of the Agreement or May 31, 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 Boundary Area blocks or to return the bids unopened.

**Boundary Area:**

**Port Isabel Blocks** – 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 945, 946, 947, 948, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 989, 990, 991, and 992

**Alaminos Canyon Blocks** – 881, 882, 883\*, 884\*, 885, 886, 887, 888, 889, 890, 891, 892, 893\*, 894\*, 895, 896, 897, 898, 899\*, 900\*, 901\*, 902\*, 903\*, 904\*, 905, 906, 907, 908, 909, 910, 911, 912, 925, 926, 927\*, 928\*, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939\*, 940, 941, 942\*, 943\*, 944\*, 945\*, 946, 947\*, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, and 1009

Keathley Canyon Blocks – 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, and 981

Sigsbee Escarpment Blocks – 11, 12, 13, 14, 15, 57, 58, 59, 60, 61, 103, 104, 105, 106, 148, 149, 150, and 194

South Padre Island Blocks – 1154, 1163, 1164, 1165, and 1166

South Padre Island, East Addition Blocks – 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, A 78, A 79, A 80, A 81, A 82, A 83, A 84, A 85, A 86, A 87, A 89, and A 90

\*Leased Blocks

**New Stipulation - Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico**

Bidders are advised of a new stipulation to notify bidders that the terms stated in the agreement between Mexico and the United States may apply to some blocks offered in this sale. For more detailed information refer to the Stipulations portion of the Final NOS Package.

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**Blocks Not Offered:**

BOEM will offer for bid in this lease sale all of the unleased acreage in the WPA in the GOM except:

Whole and portions of blocks that 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 that lie within the former Western Gap and lie within the 1.4 nautical mile 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

Blocks currently under appeal (although currently unleased, the following blocks are under appeal and bids will not be accepted):

Garden Banks (NG15-02)

Whole Blocks: 623 and 624

Whole and portions of blocks deferred from this lease sale are shown on the map “Final, Western Planning Area, Lease Sale 229, November 28, 2012, Stipulations and Deferred Blocks”

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**Statistical Information (WPA Sale 229):**

**Size:** Approximately 3,873 unleased blocks; 20.7 million acres

**Initial Period:**

|                                                                                                                                            |              |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 5 years for blocks in water depths less than 400 meters (subject to administrative requirements noted in the Final NOS):                   | 2,465 blocks |
| 5 years for blocks in water depths 400 meters to less than 800 (subject to administrative requirements noted in the Final NOS):            | 368 blocks   |
| 7 years for blocks in water depths of 800 meters to less than 1600 meters (subject to administrative requirements noted in the Final NOS): | 590 blocks   |
| 10 years for water depths of 1600 meters or greater:                                                                                       | 450 blocks   |

**Minimum Bonus Bid Amount:**

|                                                                                      |              |
|--------------------------------------------------------------------------------------|--------------|
| \$25.00 or more per acre or fraction thereof for water depths less than 400 meters:  | 2,465 blocks |
| \$100.00 or more per acre or fraction thereof for water depths 400 meters or deeper: | 1,408 blocks |

**Rental Rates:**

|                                                                                                                                                                                                                                                                 |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| \$7.00 per acre or fraction thereof for water depths less than 200 meters (with a possible escalation to as much as \$28.00 per acre if the lease has an approved extension of the initial 5-year period):                                                      | 2,295 blocks |
| \$11.00 per acre or fraction thereof for water depths 200 meters or deeper (with a possible escalation to as much as \$44.00 per acre in the 200 to less than 400 meter water depth range if the lease has an approved extension of the initial 5-year period): | 1,578 blocks |

**Minimum Royalty Rates:**

|                                                                             |              |
|-----------------------------------------------------------------------------|--------------|
| \$7.00 per acre or fraction thereof for water depths less than 200 meters:  | 2,295 blocks |
| \$11.00 per acre or fraction thereof for water depths 200 meters or deeper: | 1,578 blocks |

**Royalty Rates:**

|                                          |              |
|------------------------------------------|--------------|
| 18.75% royalty rate in all water depths: | 3,873 blocks |
|------------------------------------------|--------------|

**Royalty Suspension Areas:**

|                                           |              |
|-------------------------------------------|--------------|
| 0 to less than 400 meters of water depth: | 2,465 blocks |
|-------------------------------------------|--------------|

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For more information on the WPA Sale 229 Final NOS Package, potential bidders are advised to contact Mr. Carrol Williams at (504) 736-2803, Ms. Cindy Thibodeaux at (504) 736-2809 or Ms. Kasey Couture at (504) 736-2909 of the BOEM GOM OCS Region Leasing and Financial Responsibility Section.

**Gulf of Mexico Region Public Information Office  
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