

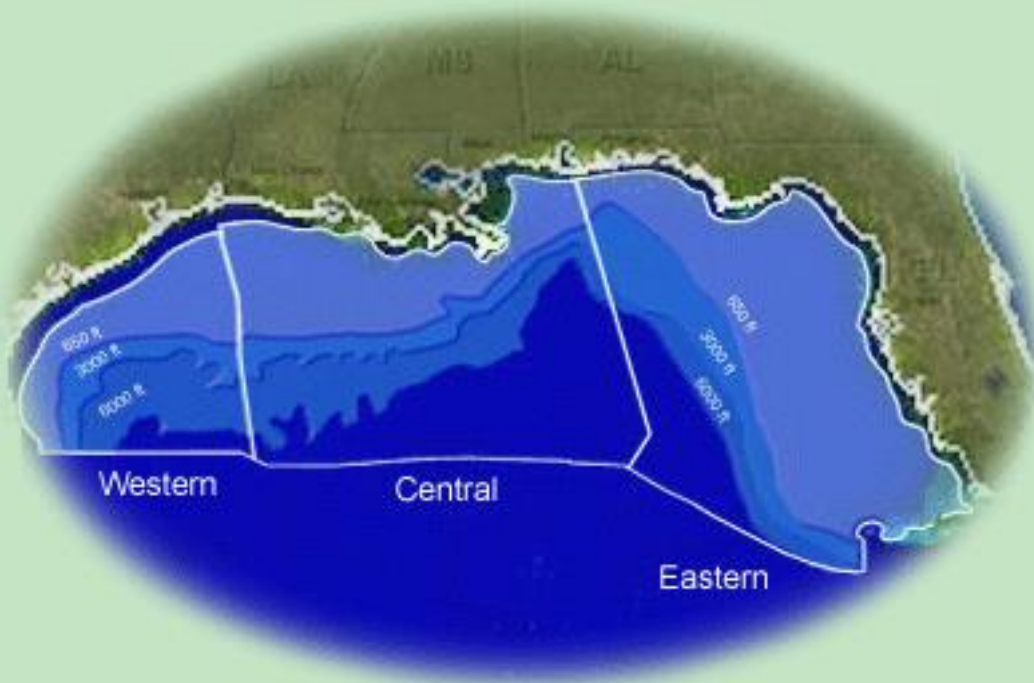
U.S. Department of the Interior



BUREAU OF OCEAN ENERGY MANAGEMENT

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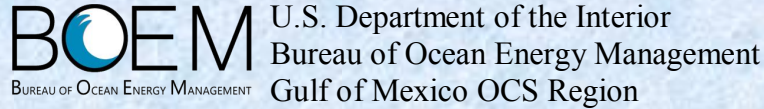
**Proposed Notice of Sale Package  
Eastern Gulf of Mexico Planning Area (EPA)  
Outer Continental Shelf (OCS)  
Oil and Gas Lease Sale 226**



**Wednesday, March 23, 2016  
New Orleans, Louisiana**



# Leasing Activities Information



## PROPOSED NOTICE OF SALE 226 Eastern Planning Area

Attached is the Proposed Notice of Sale Package (Proposed NOS Package) for the Eastern Gulf of Mexico Planning Area Oil and Gas Lease Sale 226 (EPA Sale 226), proposed to be held on Wednesday, March 23, 2016, at location in New Orleans, Louisiana.



This Proposed NOS Package consists of:

- [Proposed NOS for EPA Sale 226](#)
- [Lease Stipulations](#)
- [Information to Lessees](#)
- [Example of Preferred Format - Geophysical Data and Information Statement and Sample Envelope](#)
- [Lease Terms, Financial Conditions, and Stipulations Map](#)

All of these documents can be found on the Lease Sale Information page on the BOEM Gulf of Mexico website at [www.boem.gov/sale-226/](http://www.boem.gov/sale-226/). Hard copies of the maps that are a part of this Proposed NOS Package will be provided upon written request to the address below.

Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region  
Public Information Office (GM 217G)  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394  
Phone: (800) 200-GULF or (504) 736-2519

The Final Notice of Sale 226 Package (Final NOS Package) is scheduled to be available in early February 2016. The Final NOS Package 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 Sample Envelope
- Telephone Numbers/Addresses of Bidders Form

Terms and conditions for EPA Sale 226 are generally the same as for EPA Sale 225, which was held in March 2014. The following noteworthy matters are **highlighted** for special attention:

**Notice of Change to Bid Adequacy Review Procedures**

Please note that BOEM has made a change to the current Bid Adequacy Procedures for ensuring receipt of Fair Market Value on OCS oil and gas leases. BOEM has removed the Number of Bids Rule for determining the acceptance of a tract’s high bid in Phase 1 of the bid adequacy process. For more information, bidders are advised to refer to the EPA Sale 226 Proposed Notice of Sale portion of the Package.

**Updated Electronic Funds Transfer Instructions**

Bidders are advised that the Electronic Funds Transfer instructions have been updated; bidders should further note important payment information on the new Office of Natural Resources Revenue Payment Information webpage at <http://onrr.gov/ReportPay/payments.htm>. Bidders should refer to the following website for more information at <http://www.boem.gov/sale-226>.

**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 that submits a bid on a block in WPA Sale 246, or participates 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 any Controlled Source Electromagnetic, Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block. **Bidders may submit the GDIS Information Table on a CD or Digital Video Disc as an Excel Spreadsheet.**

**Information To Lessees**

Bidders are advised to refer to the EPA Sale 226 Information to Lessees (ITL) portion of this Proposed NOS Package for changes in the information clauses as of the last EPA sale.

**Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment**

Bidders and lessees are advised to refer to the EPA Sale 226 ITL, paragraph (i), portion of the Proposed NOS Package. This ITL clause reminds industry of the regulatory requirement to notify BOEM of any conviction that may result in a suspension or debarment, or both, prohibiting bidders from entering into a contract with the United States.

**Updated Military Warning and Water Test Areas Notice to Lessees and Operators**

Bidders are advised to refer to the latest Notice to Lessees and Operators (NTL), 2014-G04, “Military Warning and Water Test Areas,” dated June 1, 2014, which can be found at <http://www.boem.gov/BOEM-NTL-No-2014-G04>. This updated NTL replaces the previous NTL, 2009-G06, dated April 22, 2009.



**Blocks Not Offered for Lease:**

All whole or partial blocks in the EPA deferred by GOMESA.

**Statistical Information (EPA Sale 226):**

**Approximate Size:** 162 unleased blocks; 595,475 acres



For more information on this Proposed NOS Package for EPA Sale 226,  
potential bidders are advised to contact

Mr. Carrol Williams at (504) 736-2803, or

Ms. Cindy Thibodeaux at (504) 736-2809,

of the BOEM Gulf of Mexico OCS Region Leasing and Financial Responsibility Section.



**Gulf of Mexico Region Public Information Office**  
**Bureau of Ocean Energy Management**  
**1201 Elmwood Park Boulevard**  
**New Orleans, Louisiana 70123-2394**  
**Telephone: (504) 736-2519 or (800) 200-GULF [4853]**  
BOEM website: <http://www.boem.gov>





**DEPARTMENT OF THE INTERIOR**

**Bureau of Ocean Energy Management (BOEM)**

**Eastern Gulf of Mexico Planning Area (EPA)**

**Outer Continental Shelf (OCS) Oil and Gas**

**Lease Sale 226**

**Proposed Notice of Sale**



**SUMMARY:**

On Wednesday, March 23, 2016, the Bureau of Ocean Energy Management (BOEM) proposes to open and publicly announce bids received for blocks offered in Eastern Planning Area (EPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 226 (EPA Sale 226), in accordance with the provisions of the OCS Lands Act (OCSLA, 43 U.S.C. 1331-1356, as amended) and the implementing regulations issued pursuant thereto (30 CFR parts 550 and 556).



**DATES:**

BOEM proposes to hold EPA Sale 226 at 9:00 a.m. on Wednesday, March 23, 2016, at a site in New Orleans, LA to be determined. All times referred to in this document are Central Time, unless otherwise specified.

**BID SUBMISSION DEADLINE:**

BOEM must receive all sealed bids between 8:00 a.m. and 4:00 p.m. on normal working days, or from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, March 22, 2016, the day before the lease sale. For more information on bid submission, see Section VII, “Bidding Instructions,” of this document.

**ADDRESS:**

Interested parties may obtain a Proposed Notice of Sale (NOS) Package by contacting the BOEM Gulf of Mexico Region at:

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

Or by visiting the BOEM website:

<http://www.boem.gov/Sale-226/>



## **TABLE OF CONTENTS:**

This Proposed NOS includes the following sections:

- I. LEASE SALE AREA
- II. STATUTES AND REGULATIONS
- III. LEASE TERMS AND FINANCIAL 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. DELAY OF SALE
- XII. UPCOMING MILESTONES

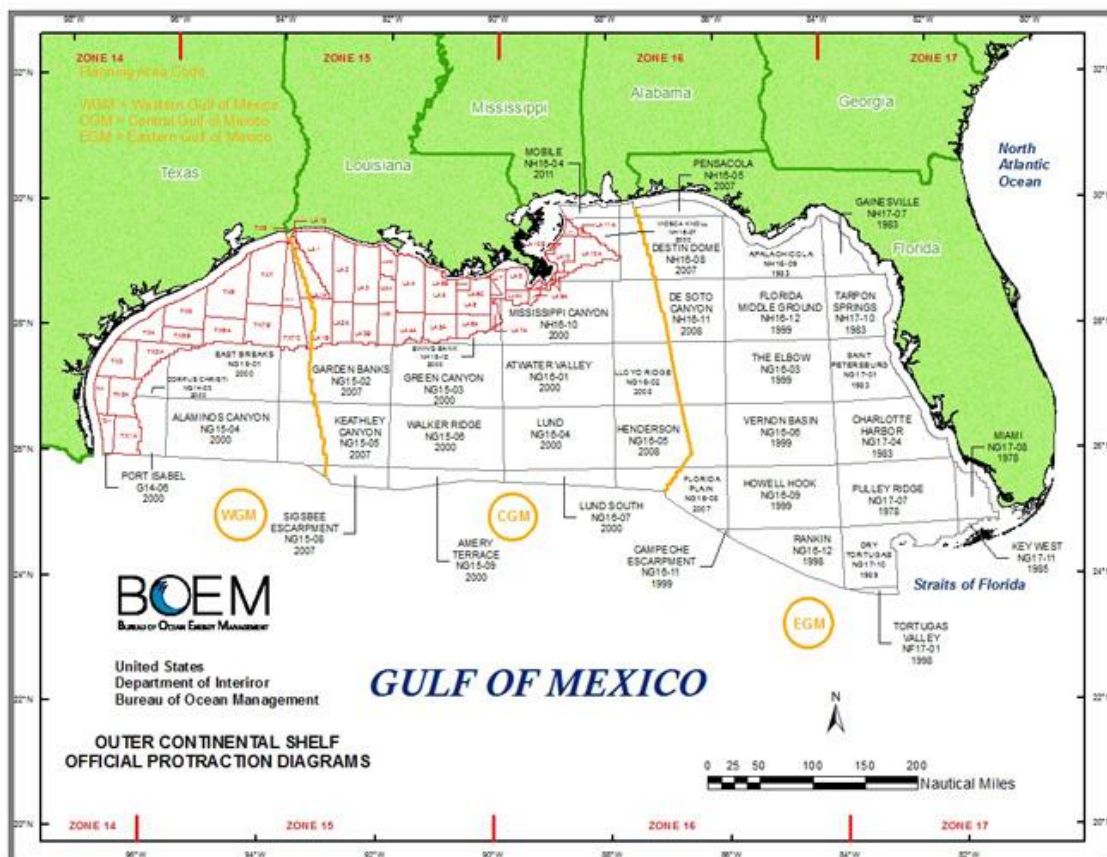
# I. LEASE SALE AREA

**Blocks Offered for Leasing:** BOEM proposes to offer for bid in this sale all of the available unleased whole and partial blocks in the EPA, except for whole and partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006 (GOMESA, P.L. 109-432, Sec. 104).

**Blocks Not Offered for Leasing:** All whole or partial blocks in the EPA deferred by GOMESA.

# II. STATUTES AND REGULATIONS

Each lease is issued pursuant to OCSLA, and is subject to OCSLA, implementing regulations promulgated pursuant thereto, and other applicable statutes and regulations in existence upon the effective date of the lease, as well as those applicable statutes enacted and regulations promulgated thereafter, except to the extent that the after-enacted statutes and regulations explicitly conflict with an express provision of the lease. Each lease also is subject to amendments to statutes and regulations, including, but not limited to, OCSLA, that do not explicitly conflict with an express provision of the lease. The lessee expressly bears the risk that such new or amended 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 obligations under the lease.



### III. LEASE TERMS AND FINANCIAL CONDITIONS

#### Lease Terms

##### OCS Lease Form

BOEM will use Form BOEM-2005 (October 2011) to convey leases issued as a result of this sale. This lease form may be viewed on the BOEM website at

<http://www.boem.gov/BOEM-2005/>

The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to each individual lease. The terms, conditions, and stipulations applicable to this sale are set forth below.

##### Initial Periods

Initial periods are summarized in the following table:

<b>Water Depth in Meters</b>	<b>Initial Periods</b>
<b>800 to &lt;1,600</b>	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
<b>1,600+</b>	10 years

(1) The standard initial period for a lease in water depths ranging from 800 to less than 1,600 meters issued as a result of this sale will be 7 years. The lessee will earn an additional 3 years, resulting in 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 Bureau of Safety and Environmental Enforcement (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 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 10-year extended initial period.

(2) The standard initial period for a lease in water depths 1,600 meters or greater issued as a result of this sale will be 10 years.

**Financial Conditions**

**Minimum Bonus Bid Amounts**

- \$100.00 per acre or fraction thereof for all blocks.

BOEM will not accept a bonus bid unless it provides for a cash bonus in the amount equal to, or exceeding, the specified minimum bid of \$100.00 per acre or fraction thereof.

**Rental Rates**

Annual rental rates for all blocks are summarized in the following table:

<b>Rental Rates per Acre or Fraction Thereof</b>		
<b>Water Depth in Meters</b>	<b>Years 1-5</b>	<b>Years 6+</b>
<b>800 +</b>	\$11.00	\$16.00



## Royalty Rate

- 18.75 percent

## Minimum Royalty Rate

- \$11.00 per acre or fraction thereof per year

## IV. LEASE STIPULATIONS

One or more of the following proposed stipulations may be applied to leases issued as a result of this sale. The detailed text of these stipulations is contained in the “Lease Stipulations” section of the Proposed NOS Package.

(1) [Military Areas](#)

(2) [Evacuation](#)

(3) [Coordination](#)

(4) [Protected Species](#)



## 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:

- (a) [Navigation Safety](#)
- (b) [Ordnance Disposal Areas in the EPA](#)
- (c) [Existing and Proposed Artificial Reefs/Rigs-to-Reefs](#)
- (d) [Lightering Zones](#)
- (e) [Military Areas in the EPA](#)
- (f) [Bureau of Safety and Environmental Enforcement \(BSEE\) Inspection and Enforcement of Certain Coast Guard Regulations](#)
- (g) [Air Quality Permits](#)
- (h) [Notice of Arrival on the Outer Continental Shelf](#)
- (i) [Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act](#)
- (j) [Protected Species](#)



# VI. MAPS

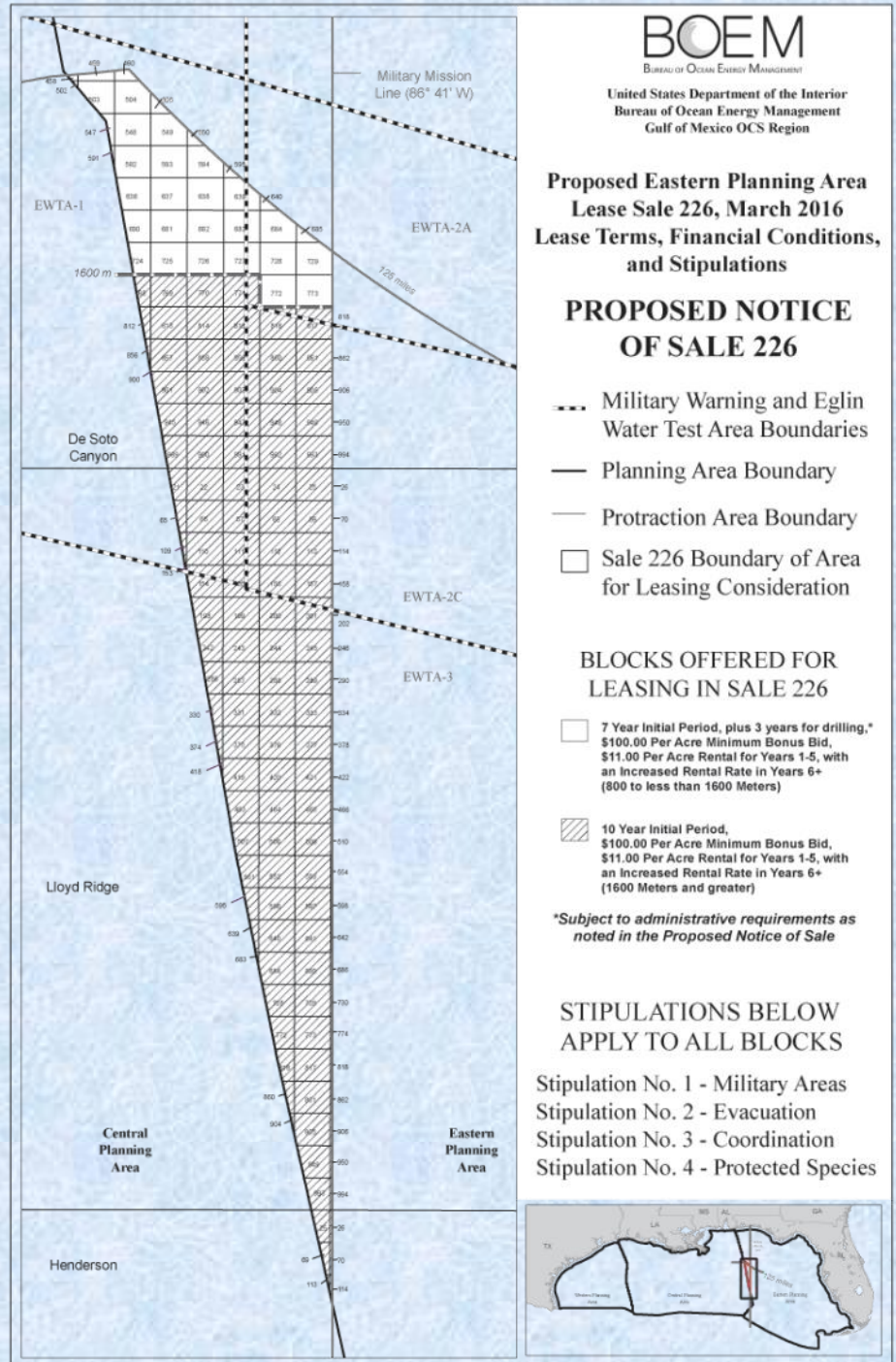
The map pertaining to this lease sale may be found on the BOEM website at:

<http://www.boem.gov/Sale-226/>

The following map is also included in the Proposed NOS Package:

## Lease Terms, Financial Conditions, and Stipulations Map

The lease terms, financial conditions, stipulations, and the blocks to which these terms and conditions apply are shown on the map "Proposed, Eastern Planning Area, Lease Sale 226, March 23, 2016, Lease Terms, Financial Conditions, and Stipulations" included in the Proposed NOS Package.



## VII. BIDDING INSTRUCTIONS

Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if applicable), and what information must be included with the bid are as follows:

### **Bid Form**

For each block bid upon, a separate sealed bid shall be submitted in a sealed envelope (as described below) and must include the following:

- total amount of the bid in whole dollars only;
- sale number;
- sale date;
- each bidder's exact name;
- each bidder's proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent);
- typed name and title, and signature of each bidder's authorized officer;
- each bidder's qualification number;
- map name and number or Official Protraction Diagram (OPD) name and number;
- block number; and
- statement acknowledging that the bidder(s) understand that this bid legally binds the bidder (s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid amount on all apparent high bids.

The information required on the bid(s) will be specified in the document "Bid Form" to be contained in the Final NOS Package. A blank bid form will be provided therein for convenience and may be copied and completed with the necessary information described above.

### **Bid Envelope**

Each bid must be submitted in a separate sealed envelope labeled as follows:

- "Sealed Bid for Oil and Gas Lease Sale 226, not to be opened until 9 a.m. Wednesday, March 23, 2016"
- map name and number or OPD name and number;
- block number for block bid upon; and
- the exact name and qualification number of the submitting bidder only.

The Final NOS Package will include a sample bid envelope for reference.



## **Mailed Bids**

If bids are mailed, please address the envelope containing the sealed bid envelope(s) as follows:

Attention: Leasing and Financial Responsibility Section

BOEM Gulf of Mexico Region

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

**Contains Sealed Bids for EPA Oil and Gas Lease Sale 226**

**Please Deliver to Ms. Cindy Thibodeaux or Mr. Carroll Williams,**

**2<sup>nd</sup> Floor, Immediately**

## **Please Note:**

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Mr. Carroll Williams at (504) 736-2803, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Gulf of Mexico Regional Director (RD) will return those bids unopened to bidders. Please see “Section XI. Delay of Sale” regarding BOEM’s discretion to extend the Bid Submission Deadline in the case of an unexpected event (e.g., flooding or travel restrictions) and how bidders can obtain more information on such extensions.

## **Advance Bonus Bid Deposit**

Bidders that are not currently an OCS oil and gas lease record title holder or designated operator or those that ever have defaulted on a one-fifth bonus bid deposit, by Electronic Funds Transfer (EFT) or otherwise, must guarantee (secure) the payment of the one-fifth bonus bid deposit prior to bid submission using one of the following four methods:

- provide a third-party guarantee;
- amend an areawide development bond via bond rider;
- provide a letter of credit; or
- provide a lump sum payment in advance via EFT.

For more information on EFT procedures, see Section X of this document entitled “The Lease Sale.”

## **Affirmative Action**

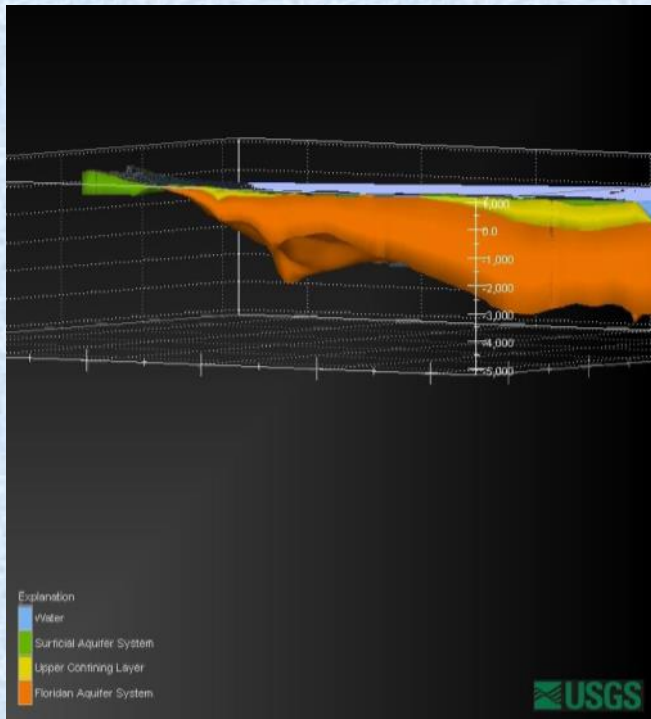
Prior to bidding, each bidder should file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) with the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order No. 11246, issued September 24, 1965, as amended by Executive Order No. 11375, issued October 13, 1967, and by Executive Order 13672, issued July 21, 2014. Both forms must be on file for the bidder(s) in the GOM Region Adjudication Section prior to the execution of any lease contract.



## Geophysical Data and Information Statement (GDIS)

The GDIS is composed of three parts:

- 1) the “Statement” page includes the company representatives’ information and lists of blocks bid on that used proprietary data and those blocks bid on that did not use proprietary data;
- 2) the “Table” listing the required data about each proprietary survey used (see below); and
- 3) the “Maps” being the live trace maps for each survey that are identified in the GDIS statement and table.



Every bidder submitting a bid on a block in EPA Sale 226, or participating as a joint bidder in such a bid, must submit at the time of bid submission all three parts of the GDIS. 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 must be submitted in a separate and sealed envelope, and identify all proprietary data; reprocessed speculative data, and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset (AVO), Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block. The bidder and joint bidder must also include a live trace map (e.g., .pdf and ArcGIS shape file) for each *proprietary* survey that they identify in the GDIS illustrating the actual

areal extent of the *proprietary* geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information). The shape file *should not* include cultural information; only the live trace map of the survey itself.

The GDIS statement must 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 who are available for 30 days after the sale date*. The GDIS statement also must 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 in the bid. The GDIS statement must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

The GDIS table should have columns that clearly state the sale number; the bidder company’s name; the block area and block number bid on; the owner of the original data set (i.e., who initially acquired the data); the industry’s original name of the survey (e.g., E Octopus); the BOEM permit number for the survey; whether the data set is a fast track version; whether the data is speculative or proprietary; the data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth); migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data and areal extent of bidder survey (i.e., number of line miles for 2-D or number of blocks for 3-D). Provide the computer storage size, to the nearest gigabyte, 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, if applicable. The availability of reimbursement of production costs will be determined consistent with 30



CFR 551.13. The next column should state who reprocessed the data (e.g., external company name or “in-house”) and when the date of final reprocessing was completed (month and year). If the data was sent to BOEM for bidding in a previous lease sale, list the date the data was processed (month and year) and indicate if AVO data was used in the evaluation. 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. An example of the preferred format of the table may be found in the Final NOS Package, and a blank digital version of the preferred table may be accessed on the EPA Sale 226 sale webpage at

<http://www.boem.gov/Sale-226/>

The GDIS maps are live trace maps (in .pdf and ArcGIS shape files) that should be submitted for each *proprietary* survey that is identified in the GDIS table. They should illustrate the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information). As previously stated, the shape file *should not* include cultural information; only the live trace map of the survey itself.

Pursuant to 30 CFR 551.12 and 30 CFR 556.32, as a condition of the sale, the BOEM Gulf of Mexico RD requests that all bidders and joint bidders submit the proprietary data identified on their GDIS within 30 days after the lease sale (unless they are notified after the lease sale that BOEM has withdrawn the request). This request only pertains to proprietary data that is not commercially available. Commercially available data is not required to be submitted to BOEM, and reimbursement will not be provided if such data is submitted by a bidder. The BOEM Gulf of Mexico RD will notify bidders and joint bidders of any withdrawal of the request, for all or some of the proprietary data identified on the GDIS, within 15 days of the lease sale. Pursuant to 30 CFR part 551 and as a condition of this sale, all bidders required to submit data must ensure that the data is received by BOEM no later than the 30th day following the lease sale, or the next business day if the submission deadline falls on a weekend or Federal holiday. The data must be submitted to BOEM at the following address:

Bureau of Ocean Energy Management  
Resource Studies, MS 881A  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2304

BOEM recommends that bidders mark the submission’s external envelope as “Deliver Immediately to DASPU.” BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation: “Proprietary Geophysical Data Submitted Pursuant to EPA 226 and used during <Bidder Name’s> evaluation of Block <Block Number>.”

In the event a person supplies any type of data to BOEM, that person must meet the following requirements to qualify for reimbursement:

- (1) Persons must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). Your CCR username will not work in SAM. A new SAM User Account is needed to register or update your entity’s records. The website for registering is <https://www.sam.gov>.
- (2) Persons must be enrolled in the Department of Treasury’s Internet Payment Platform (IPP) for electronic invoicing. The person must enroll in the IPP at <https://www.ipp.gov/>. Access then will 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) Persons must have a current On-line Representations and Certifications Application at <https://www.sam.gov>.



### **GDIS Contacts**

The GDIS Information Table *must be submitted digitally*, preferably as an Excel spreadsheet, on a CD or DVD along with the seismic data map(s). If bidders have any questions, please contact

Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455.

Bidders should refer to Section X of this document, “The Lease Sale: Acceptance, Rejection, or Return of Bids,” regarding a bidder’s failure to comply with the requirements of the Final NOS, including any failure to submit information as required in the Final NOS or Final NOS Package.

### **Telephone Numbers/Addresses of Bidders**

BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The suggested format will be included in the Final NOS Package. The form must not be enclosed inside the sealed bid envelope.

### **Additional Documentation**

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46.

## **VIII. BIDDING RULES AND RESTRICTIONS**

### **Restricted Joint Bidders**

On May 18, 2015, BOEM published the most recent List of Restricted Joint Bidders in the *Federal Register* at 80 FR 28299. Potential bidders are advised to refer to the *Federal Register*, prior to bidding, for the most current List of Restricted Joint Bidders in place at the time of the lease sale. Please refer to the joint bidding provisions at 30 CFR 556.41 for additional restrictions.

### **Authorized Signatures**

All signatories executing documents on behalf of bidder(s) must execute the same in conformance with the BOEM qualification records. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document “Bid Form” to be contained in the Final NOS Package).

### **Unlawful Combination or Intimidation**

BOEM warns bidders against violation of 18 U.S.C. part 1860, prohibiting unlawful combination or intimidation of bidders.

## **Bid Withdrawal**

Bids may be withdrawn only by written request delivered to BOEM prior to the Bid Submission Deadline. The withdrawal request must be on company letterhead and must contain the bidder's name, its BOEM qualification number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The withdrawal request must be executed in conformance with the BOEM qualification records. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and documentation must be on file with BOEM setting forth this authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA (e.g., business charter or articles, incumbency certificate, or power of attorney). The name and title of the authorized signatory must be typed under the signature block on the withdrawal request. The BOEM Gulf of Mexico RD, or the RD's designee, will indicate their approval by signing and dating the withdrawal request.

## **Bid Rounding**

Minimum bonus bid calculations, including rounding, for all blocks will be shown in the document "List of Blocks Available for Leasing," included in the Final NOS Package. The bonus bid amount must be stated in whole dollars. If the acreage of a block contains a decimal figure, then prior to calculating the minimum bonus bid, BOEM will round up to the next whole acre. The appropriate minimum rate per acre will then be applied to the whole (rounded up) acreage. If this calculation results in a fractional dollar amount, the minimum bonus bid will be rounded up to the next whole dollar amount. The bonus bid amount must be greater than or equal to the minimum bonus bid in whole dollars.

## **IX. FORMS**

The Final NOS Package will include instructions, samples, and/or the preferred format for the following items. BOEM strongly encourages bidders to use these formats; should bidders use another format, they are responsible for including all the information specified for each item in the Final NOS Package.

- (1) Bid Form
- (2) Sample Completed Bid
- (3) Sample Bid Envelope
- (4) Sample Bid Mailing Envelope
- (5) Telephone Numbers/Addresses of Bidders Form
- (6) GDIS Form
- (7) GDIS Envelope Form



## **X. THE LEASE SALE**

### **Bid Opening and Reading**

Sealed bids received in response to the Final NOS will be opened at the place, date, and hour specified in the Final NOS. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

### **Bonus Bid Deposit for Apparent High Bids**

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. A copy of the notification of the high bidder's one-fifth bonus bid requirement deposit may be obtained at the 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/Sale-226/> under the heading "Notification of EFT 1/5 Bonus Liability." All payments must be deposited electronically into an interest-bearing account in the U.S. Treasury by 11:00 a.m. Eastern Time the day following the 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 EPA Sale 226, following the detailed instructions contained on the ONRR Payment Information webpage at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and will not be construed as acceptance of any bid on behalf of the United States.

### **Withdrawal of Blocks**

The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

### **Acceptance, Rejection, or Return of Bids**

The United States reserves the right to reject any and all bids. No bid will be accepted, and no lease for any block will be awarded to any bidder, unless:

- (1) the bidder has complied with all requirements of the Final NOS, including those set forth in the documents contained in the Final NOS Package and applicable regulations;
- (2) the bid is the highest valid bid; and
- (3) the amount of the bid has been determined to be adequate by the authorized officer.

Any bid submitted that does not conform to the requirements of the Final NOS and Final NOS Package, OCSLA, or other applicable statute or regulation may be rejected and returned to the bidder. The U.S. Department of Justice and the Federal Trade Commission will review the results of the lease sale for antitrust issues prior to the acceptance of bids and issuance of leases.



## **Bid Adequacy Review Procedures for EPA Sale 226**

To ensure that the U.S. Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM's bid adequacy procedures. A copy of current procedures, "Modifications to the Bid Adequacy Procedures," published at 64 FR 37560 on July 12, 1999, can be obtained from the BOEM Gulf of Mexico Region Public Information Office, or via the BOEM Gulf of Mexico Region website at <http://www.boem.gov/Bid-Adequacy-Procedures.aspx>.

BOEM published a notification in the *Federal Register*, 79 FR 62461-62463 (October 17, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-10-17/pdf/2014-24727.pdf>, proposing the elimination of one of its procedural guidelines for bid acceptance, (referred to as the Number of Bids Rule), from its bid adequacy procedures. BOEM carefully considered the comments submitted in the three letters and met with industry representatives. BOEM believes that none of the submitted comments offered a compelling reason to keep the Number of Bids Rule, suggested a preferable alternative which BOEM had not considered, or indicated that our analysis or rationale was deficient. Therefore, BOEM is announcing in this Proposed NOS that it is removing the Number of Bids Rule from the bid adequacy procedures. This bid adequacy change is effective immediately and will be applied to any bids received for the EPA Sale 226.

## **Lease Award**

BOEM requires each bidder awarded a lease to:

- (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended);
- (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 1218.155 and 556.47(f); and
- (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended.

ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

## **XI. DELAY OF SALE**

The BOEM Gulf of Mexico RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of an event that the BOEM Gulf of Mexico RD deems may interfere with the carrying out of a fair and orderly lease sale process. Such events could include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fires, 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

[www.boem.gov](http://www.boem.gov)

for information regarding any changes.



## **XII. UPCOMING MILESTONES**

After the Governors of the affected States (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 - Land and Minerals Management will make a decision on whether and how to proceed with EPA Sale 226. 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 - Land and Minerals Management decides to proceed with the lease sale, a Final NOS for EPA Sale 226 will be published in the *Federal Register* at least 30 days prior to the date of the public bid reading. The Final NOS Package for EPA Sale 226, containing all lease sale terms and conditions and detailed instructions to bidders, also will be available at that time from the BOEM Gulf of Mexico Region Public Information Office, and on the BOEM website at

<http://www.boem.gov/Sale-226/>.





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# *Leasing Activities Information*

**BOEM** U.S. Department of the Interior  
Bureau of Ocean Energy Management  
Gulf of Mexico Region  
BUREAU OF OCEAN ENERGY MANAGEMENT

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## **LEASE STIPULATIONS**



One or more of 4 lease stipulations will be applied to leases issued as a result of this lease sale on blocks shown on the map “Proposed, Eastern Planning Area, Lease Sale 226, Lease Terms, Financial Conditions, and Stipulations” included in the Proposed NOS Package. In addition, the “List of Blocks Available for Leasing” contained in the Final NOS Package will identify the lease stipulations applicable to each block listed. These lease stipulations are as follows:

[Stipulation No. 1 – Military Areas](#)

[Stipulation No. 2 – Evacuation](#)

[Stipulation No. 3 – Coordination](#)

[Stipulation No. 4 – Protected Species](#)



(Stipulation No. 1 will be included in leases issued as a result of this lease sale, located within the Warning Areas and Eglin Water Test Areas 1, 2, and 3 as shown on the map “Proposed, Eastern Planning Area, March 23, 2016, Lease Sale 226, Lease Terms, Financial Conditions, and Stipulations” included in the Proposed NOS Package.)

## **Stipulation No. 1 – Military Areas**

### **A. Hold and Save Harmless**

Whether compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property that occur in, on, or above the Outer Continental Shelf (OCS), and to any persons or property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by the lessee in, on, or above the OCS, if such injury or damage to such person or property occurs by reason of the activities of any agency of the United States (U.S.) Government, its contractors or subcontractors, or any of its officers, agents, or employees, being conducted as a part of, or in connection with, the programs and activities of the command headquarters listed in the following table.

Notwithstanding any limitation of the lessee’s liability in section 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the U.S. Government, its contractors or subcontractors, or any of its officers, agents, or employees. The lessee further agrees to indemnify and save harmless the U.S. Government against all claims for loss, damage, or injury sustained by the lessee, or to indemnify and save harmless the U.S. Government against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the U.S. Government, its contractors, or subcontractors, or any of its officers, agents, or employees, and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

### **B. Electromagnetic Emissions**

The lessee agrees to control its own electromagnetic emissions and those of its agents, employees, invitees, independent contractors, or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the command headquarters listed in the following table to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities conducted within individual designated warning areas. Necessary monitoring control and coordination with the lessee, its agents, employees, invitees, independent contractors, or subcontractors will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area, provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors, or subcontractors and onshore facilities.

## C. Operational

The lessee, when operating, or causing to be operated on its behalf, a boat, ship, or aircraft traffic into the individual designated warning areas shall enter into an agreement with the commander of the individual command headquarters shown in the following list, upon utilizing an individual designated warning area prior to commencing such traffic. Such an agreement will provide for positive control of boats, ships, and aircraft operating into the warning areas at all times.

### Warning and Water Test Areas

Eglin Water Test Areas 1, 2, and 3

### Command Headquarters

Air Armament Center

Attention: 96 Test Wing Technical Advisor  
96 TW/CZ

101 West "D" Avenue, Suite 227

Eglin AFB, Florida 32542-5492

Telephone: (850) 882-5622

(Stipulation No. 2 will be included only in leases issued as a result of this lease sale, located in the Eastern Planning Area, as shown on the map “Proposed, Eastern Planning Area, Lease Sale 225, March 19, 2014, Lease Terms, Financial Conditions, and Stipulations ” included in the Proposed NOS Package.)

### **Stipulation No. 2 – Evacuation**

- A. The lessee, recognizing that oil and gas resource exploration, exploitation, development, production, abandonment, and site cleanup operations on the leased area of submerged lands may occasionally interfere with tactical military operations, hereby recognizes and agrees that the United States reserves and has the right to temporarily suspend operations and/or require evacuation on this lease in the interest of national security. Such suspensions are considered unlikely in this area. Every effort will be made by the appropriate military agency to provide as much advance notice as possible of the need to suspend operations and/or evacuate. Advance notice of fourteen (14) days will normally be given before requiring a suspension or evacuation, but in no event will the notice be less than four (4) days. Temporary suspension of operations may include the evacuation of personnel and appropriate sheltering of personnel not evacuated. Appropriate shelter means the protection of all lessee personnel for the entire duration of any Department of Defense activity from flying or falling objects or substances; it will be implemented by a written order from the Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico Region, Regional Supervisor for field operations (RSFO), after consultation with the appropriate command headquarters or other appropriate military agency or higher authority. The appropriate command headquarters, military agency, or higher authority will provide information to allow the lessee to assess the degree of risk to, and provide sufficient protection for, the lessee’s personnel and property. Such suspensions or evacuations for national security reasons normally will not exceed seventy-two (72) hours; however, any such suspension may be extended by order of the RSFO. During such periods, equipment may remain in place, but all production, if any, must cease for the duration of the temporary suspension if the RSFO so directs. Upon cessation of any temporary suspension, the RSFO will immediately notify the lessee that such suspension has terminated and operations on the leased area can resume.
- B. The lessee must inform BSEE of the persons/offices to be notified to implement the terms of this stipulation.
- C. The lessee is encouraged to establish and maintain early contact and coordination with the appropriate command headquarters in order to avoid or minimize the effects of conflicts with potentially hazardous military operations.
- D. The lessee is not entitled to reimbursement for any costs or expenses associated with the suspension of operations or activities or the evacuation of property or personnel in fulfillment of the military mission in accordance with subsections A through C above.
- E. Notwithstanding subsection D, the lessee reserves the right to seek reimbursement from appropriate parties for the suspension of operations or activities, or the evacuation of property or personnel, associated with conflicting commercial operations.



(Stipulation No. 3 will be included only in leases issued as a result of this lease sale, located in the Eastern Planning Area, as shown on the map “Proposed, Eastern Planning Area, Lease Sale 225, March 19, 2014, Lease Terms, Financial Conditions, and Stipulations ” included in the Proposed NOS Package.)

### **Stipulation No. 3 – Coordination**

- A. The placement, location, and planned periods of operation of surface structures on this lease during the exploration stage are subject to approval by the Bureau of Ocean Energy Management, Regional Director (BOEM RD) after the review of an operator’s exploration plan (EP). Prior to approval of the EP, the lessee must consult with the appropriate command headquarters regarding the location, density, and planned periods of operation of such structures, and to maximize exploration while minimizing conflicts with Department of Defense activities. When determined necessary by the appropriate command headquarters, the lessee will enter into a formal Operating Agreement with such command headquarters, which delineates the specific requirements and operating parameters for the lessee’s activities in accordance with the military stipulation clauses contained herein. If it is determined that the operations will result in interference with scheduled military missions in such a manner as to possibly jeopardize national defense or to pose unacceptable risks to life and property, then the BOEM RD may approve the EP with conditions, disapprove it, or require modification in accordance with 30 CFR part 550. The BOEM RD will notify the lessee in writing of the conditions associated with plan approval, or the reason(s) for disapproval or required modifications. Moreover, if there is a serious threat of harm or damage to life or property, or if it is in the interest of national security or defense, pending or approved operations may be suspended or halted in accordance with 30 CFR part 250. Such a suspension will extend the term of a lease by an amount equal to the length of the suspension. The Bureau of Safety and Environmental Enforcement, Regional Director (BSEE RD) will attempt to minimize such suspensions within the confines of related military requirements. It is recognized that the issuance of a lease conveys the right to the lessee, as provided in section 8(b)(4) of the Outer Continental Shelf Lands Act, 43 U.S.C. 1337(b) (4), to engage in exploration, development, and production activities conditioned upon other statutory and regulatory requirements.
- B. The lessee is encouraged to establish and maintain early contact and coordination with the appropriate command headquarters, in order to avoid or minimize the effects of conflicts with potentially hazardous military operations.
- C. If national security interests are likely to be in continuing conflict with an existing operating agreement, EP, Development and Production Plan, or Development Operations Coordination Document, the BSEE RD, in consultation with BOEM, will direct the lessee to modify any existing operating agreement or to enter into a new operating agreement to implement measures to avoid or minimize the identified potential conflicts, subject to the terms and conditions and obligations of the legal requirements of the lease.

(Stipulation No. 4 will be included in all leases issued as a result of this lease sale.)

#### **Stipulation No. 4 - Protected Species**

A. The Endangered Species Act (16 U.S.C. 1531-1544) and the Marine Mammal Protection Act (MMPA) (16 U.S.C. 1361-1423h) are designed to protect threatened and endangered species and marine mammals and apply to activities on the Outer Continental Shelf (OCS). The OCS Lands Act (43 U.S.C. 1331-1356a) provides that the OCS should be made available for expeditious and orderly development subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs (see 43 U.S.C. 1332). The Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) comply with these laws on the OCS.

B. The lessee and its operators must:

- 1) collect and remove flotsam resulting from activities related to exploration, development, and production of this lease;
- 2) post signs in prominent places on all vessels and platforms used as a result of activities related to exploration, development, and production of this lease, and detail the reasons (legal and ecological) why release of debris must be eliminated;
- 3) observe for marine mammals and sea turtles while on vessels, reduce vessel speed to 10 knots or less when assemblages of cetaceans are observed, and maintain a distance of 90 meters or greater from whales, and a distance of 45 meters or greater from small cetaceans and sea turtles;
- 4) employ mitigation measures prescribed by BOEM/BSEE or the National Marine Fisheries Service (NMFS) for all seismic surveys, including the use of an “exclusion zone” based upon the appropriate water depth, ramp-up and shutdown procedures, visual monitoring, and reporting;
- 5) identify important habitats, including designated critical habitat, used by listed species (e.g., sea turtle nesting beaches, piping plover critical habitat), in oil-spill contingency planning and require the strategic placement of oil-spill cleanup equipment to be used only by personnel trained in less-intrusive cleanup techniques on beaches and bay shores; and
- 6) immediately report all sightings and locations of injured or dead protected species (marine mammals and sea turtles) to the appropriate stranding network. If oil and gas industry activity is responsible for the injured or dead animal (e.g., because of a vessel strike), the responsible parties should remain available to assist the stranding network. If the injury or death was caused by a collision with the lessee’s vessel, the lessee must notify BOEM within 24 hours of the strike.

C. BOEM and BSEE issue Notices to Lessees and Operators (NTLs) that more fully describe measures implemented in support of the above-mentioned implementing statutes and regulations, as well as measures identified by the U.S. Fish and Wildlife Service and NMFS arising from, among others, conservation recommendations, rulemakings pursuant to the MMPA, or consultation. The lessee and its operators, personnel, contractors, and subcontractors, while undertaking activities authorized under this lease, must implement and comply with the specific mitigation measures outlined in: (1) NTL No. 2012-JOINT-G01 (Vessel Strike Avoidance and Injured/Dead Protected Species Reporting), (2) NTL No. 2012-JOINT-G02 (Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program), and (3) NTL No. 2012-BSEE-G01 (Marine Trash and Debris Awareness and Elimination). At the lessee's option, the lessee, its operators, personnel, contractors, and subcontractors may comply with the most current measures to protect species in place at the time an activity is undertaken under this lease, including but not limited to new or updated versions of the NTLs identified in this paragraph. The lessee and its operators, personnel, contractors, and subcontractors will be required to comply with the mitigation measures (identified in the above referenced NTLs) and additional measures in the conditions of approvals for their plans or permits.





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# *Leasing Activities Information*

**BOEM** U.S. Department of the Interior  
Bureau of Ocean Energy Management  
Gulf of Mexico Region  
BUREAU OF OCEAN ENERGY MANAGEMENT

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## **INFORMATION TO LESSEES**





This document contains Information to Lessees (ITL) clauses designed to inform potential bidders of select applicable Federal requirements and other information that may be of benefit to bidders participating in this sale.

## **Table of Contents**

- (a) [Navigation Safety](#)
- (b) [Ordnance Disposal Areas in the EPA](#)
- (c) [Existing and Proposed Artificial Reefs/Rigs-to-Reefs](#)
- (d) [Lightering Zones](#)
- (e) [Military Warning Areas in the EPA](#)
- (f) [Bureau of Safety and Environmental Enforcement \(BSEE\) Inspection and Enforcement of Certain Coast Guard Regulations](#)
- (g) [Air Quality Permits](#)
- (h) [Notice of Arrival on the Outer Continental Shelf](#)
- (i) [Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act](#)
- (j) [Protected Species](#)

(a) Navigation Safety. Bidders are advised that operations on certain blocks may be restricted by the designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard (USCG) pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221-1236), as amended, and the Deepwater Port Act of 1974 (33 U.S.C. 1501-1524). Bidders are advised to review the USCG regulations at 33 CFR part 150, including 33 CFR 150.940, "Safety zones for specific deepwater ports," and the Louisiana Offshore Oil Port Safety Zones, included in Appendix A to 33 CFR part 150. Bidders also are advised to review the USCG regulations at 33 CFR part 147, "Safety Zones." These regulations establish a 500-meter (1,640-foot) safety zone around several oil and gas production facilities on the OCS, measured from each point on its outer edge or from its construction site, so as not to interfere with the use of recognized sea lanes essential to navigation. These regulations prevent all vessels from entering or remaining in the safety zones except as follows: (1) an attending vessel, (2) a vessel under 100 feet in length overall not engaged in towing, or (3) a vessel authorized by the Eighth Coast Guard District Commander. These facilities and their locations are specifically identified at 33 CFR part 147.

For additional USCG information, contact Lieutenant Commander James Gatz, Waterways Management Division, Sector New Orleans, 200 Hendee Street, New Orleans, Louisiana 70114, or at (504) 365-2280.

U.S. Army Corps of Engineers (USACE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed on the Outer Continental Shelf (OCS) in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional USACE information, contact Mr. Martin S. Mayer, CEMVN-OD-S, P.O. Box 60267, New Orleans, Louisiana 70160-0267, or at (504) 862-2255.

(b) Ordnance Disposal Areas in the EPA. Bidders are advised prior to the enactment of the Marine Protection, Research, and Sanctuaries Act of 1972, dumping of indeterminable amounts of ordnance occurred off the shores of the United States and in the Gulf of Mexico. As such, exploration and development activities in EPA require precautions commensurate with the potential hazards.

The U.S. Air Force (USAF) has also released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas (EWTAs) 1, 2, and 3. The exact location of the unexploded ordnance is unknown, and lessees are advised that all lease blocks within these water test areas should be considered potentially hazardous for drilling and platform/pipeline placement.

(c) Existing and Proposed Artificial Reefs/Rigs-to-Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas for the GOMR in which reef sites are or may be established for use by the applicable State Rigs-to-Reefs program. Rigs-to-Reefs proposals for reefing oil and gas structures must be accepted by the appropriate State and approved by the Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico Region. The State Artificial Reef program developing a reef site must also obtain a permit from the USACE. Each State's Artificial Reefs/Rigs-to-Reefs program is managed under that State's Artificial Reef Plan. For more information, see the contact information in the table below.



State	Coordinator	Phone	URL
AL	Craig Newton	(251) 861-2882	<a href="http://www.outdooralabama.com/artificial-reefs">http://www.outdooralabama.com/artificial-reefs</a>
FL	Jon Dodrill	(850) 922-4340	<a href="http://myfwc.com/conservation/saltwater/artificial-reefs/ar-program/">http://myfwc.com/conservation/saltwater/artificial-reefs/ar-program/</a>
LA	Mike McDonough	(225) 763-5418	<a href="http://www.wlf.louisiana.gov/fishing/artificial-reef-program">http://www.wlf.louisiana.gov/fishing/artificial-reef-program</a>
MS	James Sanders	(228) 523-4089	<a href="http://www.dmr.ms.gov/marine-fisheries/artificial-reef/74-offshore-reefs">http://www.dmr.ms.gov/marine-fisheries/artificial-reef/74-offshore-reefs</a>
TX	Dale Shively	(512) 389-4686	<a href="http://www.tpwd.state.tx.us/landwater/water/habitats/artificial_reef/">http://www.tpwd.state.tx.us/landwater/water/habitats/artificial_reef/</a>

(d) Lightering Zones. Bidders are advised that the USCG has designated certain areas of the OCS 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 these areas. See 33 CFR 156.300 through 156.330 for the regulations concerning lightering zones. For more information, contact Shelley R. Miller, USCG Attorney Advisor, Eighth District Waterways Management, at (504) 671-2139, or via e-mail to [Shelley.R.Miller@uscg.mil](mailto:Shelley.R.Miller@uscg.mil).

(e) Military Areas in the EPA. Bidders are advised that Stipulation No. 1, Military Areas, found within the document “Lease Stipulations” included in the Proposed NOS Package, will apply to leases in any new areas that may be established by the Federal Aviation Administration (FAA) Air Traffic Organization Policy JO 7400.8W (see below) and any blocks that previously were subject to the stipulation.

The stipulation also applies to the EWTAs established by agreement between the USAF (Eglin Air Force Base) and the FAA. The proposed EPA lease sale area is included in EWTAs 1, 2, and 3.

Military Warning Areas are established in the FAA Air Traffic Organization Policy JO 7400.8W, “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 at <http://www.faa.gov/documentLibrary/media/Order/SUA.pdf>.

The lessee is responsible for establishing and maintaining contact and coordinating with the military commander(s) in any Military Warning Area in which operations, radio communications, or flights are planned during the occupation and development of any leases, including flights that pass through a Military Warning Area to a leased block that is not in a Military Warning Area.

Lessees should establish and maintain contact and coordinate with the appropriate military commander(s), whether or not their lease is subject to a Military Areas Stipulation.

For more information, contact:

Federal Aviation Administration—Airspace Office  
Houston Air Route Traffic Control Center (ARTCC)  
Attention: [Mike McGhee](#)  
16600 John F. Kennedy Boulevard  
Houston, Texas 77032  
Telephone: (281) 230-5563 (mission support/daily schedules)  
Telephone: (281) 230-5520 (airspace and procedures)



For more information, including a map of the Military Warning and Water Test Areas, see BOEM's NTL No. 2014-G04, available from the BOEM Gulf of Mexico Region Public Information Office at the address provided at the end of this document, or see BOEM's website at <http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx>.

(f) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the USCG regulations at 33 CFR part 140 subpart B, "Inspections." These regulations authorize BSEE to perform inspections on fixed OCS facilities engaged in OCS activities and to enforce USCG regulations applicable to those facilities in accordance with 33 CFR subchapter N parts 140-147. For more information, contact

USCG Sector New Orleans  
200 Hendee Street  
New Orleans, Louisiana 70114.

(g) Air Quality Permits. Bidders are advised that section 328(a)(1) of the Clean Air Act requires the USEPA to establish requirements to control air pollution from OCS sources under its jurisdiction. USEPA implementing regulations in 40 CFR part 55 apply to OCS sources in the Gulf of Mexico except those located westward of 87°30'W longitude, which are subject to BOEM regulations at 30 CFR part 550 subparts B and C. Therefore, lessees who plan activity eastward of 87 ° 30' W longitudes must consult with the USEPA.

Bidders are advised to refer to NTL No. 2009-N11, "Air Quality Jurisdiction on the OCS," effective December 4, 2009, located on BOEM's website <http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx>.

For more USEPA information, contact:

Ms. Kelly Fortin, Air Permits  
USEPA, Region 4, APTMD  
61 Forsyth Street SW  
Atlanta, Georgia 30303  
Telephone: (404) 562-9117  
E-mail: [fortin.kelly@epa.gov](mailto:fortin.kelly@epa.gov)

(h) Notice of Arrival on the Outer Continental Shelf. Bidders are advised that the USCG has published a Final Rule on the "Notice of Arrival on the Outer Continental Shelf" (76 FR 2254, January 13, 2011). This Final Rule, effective February 14, 2011, and codified at 33 CFR 146.405, implements provisions of the Security and Accountability for Every Port Act of 2006 and requires owners or operators of U.S. and foreign flag floating facilities, Mobile Offshore Drilling Units, and vessels to submit notice of arrival information to the National Vessel Movement Center (<http://www.nvmc.uscg.gov/NVMC/default.aspx>) prior to engaging in OCS activities (33 CFR part 146). Since publication of the Final Rule, the Coast Guard and Maritime Transportation Act of 2012 (Pub. L. No. 112-213) was signed into law by the President of the United States on December 20, 2012, and mandates that "the regulations required under section 109(a) of the Security and Accountability For



Every Port Act of 2006 (33 U.S.C. 1223 note [Pub. L. No. 109-347, §109]) dealing with notice of arrival requirements for foreign vessels on the Outer Continental Shelf shall not apply to a vessel documented under section 12105 of title 46, United States Code, unless the vessel arrives from a foreign port or place” (Pub. L. No. 112-213, §704). For more information, contact:

[LCDR Mike Lendvay](#)

CVC-2 Port State Control Oversight

Telephone: (202) 372-1218

[Michael.D.Lendvay@uscg.mil](mailto:Michael.D.Lendvay@uscg.mil)

(i) Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act.

*A. Information Bidders/Lesseees Must Provide to BOEM Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment:* Under 2 CFR 180.335, before submitting a bid, bidders/lessees must notify BOEM in writing if they know that they (including any principals as defined in 2 CFR 180.995):

- Are presently excluded or disqualified from entering into a transaction with a Federal agency;
- Have been convicted within the preceding three years of any of the offenses listed in 2 CFR 180.800(a), or had a civil judgment rendered against them for one of those offenses within that time period;
- Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in [2 CFR] 180.800(a); or
- Have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

Under 2 CFR 180.350, after obtaining a lease, bidders/lessees must notify BOEM in writing if they learn that:

- They failed to disclose information earlier, as required by 2 CFR 180.335; or
- Due to changed circumstances, they or any of the principals for the transaction now meet any of the criteria in [2 CFR] 180.335.

*B. Effect of a Conviction Under the Clean Air Act or the Clean Water Act on Bidders/Lesseees:* Under 2 CFR 1532.1110, bidders/lessees (including any principals as defined in 2 CFR 1532.995) who are convicted of any offense described in 2 CFR 1532.1105 are automatically disqualified from eligibility to receive any lease by award or assignment (i.e., a covered transaction under subpart A through I of 2 CFR part 180, or prohibited awards under 48 CFR part 9, subpart 9.4), if they:

- Will perform any part of the transaction or award at the facility giving rise to their conviction (called the violating facility); and
- They own, lease, or supervise the violating facility.



**NOTE:** A conviction under 2 CFR 1532.1105, automatically disqualifying bidders/lessees from eligibility as described in 2 CFR 1532.1110 set forth in “B” above, triggers the notice requirements in 2 CFR 180.335 and 180.350 set forth in “A” above.

(j) Protected Species. Bidders should be advised that BOEM is including in the Proposed NOS Package a lease stipulation to address activities that may have an impact on species afforded special protection under the law, including, but not limited to, the Endangered Species Act (ESA) and the Marine Mammals Protection Act (MMPA) (see Stipulation 4: Protected Species in the Proposed NOS Package). As noted in the Proposed NOS Package, this lease stipulation is proposed to apply to all lease blocks that may be made available in EPA Sale 226. The purpose of the stipulation is to ensure that the lessees acknowledge and agree that they will be required to implement measures designed to reduce or avoid potential impacts on these protected species during post-lease activities. As new species are listed for protection and as new measures and mitigations are identified to protect such species in the future (e.g., through ongoing or future consultations under the ESA or authorizations issued under the MMPA), BOEM and BSEE may condition approvals of plans and permits on implementation of the most current measures and mitigations in place at the time. Potential bidders should be aware that BOEM and BSEE are currently engaged in consultations under the ESA with the USFWS and the National Marine Fisheries Service (NMFS), which are expected to result in the issuance of biological opinions and related terms and conditions for the protection of these species. BOEM and BSEE are also petitioning NMFS for rulemaking under the MMPA that may result in additional mitigations for protected marine mammals.

**Gulf of Mexico Region Public Information Office**

**Bureau of Ocean Energy Management**

**1201 Elmwood Park Boulevard**

**New Orleans, Louisiana 70123-2394**

**Telephone: (504) 736-2519 or (800) 200-GULF**

**BOEM Gulf of Mexico Region website at**

<http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx>



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# ***Leasing Activities Information***



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# **GEOPHYSICAL DATA AND INFORMATION STATEMENT (GDIS) EXAMPLE OF PREFERRED FORMAT**



**EXAMPLE OF PREFERRED FORMAT**  
**GEOPHYSICAL DATA AND INFORMATION STATEMENT (GDIS)**

1. If you have any questions concerning the GDIS, please contact Dee Smith at (504)-736-2706 or John Johnson at (504)-736-2455.
2. Complete the GDIS form by:
  - a. Providing contact information;
  - b. Checking Option A and/or Option B;
  - c. Identifying the Area/Block(s) for the Option chosen;
  - d. Having a company official sign the document; and
  - e. Submitting the document to the Bureau of Ocean Energy Management (BOEM).
3. For all blocks listed, identify each survey (Proprietary and Reprocessed Speculative) that was used to evaluate the Sale block(s) in the attached example spreadsheet and provide the requested metadata.

<b>Primary Company Contact</b>	<b>Alternate Company Contact</b>
<b>Name:</b>	<b>Name:</b>
<b>Title:</b>	<b>Title:</b>
<b>Company Name:</b>	<b>Company Name:</b>
<b>Street Address:</b>	<b>Street Address:</b>
<b>City:</b> <b>State:</b>	<b>City:</b> <b>State:</b>
<b>Zip Code:</b>	<b>Zip Code:</b>
<b>Phone Number:</b>	<b>Phone Number:</b>
<b>Email:</b>	<b>Email:</b>

\_\_\_ A. (Company Name and BOEM Qualification Number) used proprietary data, reprocessed speculative data and/or any CSEM, Gravity or Magnetic data to evaluate the following block(s) bid upon in OCS Lease Sale Number \_\_\_\_\_

AREA/BLOCK: \_\_\_\_\_

\_\_\_ B. (Company Name and BOEM Qualification Number \_\_\_ ) used speculative data to evaluate the following block(s) bid upon in OCS Lease Sale Number. \_\_\_\_\_

AREA/BLOCK: \_\_\_\_\_

**Signature of Company Official**

**Company Address**

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

City: \_\_\_\_\_

Date: \_\_\_\_\_

State/Zip: \_\_\_\_\_



## **GDIS Data And Information Statement Definitions In Order Of Appearance:**

**Primary Company Contact** should be:

1. *knowledgeable about the data sets* identified as used in evaluating the block(s);
2. in a position to provide *additional information* about the data upon BOEM request;
3. able to expedite the delivery of the information/data; and
4. available up to 30 days after the sale date. This individual may be contacted for information in regards to data used and any other pertinent information relating to the evaluation of the Sale block(s) in question.

This includes seismic, CSEM (Controlled Source Electro Magnetic Data), gravity & magnetic, AVO data, etc. This individual may be contacted by BOEM if there is a problem with the submitted GDIS or requested data (e.g., incorrect machine code format, I/O error, etc.).

**Alternate Company Contact** may be contacted if the Primary Company Contact is not available. The Alternate Company Contact should meet the criteria listed in the definition of the Primary Company Contact.

**Area** means the OCS Protraction Area of the block bid upon in the sale.

**Block** means the OCS block bid upon in the sale.

**Company Official** means an individual with signatory authorization on file in the BOEM Gulf of Mexico Region Adjudication Unit qualification records.

**Company Address** means the official physical mailing address including street address, city, state, and zip code of the “Company Official” defined above, or the address where the BOEM data requisition should be sent.

**Example of GDIS Table (Spreadsheet)**

1. The spreadsheet should be filled out with as much information as you know about each survey being listed. If any information is not known, place a dash in that space.
2. The following table must be submitted digitally, preferably as an Excel worksheet on a CD or DVD. While formatting is generally not critical, ALL columns shown below must be included and in the same order.

**NOTE:** A blank example GDIS Table in Excel format is available at the following link: <http://www.boem.gov/Sale-226/>

Block Area	Block Number	Owner of Original Data set (WGC, CGG, etc.)	Original Industry Names (Crystal Wats)	BOEM Permit	Is Data a Fast Track	Is data Proprietary or Speculative	Data type used for sale (2D/3D PSDM, CSEM, Gravity)	Migration Algorithm	Live Survey Coverage (2D miles, 3D Blocks)	Data Size in Giga Bytes	If Data was reprocessed, by whom	Date Final Reprocessing Completed (Mo., Yr.)	If data was sent to BOEM previous to current sale list date	Did you use AVO Data
AC	115	Western	E-Octopus 8	T09-009	Yes	Spec	3D PSDM	RTM	287 blks	80 GB	None	In-progress	N/A	No
EB	590	PGS	Crystal Ph. 3	T09-018	No	Spec	3D PSDM	RTM	110 blks	40 GB	N/A	Nov. 2011	N/A	Yes
EB	734	CGG	EB1	T99-011	No	Prep	3D PSDM	KIRCH	100 blks	32.6 GB	In-house	Jun. 2011	N/A	Yes
KC	244	CGG	GB Waz Ph. 1	T07-021 & L08-083	No	Prep	3D PSDM	VTI RTM	25 blks	13.5 GB	CGG	Nov. 2010	WCD	No



## GDIS Table Definitions in Order of Appearance

**Sale** means the current sale number.

**Bidder Company** is the name of your company.

**Block Area** means the OCS Protraction Area of the block bid upon in the sale.

**Block Number** means the OCS block bid upon in the sale.

**Owner of Original Data** means the company that acquired and processed the original data set. Indicate if the original data is proprietary to your company or if it is a speculative survey purchased from the company who originally acquired and processed the data.

**Original Industry Survey Name** means the name of the original survey.

**Permit Number** means the OCS permit number assigned by BOEM when the original survey was first acquired. *This number can be obtained from the data owner.*

**Data Fast Track** means the vendor sent your company a copy of the data before the processing is completed so that you can use the data for the sale.

**Proprietary Data Type** is any data that was solely acquired by an E&P Company or Speculative Data that has become proprietary through reprocessing. Any Speculative data such as 2-D or 3-D, pre-stack or post-stack, time or depth, amplitude with offset (AVO), inversion, CSEM, gravity and magnetic data that has been modified or changed from its original processing would be considered proprietary due to the proprietary processing.

**Speculative Data Type** is data that is available for purchase from a vendor; the original data “right out of the box”.

**Data Type used for sale** means the data description: 2-D or 3-D, pre-stack or post-stack, time or depth, amplitude with offset (AVO), inversion, CSEM (Controlled Source Electro Magnetic Data), gravity, etc. that was used for the sale.

**Migration Algorithm Used for sale** means the type of migration (e.g., Kirchhoff, beam, wave equation, reverse time migration, etc.) used for the sale.

**Live Survey Coverage** means the number of line miles of 2D or the number of blocks of 3D data that comprise the data set identified.

**Dataset Size in Giga Bytes** refers to the SEG-Y file size in Gigabytes for 32 bit data.



**If Data was reprocessed, by whom (Reprocessing Company)** means the party who reprocessed the data set identified under Data Type. *If the data was reprocessed internally, please answer "In-House."* *If the data was reprocessed by an outside vendor, please name the company that reprocessed the data.* Additionally, **Reprocessing** is the alteration of the original seismic data to suppress noise, enhance signal and migrate seismic events to the appropriate location in space. Other types of data may also be reprocessed including gravity, magnetics, CSEM (Controlled Source Electro Magnetic Data), etc., to improve the data quality. **Reprocessed Data** refers to the final version of the reprocessed data used in evaluation for OCS block(s) bid upon.

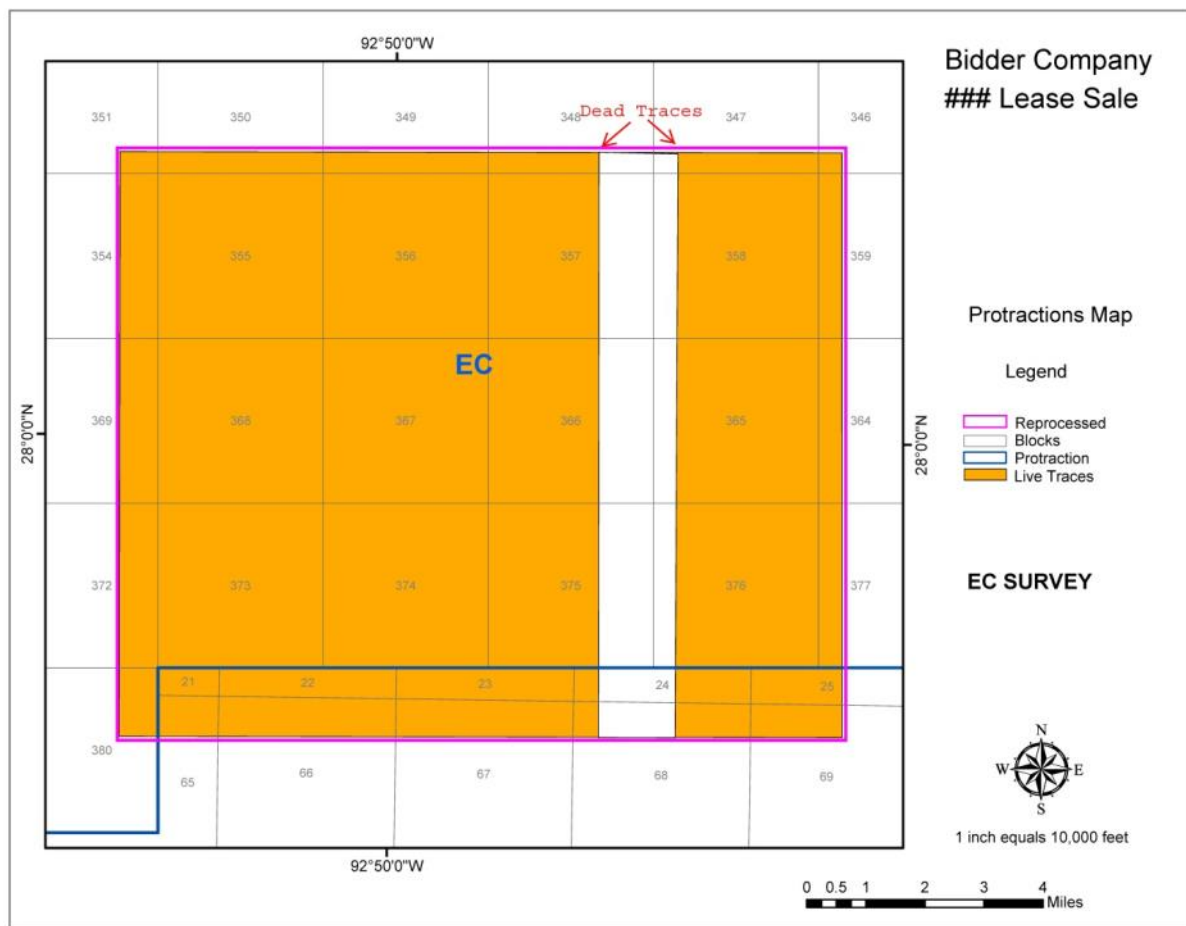
**Date Reprocessing Completed** (MO, YR) this means the month and year that the reprocessing was completed. If the month is not known list the year.

**Data Sent to BOEM** means BOEM has an identical copy of data used in the geophysical evaluation of the current lease block. Please indicate the date of transfer to BOEM and the associated sale number. Data may also have been sent to BOEM for a WCD or for the express purpose of re-evaluating reserves calculations.

**Did you use AVO data means** did you use Amplitude Versus Offset stacks during the evaluation of the blocks bid upon. AVO is the seismic reflection amplitude as a function of incidence angle.

## Submittal of Reprocessed Data Survey Map

Example Seismic Survey Live Trace Map:



1. The reprocessed seismic data survey map should be submitted in the two preferred formats listed below:
  - a. PDF format: The map should be of such a scale that the protraction areas, blocks and block numbers are visible
  - b. ArcGIS Shape File: The shape file should include protractions areas, blocks and block numbers. The datum should be NAD1927. The map should not be projected; use latitudes and longitudes.



## Submittal of Reprocessed Seismic Data

1. When submitting seismic data to BOEM, the following deliverables and formats are expected for 3D seismic data:
  - a. Three-dimensional final processed and migrated seismic volume(s) recorded on LT05, LT04, LT03, LT02, Super DLT Tape 2, USB External Hard Drive (formatted ext2 or ext3 Linux format) or DVD media in SEG-Y standard exchange format.
  - b. Digital bin-centered data of final locations associated with the survey(s) (first and last bin-centered points for each line) recorded on CD-ROM(s) and displayed in UK00A format (NAD 27 projection).
  - c. A digital copy of the processing sequences that were applied to the data, along with a digital basemap image of the seismic coverage on a CD or DVD.
  - d. Digital copies of SEG-Y byte positions for the three-dimensional digital data. Listings of the seismic lines on each data tape. Digital copies of workstations loading parameters for the data set, including survey azimuth, in-line spacing, trace or CDP spacing, sample rate, record length and the latitude, longitude (both in NAD 27 projection), line number, trace number for each corner position, (upper left, lower left, upper right, and lower right) recorded on CD-ROM.
  - e. The velocity model(s) used to generate the above depth-migrated data set(s) recorded on LT05, LT04, LT03, LT02, Super DLT Tape 2, USB External Hard Drive (formatted ext2 or ext3 Linux format) or DVD media in SEG-Y standard exchange format.
  
2. As stated in the NOS:
  - a. The data should be submitted to BOEM at the following address:

Bureau of Ocean Energy Management  
Resource Studies, GM 881A  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2304
  - b. BOEM recommends that you mark the submission's external envelope as "Deliver Immediately to DASPU."
  - c. BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation "Proprietary Geophysical Data Submitted Pursuant to Lease Sale <Sale Number> and used during <Bidder Name's> evaluation of Block <Block Number>."

**GDIS Envelopes**

Geophysical Data and Information Statement for Oil and Gas Lease Sale 226  
Company Name

GOM Company Qualification Number #####

Proprietary Data





