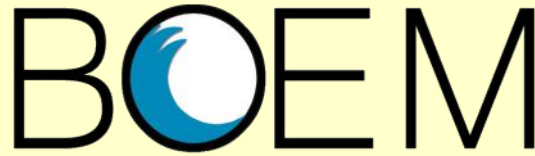
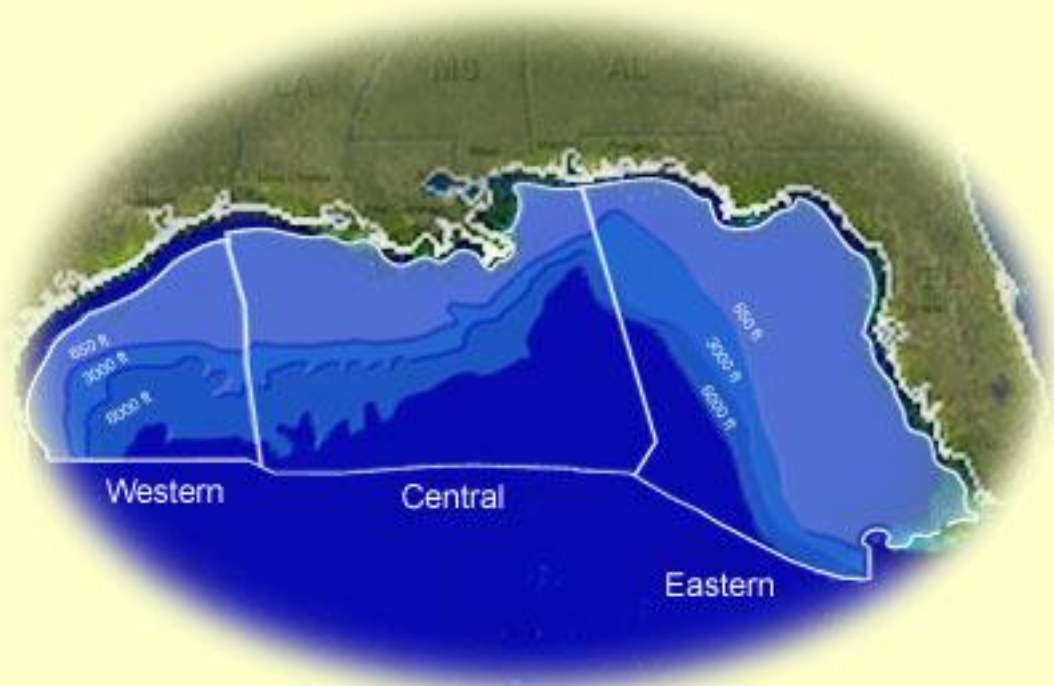


U.S. Department of the Interior



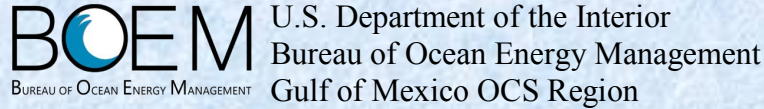
BUREAU OF OCEAN ENERGY MANAGEMENT

**Proposed Notice of Sale Package
Central Gulf of Mexico Planning Area (CPA)
Outer Continental Shelf (OCS)
Oil and Gas Lease Sale 231**



**Wednesday, March 19, 2014
Mercedes-Benz Superdome
St. Charles Club Room,
Second Floor (Loge Level)
New Orleans, Louisiana**

Leasing Activities Information



PROPOSED NOTICE OF SALE 231 Central Planning Area

Attached is the Proposed Notice of Sale (NOS) Package (Proposed NOS Package) for the Central Gulf of Mexico Planning Area Oil and Gas Lease Sale 231 (CPA Sale 231) scheduled to be held at 9 a.m. on Wednesday, March 19, 2014, at the Mercedes-Benz Superdome in New Orleans, Louisiana. All times referred to in this document are local New Orleans times, unless otherwise specified.

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This Proposed NOS Package consists of:

- [CPA Sale 231 Proposed NOS](#)
- [Lease Stipulations](#)
- [Information to Lessees](#)
- [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 may also be found on the Lease Sale Information page on the BOEM Gulf of Mexico website at: <http://www.boem.gov/sale-231/>.

The CPA 231 Final NOS Package is expected to be available in early February, 2014. It will contain final versions of the documents listed above as well as the following:

- List of Blocks Available for Leasing
- Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred
- Bid Form and Envelope
- Telephone Numbers/Addresses of Bidders Form
- Example of Preferred Format - Geophysical Data and Information Statement

Please Note:

Terms and conditions for CPA Sale 231 are generally the same as for CPA Sale 227 in March 2013. The following noteworthy matters are highlighted for your attention:

Deep Gas Royalty Relief Provision

Bidders are advised that the deep gas royalty relief provision has been removed, though the ultra-deep provision remains. BOEM favors the repeal of section 344 of the Energy Policy Act of 2005. The previously offered deep gas royalty relief no longer is required to be offered in this sale, as the sunset provision has expired (effective May 3, 2013).

Updated Electronic Funds Transfer (EFT) Instructions

Bidders are advised that the EFT instructions have been updated. Please refer to the following website for complete information: <http://www.boem.gov/sale-231>.

Geophysical Data and Information Statements

This Proposed NOS Package includes information for bidders regarding the submission of Geophysical Data and Information Statements (GDIS). Every bidder submitting a bid on a block in the CPA Sale 231, 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, or other information used as part of the decision to bid or participate in a bid on the block. **Please note: You may submit the GDIS Information Table digitally on a Compact Disc or Digital Video Disc as an Excel Spreadsheet.**

U.S. and Mexico Treaty

The United States 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 United States and Mexico mutually agreed to extend the Western Gap buffer zone for an additional three years. The treaty provision now remains in effect until January 17, 2014. However, if the Transboundary Agreement negotiated between and signed by the United States and Mexico on February 20, 2012, enters into force, that Agreement will supersede and automatically terminate the prohibition on exploration or development in the 1.4 nautical mile buffer imposed by the continuing treaty provision. Therefore, this 1.4 nautical mile buffer may become available for leasing prior to the proposed sale date. BOEM is including in the proposed lease sale area these blocks in the former Western Gap and 1.4 nautical mile buffer that may become available, should the Transboundary Agreement enter into force before publication of the Final NOS.

U.S.-Mexico Maritime and Continental Shelf Boundary

Bidders are advised to refer to the Proposed NOS for CPA Sale 231 and the Information to Lessees portion of this document, paragraph (q), for detailed information pertaining to bids submitted on blocks in the Boundary Area. Such bids may not be opened on the date scheduled for the sale, but may be opened at a later date. On or before 30 days following execution of the Transboundary Agreement or September 19, 2014, 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.

The following blocks comprise the Boundary Area:

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 Blocks



Stipulation No. 10 - Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

Bidders are advised to refer to the Stipulations portion of this Proposed NOS Package. Stipulation No. 10 notifies bidders that the terms stated in the agreement between Mexico and the United States may apply to some blocks offered in this sale.

New ITL clause, Deepwater Port Applications for the Offshore Liquefied Natural Gas (LNG) Facilities

Bidders are advised the USCG and the Maritime Administration (MARAD) may process applications for the licensing of deepwater ports involving proposed liquefied natural gas (LNG) importation facilities in the GOMR. Bidders are also advised to review relevant deepwater port applications, MARAD records of decision, and port licenses to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships’ routing measures that could prevent or otherwise impact oil and gas operations on and around both existing and proposed deepwater port locations. For more information, see the Information to Lessees section of this Proposed NOS package.

New ITL clause, Gulf Islands National Seashore (GUIS)

Bidders are advised that post-lease plans may be subject to additional review for visual impacts and to determine necessary mitigation. The National Park Service (NPS), Southeast Regional Office, may be consulted during review of post-lease plans. For more information, see the Information to Lessees section of the Proposed NOS package.

New format for the Proposed NOS document

Bidders are advised that the format for the Proposed NOS document has been revised. This Proposed NOS package will be available on the BOEM website at <http://www.boem.gov/sale-231>. Hard copies of the maps that are portion of this Proposed NOS package will be provided upon request. Requests for maps or CDs must be provided to the Public Information Office for the Gulf of Mexico region at the address and phone information provided previously in this document.

Areas Not Offered for Leasing: The following whole and partial blocks are not offered for lease in this sale:

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

Blocks that are deferred until measures to ensure the safety of planned decommissioning operations are completed:

Green Canyon (OPD NG15-03) Block 20

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Statistical Information (CPA Sale 231):

Approximate Size: 7,508 unleased blocks; 39.4 million acres

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For more information on this Proposed 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 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)

Central Gulf of Mexico Planning Area (CPA)

Outer Continental Shelf (OCS) Oil and Gas

Lease Sale 231

Proposed Notice of Sale



SUMMARY:

BOEM proposes to hold CPA Sale 231 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 part 556).



DATES:

BOEM proposes to hold CPA Sale 231 at 9:00 a.m. on Wednesday, March 19, 2014, at the Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. All times referred to in this document are local New Orleans times, 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, and from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, March 18, 2014, 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-231/>

TABLE OF CONTENTS:

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. DELAY OF SALE
- XII. UPCOMING MILESTONES

Appendix A – Repeal Language for Royalty Suspension
Provisions for CPA Sale 231

I. LEASE SALE AREA

Areas Offered for Leasing:

BOEM proposes to offer for lease in this sale all of the available unleased whole and partial blocks in the CPA, except those listed in “Areas Not Offered for Leasing.”

Areas Not Offered for Leasing:

The following whole and partial blocks are not offered for lease in this sale:

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

Areas Not Offered for Leasing:

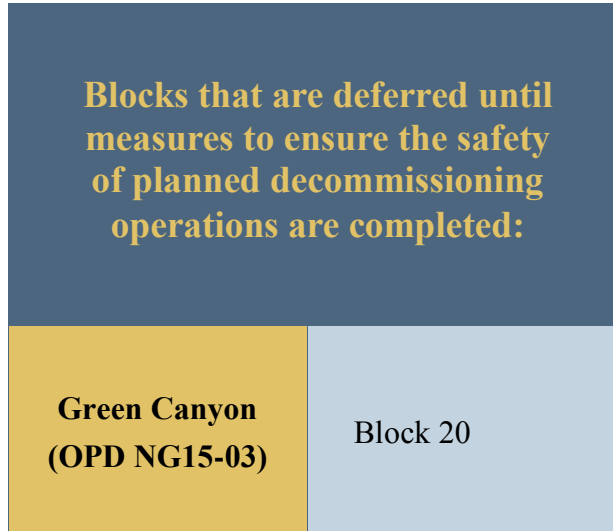
Continued —

**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

Areas Not Offered for Leasing:

Continued —



Please Note: Blocks that lie within the former Western Gap and within 1.4 nautical miles north of the Continental Shelf Boundary (1.4-nautical mile buffer) between the United States and Mexico.

After extensive negotiations, the United States and Mexico exchanged instruments of ratification in January 2001, and a Continental Shelf Boundary treaty entered into force in the Western Gap area of the GOM. The treaty states that, at the earliest, exploration or development within 1.4 nautical miles of the Continental Shelf Boundary would occur after January 2011. On June 23, 2010, the United States and Mexico mutually agreed to extend this period for an additional three years. The treaty provision now remains in effect until January 17, 2014. However, if the Transboundary Agreement (described below) negotiated between and signed by the United States and Mexico on February 20, 2012, enters into force, that Agreement will supersede and automatically terminate the prohibition on exploration or development in the 1.4 nautical mile buffer imposed by the continuing treaty provision. Therefore, this 1.4 nautical mile buffer may become available for leasing prior to the proposed sale date. BOEM is including in the proposed lease sale area these blocks in the former Western Gap and 1.4 nautical mile buffer that may become available, should the Transboundary Agreement enter into force before publication of the Final NOS.

If the Transboundary Agreement does not enter into force, the United States and Mexico will be discussing whether to extend the prohibition on exploration and development in the 1.4 nautical mile buffer which is currently due to expire on January 17, 2014. In the event the Transboundary Agreement does not enter into force before a final decision on whether to hold CPA 231 and issuance of the Final NOS, whole blocks and portions of blocks that lie within the former Western Gap area and that lie within the 1.4 nautical mile buffer may be excluded from the lease sale area, consistent with the treaty provision and any extension.

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

The following definitions apply to this section:

“Agreement” refers to the transboundary 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

<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 wholly or partially located within 3 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 entered into force. Bids submitted on any available block in the “Boundary Area” (as defined above) may be segregated from bids submitted on blocks outside the Boundary Area. Bids submitted on available blocks outside the Boundary Area will be opened on the date scheduled for the 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 approval of the Agreement necessary to allow it to enter into force on its terms, or by September 19, 2014, whichever occurs first, the Secretary of the Interior (Secretary) will determine whether to open bids on 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 such blocks may withdraw their bids at any time after such notice up until 10:00 a.m. on the day before bid opening. If BOEM does not give notice within 30 days of approval of the Agreement as described above, or by September 19, 2014, whichever comes first, BOEM will return the bids unopened. This timing will allow potential bidders to make decisions regarding the next annual CPA lease sale (anticipated in March 2015), which also may 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 on blocks in the Boundary Area unless and until the bids are opened.

BOEM currently anticipates that blocks in the Boundary Area that are not awarded leases as a result of CPA Sale 231 will be reoffered in the next CPA lease sale in 2015.

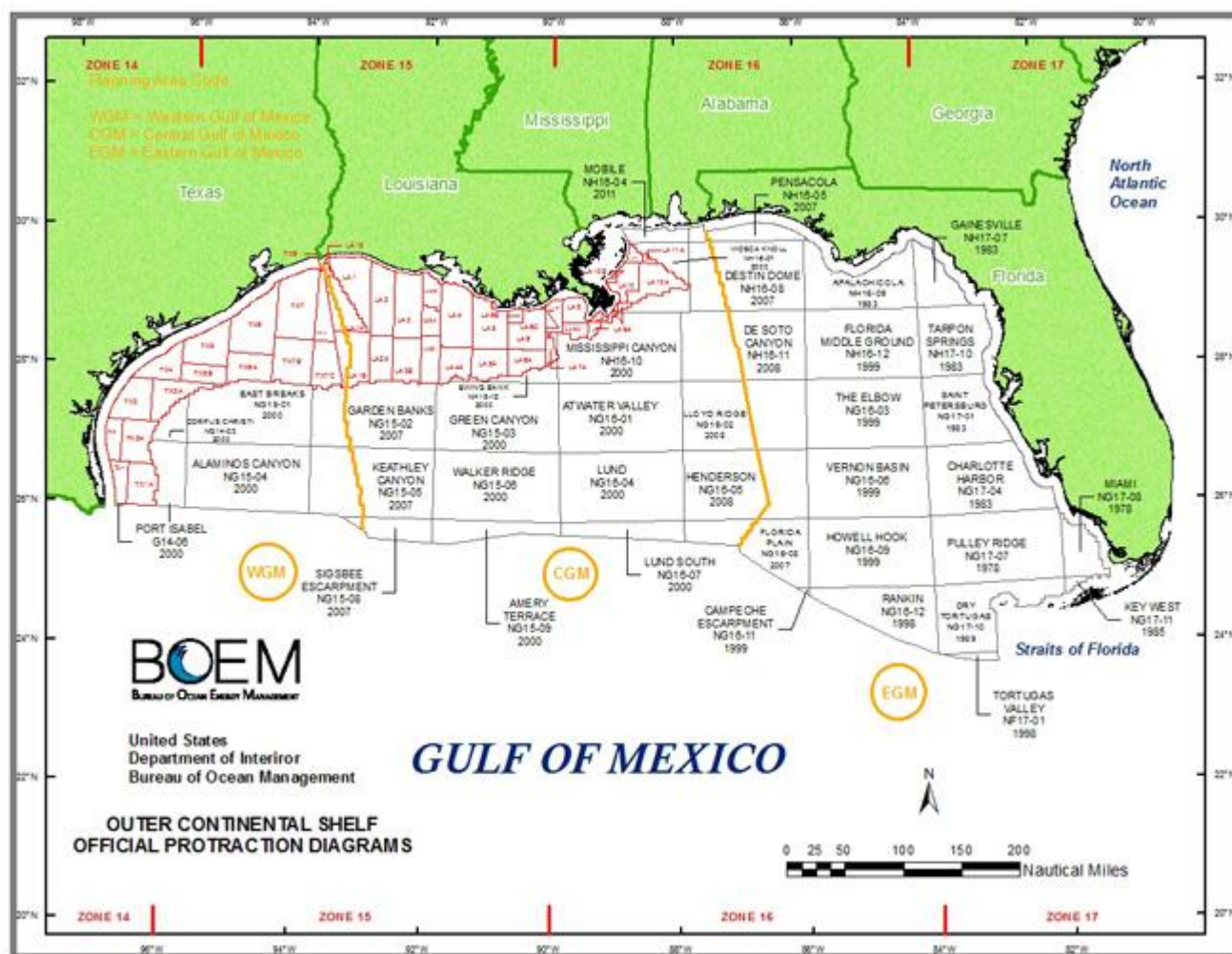
The following whole and partial blocks comprise the entire Boundary Area (not all of which may be available under Proposed CPA Sale 231):

<p>Sigsbee Escarpment</p>	<p>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</p>
<p>Amery Terrace</p>	<p>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</p>
<p>Lund South</p>	<p>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</p>

* = Leased

II. STATUTES AND REGULATIONS

Each lease is issued pursuant 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. 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, that 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-2005.aspx>

The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to the individual lease.

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 targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) during the first 5 years of the lease
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 less than 400 meters issued as a result of this sale is 5 years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first 5 years of the lease, then the lessee may earn an additional 3 years, resulting in an 8-year extended initial period. The lessee will earn the 8-year extended initial period when 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) GOM Regional Supervisor for Production and Development, 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, mechanical, or other problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The BSEE Gulf of Mexico Regional Supervisor for Production and Development must concur in writing that the conditions have been met for the lessee to earn the 8-year extended initial period. The BSEE Gulf of Mexico Regional Supervisor for Production and Development will provide a written response within 30 days of receipt of the lessee's letter.

A lessee that has earned the 8-year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the first 5 years of the lease, 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 ranging from 400 to less than 800 meters issued as a result of this sale is 5 years. The lessee will earn an additional 3 years, resulting in 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 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 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 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.

(4) 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.

Economic Conditions

Minimum Bonus Bid Amounts

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

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 \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters, and \$100.00 per acre or fraction thereof for blocks in water depths 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 Water Depths of Less than 400 Meters

Any lessee with a lease in less than 400 meters water depth who earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in less than 400 meters water depth will become fixed and no longer escalate if another well is spudded targeting hydrocarbons below 25,000 feet TVD SS after the fifth year of the lease, 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 Rate

\$7.00 per acre or fraction thereof per year for blocks in water depths less than 200 meters

\$11.00 per acre or fraction thereof per year for blocks in water depths 200 meters or deeper

Royalty Suspension Provisions

Leases with royalty suspension volumes (RSVs) are authorized under existing BOEM regulations at [30 CFR part 560](#). Royalty relief or reduction is implemented by BSEE through regulations at [30 CFR part 203](#).

Ultra-Deep Gas Royalty Suspensions

A lease issued as a result of this sale may be eligible for RSV incentives for ultra-deep wells pursuant to 30 CFR part 203, implementing requirements of the Energy Policy Act of 2005.

Certain wells on leases in less than 400 meters 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.

This RSV incentive is conditioned upon applicable price thresholds set forth in that regulation.

IV. LEASE STIPULATIONS

One or more of the following stipulations may be applied to leases 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) 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) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities
- (11) Ocean Dredged Material Disposal Sites
- (12) Potential Sand Dredging Activities
- (13) Below Seabed Operations
- (14) Commercial Waste Disposal Areas
- (15) Air Quality Permits
- (16) Notice of Arrival on the Outer Continental Shelf
- (17) Bids on Blocks near U.S.-Mexico Maritime and Continental Shelf Boundary
Gulf Islands National Seashore

VI. MAPS

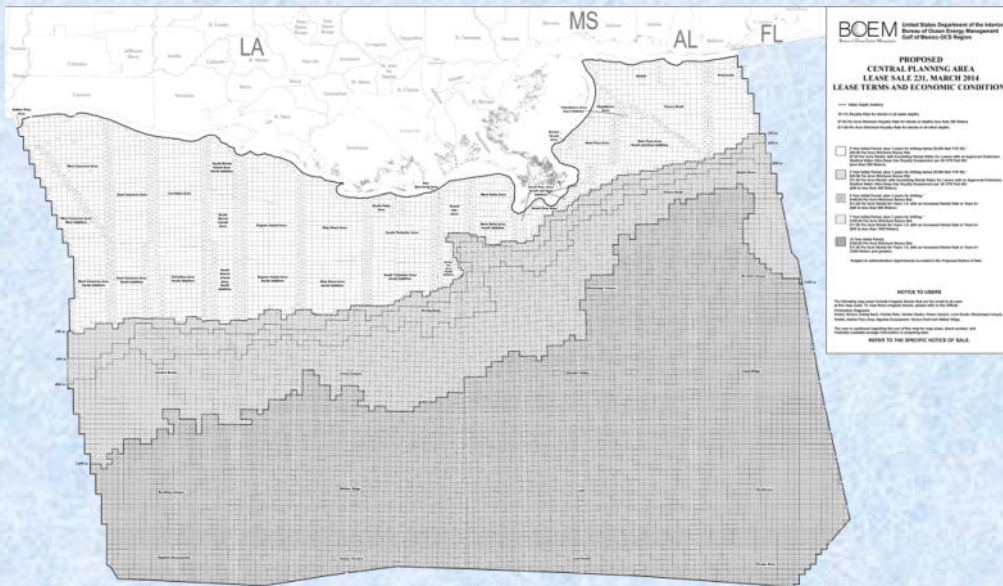
The maps pertaining to this lease sale may be found on the BOEM website at

<http://www.boem.gov/sale-231/>

The following maps also are included in the Proposed NOS Package.

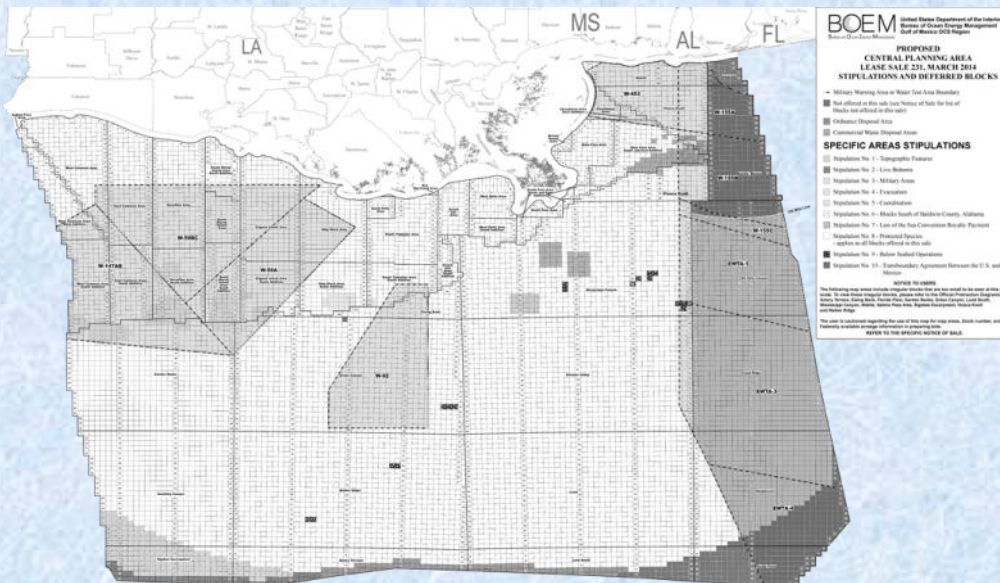
Lease Terms and Economic Conditions Map

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 231, March 2014, Lease Terms and Economic Conditions” included in the Proposed NOS Package.



Stipulations and Deferred Blocks Map

The blocks to which one or more lease stipulations may apply are shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks Map” 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 GOM company 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" contained in the Final NOS Package. A blank bid form has been 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 231, not to be opened until 9 a.m. Wednesday, March 19, 2014." If the bid is on a block in the U.S.-Mexico Maritime Boundary Area, bidders also should add on the envelope label "Sealed Bid for Oil and Gas Lease Sale 231 U.S.-Mexico Maritime Boundary Bid, not to be opened until 30 days after approval of the Transboundary Agreement necessary to allow it to enter into force or September 19, 2014";
- 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.

A sample of the bid envelope will be contained in the Final NOS Package 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 CPA Oil and Gas Lease Sale 231

Please Deliver to Ms. Cindy Thibodeaux or Ms. Kasey Couture,

2nd Floor, Immediately

Please Note:

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM 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 have ever 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:

- (1) provide a third-party guarantee.
- (2) amend an area wide development bond via bond rider.
- (3) provide a letter of credit; or
- (4) provide a lump sum payment in advance via EFT.

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



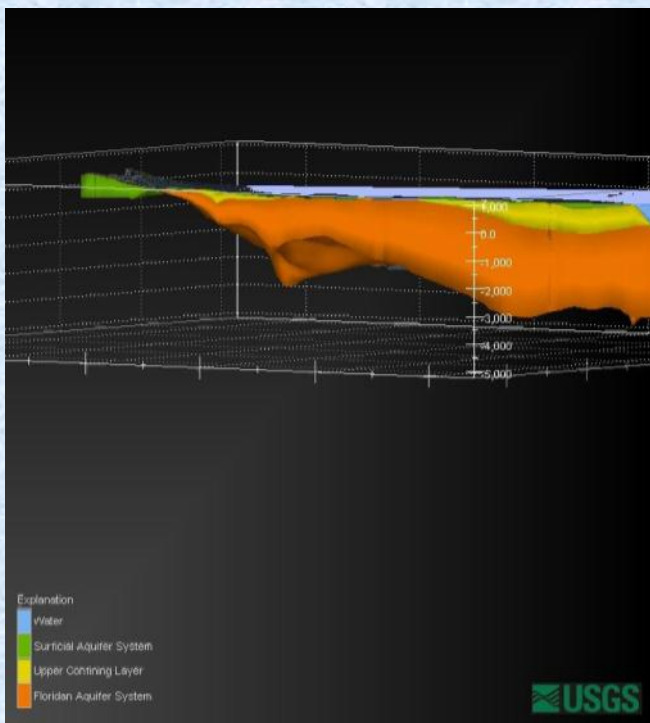
Affirmative Action

BOEM requests that prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) in 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. Please note that both forms are required to 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)

Every bidder submitting a bid on a block in CPA Sale 231, 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, Amplitude Versus Offset, 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 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).

A bidder must submit the GDIS even if its 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 also 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 postsale, the processing company, date processing was completed, owner of the original data set (i.e., 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. 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 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 must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

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 you 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 thirtieth 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 Lease Sale 231 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 you 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 prior to or at the time of bid submission. The suggested format will be contained in the Final NOS Package. This 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

BOEM published in the *Federal Register* on May 10, 2013, the most recent List of Restricted Joint Bidders at 78 FR 27430. 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 joint bidding provisions at 30 CFR 556.41 for additional restrictions.

Authorized Signatures

All bidders must execute all documents in conformance with signatory authorizations on file in the BOEM qualification records.

Unlawful Combination or Intimidation

BOEM warns bidders against violation of 18 U.S.C. 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 company number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The request must be in conformance with signatory authorizations on file in the BOEM Gulf of Mexico Region Adjudication Office. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC); they also must have an incumbency certificate and/or specific power of attorney setting forth express authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA. The name and title of the signatory must be typed under the signature block on the withdrawal letter. Upon the BOEM Gulf of Mexico RD's, or his designee's, approval of such requests, he will indicate his approval by signing and dating the withdrawal request.

Bid Rounding

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

IX. FORMS

The Final NOS Package includes 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 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 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-231/> 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 CPA Sale 231, 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 shall 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 or partial 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 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, the bid is the highest valid bid, and 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 anti-trust issues prior to the acceptance of bids and issuance of leases. To ensure that the 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/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Bid-Adequacy-Procedures.aspx>.

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 218.155 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 proper 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

<http://www.boem.gov>

for information regarding any changes.

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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 231. 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 231 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 CPA Sale 231 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 Gulf of Mexico Region website at

<http://www.boem.gov/Sale-231/>.

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APPENDIX A

REPEAL LANGUAGE FOR ROYALTY SUSPENSION PROVISIONS FOR CPA SALE 231

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 section 344 of the Energy Policy Act of 2005, Pub. L. 109-58 before BOEM issues the Final NOS for CPA Sale 231.

Should section 344 be repealed on or before January 18, 2014, a date giving enough lead time for bidders and BOEM to prepare for the Final NOS for CPA Sale 231, BOEM intends to offer leases for sale with no ultra-deep gas RSVs in their lease terms. If section 344 is repealed, leases for blocks in water depths less than 400 meters with ultra-deep wells would not earn RSVs.

Leasing Activities Information

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

LEASE STIPULATIONS

One or more of 10 lease stipulations will be applied to leases issued as a result of this lease sale on blocks shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package. In addition, the “List of Blocks Available for Leasing” contained in the Proposed NOS Package will identify the lease stipulations applicable to each block listed. These lease stipulations are as follows:

[Stipulation No. 1 – Topographic Features](#)

[Stipulation No. 2 – Live Bottoms](#)

[Stipulation No. 3 – Military Areas](#)

[Stipulation No. 4 – Evacuation](#)

[Stipulation No. 5 – Coordination](#)

[Stipulation No. 6 – Blocks South of Baldwin County, Alabama](#)

[Stipulation No. 7 – Law of the Sea Convention Royalty Payment](#)

[Stipulation No. 8 – Protected Species](#)

[Stipulation No. 9 – Below Seabed Operations](#)

[Stipulation No. 10 – Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico](#)

(Stipulation No. 1, together with the appropriate Topographic Features Stipulation Map, will be included only in leases issued as a result of this lease sale on blocks within the areas so indicated in the Western and Central Gulf of Mexico Topographic Features Stipulation Map Package, which is available from the Bureau of Ocean Energy Management (BOEM) Gulf of Mexico (GOM) Region Public Information Office and on the BOEM website at http://www.boem.gov/uploadedFiles/topo_features_package.pdf. As referenced in paragraphs A, B, C, and D of this stipulation, a Topographic Features Stipulation Map will be attached to each lease instrument subject to this stipulation.)

Stipulation No. 1 – Topographic Features

The stipulation provides for protection of the following banks in the Central Planning Area (CPA):

<u>Bank Name</u>	<u>No Activity Zone (defined by isobaths in meters)</u>
Alderdice Bank	80
Bouma Bank	85
Bright Bank ¹	85
Diaphus Bank ²	85
Elvers Bank	85
Ewing Bank	85
Fishnet Bank ²	76
Geyer Bank	85
Jakkula Bank	85
McGrail Bank	85
Parker Bank	85
Rezak Bank	85
Sackett Bank ²	85
Sidner Bank	85
Sonnier Bank	55
Sweet Bank ³	85

Notes:

[1] Gulf of Mexico CPA bank with a portion of its “3-Mile Zone” in the GOM Western Planning Area.

[2] Only paragraphs A and B apply.

[3] Only paragraph A applies.

The lessee and its operators, personnel, and subcontractors are responsible for carrying out the specific mitigation measures outlined in the most current Notices to Lessees, which provide guidance on how to follow the requirements of this stipulation. See the attached “Topographic Features Stipulation Map” and the figures in the “Western and Central Gulf of Mexico Topographic Features Stipulation Map Package” on BOEM’s website at http://www.boem.gov/uploadedFiles/topo_features_package.pdf.

A. No activity, including placement of structures, drilling rigs, pipelines, or anchoring, will be allowed within the listed isobath (“No Activity Zone”) of the banks listed above.

B. Operations within the area shown as the “1,000-Meter Zone” on the attached “Topographic Features Stipulation Map” shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a structurally sound downpipe that terminates at an appropriate distance, but no more than 10 meters, from the bottom.

C. Operations within the area shown as the “1-Mile Zone” on the attached “Topographic Features Stipulation Map” shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a structurally sound downpipe that terminates at an appropriate distance, but no more than 10 meters, from the bottom. Where a “1-Mile Zone” is designated, the “1,000-Meter Zone” in paragraph B is not designated. This restriction on operations also applies to areas surrounding the Flower Garden Banks, namely the “4-Mile Zone” surrounding the East Flower Garden Bank and the West Flower Garden Bank.

D. Operations within the area shown as “3-Mile Zone” on the attached “Topographic Features Stipulation Map” shall be restricted by shunting all drill cuttings and drilling fluids from development operations to the bottom through a structurally sound downpipe that terminates at an appropriate distance, but no more than 10 meters, from the bottom. If more than two exploration wells are to be drilled from the same surface location within the “3-Mile Zone,” all drill cuttings and drilling fluids shall be restricted by shunting to the bottom through a downpipe that terminates at an appropriate distance, but no more than 10 meters, from the bottom.

(Stipulation No. 2 will be included only in leases issued as a result of this lease sale, as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 2 – Live Bottoms

A. For the purpose of this stipulation, “live bottom areas” are defined as seagrass communities or those areas that contain biological assemblages consisting of such sessile invertebrates as sea fans, sea whips, hydroids, anemones, ascidians, sponges, bryozoans, or corals living upon and attached to naturally occurring hard or rocky formations with rough, broken, or smooth topography; or areas whose lithotopography favors the accumulation of turtles, fishes, and other fauna.

B. Prior to any drilling activities or the construction or placement of any structure for exploration or development on this lease, including, but not limited to, anchoring, well drilling, and pipeline and platform placement, the lessee will submit to the Bureau of Ocean Energy Management (BOEM) Regional Director a live-bottom survey report containing a bathymetry map prepared utilizing remote sensing data and an interpretation of live bottom areas prepared from the data collected. The resultant bathymetry map shall be prepared for the purpose of determining the presence or absence of live bottoms, which could be impacted by the proposed activity. This map shall encompass such an area of the seafloor where surface-disturbing activities, including anchoring, may occur.

C. If the BOEM Regional Director determines that the proposed activity might impact live bottoms adversely, the BOEM Regional Director will require the lessee to undertake any measure deemed economically, environmentally, and technically feasible to protect the live bottom areas. These measures may include, but are not limited to, relocation of operations and monitoring to assess the impact of the activity on the live bottoms.

(Stipulation No. 3 will be included in leases issued as a result of this lease sale, located within the Warning Areas and Eglin Water Test Areas 1, 3, and 4 as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 3 – 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 to any 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 in 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 in the warning areas at all times.

Warning and Water Test Areas

Command Headquarters

W-59

Naval Air Station
JRB 159 Fighter Wing
400 Russell Avenue, Box 27
Building 285 (Operations)
New Orleans, Louisiana 70143-0027
Telephone: (504) 391-8695

W-92

Naval Air Station
Air Operations Department
Air Traffic Division/Code 52
400 Russell Avenue, Building 1
New Orleans, Louisiana 70143-0027
Telephone: (504) 678-3101

W-147

147 OSS/OSA
14657 Sneider Street
Houston, Texas 77034-5586
Telephone: (281) 929-2142

Eglin Water Test Areas 1, 3, and 4

Air Armament Center
Attention: Mr. Robert J. Arnold
46 Test Wing Technical Advisor
46 TW/CZ
101 West "D" Avenue, Suite 227
Eglin AFB, Florida 32542-5492
Telephone: (850) 240-3158 (Cell)
Telephone: (850) 882-5295 (Office)
Email: arnoldb@eglin.af.mil

W-155

Fleet Area Control and Surveillance
Attention: Facility (FACSFAC)
NAS Pensacola
1860 Perimeter Road, Building 3963
NASP 32508-5217
Telephone: (850) 452-2735

W-453

Air National Guard - CRTC
4715 Hewes Avenue, Building 60
Gulfport, Mississippi 39507-4324
Telephone: (228) 214-6027

(Stipulation No. 4 will be included only in leases issued as a result of this lease sale located in the easternmost portion of the Central Planning Area, as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 4 – 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 normally will 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 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 immediately will 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. 5 will be included only in leases issued as a result of this lease sale located in the easternmost portion of the Central Planning Area, as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 5 – 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 (BOEM) Regional Director 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 Regional Director may approve the EP with conditions, disapprove it, or require modification in accordance with 30 CFR part 550. The BOEM Regional Director 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 or 30 CFR part 550. 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 (BSEE) Regional Director 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 Regional Director, 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. 6 will be included only in leases issued as a result of this lease sale on blocks south of and within 15 miles of Baldwin County, Alabama, as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 6 – Blocks South of Baldwin County, Alabama

- A. In order to minimize visual impacts from development operations on this block, the lessee will contact lessees and operators of leases in the vicinity prior to submitting a Development Operations Coordination Document (DOCD) to determine if existing or planned surface production structures can be shared. If feasible, the lessee’s DOCD should reflect the results of any resulting sharing agreement, propose the use of subsea technologies, or propose another development scenario that does not involve new surface structures.

- B. If the lessee cannot formulate a feasible development scenario that does not call for new surface structure(s), the lessee’s DOCD should ensure that they are the minimum necessary for the proper development of the block and that they will be constructed and placed using orientation, camouflage, or other design measures in such a manner as to limit their visibility from shore.

- C. The Bureau of Ocean Energy Management (BOEM) will review and make decisions on the lessee’s DOCD in accordance with applicable Federal regulations and BOEM policies, and in consultation with the State of Alabama (Geological Survey/Oil and Gas Board).

(Stipulation No. 7 will be included only in leases issued as a result of this lease sale beyond the United States (U.S.) Exclusive Economic Zone (EEZ) in the area formerly known as the Western Gap, as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulations and Deferred Blocks” included in the Proposed NOS Package.)

Stipulation No. 7 – Law of the Sea Convention Royalty Payment

If the United States becomes a party to the 1982 Law of the Sea Convention (Convention) prior to or during the life of a lease issued by the United States on a block or portion of a block located beyond its EEZ and subject to such conditions that the Senate may impose through its constitutional role of advice and consent, then the following royalty payment lease provisions will apply to the lease so issued, consistent with Article 82 of the Convention:

- A. The Convention requires payments annually by coastal states party to the Convention with respect to all production at a site after the first five years of production at that site. Any such payments will be made by the U.S. Government and not the lessee.
- B. For the purpose of this stipulation regarding payments by the lessee to the United States, each lease constitutes a separate site, whether or not a lease is committed to a unit.
- C. For the purpose of this stipulation, the first production year begins on the first day of commercial production (excluding test production). Once a production year begins, it will run for a period of 365 days, whether or not the lease produces continuously in commercial quantities. Subsequent production years will begin on the anniversary date of first production.
- D. If total lease production during the first five years following first production exceeds the total royalty suspension volume(s) provided in the lease terms, or through application and approval of relief from royalties, the provisions of this stipulation will not apply. If, after the first five years of production, but prior to termination of this lease, production exceeds the total royalty suspension volume(s) provided in the lease terms, or through application and approval of relief from royalties, the provisions of this stipulation no longer will apply effective the day after the suspension volumes have been produced.
- E. If, in any production year after the first five years of lease production, due to lease royalty suspension provisions or through application and approval of relief from royalties, no lease production royalty is due or payable by the lessee to the United States, then the lessee will be required to pay, as stipulated in paragraph I below, Convention-related royalty in the following amount so that the required Convention payments may be made by the U.S. Government as provided under the Convention:
 - 1) In the sixth year of production, one percent of the value of the sixth year’s lease production saved, removed, or sold from the leased area;

- 2) After the sixth year of production, the Convention-related royalty payment rate will increase by one percent for each subsequent year until the twelfth year and will remain at seven percent thereafter until lease termination.
- F. If the United States becomes a party to the Convention after the fifth year of production from the lease, and a lessee is required, as provided herein, to pay Convention-related royalty, the amount of the royalty due will be based on the above payment schedule as determined from first production. For example, the U.S. Government accession to the Convention in the tenth year of lease production would result in a Convention-related royalty payment of five percent of the value of the tenth year's lease production, saved, removed, or sold from the lease. The following year, a payment of six percent would be due and so forth, as stated above, up to a maximum of seven percent per year.
- G. If, in any production year after the first five years of lease production, due to lease royalty suspension provisions or through application and approval of relief from royalties, lease production royalty is paid but is less than the payment provided for by the Convention, then the lessee will be required to pay to the U.S. Government the Convention-related royalty in the amount of the shortfall.
- H. In determining the value of production from the lease if a payment of Convention-related royalty is to be made, the provisions of the lease and applicable regulations will apply.
- I. The Convention-related royalty payment(s) required under paragraphs E through G of this stipulation, if any, will not be paid monthly but will be due and payable to the Office of Natural Resources Revenue on or before 30 days after expiration of the relevant production lease year.
- J. The lessee will receive royalty credit in the amount of the Convention-related royalty payment required under paragraphs E through G of this stipulation, which will apply to royalties due under the lease for which the Convention-related royalty accrued in subsequent periods as non-Convention-related royalty payments become due.
- K. Any lease production for which the lessee pays no royalty other than a Convention-related requirement, due to lease royalty suspension provisions or through application and approval of relief from royalties, will count against the lease's applicable royalty suspension or relief volume.
- L. The lessee will not be allowed to apply or recoup any unused Convention-related credit(s) associated with a lease that has been relinquished or terminated.

(Stipulation No. 8 will be included in all leases issued as a result of this lease sale.)

Stipulation No. 8 – 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 detailing 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 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 (e.g., 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 (NTLs), which 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, and subcontractors, while undertaking activities authorized under this lease, must implement and comply with the specific mitigation measures outlined in NTL No. 2012-JOINT-G01 (Vessel Strike Avoidance and Injured/Dead Protected Species Reporting), NTL No. 2012-JOINT-G02 (Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program), and NTL No. 2012-BSEE-G01 (Marine Trash and Debris Awareness and Elimination). At the lessee's option, the lessee, its operators, personnel, and contractors 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, 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.

(Stipulation No. 9 will be included in any lease issued as a result of this sale on the following list of blocks.)

Blocks (see attached maps):

Mississippi Canyon 919, 920, 921, and 964

Mississippi Canyon 650, 651, and 694

Mississippi Canyon 692 and 735

Mississippi Canyon 723 and 767

Walker Ridge 293 and 294

Walker Ridge 762 and 763

Green Canyon 786, 787, and 788

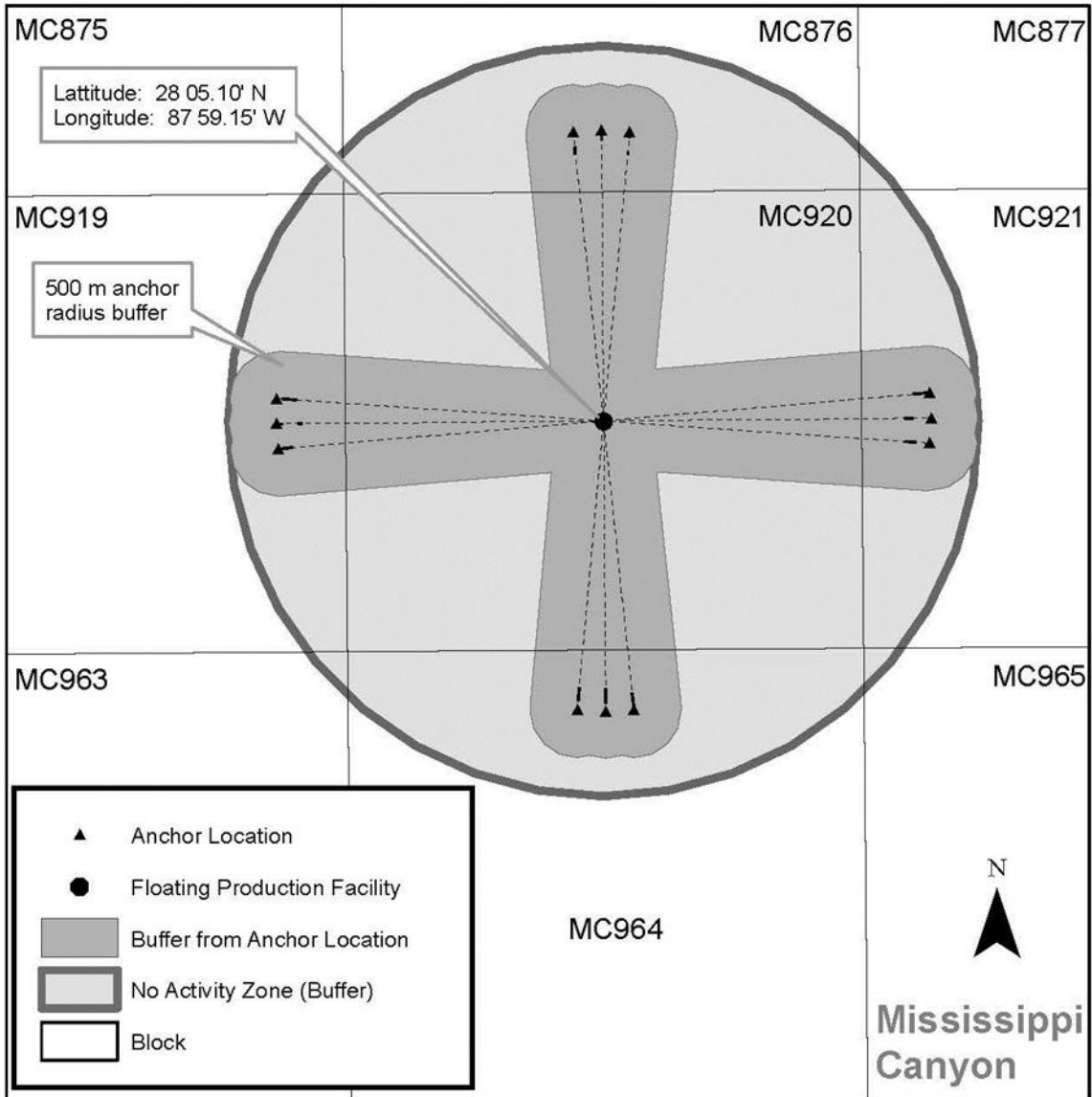
Stipulation No. 9 – Below Seabed Operations

Rights-of-use and easements have been granted to allow permanent mooring of floating production facilities. As a result, any lessee holding an interest in oil and gas leases for these blocks is not allowed to conduct activities, including, but not limited to, the construction and use of structures, operation of drilling rigs, laying of pipelines, and/or anchoring on the seafloor or in the water column within the areas depicted by the attached maps. Sub-seabed activities that are part of exploration, development, and production activities from outside the areas depicted by the attached maps may be allowed, including the use of directional drilling or other techniques.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION

Blocks with Stipulation

MISSISSIPPI CANYON, BLOCKS 919, 920, 921 and 964



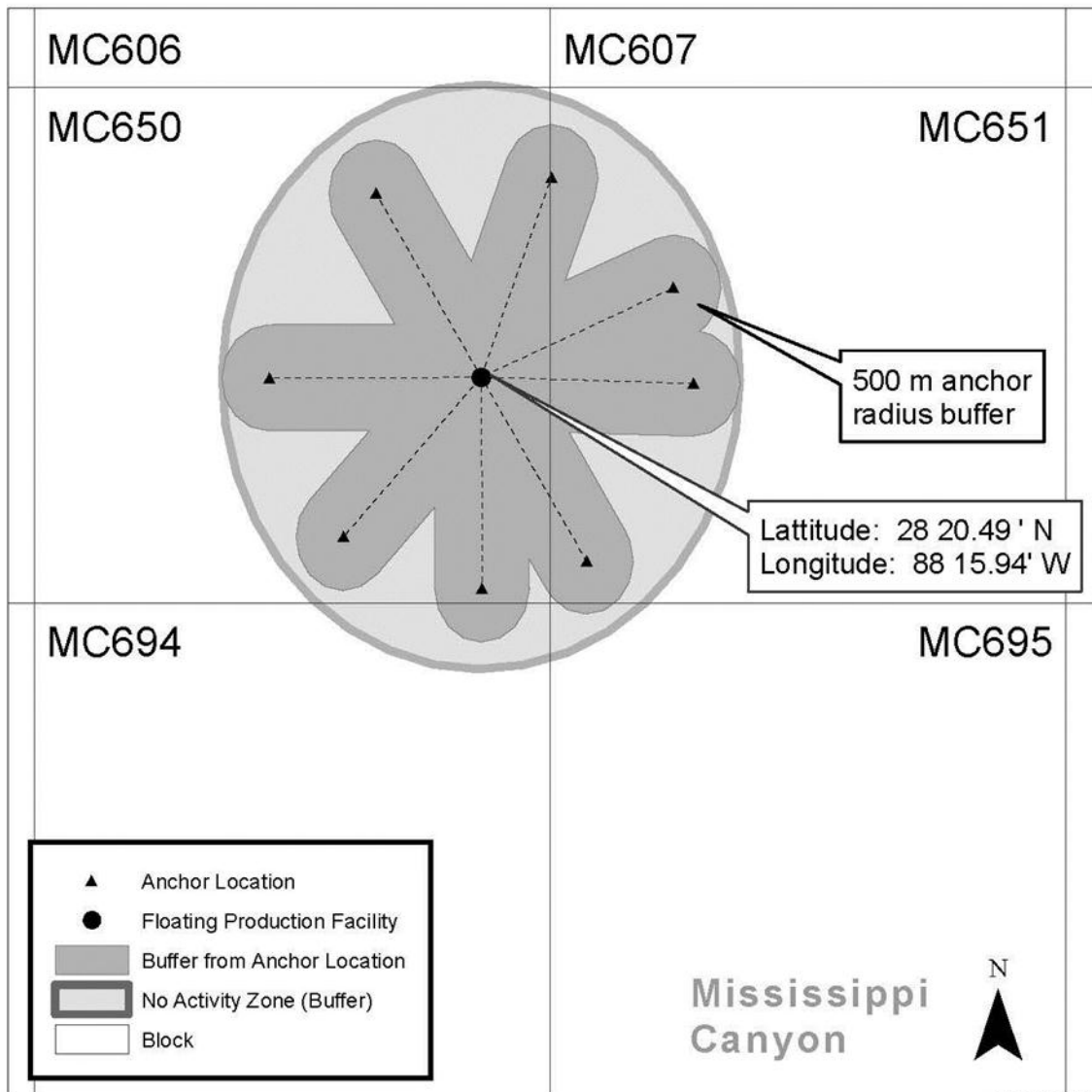
MAS201300108

Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION
Blocks with Stipulation

MISSISSIPPI CANYON, BLOCKS 650, 651 and 694



MAS201300106

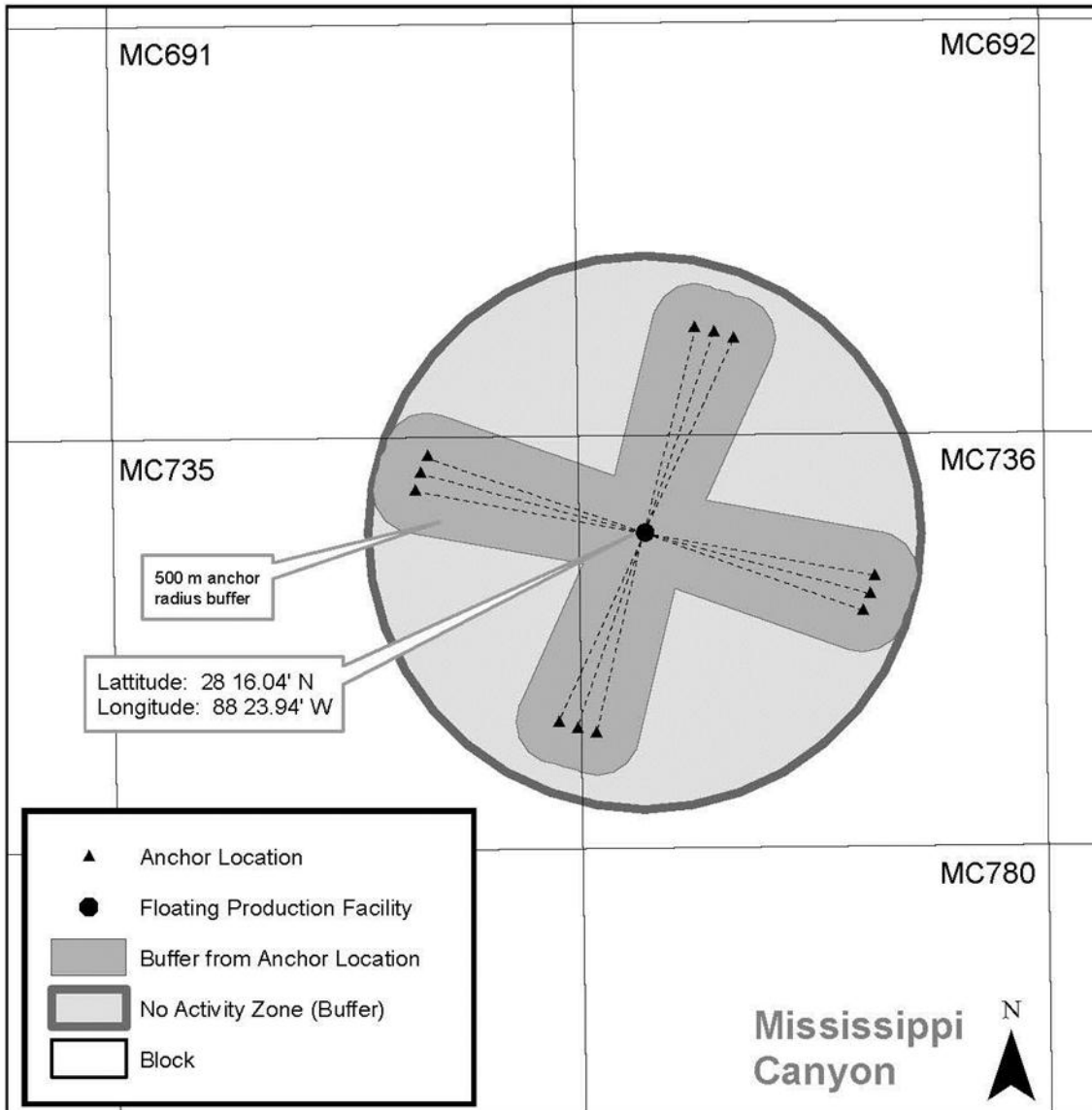
Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION

Blocks with Stipulation

MISSISSIPPI CANYON, BLOCKS 692 and 735

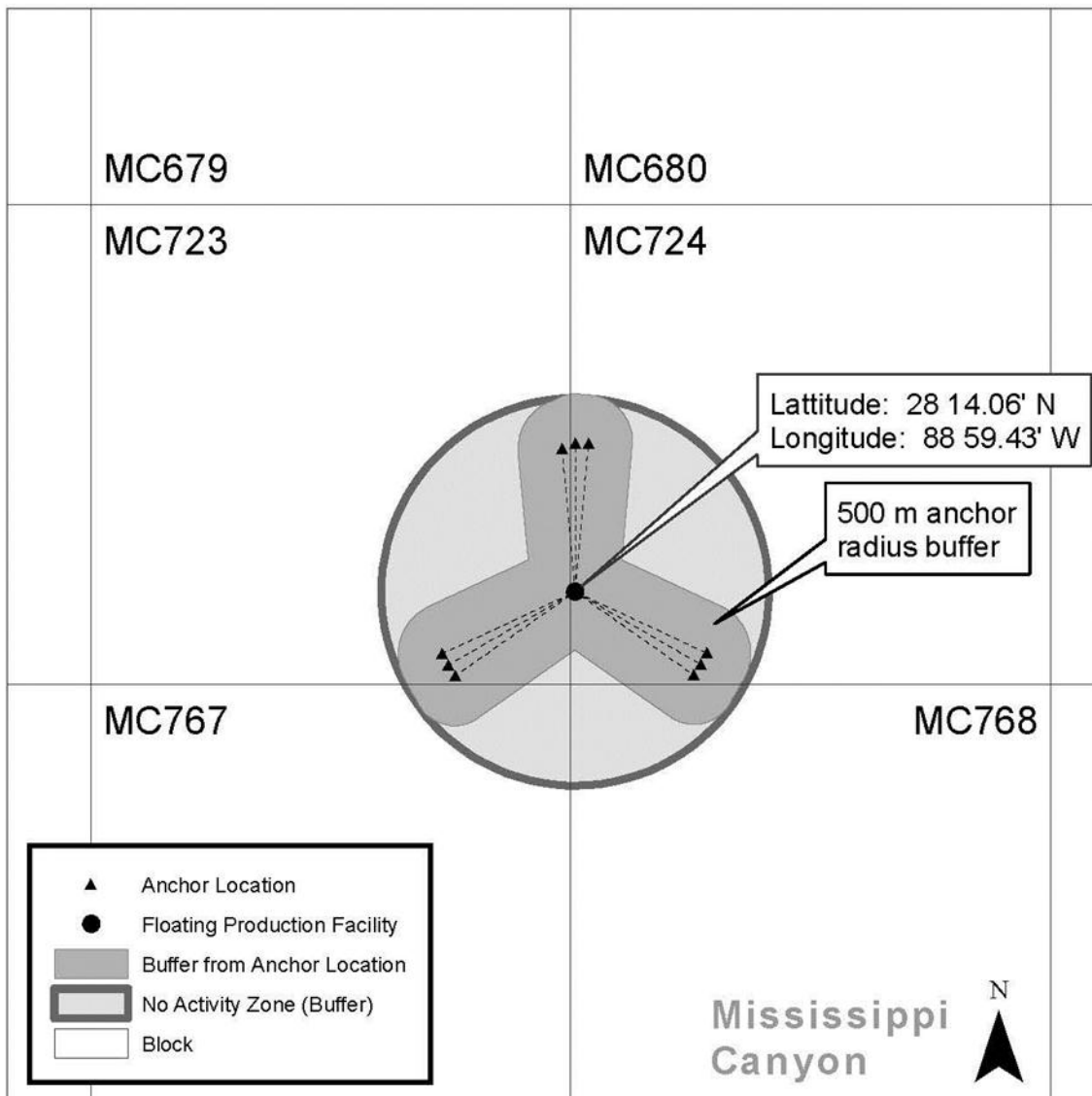


Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION
Blocks with Stipulations

MISSISSIPPI CANYON, BLOCKS 723 and 767



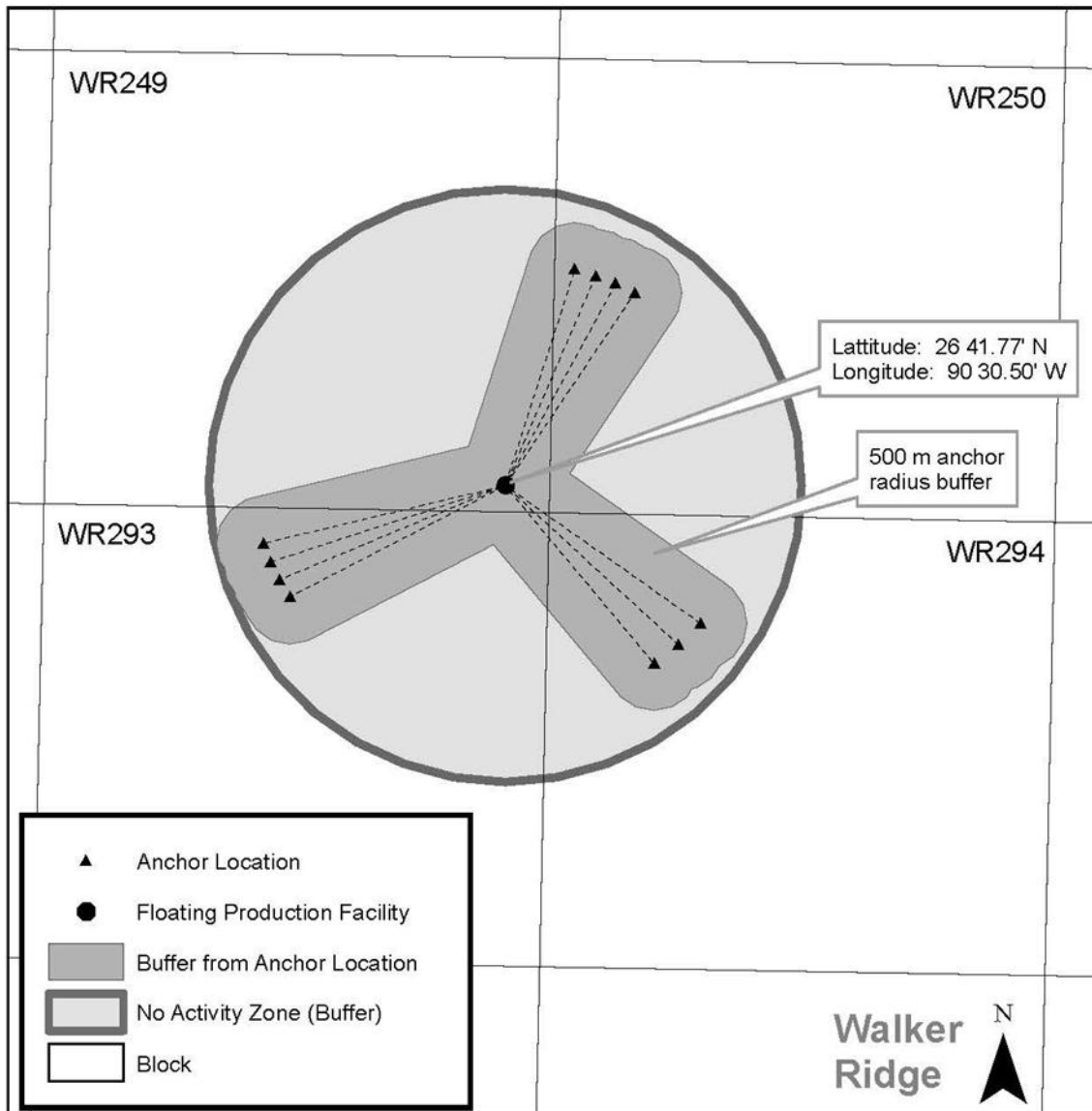
Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT
GULF OF MEXICO OCS REGION

Blocks with Stipulation

WALKER RIDGE, BLOCKS 293 and 294



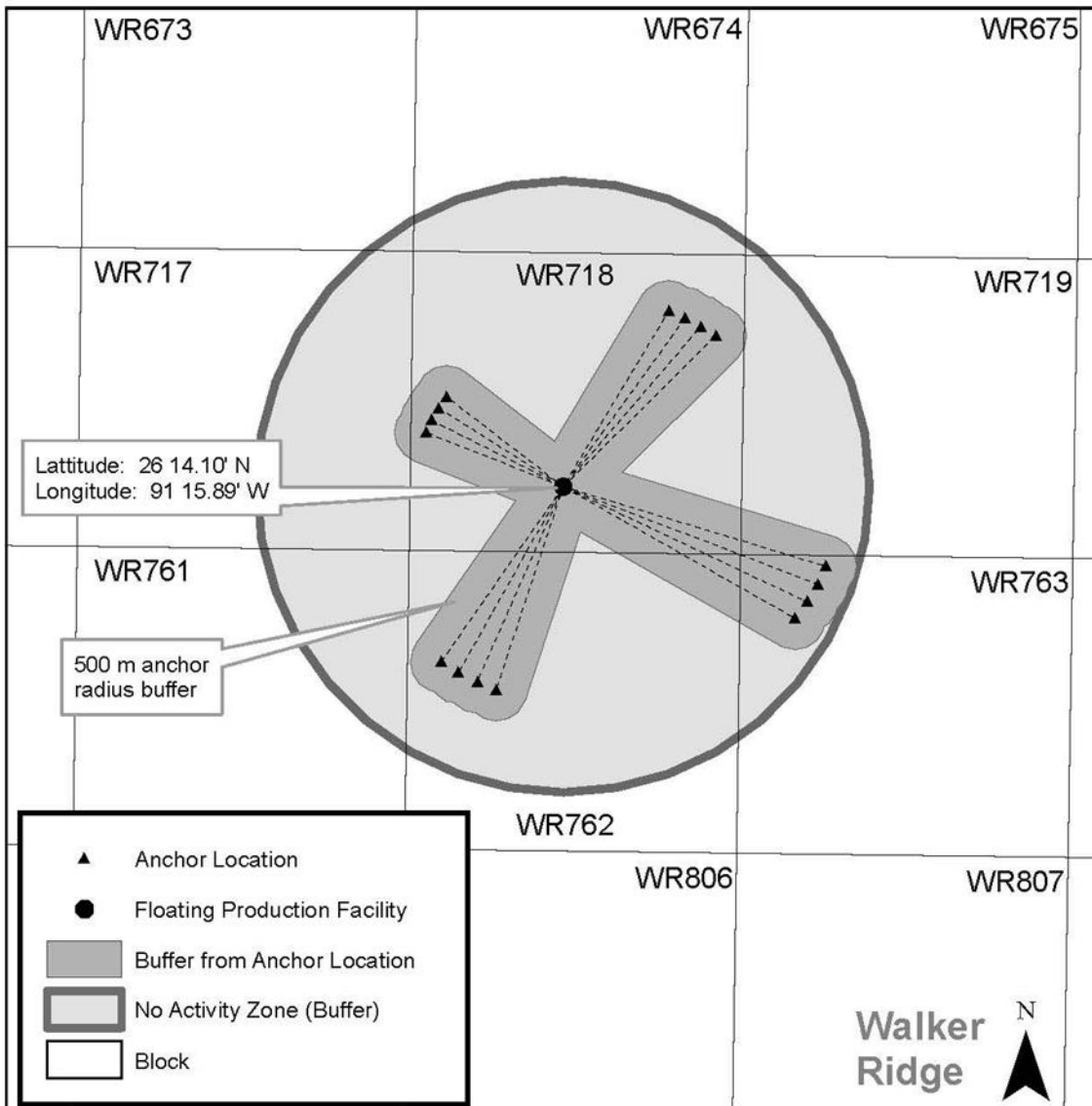
MAS201300109

Central Planning Area, Lease Sale 231
March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION
Blocks with Stipulation

WALKER RIDGE, BLOCKS 762 and 763



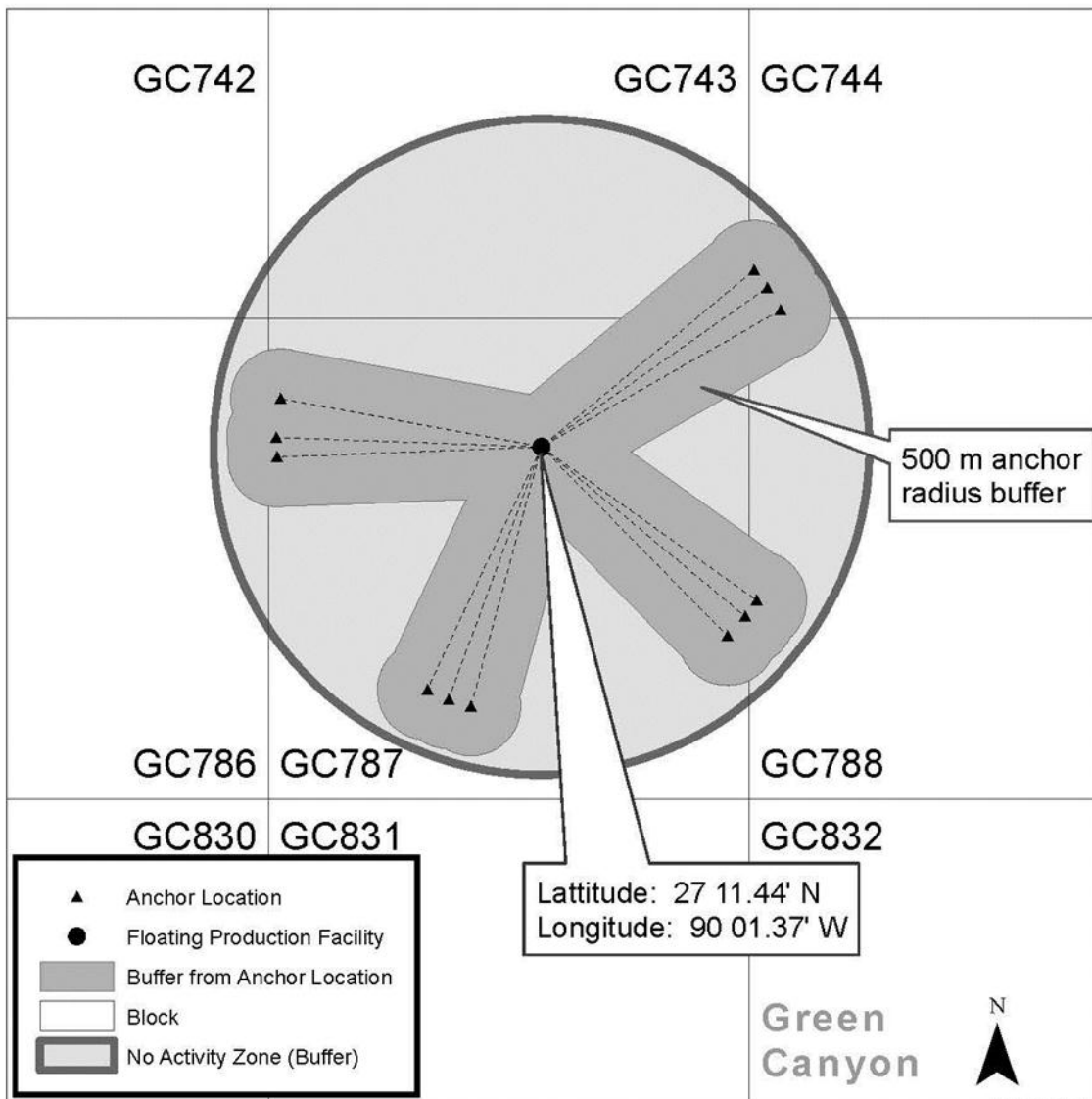
MAS201300110

Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF OCEAN ENERGY MANAGEMENT
 GULF OF MEXICO OCS REGION
Blocks with Stipulations

GREEN CANYON, BLOCKS 786, 787 and 788



Central Planning Area, Lease Sale 231
 March 2014

The data shown are an approximation of the location of the infrastructure and should not be used for final evaluation.

(Stipulation No. 10 will be included only in leases issued as a result of this lease sale that are wholly or partially located within 3 statute miles of the Maritime and Continental Shelf Boundary with Mexico, further defined in “Boundary Area” below and as shown on the map “Proposed, Central Planning Area, Lease Sale 231, March 2014, Stipulation and Deferred Blocks Map” included in the Proposed NOS Package.)

Stipulation No. 10 – Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

If the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico (Agreement) signed on February 20, 2012, enters into force prior to or during the life of a lease issued by the United States (U.S.) on a block located within the “Boundary Area” defined below, the United States will take necessary and appropriate action to uphold and abide by the provisions of the Agreement.

This Agreement makes it possible for U.S. lessees to enter into voluntary agreements with a licensee of the United Mexican States (e.g., Petroleos Mexicanos) to develop transboundary reservoirs. Lessees in the Boundary Area may be subject to certain provisions of the Agreement, including the following:

- A. In the event that the United States is obligated under the Agreement to provide confidential information to a third-party or the Government of the United Mexican States, lessees holding such information will be required to provide it to the lessor;
- B. In the event that the United States is obligated under the Agreement to prohibit commencement of production on a lease in the Boundary Area, the Bureau of Safety and Environmental Enforcement (BSEE) will direct a Suspension of Production; and
- C. In the event that the United States is obligated under the Agreement to seek development of a transboundary reservoir under a unitization agreement, the lessee will be required to cooperate and explore the feasibility of such development with a licensee of the United Mexican States.

Lessees seeking to jointly explore or develop a transboundary reservoir with a licensee of the United Mexican States will be required to submit to BSEE a number of documents including, but not limited to, a unit agreement that designates the unit operator for the transboundary unit, provides for dispute resolution consistent with the Agreement, and provides for the allocation of production and any redetermination of the allocation of production.

The lessee and its operators, personnel, and subcontractors may be required to comply with these and other additional measures necessary to implement the purpose and provisions of the Agreement in conditions of approvals for their plans and permits for activities related to any transboundary reservoir subject to the Agreement.

The term “Boundary Area” means an area comprised of any and all blocks in the Western and Central Planning Areas that are wholly or partially located within 3 statute miles of the Maritime and Continental Shelf Boundary with Mexico, as the Maritime Boundary is delimited in the Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary, signed November 24, 1970; the Treaty on Maritime Boundaries between the United Mexican States and the United States of America, signed on May 4, 1978; and, as the continental shelf in the Western Gulf of Mexico beyond 200 nautical miles is delimited in the Treaty between the Government of the United Mexican States and the Government of the United States of America, signed on June 9, 2000.

A copy of the Agreement can be found on the BOEM website at

<http://www.boem.gov/BOEM-Newsroom/Library/Boundaries-Mexico.aspx>.

Leasing Activities Information

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

INFORMATION TO LESSEES

This document contains 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.

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- (c) [Communications Towers](#)
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- (e) [Lightering Zones](#)
- (f) [Indicated Hydrocarbons List](#)
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- (h) [Safety Zones for Certain Production Facilities](#)
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- (k) [Ocean Dredged Material Disposal Sites](#)
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(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 in 2002, 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 part 150 (April 13, 1994).

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 USCG information, contact Lieutenant Commander Brandon Sullivan, Waterways Management Division, Sector New Orleans, 200 Hendee Street, New Orleans, Louisiana 70114, or at (504) 365-2280. 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. Bidders are advised that two inactive ordnance disposal areas are located in Mississippi Canyon, as shown on the map "Stipulations and Deferred Blocks" included in the Proposed NOS Package. These areas were used to dispose of ordnance of unknown quantity and composition in approximate water depths of 750 to 1,525 meters. Bottom sediments in both disposal areas are soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

The U.S. Air Force (USAF) has released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas 1, 3, and 4. 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 to drilling and platform/pipeline placement.

(c) Communication Towers. Bidders are advised that the USAF has installed seven military communication towers in the Chandeleur, Mobile, and Viosca Knoll areas that support Air Combat Maneuvering Instrumentation (ACMI). The USAF may impose certain restrictions on oil and gas activities in that area since no activity can take place within 500 feet of a tower site and unobstructed lines of sight must be maintained between towers. The seven towers are located within Mobile Blocks 769, 819, and 990; Viosca Knoll Block 116; Chandeleur Area Blocks 33 and 61; and Chandeleur Area, East Addition, Block 39.

For information and maps of the specific locations and line of sight crossings for ACMI towers, contact Ms. Kasey Couture at (504) 736-2909, in the Bureau of Ocean Energy Management (BOEM) Gulf of Mexico (GOM) Region.

The Notice to Lessees (NTL) No. 2009-G26 also is available from the BOEM Gulf of Mexico Region (GOMR) Public Information Office at the address provided at the end of this document, or the BOEM website at <http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx>.

(d) 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 in the Rigs-to-Reefs program. Proposals for reefing structures must be accepted by the appropriate State and approved by the BSEE Gulf of Mexico Region. The lessee must also obtain a permit from the USACE. Also, 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	Kevin Anson	(251) 968-7577	http://www.outdooralabama.com/fishing/saltwater/where/artificial-reefs/
FL	Jon Dodrill	(850) 487-0580, ext. 209	http://myfwc.com/conservation/saltwater/artificial-reefs/
LA	Doug Peter	(225) 765-2375	http://www.wlf.louisiana.gov/fishing/programs/habitat/artificialreef.cfm
MS	K. Cuevas	(228) 523-4061	http://www.dmr.ms.gov/marine-fisheries/artificial-reef/74-offshore-reefs
TX	Dale Shively	(512) 389-4686	http://www.tpwd.state.tx.us/landwater/water/habitats/artificial_reef/

(e) 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 the areas. See 33 CFR 156.300 through 156.330 for the regulations concerning lightering zones. For more information, contact USCG Attorney Advisor, Shelley R. Miller, Eighth District Waterways Management, at (504) 671-2139, or via e-mail to Shelley.R.Miller@uscg.mil.

(f) Indicated Hydrocarbons List. Bidders are advised that BOEM makes available approximately three months prior to a lease sale, a list of unleased blocks in the Central, Western, and Eastern Planning Areas that have wellbores with indicated hydrocarbons. Information relating to production, wellbores, and pay range for each block is included (see the BOEM website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Resource-Evaluation/Gulf-OCS-Region-Activities/Indicated-Hydrocarbon-List.aspx>). Bidders should be aware that prior lessees on these lease blocks may have continuing rights and obligations with respect to the wells and infrastructure developed under the prior lessee’s lease, for at least a year after termination of the prior lessee’s lease (see 30 CFR 250.1710). Lessees seeking the right to use preexisting platforms, pipelines, wells, or other infrastructure on a lease block must first obtain BSEE approval and, in the event the request is made within the time BSEE authorizes for the completion of decommissioning, the express consent of the prior lessee also will be required. Bidders should also refer to 30 CFR 250.1702 for the circumstances under which lessees accrue decommissioning liabilities, including, but not limited to, when reentering wells that previously had been plugged.

(g) Military Areas. Bidders are advised that Stipulation No. 3, Military Areas, in the “Lease Stipulations” included in the Final NOS Package, will apply to leases in Military Warning and Water Test Areas as identified by the Federal Aviation Administration (FAA) in the FAA Air Traffic Document JO 7400.8V “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 for coordinating with the military commander(s) in any Military Warning and Water Test Area, in which operations, radio communications, or flights are planned during the occupation and development of any leased area, including flights that pass through a Military Warning and Water Test Area to a leased area that is not in a Military Warning and Water Test Area.

BOEM recommends that lessees establish and maintain contact, and coordinate with the appropriate military commander(s), whether or not their lease is subject to a Military Warning and Water Test Areas Stipulation.

For more information, contact:

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

For more information, including a map of the Military Warning and Water Test Areas, see NTL No. 2009-G06, 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>.

(h) Safety Zones for Certain Production Facilities. Bidders 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.

(i) 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.

(j) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities. Bidders are advised that the USCG and the Maritime Administration (MARAD) may process applications for the licensing

of deepwater ports involving proposed liquefied natural gas (LNG) importation/exportation facilities in the GOMR. Bidders are also advised to review relevant deepwater port applications, MARAD records of decision, and port licenses to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships' routing measures that could prevent or otherwise impact oil and gas operations on and around both existing and proposed deepwater port locations.

As of May 2013, there were no operational LNG facilities in the CPA, and one applicant was seeking a license to export LNG. On February 22, 2012, Excelerate filed a Notice of Decommissioning along with a decommissioning plan with MARAD and the USCG for the Gulf Gateway deepwater port. On October 28, 2009, MARAD received notification from Port Pelican LLC of the relinquishment of its license. Main Pass Energy Hub (MPEH) had received a positive record of decision from MARAD, but MPEH's LNG deepwater port importation application has been deemed withdrawn. On September 11, 2012, MPEH applied for long-term authority to export LNG from the Department of Energy's Office of Fossil Energy; Order 3220 was issued on January 4, 2013, granting the requested authority (http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/Main_Pass_Energy_Hub_LLC_12-114-LNG.html). No further developments related to the MPEH project are available at the time of this Proposed NOS.

For more information contact:

Deepwater Ports Standards Division (CG-5225)
U.S. Coast Guard Headquarters (Room 1508)
2100 Second Street, SW STOP 7126
Washington, D.C. 20593-7126
(202) 372-1440/1401
<http://www.uscg.mil/hq/cg5/cg522/cg5225/>
E-mail: DWP@comdt.uscg.mil

Contact:
Mr. Kevin Tone
U.S. Coast Guard
(202) 372-1441
Kevin.P.Tone@uscg.mil

For information on specific deepwater port projects, search by the docket numbers noted below on the website at <http://www.regulations.gov>.

License Issued: Port Dolphin Energy LLC Deepwater Port
License Application. Docket Number: USCG-2007-28532

Freeport-McMoRan Energy LLC Main Pass Energy Hub
Deepwater Port License Application. Docket Number: USCG-2004-17696

Intend to Retire: Gulf Gateway (formerly El Paso Energy Bridge Gulf of Mexico LLC) Deepwater Port License Application. Docket Number: USCG-2003-14294

(k) Ocean Dredged Material Disposal Sites. Bidders are advised that pursuant to the Marine Protection, Research, and Sanctuaries Act of 1972, the U.S. Environmental Protection Agency (USEPA) has the responsibility for designating and managing Ocean Dredged Material Disposal Sites (ODMDS). The USEPA currently has six ODMDS in the GOM. Four of these ODMDS are located within the CPA offshore: one near Pascagoula, Mississippi; two near Gulfport, Mississippi; and one near Mobile, Alabama. Another two are located within the Eastern Planning Area, offshore Pensacola, Florida (located in Pensacola Blocks 846 and 847 and another site in State waters). A map and coordinates to these sites can be found on the USEPA Region 4 website below. In addition, USEPA is considering designation of an additional offshore ODMDS near Gulfport, Mississippi, and enlarging the existing or designating a new offshore ODMDS near Mobile, Alabama. The USEPA Final National Pollutant Discharge Elimination System (General Permit No. GEG460000) for Offshore Oil and Gas Activities in the Eastern GOM (including portions of the CPA), does not allow the discharge of any drilling fluids, drill cuttings, or wastewaters from offshore oil and gas facilities within 1,000 meters of, or within, any USEPA-designated ODMDS. A map and coordinates for each ODMDS can be found at 40 CFR 228.15(h), on the USEPA Region 4 website at <http://www.epa.gov/region4/water/oceans/sites.html>, or on the USEPA Region 6 website at http://www.epa.gov/region6/water/ecopro/em/ocean/odmd_sites.html.

For more information contact:

Mr. Chris McArthur, Ocean Disposal Program Coordinator,
Mcarthur.Christopher@epa.gov, (404) 562-9391

Mr. Doug Johnson, Regional Sediment Quality Coordinator,
Johnson.Doug@epa.gov, (404) 562-9386

Mr. Gary Collins, Biological Oceanographer,
Collins.GaryW@epa.gov, (404) 562-9395

Ms. Jenny Jacobson, USACE, Mobile District,
Jennifer.L.Jacobson@usace.army.mil, (251) 690-2724

(l) Potential Sand Dredging Activities. Bidders are advised that offshore dredging activities performed in order to obtain OCS sand for beach nourishment and coastal restoration projects will occur in some of the blocks listed below:

CPA Blocks: Additional blocks recently were added in the Mobile Area, Chandeleur Area, Main Pass Area, Sabine Pass Area, West Cameron Area, Vermillion Area, and South Pelto Area.

Chandeleur – 30, 31, 32, 33, 34

Main Pass – 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 118, 119, 120

Main Pass South and East Addition – 161, 162, 180, 181

Sabine Pass Area – 11, 12, 13, 14, 15

West Cameron Area – 20, 21, 22, 43, 44, 45, 56, 57, 58, 90, 91, 92, 93, 113, 114, 115, 116, 117, 118, 128, 129, 130, 131, 132, 133, 134, 147, 148, 149, 168, 169, 170, 171, 172

West Cameron West Area – 155, 156, 162

Vermilion Area – 11, 30, 51, 52, 53, 54, 68, 69, 70, 71, 72, 74, 75, 76, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 108, 109, 110, 111

South Marsh Island Area, North Addition – 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 241, 242, 243, 244, 245, 246, 247, 248, 249, 259, 260

Eugene Island Area – 10, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93

Ship Shoal Area – 64, 71, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 107, 108, 109, 110

South Pelto Area – 11, 12, 13, 14, 17, 18, 19, 20

West Delta Area – 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 43, 44, 45, 46, 47, 48, 49, 50, 56, 57, 58, 59, 60, 61

Mobile – 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 902, 903, 904, 905, 906, 907, 908, 909

On August 2, 2012, BOEM issued a noncompetitive negotiated lease to CPRA to mine sand from the Sabine Bank sand body in West Cameron Area, Blocks 114 and 117, in order to construct the Cameron Parish Shoreline Restoration Project. BOEM also issued a noncompetitive negotiated lease to CPRA to mine sand from Ship Shoal in the South Pelto Area, Blocks 12-14, for restoration of the Caminada Headland in Lafourche and Jefferson Parishes. CPRA also has requested a noncompetitive negotiated agreement from BOEM to mine sand from Ship Shoal Area, Block 88, in order to construct an ecosystem restoration project on Whiskey Island. In July 2004, the USACE released a draft of the Louisiana Coastal Area (LCA) ecosystem restoration plan, which proposed the use of 60 million cubic yards of OCS sand for barrier island and headland restoration. Potential sand sources included Ship,

Tiger, and Trinity Shoals. In late 2007, the Water Resources Development Act of 2007 authorized the LCA restoration plan for barrier island and headland restoration.

The USACE Mobile District has requested that BOEM enter into a Memorandum of Agreement for the use of OCS sand for barrier island restoration in Mississippi as part of the Mississippi Coastal Improvements Program along the Gulf Islands National Seashore. Sand for the Mississippi Coastal Improvements Program potentially will be excavated from a borrow area that may include Mobile Area, Blocks 812-820, 856-864, and 902-908. Additionally, St. Bernard Shoals in Chandeleur Area, Blocks 30-34; Main Pass Area, Blocks 86-90, 92-114, and 118-120; and Main Pass Area South and East Addition, Blocks 161, 162, 180, and 181, have been identified as possible sand sources for the restoration of Breton and Chandeleur Islands.

For more information, or to obtain a map of the potentially affected blocks, contact the BOEM Gulf of Mexico Regional Supervisor, Office of Environment, at (504) 736-2759. Information also is available on BOEM's website at <http://www.boem.gov/Non-Energy-Minerals/Managing-Multiple-Uses-in-the-Gulf-of-Mexico.aspx>, or in NTL No. 2009-G04, "Significant OCS Sediment Resources in the GOM," which may be found at <http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx>.

(m) Below Seabed Operations. Bidders are advised that a right-of-use and easement has been approved for Mississippi Canyon, Blocks 723 and 767 and Green Canyon, Blocks 786-788 (which currently are unleased). Rights-of-use and easement have been granted for the blocks listed below to allow permanent mooring of floating production facilities. Oil and gas leases for these blocks will prohibit any activities including, but not limited to, the construction and use of structures, operation of drilling rigs, laying of pipelines, and/or anchoring, from occurring or being located on the seafloor or in the water column within the areas depicted by the maps included with Stipulation No. 9 within the document "Lease Stipulations" included in the Proposed NOS Package. Sub-seabed activities that are part of exploration, development, and production activities from outside the no-activity zones and associated 500-foot buffer zones may be allowed, including the use of directional drilling or other techniques.

Mississippi Canyon – 919, 920, 921, 964, 650, 651, 694, 692, 735, 723, 767

Walker Ridge – 293, 294, 762, 763

Green Canyon – 786, 787, 788

(n) Commercial Waste Disposal Areas. Bidders are advised that an inactive commercial waste disposal site exists on all or portions of blocks in the Mississippi Canyon Area. This site is more particularly described as being 28°00'00"N to 28°10'00"N by 89°15'00"W to 89°30'00"W, as depicted on the map "Stipulations and Deferred Blocks" included in the Proposed NOS Package. It was established in the 1970s to facilitate the USEPA's permitting for the seafloor deposition of thousands of steel barrels containing chemical wastes. According to limited USEPA documentation, the chemical wastes consist mostly of chlorinated hydrocarbons and liquid metal salts. The exact location of the waste material is unknown because the geospatial data was not collected when the barrels were

jettisoned. Hazards surveys are required before bottom-disturbing activities are approved in plans and permits. Hundreds of barrels have been detected during hazards surveys conducted on blocks over 10 miles away from the designated disposal site boundaries, making the actual disposal site area much larger than the USEPA-permitted site shown on the map. Therefore, lessees are advised that the blocks associated with the disposal site and adjacent blocks associated with the disposal site that are included in the sale should be considered potentially hazardous. Drilling and platform/pipeline placement may require precautions such as avoidance upon identification and any other appropriate precautions.

(o) 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. Implementing regulations in 40 CFR part 55 apply to OCS sources in the GOM 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 longitude 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 at <http://www.boem.gov/Regulations/Notices-To-Lessees/Notices-to-Lessees-and-Operators.aspx>.

For more USEPA information, contact:

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

(p) 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, 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 the 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. 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

(q) Bids on Blocks near the U.S.-Mexico Maritime and Continental Shelf Boundary. Bidders are advised that bids submitted on 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 following approval of the Agreement necessary to allow it to enter into force, or before September 19, 2014, 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. For more information, see the Proposed NOS Package. The following blocks comprise the Boundary Area:

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

(r) Gulf Islands National Seashore. Potential bidders are hereby notified that postlease plans submitted by lessees of whole and partial lease blocks located within 15 miles of the Gulf Islands National Seashore (State of Mississippi Barrier Island Chain Map – see page 12 of these ITLs) may be subject to additional review. In order to minimize visual impacts from development operations on these blocks, BOEM will review and make decisions on a lessee's plans for these blocks in accordance with applicable Federal law and regulations, and BOEM policies, to determine if visual impacts are expected to cause serious harm and if any additional mitigative action is required. Mitigations may include, but are not limited to, requested changes in location, modifications to design or direction of proposed structures, pursuing joint use of existing structures on neighboring blocks, changes in color design, or other plan modifications. BOEM may consult with the National Park Service, Southeast Regional Office, during such reviews.

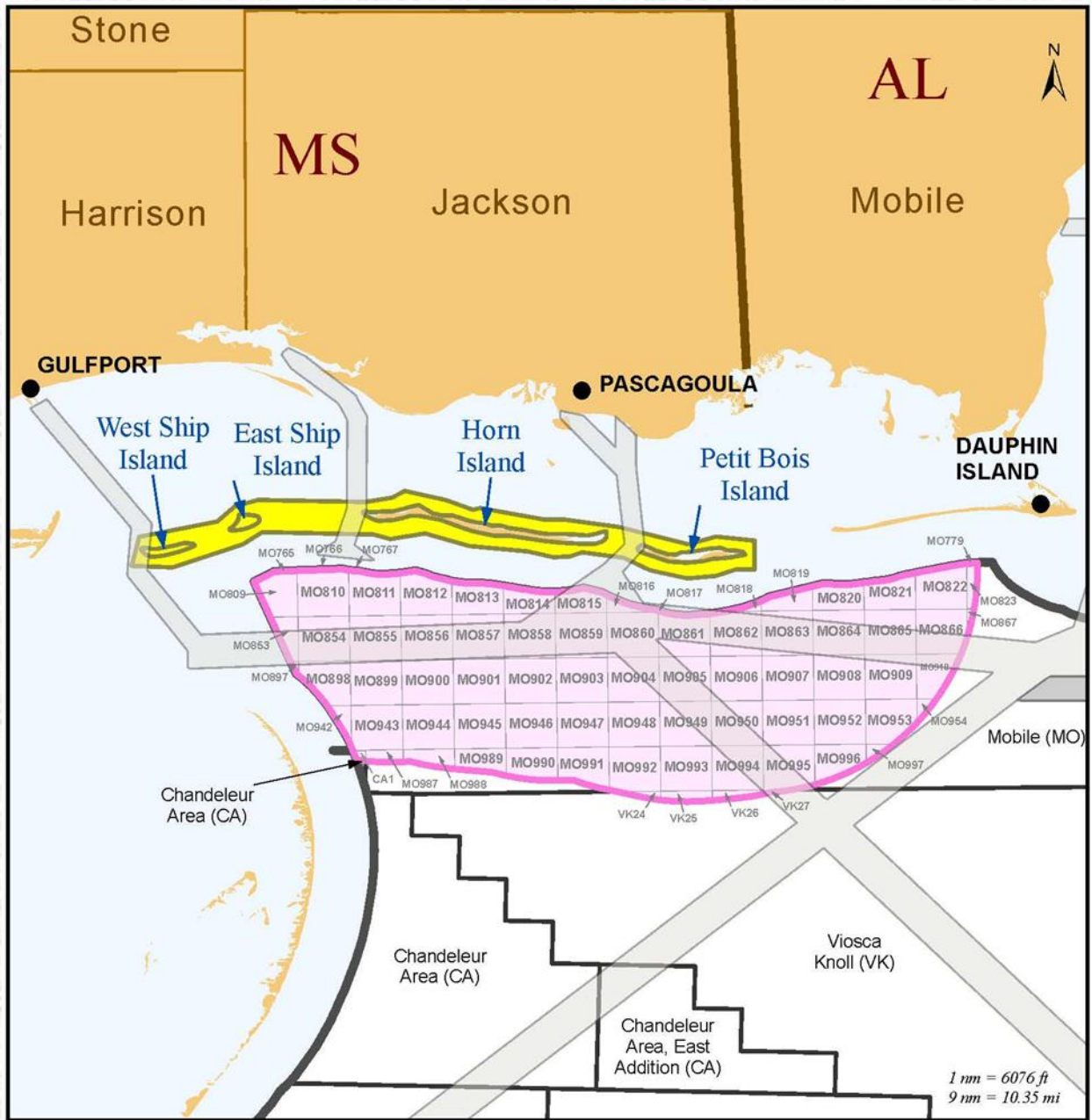
The following whole and partial blocks, shown on the enclosed map, are specifically identified for this ITL:

Chandeleur Area – 1

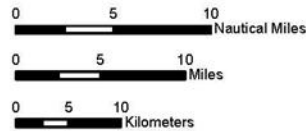
Mobile – 765-767, 778, 779, 809-823, 853-867, 897-910, 942-954, 987-997

Viosca Knoll – 24-27

State of Mississippi Barrier Island Chain Map



- Blocks 15 miles South of Mississippi's National Seashore
- Gulf Islands National Island Seashore (GUIS)
- Anchorage
- Fairway
- OCS Blocks
- Planning Area Boundary
- Protraction Map Boundary



BOEM
BUREAU OF OCEAN ENERGY MANAGEMENT

MAS201300288

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>

