

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Gulf of Mexico Outer Continental Shelf Oil and Gas Lease Sale 249

AGENCY: Bureau of Ocean Energy Management, Interior

ACTION: Proposed Notice of Sale

SUMMARY: On Wednesday, August 16, 2017, the Bureau of Ocean Energy Management (BOEM) proposes to open and publicly announce bids received for blocks offered in the Gulf of Mexico (GOM) Outer Continental Shelf (OCS) Regionwide Oil and Gas Lease Sale 249 (GOM Sale 249), in accordance with the provisions of the Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. §§ 1331-1356, as amended) and the implementing regulations issued pursuant thereto (30 CFR parts 550 and 556).

DATES: BOEM proposes to hold GOM Sale 249 at 9:00 a.m. on Wednesday, August 16, 2017, at a site in New Orleans or the greater New Orleans area to be announced in the Final Notice of Sale. The venue will not be open to the public. Instead, the bid opening will be available for the public to view on BOEM's website at www.boem.gov via video live-streaming beginning at 9:00 a.m. on the date of the sale. The use of live-streaming will provide greater access to a wider national and international audience. BOEM will also post the results on its website after bid opening and reading is completed. All times referred to in this document are in Central Time Zone, unless otherwise specified.

BID SUBMISSION DEADLINE: BOEM must receive all sealed bids between 8:00 a.m. and 4:00 p.m. on normal working days, or from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, August 15, 2017, the day before the lease sale. For more information on bid submission, see Section VII, "Bidding Instructions," of this document.

ADDRESS: Interested parties, upon request, may obtain Proposed Notice of Sale (NOS) maps by contacting the BOEM GOM 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 at <http://www.boem.gov/Sale-249/>.

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FOR GOM SALE 249

I. LEASE SALE AREA

Blocks Offered for Leasing: BOEM proposes to offer for bid in this lease sale all of the available unleased acreage in the GOM, except those blocks listed in “Blocks Not Offered for Leasing” below.

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

Whole and partial blocks that lie within the boundaries of the Flower Garden Banks National Marine Sanctuary (in the East and West Flower Garden Banks and the Stetson Bank) are identified in the following list below:

High Island, East Addition, South Extension (Leasing Map TX7C)

Whole Block: A-398

Portions of Blocks: A-366, A-367, A-374, A-375, A-383, A-384, A-385, A-388, A-389, A-397, A-399, A-401

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (OPD NG15-02)

Portions of Blocks: 134, 135

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

All whole or partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub. L. No. 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

The lease status of the following blocks are currently under appeal; should the appeal(s) be resolved prior to publishing the Final NOS, the block(s) may be available for lease in GOM Sale 249.

West Cameron (Leasing Map LA1) Block 171

Matagorda Island (Leasing Map TX4) Block 632

Matagorda Island (Leasing Map TX4) Block 656

Matagorda Island (Leasing Map TX4) Block 657

II. STATUTES AND REGULATIONS

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

III. LEASE TERMS AND 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. The terms, conditions, and stipulations applicable to this sale are set forth below.

Initial Periods

Initial periods are summarized in the following table:

Water Depth (Meters)	Initial Period
0 to < 400	Standard initial period is five years; the lessee may earn an additional three years (i.e., for an eight year extended initial period) if a well is spudded targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) during the first five years of the lease.
400 to < 800	Standard initial period is five years; the lessee will earn an additional three years (i.e., for an eight year extended initial period) if a well is spudded during the first five years of the lease.
800 to < 1,600	Standard initial period is seven years; the lessee will earn an additional three years (i.e., for a ten year extended initial period) if a well is spudded during the first seven years of the lease.
1,600 +	Ten years

- (1) The standard initial period for a lease in water depths less than 400 meters issued as a result of this sale is five years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first five years of the lease, then the lessee may earn an additional three years, resulting in an eight year extended initial period. The lessee will earn the eight year extended initial period when the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the eight 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 that it did not reach that target for reasons beyond the lessee's control.

In order to earn the eight year extended initial period, the lessee is required to submit to the BOEM GOM Regional Supervisor for Leasing and Plans, as soon as

practicable, but in any instance not more than 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. This letter must request confirmation that the lessee earned the eight year extended initial period and the extended initial period is not effective unless and until the lessee receives written confirmation from BOEM. The BOEM GOM Regional Supervisor for Leasing and Plans will confirm in writing, within 30 days of receiving the lessee's letter, whether the lessee has earned the extended initial period and update BOEM records accordingly.

A lessee that has earned the eight year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the standard five year initial period of the lease will not be granted 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 five years. If the lessee spuds a well within the standard five year initial period of the lease, the lessee will earn an additional three years, resulting in an eight year extended initial period.

In order to earn the eight year extended initial period, the lessee is required to submit to the BOEM GOM Regional Supervisor for Leasing and Plans, as soon as practicable, but in no case more than 30 days after spudding a well, a letter providing the well number and spud date, and requesting confirmation that the lessee earned the eight year extended initial period. Within 30 days of receipt of the request, the BOEM GOM Regional Supervisor for Leasing and Plans will provide written confirmation of whether the lessee has earned the extended initial period and update BOEM records accordingly.

- (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 seven years. If the lessee spuds a well within the standard seven year initial period of the lease, the lessee will earn an additional three years, resulting in a ten year extended initial period.

In order to earn the ten year extended initial period, the lessee is required to submit to the BOEM GOM Regional Supervisor for Leasing and Plans, as soon as practicable, but in no case more than 30 days after spudding a well, a letter providing the well number and spud date, and requesting confirmation that the lessee earned the ten year extended initial period. Within 30 days of receipt of the request, the Regional Supervisor for Leasing and Plans will provide written confirmation of whether the lessee has earned the extended initial period and update BOEM records accordingly.

- (4) The standard initial period for a lease in water depths 1,600 meters or deeper issued as a result of this sale will be ten years.

Economic Conditions

Minimum Bonus Bid Amounts

- \$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.

BOEM will not accept a bonus bid unless it provides for a cash bonus in an 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 (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 Eight Year Extended Initial Period in Water Depths Less Than 400 Meters

Any lessee with a lease in less than 400 meters water depth who earns an eight 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 BOEM 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 %

Minimum Royalty Rate

- \$7.00 per acre or fraction thereof per year for blocks in water depths less than 200 meters; and
- \$11.00 per acre or fraction thereof per year for blocks in water depths 200 meters or deeper.

Royalty Suspension Provisions

The issuance of leases with Royalty Suspension Volumes (RSVs) or other forms of royalty relief is authorized under existing BOEM regulations at 30 CFR part 560. The specific details relating to eligibility and implementation of the various royalty relief programs, including those involving the use of RSVs, are codified in BSEE regulations at 30 CFR part 203.

In this sale, the only royalty relief program being offered, which involves the provision of RSVs, relates to the drilling of ultra-deep wells in water depths of less than 400 meters. Leases issued as a result of this sale may be eligible for RSV incentives on gas produced from ultra-deep wells pursuant to 30 CFR part 203. These regulations implement the requirements of the Energy Policy Act of 2005. Under this program, certain wells on leases in less than 400 meters water depth and completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet on the production of natural gas. This RSV incentive is subject to applicable price thresholds set forth in the regulation at 30 CFR part 203.

IV. LEASE STIPULATIONS

Consistent with the Record of Decision for the Final Programmatic EIS for the 2017-2022 Five Year Program, Stipulation No. 5 (Topographic Features) and Stipulation No. 8 (Live Bottom) will apply to every lease sale in the Gulf of Mexico Program Area. One or more of the remaining eight stipulations may be applied to leases issued as a result of this sale. The detailed text of these stipulations is contained in the “Lease Stipulations” section of the Proposed NOS package.

- (1) Military Areas
- (2) Evacuation
- (3) Coordination

- (4) Protected Species
- (5) Topographic Features
- (6) United Nations Convention on the Law of the Sea Royalty Payment
- (7) Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico
- (8) Live Bottom
- (9) Blocks South of Baldwin County, Alabama
- (10) Below Seabed Operation

V. INFORMATION TO LESSEES

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

- (1) Navigation Safety
- (2) Ordnance Disposal Areas
- (3) Existing and Proposed Artificial Reefs/Rigs-to-Reefs
- (4) Lightering Zones
- (5) Indicated Hydrocarbons List
- (6) Military Areas
- (7) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain U.S. Coast Guard (USCG) Regulations
- (8) Significant OCS Sediment Resource Areas
- (9) Notice of Arrival on the Outer Continental Shelf
- (10) Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air

Act or the Clean Water Act

- (11) Protected Species
- (12) Proposed Expansion of the Flower Garden Banks National Marine Sanctuary
- (13) Communication Towers
- (14) Deepwater Port Applications for Offshore Oil and Liquefied Natural Gas Facilities
- (15) Ocean Dredged Material Disposal Sites
- (16) Below Seabed Operations
- (17) Industrial Waste Disposal Areas
- (18) Gulf Islands National Seashore
- (19) Air Quality Permit/ Plan Approvals

VI. MAPS

The maps pertaining to this lease sale may be found on the BOEM website at <http://www.boem.gov/Sale-249>. The following maps also are included in the Proposed NOS Package:

Lease Terms and Economic Conditions Map

The lease terms, financial conditions and the blocks to which these terms and conditions apply are shown on the map “Proposed, GOM, Lease Sale 249, August 2017, 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 entitled, “Proposed, GOM, Lease Sale 249, August 2017, Stipulations and Deferred Blocks Map” included in the Proposed NOS package.

VII. BIDDING INSTRUCTIONS

Bids may be submitted in person or by mail at the address below in the “Mailed Bids” section. Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if

applicable), and specific information that 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:

- Total amount of the bid in whole dollars only;
- Sale number;
- Sale date;
- Each bidder's exact name;
- Each bidder's proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent);
- Typed name and title, and signature of each bidder's authorized officer;
- Each bidder's qualification number;
- Map name and number or Official Protraction Diagram (OPD) name and number;
- Block number; and
- Statement acknowledging that the bidder(s) understands that this bid legally binds the bidder(s) to comply with all applicable regulations.

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

Bid Envelope

Each bid submitted must be in a separate, sealed, and labeled envelope that includes:

- "Sealed Bid for Oil and Gas Lease Sale 249, not to be opened until 9 a.m. Wednesday, August 16, 2017;"
- Map name and number or OPD name and number;
- Block number for block bid upon; and

- The exact name and qualification number of the submitting bidder only.

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

Mailed Bids

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

Attention: Leasing and Financial Responsibility Section
BOEM GOM Region
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Contains Sealed Bids for GOM Oil and Gas Lease Sale 249. Please Deliver to Ms. Cindy Thibodeaux or Mr. Greg Purvis, 2nd Floor, Immediately.

Please Note:

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Mr. Greg Purvis at (504) 736-1729, immediately after putting their bid(s) in the mail, to ensure receipt of bids prior to the Bid Submission Deadline. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Gulf of Mexico Regional Director (RD) will return those bids unopened to bidders. Please see “Section XI. Delay of Sale” regarding BOEM’s discretion to extend the Bid Submission Deadline in the case of an unexpected event (e.g., flooding or travel restrictions) and how bidders can obtain more information on such extensions.

Advance Bonus Bid Deposit Guarantee

Bidders that are not currently an OCS oil and gas lease record title holder or a designated operator, or who have defaulted on a one-fifth bonus bid deposit in the past, must guarantee the payment of the one-fifth bonus bid deposit prior to bid submission. Bidders must provide this guarantee by using one of the following four methods:

- A third-party guarantee;
- Amend an areawide development bond via bond rider;
- A letter of credit; or
- A lump sum payment in advance via Electronic Funds Transfer (EFT).

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

Affirmative Action

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

Geophysical Data and Information Statement (GDIS)

The GDIS is composed of three parts:

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

Every bidder submitting a bid on a block in GOM Sale 249, or participating as a joint bidder in such a bid, must submit at the time of bid submission all three parts of the GDIS. A bidder must submit the GDIS *even if a joint bidder or bidders on a specific block also have submitted a GDIS*. Any speculative data that has been reprocessed externally or “in-house” is considered proprietary due to the proprietary processing and is no longer considered to be speculative.

The GDIS must be submitted in a separate and sealed envelope, and must identify all proprietary data; reprocessed speculative data, and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset (AVO), Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block. The bidder and joint bidder must also include a live trace map (e.g., .pdf and ArcGIS shape file) for each *proprietary* survey that they identify in the GDIS illustrating the actual areal extent of the *proprietary* geophysical data in the survey (see the “Example of Preferred Format” that will be available in the Final NOS Package for additional information). The shape file *should not* include cultural information, only the live trace map of the survey itself.

The GDIS statement must include the name, phone number, and full address of a contact person and an alternate who are *both knowledgeable about the information and data listed and who are available for 30 days after the sale date*. The GDIS statement also must include a list for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder in the bid. The GDIS statement must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

The GDIS table should have columns that clearly state:

- The sale number;
- The bidder company's name;
- The block area and block number bid on;
- The owner of the original data set (i.e., who initially acquired the data);
- The industry's original name of the survey (e.g., E Octopus);
- The BOEM permit number for the survey;
- Whether the data set is a fast track version;
- Whether the data is speculative or proprietary;
- The data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth);
- The Migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data and areal extent of bidder survey (i.e., number of line miles for 2-D or number of blocks for 3-D);
- The computer storage size, to the nearest gigabyte, of each seismic data and velocity volume used to evaluate the lease block; and
- Who reprocessed and the data when the date of final reprocessing was completed (month and year).

The computer storage size information will be used in estimating the reproduction costs for each data set, if applicable. The availability of reimbursement of production costs will be determined consistent with 30 CFR 551.13.

If the data was sent to BOEM for bidding in a previous lease sale, list the date the data was processed (month and year) and indicate if AVO data was used in the evaluation. BOEM reserves the right to query about alternate data sets, to quality check, and to compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process. An example of the preferred format of the table will be available in the Final NOS Package, as well as a blank digital version of the preferred table, on the GOM Sale 249 webpage at <http://www.boem.gov/Sale-249/> once the Final NOS is published.

The GDIS maps are live trace maps (in .pdf and ArcGIS shape files) that should be submitted for each *proprietary* survey that is identified in the GDIS table. They should illustrate the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” that will be available in the Final NOS Package for additional information).

Pursuant to 30 CFR 551.12 and 30 CFR 556.501, as a condition of the sale, the BOEM Gulf of Mexico RD requests that all bidders and joint bidders submit the proprietary data identified on their GDIS within 30 days after the lease sale (unless they are notified after the lease sale that BOEM has withdrawn the request). This request only pertains to proprietary data that is not commercially available. Commercially available data is not required to be submitted to BOEM, and reimbursement will not be provided if such data is submitted by a bidder. The BOEM Gulf of Mexico RD will notify bidders and joint bidders of any withdrawal of the request, for all or some of the proprietary data identified on the GDIS, within 15 days of the lease sale. Pursuant to 30 CFR part 551 and 30 CFR 556.501, as a condition of this sale, all bidders required to submit data must ensure that the data is received by BOEM no later than the 30th day following the lease sale, or the next business day if the submission deadline falls on a weekend or Federal holiday. The data must be submitted to BOEM at the following address:

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

BOEM recommends that bidders mark the submission’s external envelope as “Deliver Immediately to DASPU.” BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation: “Proprietary Geophysical Data Submitted Pursuant to GOM Sale 249 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)). CCR usernames will not work in

SAM. A new SAM User Account is needed to register or update an 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 the 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>.

Please Note:

The GDIS Information Table *must be submitted digitally*, preferably as an Excel spreadsheet, on a CD or DVD along with the seismic data map(s). If bidders have any questions, please contact Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455. Bidders should refer to Section X of this document, "The Lease Sale: Acceptance, Rejection, or Return of Bids," regarding a bidder's failure to comply with the requirements of the Final NOS. This also includes any failure to submit information as required in the Final NOS or Final NOS package.

Telephone Numbers/Addresses of Bidders

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

Additional Documentation

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.107, 30 CFR 556.401, 30 CFR 556.501, and 30 CFR 556.513.

VIII. BIDDING RULES AND RESTRICTIONS

Restricted Joint Bidders

On November 4, 2016, BOEM published the most recent List of Restricted Joint Bidders in the *Federal Register* at 81 FR 76962. 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 556.511-515 for additional restrictions.

Authorized Signatures

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

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 BOEM qualification number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The withdrawal request must be executed by an authorized signatory in conformance with the BOEM qualification records. The name and title of the authorized signatory must be typed under the signature block on the withdrawal request. The BOEM Gulf of Mexico RD, or the RD’s designee, will indicate their approval by signing and dating the withdrawal request.

Bid Rounding

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

IX. FORMS

The Final NOS package will include instructions, samples, and/or preferred formats for the following items. BOEM strongly encourages bidders to use the recommended formats. If 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 venue will not be open to the public. Instead, the bid opening will be available for the public to view on BOEM's website at www.boem.gov via live-streaming. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

Bonus Bid Deposit for Apparent High Bids

Each bidder submitting an apparent high bid must submit a bonus bid deposit to the Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder's one-fifth bonus bid requirement deposit may be obtained on the day of the bid opening on the BOEM website at <http://www.boem.gov/Sale-249/> 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 GOM Sale 249, 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 from this lease sale prior to issuance of a written acceptance of a bid for the block.

Acceptance, Rejection, or Return of Bids

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

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

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

Bid Adequacy Review Procedures for GOM Sale 249

To ensure that the U.S. Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM's bid adequacy procedures which are available 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 556.520(a); 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 balance of the bonus bid amount and the first year's rental.

XI. DELAY OF SALE

The BOEM Gulf of Mexico RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of an event that the BOEM Gulf of Mexico RD deems may interfere with the carrying out of a fair and orderly lease sale process. Such events could include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fires, strikes, civil disorder, or other events of a similar nature. In case of such events, bidders should call (504) 736-0557, or access the BOEM website at <http://www.boem.gov>, for information regarding any changes.

XII. UPCOMING MILESTONES

After the Governors of the affected States (Texas, Mississippi, Florida, Alabama and Louisiana) have had an opportunity to comment on the size, timing, and location of the proposed lease sale, as required by section 19 of OCSLA (see 43 U.S.C. § 1345), the Assistant Secretary for Land and Minerals Management will make a decision on whether and how to proceed with GOM Sale 249. 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 GOM Sale 249 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 GOM Sale 249, containing all lease sale terms and conditions and detailed instructions to bidders, also will be available at that time from the BOEM GOM Region Public Information Office, and on the BOEM website at <http://www.boem.gov/Sale-249/>.

APPENDIX A: REPEAL LANGUAGE FOR ROYALTY SUSPENSION PROVISIONS FOR GOM SALE 249

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 (EPAAct of 2005), Pub. L. No. 109-58, before BOEM issues the Final NOS for Sale 249.

Should section 344 of the EPAAct of 2005 be repealed on or before June 16, 2017 – a date giving enough lead time for bidders and BOEM to prepare the Final NOS for GOM Sale 249 – BOEM intends to offer leases for sale with no ultra-deep gas RSVs in their lease terms. If section 344 is repealed, leases located in 0 to 400 meters water depth with ultra-deep wells would not earn RSVs.