
Leasing Activities Information



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

Lease Stipulations For Eastern Gulf of Mexico Oil and Gas Lease Sale 181

(Final Notice of Sale; October 2001)

Four stipulations will be applied to leases resulting from this sale on blocks shown on the "Lease Terms, Economic Conditions, Stipulations, and Deferred Blocks, Sale 181 Map" included in the Sale Notice Package. These stipulations are:

- Stipulation No. 1 - Military Areas
- Stipulation No. 2 - Evacuation
- Stipulation No. 3 - Coordination
- Stipulation No. 4 - Marine Protected Species

Stipulation No. 1 -- Military Areas

(To be a part of each Sale 181 lease)

(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, which occur in, on, or above the OCS, to any persons or to any property of any person or persons 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 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 or activities of the command headquarters listed at the end of this stipulation.

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 United States, its contractors or subcontractors, or any of its officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury in connection with the programs or activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the United States, 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 and water test areas in accordance with requirements specified by the commander of the command headquarters listed in the following table (hereinafter "the appropriate command headquarters") 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 and water test areas. Prior to entry into the particular warning or

water test area, the lessee, its agents, employees, invitees, independent contractors or subcontractors, must coordinate electromagnetic emissions with the appropriate onshore military installation command headquarters.

(c) Operational

The lessee, when conducting or causing any activities in the individual designated warning and water test areas, shall enter into an agreement with the appropriate command headquarters prior to commencing such activities. Such an agreement will provide for positive control of personnel and property associated with lessee's activity and operations existing in the warning and water test areas at any time.

Warning and Water Test Areas

Command Headquarters

Eglin Water Test Areas 1 and 3

Air Armament Center
Attention: Robert J. Arnold
Encroachment Committee Chairman
101 West "D" Ave., Suite 222
Eglin AFB, Florida 32542-5492
Telephone: (850) 882-3614

W-155
(For Agreement)

Chief, Naval Air Training
Naval Air Station
Attn: Office No. 206
Corpus Christi, Texas 78419-5100
Telephone: (512) 939-3862/3902

W-155
(Filing Plans)

Naval Air Training Command
Attention: Training Wing Six,
Operations
Pensacola, Florida 32508
Telephone: (850) 452-2305

W-155
(Current Operational Control)

Fleet Area Control & Surveillance
Attention: Facility (FACSFAC),
Operations
Naval Air Station
Pensacola, Florida 32508
Telephone: (850) 452-4671

Stipulation No. 2 -- Evacuation

(To be a part of each Sale 181 lease)

(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 shall normally be given before requiring a suspension or evacuation, but in no event will the notice be less than four (4) days. Temporary suspension of operations may include the evacuation of personnel, and appropriate sheltering of personnel not evacuated. Appropriate shelter shall mean the protection of all lessee personnel for the entire duration of any Department of Defense activity from flying or falling objects or substances and will be implemented by a written order from the MMS Regional Supervisor for Field Operations (RS-FO), after consultation with the appropriate command headquarters or other appropriate military agency, or higher authority. The appropriate command headquarters, military agency or higher authority shall provide information to allow the lessee to assess the degree of risk to, and provide sufficient protection for, lessee's personnel and property. Such suspensions or evacuations for national security reasons will not normally exceed seventy-two (72) hours; however, any such suspension may be extended by order of the RS-FO. During such periods, equipment may remain in place, but all production, if any, shall cease for the duration of the temporary suspension if so directed by the RS-FO. Upon cessation of any temporary suspension, the RS-FO will immediately notify the lessee such suspension has terminated and operations on the leased area can resume.

(b) The lessee shall inform the MMS 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 shall not be entitled to reimbursement for any costs or expenses associated with the suspension of operations or activities or the evacuation of property or personnel in fulfillment of the military mission in accordance with subsections (a) through (c) above.

(e) Notwithstanding subsection (d), the lessee reserves the right to seek reimbursement from appropriate parties for the suspension of operations or activities or the evacuation of property or personnel associated with conflicting commercial operations.

Stipulation No. 3 -- Coordination

(To be a part of each Sale 181 lease)

(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 MMS Regional Director (RD) after the review of an operator's Exploration Plan (EP). Prior to approval of the EP, the lessee shall consult with the appropriate command headquarters regarding the location, density, and the 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 a formal Operating Agreement with such command headquarters, that delineates the specific requirements and operating parameters for the lessee's proposed activities in accordance with the military stipulation clauses contained herein. If it is determined that the proposed operations will result in interference with scheduled military missions in such a manner as to possibly jeopardize the national defense or to pose unacceptable risks to life and property, then the RD may approve the EP with conditions, disapprove it, or require modification in accordance with 30 CFR 250. The RD will notify the lessee in writing of the conditions associated with plan approval, or the reason(s) for disapproval or required modifications. Moreover, if there is a serious threat of harm or damage to life or property, or if it is in the interest of national security or defense, pending or approved operations may be suspended in accordance with 30 CFR 250. Such a suspension will extend the term of a lease by an amount equal to the length of the suspension, except as provided in 30 CFR 250.169(b). The RD will attempt to minimize such suspensions within the confine 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 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, the RD will direct the lessee to modify any existing operating

agreement or to enter into a new operating agreement to implement measures to avoid or minimize the identified potential conflicts, subject to the terms and conditions and obligations of the legal requirements of the lease.

Stipulation No. 4 -- Marine Protected Species

(To be a part of each Sale 181 lease)

The National Marine Fisheries Service (NMFS) Biological Opinion for Lease Sale 181 requires the following non-discretionary terms and conditions:

(a) MMS will condition permits issued to oil companies to require collection and removal of flotsam resulting from activities related to exploration, development, and production of this lease.

(b) MMS will condition permits issued to oil companies requiring them to 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.

(c) MMS will develop, in conjunction with NMFS, a mandatory observer training program. This program will include methods by which observers are to report sightings of sea turtles and large whales and any takes of sea turtles or cetaceans resulting from vessel operations.

(d) The lessee or operator must require personnel to contact, as soon as possible, the MMS Protected Species Biologist, Gulf of Mexico Region Office of Leasing and Environment, upon discovering any injured or dead sea turtles, marine mammals, or Gulf sturgeon. Parties responsible for injured or dead sea turtles, marine mammals, or Gulf sturgeon shall assist in collecting the impacted animals at the request of the MMS.

Lessees and operators will be instructed how to implement these non-discretionary measures in Notices To Lessees to be issued in late 2001 and/or early 2002.