

**DEPARTMENT OF THE INTERIOR**

**Minerals Management Service**

Outer Continental Shelf, Central Gulf of Mexico, Oil and Gas Lease Sale

**ACTION: AMENDMENT TO PROPOSED NOTICE OF SALE 178**

The Minerals Management Service made available the proposed Notice of Sale for Outer Continental Shelf (OCS) Oil and Gas Lease Sale 178 in the Central Gulf of Mexico through the Notice of Availability published in the Federal Register at 65 FR 71119 on Wednesday, November 29, 2000. This Notice amends the area identified in the proposed Notice of Sale as available for leasing.

On October 18, 2000, the United States Senate gave advice and consent to ratification of the treaty establishing the continental shelf boundary between the United States and Mexico in the area beyond the U.S. Exclusive Economic Zone (EEZ) known as the Western Gap. On November 28, 2000, the Senate of Mexico also approved the treaty. Given that the two countries will likely exchange instruments of ratification prior to the proposed sale date, the MMS proposes to offer in this sale blocks beyond the U.S. EEZ in the Western Gap, with the exception of blocks and portions of blocks in the 1.4 mile buffer area along the boundary established by the treaty.

**Blocks beyond the U.S. EEZ in the northern portion of the Western Gap are now proposed to be available for leasing in the proposed sale except for:**

- Blocks or portions of blocks beyond the U.S. EEZ in the northern portion of the Western Gap which are in the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico. Both the zone and the boundary were established by the "Treaty Between The Government Of The United States Of America And The Government Of The United Mexican States On The Delimitation Of The Continental Shelf In The Western Gulf Of Mexico Beyond 200 Nautical Miles" signed by the United States and Mexico on June 9, 2000, and to which the U.S. Senate gave advice and consent to ratification on October 18, 2000, and for which the Mexican Senate gave its approval on November 28, 2000.

**The following blocks lie wholly within the 1.4 nautical mile buffer and are deferred from this sale:**

Amery Terrace (Area NG15-09)

280, 281

318 through 320

355 through 359

**The portions of the following blocks lying within the 1.4 nautical mile buffer are deferred from this sale:**

Amery Terrace (Area NG15-09)

235 through 238

273 through 279

309 through 317

The available acreage in these blocks will be provided in the "Unleased Split Blocks and Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease" document to be included in the Final Sale Notice Package. Also, Supplemental Official OCS Block Diagrams for these blocks are available from the Public Information Unit, Gulf of Mexico Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394. Telephone: (504) 736-2519. These diagrams can also be found on the MMS Homepage Address on the Internet: <http://www.mms.gov>. For additional information, please call Mr. Charles Hill (504) 736-2795.

Blocks or portions of blocks beyond the U.S. EEZ are offered in Sale 178 consistent with U.S. law and the provisions of the 1982 Law of the Sea Convention. The Convention balances the extension of coastal Nation control over the natural resources of the continental margin seaward of 200 miles with a modest obligation on such Nations to share revenues from successful mineral development seaward of 200 miles. The Convention provides that payments by the coastal Nations subject to it would not be required during exploration or the first 5 years of production, and once instituted, would be at the rate of 1 percent of the value or volume of production beginning in the sixth year of such production, increasing at a rate of 1 percentage point per year to a maximum of 7 percent in the 12<sup>th</sup> year and thereafter. It has been expected that payments would come from normal royalties already paid by the industry to the United States Government. The question of what, if any, effect the Law of the Sea Convention revenue sharing requirements and the methods and procedures of paying any international obligations of the U. S. Government from royalty payments to the United States would have on royalty suspension volumes is under review. Once determinations are made on this issue, specific terms and conditions for leasing blocks in

this area will be specified as soon as possible, but no later than in the final Notice of Sale.

All other terms and conditions of the proposed sale remain the same as described in the proposed Notice of Sale.

s/ Thomas R. Kitsos for  
Director, Minerals Management Service

December 8, 2000  
Date

Approved:

s/ Sylvia V. Baca  
Assistant Secretary, Land and  
Minerals Management

December 8, 2000  
Date