

## **Leasing Activities Information**

U.S. Department of the Interior  
Bureau of Ocean Energy Management (BOEM)  
Gulf of Mexico OCS Region

### **Instructions for Making Electronic Funds Transfer Bonus Payments**

Updated December 2019

Please Note: Electronic Funds Transfer (EFT) Bonus Payments are specific to one particular OCS Lease Sale. Therefore, if a bidder submits the apparent high bid(s) in more than one OCS Lease Sale, more than one EFT bonus payment is expected.

#### **Bid(s) submitted for an OCS Lease Sale, must comply with the following:**

- 1) On the Bidder Information Form submitted to the Bureau of Ocean Energy Management (BOEM) Regional Office, the bidder should provide BOEM the following information:
  - a. The name, email address and telephone number (including area code) of the bidder's EFT coordinator; BOEM will use this contact to resolve any EFT problems. Only one EFT coordinator and one alternate should be designated for bid(s) made by companies submitting joint bids.
  - b. ACH payment information: this information is needed for BOEM to be able to refund the 1/5 bonus bid deposits and interest for high bids that are rejected.
  - c. The bidder's Tax Identification Number (TIN).
- 2) Third Party Error: The bidder will not be held responsible for late payment due to mechanical or systems failure of the Fedwire Deposit System, Federal Reserve Communications System, or the Automated Clearing House System (ACH). The bidder will be held responsible for accurate EFT payments. The bidder's responsibility extends to any bank payment message coding error that prevents the payment from reaching the appropriate Office of Natural Resources Revenue (ONRR) account. The bidder must immediately contact Mr. Brian Hoffman at (303) 231-3235 or Mr. Richard Taylor at (303) 231-3368 of ONRR or via email at [onrr-rfmasgl@onrr.gov](mailto:onrr-rfmasgl@onrr.gov) if a bank coding error occurs.

#### **1/5 Bonus Bid Deposit**

The Final Notice of Sale (FNOS) mandates the use of these procedures in making the electronic 1/5 bonus bid deposit. An EFT 1/5 bonus bid deposit is required for each OCS Lease Sale for which a bidder submits an apparent high bid(s). If bid(s) are submitted for an OCS Lease Sale, please read and comply with the following:

A payment of the 1/5 bonus bid deposit must be made by EFT, payable to ONRR, following the detailed instructions contained on the ONRR website at <https://www.onrr.gov/ReportPay/payments.htm>. Click on the [Electronic Payment Options](#) link in the Payment Information section. Bidders must use either the **Fedwire Deposit System (FI #021030004)** or the **Automated Clearing House (ABA #05103670)**. Pay.gov may not be used for payment of the 1/5 bonus bid deposit.

ONRR considers every signed bid to be a legally binding obligation on the part of the bidder(s) and the bidder shall comply with all applicable regulations, including paying the 1/5 bonus bid deposit on all apparent high bids. Bidders must instruct their bank to use EFT to deposit the 1/5 bonus bid in the appropriate United States Treasury account. The Receiving FI number (Fedwire Deposit System) and the Receiving ABA number (Automated Clearing House) printed in this document and required for the 1/5 bonus bid deposit have not changed. Bidders may continue to use the numbers used in recent years for their upcoming transactions until further notified. For any additional questions, call or email the ONRR Point of Contacts listed above in section B.

If bidders are currently an OCS mineral lease record title holder, operating rights owner, or a designated operator for an OCS mineral lease, AND if the bidders have never defaulted on 1/5 bonus bid deposit (via EFT or otherwise), bidders do NOT have to provide additional security for their EFT 1/5 bonus bid deposit. Otherwise, see **“Methods for Securing EFT 1/5 Bonus Bid Deposits”** for options of securing the EFT 1/5 bonus bid deposit.

- 1) **One EFT payment must be made for all leases for which a bidder has submitted the apparent high bid for each OCS Lease Sale.** BOEM will make available on our BOEM website the “Notification of EFT 1/5 Bonus Liability” report denoting the EFT liability shortly after bid reading. It is the responsibility of the bidder to obtain this report. This report is available on a sale specific basis and the bidder’s EFT 1/5 bonus payment is also required on a sale specific basis. If you are unable to obtain this report, contact Ms. Tatiana Williams at (504) 736-7621.
- 2) **The EFT payment must be received in the appropriate United States Treasury account by the time stated in the Final Notice of Sale, generally 1:00 p.m. Eastern Time the day following bid reading (no exceptions). Please do not round up your 1/5 bonus bid deposit amounts.**
- 3) If the EFT payment is deficient in amount (payment is less than the sum total of your 1/5 bonus bids for high bids), the bidder will correct the deficient payment immediately, but no later than 1:00 p.m. Eastern Time of the day following bid reading.

- 4) Should a bidder default on the 1/5 bonus bid deposit by EFT, any or all of the bidder's bids may be rejected at BOEM's discretion. Additionally, the bidder will be required to secure EFT 1/5 bonus bid deposits in future OCS lease sales. Where applicable, BOEM will call on the instrument used to secure the 1/5 bonus bid deposit in the case of default.
- 5) After BOEM has received the bidder's EFT 1/5 bonus bid deposit, the bidder may submit to BOEM a written request to release its financial assurance that served as security for its EFT 1/5 bonus bid deposit.

#### **4/5 Bonus and Rent Payment**

Pursuant to 30 CFR 218.155 and 556.520(a), ONRR requires the use of EFT procedures in making payment of the 4/5 bonus and first year rental amounts. If a high bid is submitted and it is deemed to be acceptable by BOEM, please read and comply with the following:

Payment of the 4/5 bonus and first year rental must be by EFT, payable to ONRR. Bidders must use either the **Fedwire Deposit System (FI# 021030004)** or the **Automated Clearing House (ABA# 05103670)**. Pay.gov may not be used for payment of the 4/5 bonus and first year rental.

The Regional Director of the OCS Regional Office conducting the lease offering will advise bidders of bid acceptance. After notification, bidders must instruct their bank to EFT the 4/5 bonus and first year rental payment to the appropriate United States Treasury account. The Receiving FI number (Fedwire Deposit System) and the Receiving ABA number (Automated Clearing House) printed in this document required for the 4/5 bonus and first year rental payment have not changed. Bidders may continue to use the numbers used in recent years for their upcoming transactions until further notified.

- 1) EFT payments must be received in the appropriate United States Treasury Account no later than 12:00 pm Eastern Standard Time, on the 11th business day after receipt of the lease forms. A business day is considered a day on which the OCS Regional Office issuing the lease is open for business.
- 2) If the EFT payment is deficient in amount (ie. partial payment), the correct payment must be received within two days after the ONRR notification. However, ONRR will assess an interest charge on such deficient payments using the same interest rate assessed for late royalty payments.
- 3) Failure to pay by EFT within the time specified above will result in forfeiture of the 1/5 bonus bid deposit and the authorized officer will not execute the lease.

- 4) One EFT payment for multiple leases is preferred. If there is not enough room in the beneficiary [Fedwire] or addendum [ACH] records to identify leases being paid off, supply lease numbers via fax (303) 231-3501, contact either Richard Taylor at (303) 231-3368, Brian Hoffman at (303) 231-3235 or via email at [onrr-rfmasgl@onrr.gov](mailto:onrr-rfmasgl@onrr.gov). If there are simultaneous OCS sales occurring, a separate payment must be made for each lease sale.
- 5) We request that the bidder's EFT payment contain both the 4/5 bonus(es) and the first-year rental payment(s) as one transaction. If this is not possible, please transmit the total amount due to execute the lease(s) in one business day.

### **Methods for Securing EFT 1/5 Bonus Bid Deposits**

If the bidder is **NOT** currently an OCS mineral lease record title holder operating rights owner, or a designated operator for an OCS mineral lease, **OR** if the bidder has ever defaulted on a 1/5 bonus bid deposit in a previous OCS Lease Sale, the bidder **MUST** secure its EFT 1/5 bonus bid deposit(s) by using one of the methods listed below. The financial assurance instrument(s) associated with the methods listed below should cover at least 1/5 of the sum of all bids that the bidder is submitting for an OCS lease sale, including joint bids. The bidder should submit its financial assurance documents securing its 1/5 bonus bid(s) to BOEM **well in advance of submitting its bids**, to allow time for BOEM to process the financial assurance instrument(s), for the bidder to take any necessary curative actions, and for BOEM to approve/accept the financial assurance instrument(s).

Bidders may use one of the following methods to secure their EFT 1/5 bonus bid deposit(s):

- 1) *Third Party Guaranty*. If this option is used to secure EFT 1/5 bonus bid deposits, the Guarantor that guarantees the bidder's EFT 1/5 bonus bid deposit must be an active OCS mineral lease record title holder, operating rights owner, OR a designated operator for an active OCS mineral lease. The Guarantor must expressly consent to guarantee at least 1/5 of the sum of all bids that the bidder will submit for an OCS lease sale, including joint bids. The Third Party Guaranty should be submitted to BOEM well in advance of the bidder submitting its bid(s). This allows time for BOEM to process the Third Party Guaranty, for the bidder and/or Guarantor to take any necessary curative actions, and for BOEM to approve/accept the Third Party Guaranty prior to bid submission. Should a bidder default on the EFT 1/5 bonus bid deposit, BOEM will call upon the Guarantor to cover the delinquent payment. A Third Party Guaranty template can be found at: [Model Third Party Indemnity \(bsee.gov\)](#).
- 2) *Amended Area-wide Coverage*. If this option is used to secure the EFT 1/5 bonus bid deposit, the bidder must amend its \$3 million area-wide development bond by submitting a notarized rider from the issuing surety to BOEM for approval. The

notarized rider must contain provisions that the bond may be used to cover pre-lease obligations. If the 1/5 bonus bid deposit of the total of all bids for a bidder exceeds the \$3 million penal sum of the bond, the bidder should contact BOEM as soon as possible to discuss options for securing the 1/5 bonus bid under these circumstances. All other terms and conditions of the bond must remain unchanged. The bidder must submit the notarized rider to BOEM well in advance of submitting its bid(s). This allows time for BOEM to process the rider, for the bidder and/or surety to take any necessary curative actions, and for BOEM to approve/accept the rider **prior to bid submission**.

If the \$3 million area-wide development bond coverage is through a U.S. Treasury Note, the bidder must submit to BOEM a notarized letter from the bidder, agreeing that the Treasury Note may be used to cover pre-lease obligations until the bidder makes its EFT deposit. If the 1/5 bonus bid deposit of the total of all bids for a bidder exceeds the \$3 million, the bidder should contact BOEM as soon as possible to discuss options for securing the 1/5 bonus bid under these circumstances. The bidder must submit the notarized letter to BOEM well in advance of submitting its bid(s). This allows time for BOEM to process the notarized letter, for the bidder to take any necessary curative actions, and for BOEM to approve/accept the notarized letter **prior to bid submission**.

Should a bidder default on the EFT 1/5 bonus bid deposit, BOEM will call upon the bond/Treasury Note to cover the delinquent payment.

- 3) A Letter of Credit (LOC). If this option is used to secure the EFT 1/5 bonus bid deposit, the bidder must use a clean, stand-by, irrevocable LOC. The LOC must be submitted for an amount that is at least 1/5 of the sum of all bids that the bidder will submit for an OCS lease sale, including joint bids. The bidder must submit the LOC to BOEM well in advance of submitting its bid(s). This allows time for BOEM to process the LOC, for the bidder to take any necessary curative actions, and for BOEM to approve/accept LOC **prior to bid submission**.

The LOC must have a minimum coverage period of 120 days beginning with the date of the OCS Lease sale. The LOC must be from a bank incorporated in the United States that has a minimum Thomson BankWatch rating of:

- “C” for a LOC less than \$1 million;
- “B/C” for a LOC between \$1 million to \$10 million; or
- “B” for a LOC over \$10 million.

The bidder is responsible for verifying that the bank provides a current rating to BOEM. The issuing bank must submit this rating with each LOC. If the issuing bank’s rating falls below the minimum acceptable level, the bidder must submit a

satisfactory replacement surety or BOEM may consider the bids to not be appropriately secured and therefore invalid.

If the institution issuing the LOC becomes insolvent, BOEM will require an immediate replacement surety unless the current LOC is transferred in whole and completely honored by the receiving institution. If the bidder does not provide a replacement surety, BOEM may consider the bids to not be appropriately secured and therefore invalid.

Should the bidder default on the EFT 1/5 bonus bid deposit, BOEM will call the LOC to cover the delinquent payment.

- 4) *Advanced EFT Payment.* If this option is used to secure the EFT 1/5 bonus bid deposit, the Advanced EFT payment must be submitted for at least 1/5 of the sum of all bids that the bidder submits for an OCS lease sale, including joint bids. The bidder should make its Advanced EFT payment well in advance of submitting its bid(s). This allows time for the payment to be processed, for the bidder to take any necessary curative actions, and for the payment to clear.

**Please note that only bidders requiring security for their EFT 1/5 bonus bid deposit should consider making an Advanced EFT payment.** If the bidder does NOT have to secure the EFT 1/5 bonus payment (i.e. the bidder is an OCS mineral lease record title holder operating rights owner, or designated operator for an OCS mineral lease and has a history of accurate and timely 1/5 bonus payments) then the bidder should wait until the bids are opened and read and BOEM determines the EFT liability for the bidder's high bids to make the EFT 1/5 bonus bid deposit.

If this option is used to secure your EFT 1/5 bonus bid deposit, either the **Fedwire Deposit System** or the **Automated Clearing House** (see Attachments 1 and 2 for formats) must be used. One EFT payment must be made for 1/5 of the sum of the bids for all blocks for which the bidder submitted a bid, including joint bids. **The EFT payment must be received and deposited in the appropriate United States Treasury account before the bidder submits its bid(s).** Bidders are reminded that the bid submission deadline is generally 10:00 a.m. Central Standard Time the day before bid reading.

The bidder should provide, at the time it submits its bid, a confirmation or tracking number for its Advanced EFT Payment, the name of the company submitting the payment as it appears on the payment, and the date the payment was submitted in order for BOEM to confirm the payment with ONRR. Submitting payment to the financial institution at least five business days prior to submitting bids will help ensure that the Office of Foreign Assets Control and the U.S. Department of the Treasury have the needed time to screen and process the Advanced EFT

Payment so that they post it to ONRR prior to the bids being submitted. ONRR cannot confirm payment until the monies have been moved into settlement status by the U.S. Treasury. BOEM will not accept bids from bidders whose Advance EFT payments it cannot confirm with ONRR.

Once the bids are opened and read, BOEM will determine the bidder's 1/5 bonus liability. Should the 1/5 bonus liability be less than the Advanced EFT payment (i.e., the bidder was not the high bidder on all bids submitted), ONRR will contact the bidder the same day to refund the difference (the Advanced EFT payment minus the 1/5 bonus liability of the blocks on which the bidder was not the high bidder) without interest. That refund (when applicable) will be transmitted using ACH according to the payment information provided by the bidder at the time of bid submission on the bidder information form.

For any additional information regarding the above listed Methods for Securing EFT 1/5 Bonus Bid Deposits, please contact Ms. Tatiana Williams at (504) 736-7621.

## UNITED STATES DEPARTMENT OF THE INTERIOR

### OFFICE OF NATURAL RESOURCES REVENUE

#### INSTRUCTION GUIDE FOR FEDWIRE DEPOSIT SYSTEM SALE PAYMENTS

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$999,999.99
{3400}	Receiver ABA routing number	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR
{4200}	Beneficiary Identifier	14170001
{4200}	Beneficiary Name	Department of the Interior Office of Natural Resources Revenue Denver, Colorado
{5000}	Originator	XYZOO Oil Company 12345 Pleasant Avenue Broncville, HI
{6000}	Originator to Beneficiary Information - Line 1	SaleXXX, QualXXXX, *XXLeases
{6000}	Originator to Beneficiary Information - Line 2	
{6000}	Originator to Beneficiary Information - Line 3	
{6000}	Originator to Beneficiary Information - Line 4	



**FEDWIRE 1/5 BONUS MESSAGE FORMAT**

**\*XX = number of awarded high bid leases.**

**Sample: Message Format To Pay 1/5 Bonus Bid Deposit**

<b>Amount of Wire</b>	\$999,999.99
<b>Receiver FI</b>	021030004
<b>Business Function</b>	CTR
<b>Beneficiary</b>	14170001 Department of Interior Office of Natural Resources Revenue Denver, CO
<b>Originator</b>	XYZOO Oil Company 12345 Pleasant Avenue Broncoville, HI
<b>Originator to Beneficiary</b>	Sale222, Qual9999, *XXLeases

**UNITED STATES DEPARTMENT OF THE INTERIOR**

**OFFICE OF NATURAL RESOURCES REVENUE**

**INSTRUCTION GUIDE FOR FEDWIRE DEPOSIT SYSTEM SALE PAYMENTS**

**RENT AND 4/5 BONUS MESSAGE FORMAT**

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	\$999,999.99
{3400}	Receiver ABA routing number	021030004
{3400}	Receiver ABA short name	TREAS NYC
{3600}	Business Function Code	CTR
{4200}	Beneficiary Identifier	14170001
{4200}	Beneficiary Name	Department of the Interior Office of Natural Resources Revenue Denver, Colorado
{5000}	Originator	XYZOO Oil Company 12345 Pleasant Avenue Broncville, HI
{6000}	Originator to Beneficiary Information - Line 1	SaleXXX, QualXXXX, Leases GXXXXX,
{6000}	Originator to Beneficiary Information - Line 2	GXXXXX, GXXXXX, GXXXXX,
{6000}	Originator to Beneficiary Information - Line 3	GXXXXX, GXXXXX, GXXXXX,
{6000}	Originator to Beneficiary Information - Line 4	GXXXXX, GXXXXX, GXXXXX

Originator to Beneficiary – You may fax lease numbers to (303) 231-3501 if there are too many characters to fit.

**Sample: Message Format To Pay Rent and 4/5 Bonus**

<b>Amount of Wire</b>	\$999,999.99
<b>Receiver FI</b>	021030004
<b>Business Function</b>	CTR
<b>Beneficiary</b>	14170001 Department of Interior Office of Natural Resources Revenue Denver, CO
<b>Originator</b>	XYZOO Oil Company 12345 Pleasant Avenue Broncville, HI
<b>Originator to Beneficiary</b>	Sale222, Qual9999, Leases G3456, G34562, G34563, G34564, G34565, G34566, G34567, G34568, G34569, G34570

**UNITED STATES DEPARTMENT OF THE INTERIOR**

**OFFICE OF NATURAL RESOURCES REVENUE**

**INSTRUCTION GUIDE FOR AUTOMATED CLEARING HOUSE SALE PAYMENTS**

**ACH FUNDS TRANSFER MESSAGE FORMAT (CCD)**

The following form is designed as an aid for the OCS lease sale bidders in providing complete and accurate data to their banks for the payment of the 1/5 bid and 4/5 bonus and first year rental amounts. The following payment record format is for an ACH CCD+ (Cash Concentration and Disbursement plus Addendum).

Payment Record Format:

Data Element Name	Contents
Bank Name	CREDIT GATEWAY ACH RECEIVER
RTN (Routing Number)	051036706
Receiver Name	Office of Natural Resources Revenue
Account Number	220037
Record Type Code	6
Transaction Code	22
Addenda Indicator	'1' [This indicates an Addenda Record is attached; the bidder <i>must</i> attach an Addenda Record.]

### **Addenda Record Format for 1/5 Total Bid Amount**

- 1- OCS Lease Sale Number, example 'SALE222'
- 2- Company OCS Qualification Number, example 'QUAL9999'
- 3- The number of awarded high bid leases.

The following is an example of the "Payment Related" addenda record field:

**SALE 222\*QUAL9999\*XXLeases**

\*XX = The number of awarded high bid leases.

### **Addenda Record Format for 4/5 Bonus & First Year Rent**

- 1- OCS Lease Sale Number, example 'SALE222'
- 2- Company OCS Qualification Number, example 'QUAL9999'
- 3- Lease Serial Numbers, example 'Leases G34567\*G34568'

The following is an example of the "Payment Related" addenda record field:

**SALE222\*QUAL9999\*LeasesG34567\*G34568**

*The asterisks (\*) are a separator and are required items.*

Banks using the NATCHA Format, may require additional information. This information is acceptable. Any questions call the ONRR Point of Contact.