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# Leasing Activities Information



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

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## FINAL NOTICE OF SALE 190 Central Gulf of Mexico

Attached is the Final Notice of Sale 190 Package (FNOS 190 Package), Central Gulf of Mexico (GOM), scheduled to be held on March 17, 2004, in New Orleans, Louisiana.

In addition to the FNOS 190, this Package consists of:

- ◆ Lease Stipulations for Lease Sale 190
- ◆ Royalty Suspension Provisions for Lease Sale 190
- ◆ Information To Lessees for Lease Sale 190
- ◆ Example of Preferred Format - Geophysical Data and Information Statement
- ◆ List of Blocks Available for Leasing for Lease Sale 190
- ◆ Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred
- ◆ Debarment Certification Form
- ◆ Bid Form and Envelope
- ◆ Telephone Numbers/Addresses of Bidders Form
- ◆ Instructions for Making EFT Bonus Payments
- ◆ Lease Terms and Economic Conditions Map, Lease Sale 190, Final
- ◆ Stipulations and Deferred Blocks Map, Lease Sale 190, Final

All of these documents may be found on the MMS Homepage Address on the Internet: [www.mms.gov](http://www.mms.gov).

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### ***Please Notice:***

Terms and conditions for FNOS 190 are generally the same as the March 2003 Central GOM Sale 185 except for the following noteworthy matters:

#### **Lease Stipulations**

One or more of eight lease stipulations will apply to leases resulting from this sale. The first seven lease stipulations were adopted for the Proposed Notice of Sale 190. Lease Stipulation No. 8 was adopted after the PNOS 190 and will apply to sand dredging operations on Ship Shoal Blocks 87 (S/2), 88, and 89.

A recently revised Protected Species Stipulation that is designed to minimize or avoid potential adverse impacts to federally protected species is included in the FNOS 190 Package. Having completed formal consultations (pursuant to the Endangered Species Act) with the National Oceanic and Atmospheric Administration - Fisheries (NOAA-Fisheries) and the U.S. Fish and Wildlife Service (FWS), the MMS has included terms and conditions as appropriate in the Protected Species Stipulation and in several Notices To Lessees (NTLs).

The NOAA-Fisheries included in its opinion a conservation recommendation that permit holders maintain helicopter traffic over the Gulf at altitudes above 1,000 feet, if practicable, to avoid disturbance to whales and sea turtles. The FWS has recommended in previous opinions that, to minimize impacts to endangered and threatened species, aircraft working on OCS activities should adhere to the Federal Aviation Administration (FAA) recommended 2,000 foot altitude restriction over wildlife refuges (State and Federal) and parks (including national seashores).

Three NTLs have been issued which implement the requirements of the Protected Species Stipulation. One of the three, NTL No. 2003-G08, has been superseded and replaced by NTL No. 2004-G01, effective March 1, 2004. This revised NTL does not introduce any new types of mitigation measures; however, the previous restrictions adopted in NTL No. 2003-G08 specifically to

protect sperm whales now will be applied to all whales (as defined in the revised NTL), some of which may be encountered in water depths less than 200 meters in certain areas of the GOM. Please refer to paragraph (j) of the Information To Lessees document included in the FNOS 190 Package.

#### **Vermilion Blocks 139 and 140; West Cameron Blocks 213 and 603**

The U.S. Coast Guard and the U.S. Department of Transportation, Maritime Administration, have received three applications for the licensing of deepwater ports involving proposed LNG facilities which may affect oil and gas operations on related blocks, most notably those listed in this caption. Two of the LNG projects have been approved by the Maritime Administration, and the third project was deemed complete and notice of its acceptance has been published in the Federal Register.

MMS is deferring from Lease Sale 190 Vermilion Area Blocks 139 and 140 pending the completion of MMS's ongoing consultations with the U.S. Coast Guard regarding appropriate measures to ensure avoidance of potential conflicts between LNG port activities and OCS oil and gas activities. Please see the news release, "MMS Issues Final Notice of Central Gulf Lease Sale 190," dated February 12, 2004, and paragraph (o) of the Information To Lessees document included in the FNOS 190 Package for specific details.

#### **Ship Shoal Blocks 87, 88, 89, 94 and 95; South Pelto Blocks 12, 13, 14, 18 and 19; West Delta Blocks 27 and 49**

Offshore dredging activities will likely occur in the near future on some of the blocks cited above. In cooperation with MMS, the United States Environmental Protection Agency, Region 6, and the Louisiana Department of Natural Resources, are considering the use of sand offshore Louisiana for coastal and barrier island protection projects in the Ship Shoal and South Pelto areas; the U.S. Army Corp of Engineers is evaluating the use of sand from the South Pelto area for levee construction; and the NOAA is considering the use of sand from the West Delta area for a coastal restoration project. Please see paragraph (m) of the Information To Lessees document included in the FNOS 190 Package.

#### **Viosca Knoll Block 69**

This block, previously on appeal, is now available for leasing.

#### **Royalty Relief**

Effective March 1, 2004, the royalty suspension volumes, conditions, and requirements prescribed in 30 CFR 203.41 through 203.47 apply to shallow water deep gas production from Lease Sale 190. (Please refer to 69 FR 3492 published on January 26, 2004.)

#### **Military Areas**

NTL No. 2004-G02, effective January 27, 2004, provides Internet links to maps and the addresses and telephone numbers of the individual military command headquarters for the military warning and water test areas in the GOM. Lessees are required to enter into an agreement with the appropriate individual military command headquarters concerning the control of electromagnetic emissions and use of boats and aircraft in the applicable warning area or water test area before commencing such traffic.

#### **Information To Lessees**

The Information To Lessees document for this sale includes only items that involve information about other agencies or MMS agency requirements not covered by the lease sale notice, lease stipulations or existing NTLs and regulations.

#### **Geophysical Data and Information Statement**

The FNOS 190 Package contains a requirement that every bidder submit, by the bid submission deadline, a Geophysical Data and Information Statement declaring whether they possess or control depth migrated geophysical data and information pertaining to each block upon which they are participating as a bidder. NTL No. 2003-G05, effective February 15, 2003, provides more detail concerning submission of the Geophysical Data and Information Statement, making the data available to the MMS following the lease sale, preferred format, reimbursement for costs, and confidentiality.

#### **Electronic Funds Transfer (EFT) Payments**

Bidders are reminded that the 1/5th bonus bid deposits will be due by 1:00 p.m. Eastern Time the day following bid reading. In addition, certain bid submitters (i.e., those that are NOT currently an OCS mineral lease record title holder or designated operator OR those that have ever defaulted on a 1/5th bonus bid payment (EFT or otherwise)) will be required to guarantee (secure) their 1/5th bonus payment prior to the submission of bids. Also, when paying the 4/5ths bonus and rental payments, it is requested that only one transaction be used.

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#### ***Not Offered:***

#### **Vermilion (LA3): Blocks 139 and 140**

#### **Lund South (NG16-07): Blocks 172, 173; 213 through 217; 252 through 261; 296 through 305; and 349**

These blocks are beyond the United States Exclusive Economic Zone in the area known as the Northern portion of the Eastern Gap.

**Amery Terrace (NG15-09): Whole Blocks: 280 and 281; 318 through 320; and 355 through 359. Partial Blocks: 235 through 238; 273 through 279; and 309 through 317**

These whole and partial blocks are beyond the United States Exclusive Economic Zone and lie within the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico.

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Bidders are reminded that Leasing Activity Update Lists are prepared monthly and are available on or about the 20th of each month through the MMS Gulf of Mexico Region Public Information Unit and via the Internet (please see below).

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***Statistical Information (Lease Sale 190):***

**Size:** 4,324 unleased blocks; 22.7 million acres

**Initial Period:**

5 years for blocks in water depths less than 400 meters:	1,390 blocks
8 years for blocks in water depths of 400 to 799 meters:	128 blocks
10 years for blocks in water depths of 800 meters or deeper:	2,806 blocks

**Minimum Bonus Bid Amount:**

\$25.00 per acre or fraction thereof for water depths less than 800 meters:	1,518 blocks
\$37.50 per acre or fraction thereof for water depths 800 meters or deeper:	2,806 blocks

**Rental/Minimum Royalty Rates:**

\$5.00 per acre or fraction thereof for water depths less than 200 meters:	1,282 blocks
\$7.50 per acre or fraction thereof for water depths 200 meters or deeper:	3,042 blocks

**Royalty Rates:**

16-2/3% royalty rate in water depths less than 400 meters:	1,390 blocks
12-1/2% royalty rate in water depths 400 meters or deeper:	2,934 blocks

**Royalty Suspension Areas:**

0-199 meters:	1,282 blocks
400 to 799 meters:	128 blocks
800 to 1599 meters:	231 blocks
1600 meters and deeper:	2,575 blocks

For more information on this FNOS 190 Package, potential bidders are advised to contact Mr. Charles Hill at (504) 736-2795 or Ms. Jane Burrell Johnson at (504) 736-2811 of the MMS GOM OCS Region Sales and Support Unit.

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