
Leasing Activities Information



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

PROPOSED NOTICE OF SALE 192 Western Gulf of Mexico

Attached is the Proposed Notice of Sale 192 Package (PNOS 192 Package), Western Gulf of Mexico (GOM), scheduled to be held on August 18, 2004, in New Orleans, Louisiana.

In addition to the PNOS 192, this Package consists of:

- ◆ Lease Stipulations for Lease Sale 192, Proposed
- ◆ Royalty Suspension Provisions for Lease Sale 192, Proposed
- ◆ Information To Lessees for Lease Sale 192, Proposed
- ◆ Example of Preferred Format - Geophysical Data and Information Statement
- ◆ Lease Terms and Economic Conditions Map, Lease Sale 192, Proposed
- ◆ Stipulations and Deferred Blocks Map, Lease Sale 192, Proposed

All of these documents may be found on the MMS Homepage Address on the Internet: www.mms.gov.

The following documents and those listed above will be included in the Notice of Sale Package for the Final Notice of Sale (expected to be available in early July):

- ◆ List of Blocks Available for Leasing, Lease Sale 192
- ◆ 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

Please Notice:

Terms and conditions for PNOS 192 are generally the same as the August 2003 Western GOM Lease Sale 187 except for the following noteworthy matters:

Mustang Island Blocks 793, 799, and 816

The MMS proposes to offer in this sale Mustang Island Blocks 793, 799, and 816, which have been deferred from recent Western GOM sales, subject to a recently revised lease stipulation for Operations in the Naval Mine Warfare Area. For these three blocks, the stipulation will require exploration, development, and production activities to be conducted from outside the lease.

Protected Species Stipulation

This recently revised Protected Species Stipulation, designed to minimize or avoid potential adverse impacts to federally protected species, is also included in the PNOS 192 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 (h) of the Information To Lessees document included in the PNOS 192 Package.

Minimum Bonus Bid Amount

The minimum bonus bid amount has been raised from \$25 per acre to \$37.50 per acre for deepwater tracts located in water depths of 400-799 meters.

Royalty Relief

The royalty suspension volumes, conditions, and requirements prescribed in 30 CFR 203.41 through 203.47, effective March 1, 2004, apply to shallow water deep gas production from leases issued from Lease Sale 192. (Please refer to 69 FR 3492 published on January 26, 2004.) [Note: The MMS continues to study the issue of establishing appropriate price thresholds for deepwater production and will make a final decision for this sale in the final Notice of Sale (scheduled for July 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 lease 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 PNOS 192 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.

Revised OCS Leasing Map

An OCS Leasing Map in the Western GOM Planning Area, TX3A, Mustang Island Area, East Addition, has been revised, effective September 26, 2002. This revision, published in the *Federal Register* (67 FR 60701) on September 26, 2002, corrects an error on Leasing Map TX3A, Mustang Island Area, East Addition, November 1, 2000. The area value 4926.76 acres in Block A47 is corrected as follows: 4928.76 acres.

Not Offered:

Currently unleased whole blocks and portions of blocks which lie within the boundaries of the Flower Garden Banks National Marine Sanctuary at the East and West Flower Garden Banks and Stetson Bank (the following list includes all blocks affected by the Sanctuary boundaries):

High Island, East Addition, South Extension (Area TX7C)

Whole Blocks: A-375, A-398

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

High Island, South Addition (Area TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (Area NG15-02)

Portions of Blocks: 134, 135

Whole blocks and portions of blocks which lie within the 1.4 nautical mile buffer zone north of the continental shelf boundary between the United States and Mexico:

Keathley Canyon (Area NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (Area NG15-08)

Whole Blocks: 11, 57, 103, 148, 149, 194, 239, 284, 331 through 341

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150, 151, 195, 196, 240, 241, 285 through 298, 342 through 349

Whole blocks and portions of blocks deferred from this lease sale are shown on the map "Stipulations and Deferred Blocks, Lease Sale 192, Proposed."

Statistical Information (Lease Sale 192):

Size: 3,890 unleased blocks; 21.1 million acres

Initial Period:

5 years for blocks in water depths less than 400 meters:	1,807 blocks
8 years for blocks in water depths of 400 to 799 meters:	374 blocks
10 years for blocks in water depths of 800 meters or deeper:	1,709 blocks

Minimum Bonus Bid Amount:

\$25.00 per acre or fraction thereof for water depths less than 400 meters:	1,807 blocks
\$37.50 per acre or fraction thereof for water depths 400 meters or deeper:	2,083 blocks

Rental/Minimum Royalty Rates:

\$5.00 per acre or fraction thereof for water depths less than 200 meters:	1,608 blocks
\$7.50 per acre or fraction thereof for water depths 200 meters or deeper:	2,282 blocks

Royalty Rates:

16-2/3% royalty rate in water depths less than 400 meters:	1,807 blocks
12-1/2% royalty rate in water depths 400 meters or deeper:	2,083 blocks

Royalty Suspension Areas:

0 to 199 meters:	1,608 blocks
400 to 799 meters:	374 blocks
800 to 1599 meters:	968 blocks
1600 meters and deeper:	741 blocks

For more information on the PNOS 192 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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