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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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## PROPOSED NOTICE OF SALE 190 Central Gulf of Mexico

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

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

- ◆ Lease Stipulations for Oil and Gas Lease Sale 190, Proposed
- ◆ Royalty Suspension Provisions, Sale 190, Proposed
- ◆ Information To Lessees, Sale 190, Proposed
- ◆ Example of Preferred Format - Geophysical Data and Information Statement
- ◆ Lease Terms and Economic Conditions Map, Sale 190, Proposed
- ◆ Stipulations and Deferred Blocks Map, Sale 190, Proposed

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

The following documents and the items listed above will be included in the Notice of Sale Package for the Final Notice of Sale (expected to be available early February, 2004):

- ◆ List of Blocks Available for Leasing, 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

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

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

#### **Protected Species Stipulation**

Included in the PNOS 190 Package is a recently revised Protected Species Stipulation that is designed to minimize or avoid potential adverse impacts to federally protected species. 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).

Please note that 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).

Bidders should also note that the three NTLs which implement the requirements of the Protected Species Stipulation have recently been revised; the revisions became effective in June 2003. See paragraph (j) of the Information To Lessees document included in the PNOS 190 Package.

**Vermilion Blocks 139 and 140; South Marsh Island Block 217; West Cameron Blocks 486, 601 and 603; East Cameron Block 335**

This PNOS 190 Package includes an Information-To-Lessees clause that informs potential bidders of proposed deepwater port and liquefied natural gas facilities. These projects, if licensed, may affect oil and gas operations on related blocks, most notably those listed in the areas cited in the applicable caption listed above. Please refer to paragraph (o) in the "Information To Lessees, Sale 190, Proposed" document.

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

The United States Environmental Protection Agency, Region 6, in cooperation with MMS, is collecting archaeological, geological, geophysical, and biological information in the Ship Shoal and South Pelto Areas; the National Oceanic and Atmospheric Administration is conducting similar work in the West Delta Area to evaluate the possible use of surficial sand resources for nearby barrier island restoration projects. Please see paragraph (m), "Information To Lessees, Sale 190, Proposed," document.

**Viosca Knoll Block 69**

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

**Royalty Relief**

The proposed shallow water deep gas royalty relief rule at 68 FR 14868, published March 26, 2003, indicated that lessees holding leases issued from certain recent and upcoming lease sales may have the option to substitute the shallow water deep gas royalty relief provisions in a final rule for the applicable sale-related royalty relief terms (see CFR 203.48 of proposed rule). Therefore, this option may apply to some or all of the shallow water leases in Sale 190, depending upon the content and timing of that final rule. More specific and timely information, if available, will be included in the royalty relief provisions associated with the Final Notice of Sale 190.

**Information To Lessees**

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

**Geophysical Data and Information Statement**

The PNOS 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. In connection therewith, the MMS has issued NTL No. 2003-G05, effective February 15, 2003, to provide 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:***

**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, 281; 318 through 320; and 355 through 359; and 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 (Sale 190):***

**Size:** 4,281 unleased blocks; 22.6 million acres

**Initial Period:**

5 years for blocks in water depths less than 400 meters: 1,361 blocks  
8 years for blocks in water depths of 400 to 799 meters: 121 blocks  
10 years for blocks in water depths of 800 meters or deeper: 2,799 blocks

**Minimum Bonus Bid Amount:**

\$25.00 per acre or fraction thereof for water depths less than 800 meters: 1,482 blocks  
\$37.50 per acre or fraction thereof for water depths 800 meters or deeper: 2,799 blocks

**Rental/Minimum Royalty Rates:**

\$5.00 per acre or fraction thereof for water depths less than 200 meters: 1,253 blocks  
\$7.50 per acre or fraction thereof for water depths 200 meters or deeper: 3,028 blocks

**Royalty Rates:**

16-2/3% royalty rate in water depths less than 400 meters: 1,361 blocks  
12-1/2% royalty rate in water depths 400 meters or deeper: 2,920 blocks

**Royalty Suspension Areas:**

0-199 meters: 1,253 blocks  
400 to 799 meters: 121 blocks  
800 to 1599 meters: 225 blocks  
1600 meters and deeper: 2,574 blocks

For more information on this PNOS 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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