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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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## Information To Lessees Central Planning Area, Oil and Gas Lease Sale 213

(Proposed Notice of Sale)

This document contains Information to Lessees (ITL) paragraphs designed to inform potential bidders of notable applicable requirements of Federal Agencies other than the U.S. Minerals Management Service (MMS) as well as emerging MMS requirements that may apply to this sale.

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(a) Navigation Safety. Operations on some of the blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the U.S. Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.), as amended, and the Deepwater Port Act (33 U.S.C. 1501-1524). Bidders are advised to review the U.S. Coast Guard (USCG) regulations at 33 CFR Part 150, including Appendix A, regarding Deepwater Port Safety Zone Boundaries, and Annex A regarding the Louisiana Offshore Oil Port (LOOP) Safety Zones.

U.S. Army Corps of Engineers (COE) permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf (OCS) in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional information, prospective bidders should contact Lieutenant Commander Marty Daniels, Sector New Orleans, 1615 Poydras Street, Suite 700, New Orleans, Louisiana 70112, (504) 565-5044. For COE information, prospective bidders should contact Mr. Pete Serio CEMVN-OD-S, P.O. Box 60267, New Orleans, Louisiana 70160-0267 at (504) 862-2255.

(b) Ordnance Disposal Areas. Bidders are cautioned as to the existence of two inactive ordnance disposal areas in Mississippi Canyon, shown on the map “Stipulations and Deferred Blocks, Lease Sale 213” included in the Proposed Notice of Sale 213 Package (Proposed NOS 213 Package). These areas were used to dispose of ordnance of unknown quantity and composition. Water depths range from approximately 750 to 1,525 meters. Bottom sediments in both areas are soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

The U.S. Air Force has released an indeterminable amount of unexploded ordnance throughout Eglin Water Test Areas 1 and 3. The exact location of the unexploded ordnance is unknown, and lessees are advised that all lease blocks included in this sale within these water test areas should be considered potentially hazardous to drilling and platform and pipeline placement.

(c) Communication Towers. The U.S. Air Force has installed seven military communications towers in the Chandeleur/Mobile/Viosca Knoll area that support Air Combat Maneuvering Instrumentation (ACMI). This project may impose certain restrictions on oil and gas activities in that area since no activity can take place within 500 feet of a tower site, and unobstructed lines of sight must be maintained between towers. The seven towers are located within Mobile Blocks 769, 819, and 990; Viosca Knoll Block 116; Chandeleur Area Blocks 33 and 61; and Chandeleur Area, East Addition, Block 39. Information and maps of the specific locations and line of sight crossings for ACMI towers may be obtained from Mr. Carrol Williams at (504) 736-2803 or Ms. Cindy Thibodeaux at (504) 736-2809, in the Gulf of Mexico (GOM) Region.

For additional information, see Notice to Lessees (NTL) 2009-G26, available from the MMS Gulf of Mexico Region Public Information Unit at the address at the end of this document and from the MMS Internet site at:

<http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2009NTLs/09-g26.pdf>

(d) Existing and Proposed Artificial Reefs/Rigs to Reefs. Bidders are advised that there are OCS artificial reef planning and general permit areas and reef sites for the GOM. While all artificial reef sites require a permit from the COE, each State's Artificial Reefs/Rigs-to-Reefs program is managed under a State Artificial Reef Plan through the following State Coordinators:

Alabama	Mr. Kevin Anson	(251) 968-7577
Florida	Mr. Jon Dodrill	(850) 487-0580, ext. 209
Louisiana	Mr. Doug Peter	(225) 765-2375
Mississippi	Mr. Kerwin Cuevas	(228) 523-4061
Texas	Mr. Dale Shively	(512) 389-4686

For more information on existing and proposed Artificial Reef/Rigs-to-Reefs sites and general permit and reef planning areas, prospective bidders should visit each State's artificial reef website linked above, and contact the above listed State Artificial Reef Coordinators for their areas of interest.

(e) Lightering Zones. Bidders are advised that the United States Coast Guard (USCG) has designated certain areas of the GOM as lightering zones for the purpose of permitting single hull vessels to offload oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. See 33 CFR 156.300 for the regulations concerning lightering zones; additional information may be obtained from USCG Lieutenant Commander Joseph R. Bowes, III, Program Manager/Team Leader of Offshore Compliance and Commercial Diving, Office of Vessel Activities CG5432 Foreign and Offshore Compliance Division, at (202) 372-1232.

(f) Information about Indicated Hydrocarbons. Bidders are advised that the MMS makes available, approximately 3 months prior to a lease sale, a list of unleased tracts having wellbores with indicated hydrocarbons, which includes Central, Western, and Eastern Planning Area data. Basic information relating to production, wellbores, and pay range for each tract is included in the list. The list is available from the MMS Gulf of Mexico Region web site at: <http://www.gomr.mms.gov/homepg/offshore/gulfocs/hclist/hclist.html>.

(g) Military Areas. Military Warning Areas are established in the Federal Aviation Administration (FAA) Air Traffic Document JO 7400.8P "Title 14-Aeronautics and Space - Chapter 1 Federal Aviation Administration - Subchapter Airspace - Part 73- Special Use Airspace Regulatory and Nonregulatory." This document may be downloaded from the FAA web site at: <http://www.faa.gov/documentLibrary/media/Order/JO%207400.8P.pdf>

The Military Areas Stipulation (Stipulation No. 3 in the document "Lease Stipulations" included in the Sale Notice Package) will be applied to leases in any new areas that may be

established by that publication in addition to blocks in those Warning Areas which have had the stipulation in past sales.

Certain restrictions on flights and radio communications in the Warning Areas will require close coordination between lessees (and their operators and agents) and the appropriate military commander using the specific Warning Area. It is the responsibility of lessees to establish and maintain contact and coordination with the military commander(s) in any Warning Area in which operations or flights would be expected in the course of occupying and developing any leases; this could include flights through a Warning Area traveling to a leased block which is not in a Warning Area.

Lessees should establish and maintain contact and coordination with the appropriate military commander(s) whether or not there is a military stipulation in their lease(s).

The contact for administrative questions about the warning areas is:

Federal Aviation Administration- Airspace Office  
Houston Air Route Traffic Control Center (ARTCC)  
ATTN: Steve Stooksberry  
16600 John F. Kennedy Boulevard  
Houston, Texas 77032  
Telephone: (281) 230-5563 (mission support)  
Telephone: (281) 230-5520 (airspace)

The stipulation also applies to the Eglin Water Test Areas (EWTA's), which are established by agreement between the U.S. Air Force (Eglin Air Force Base) and the Federal Aviation Administration (FAA). A small portion of the extreme eastern portion of the Central Planning Area is included in EWTAs 1, 3, and 4.

For additional information, including a map of the Military Warning and Water Test Areas, see Notice to Lessees (NTL) 2009-G06, available from the MMS Gulf of Mexico Region Public Information Unit at the address at the end of this document and from the MMS Internet site at: <http://www.gomr.mms.gov/homepg/regulate/regs/ntls/2009NTLs/09-g06.pdf>

(h) Safety Zones for Certain Production Facilities. Bidders are advised to review the USCG regulations at 33 CFR, Chapter I, Part 147 - Safety Zones. These regulations established a 500-meters (1,640.4-foot) safety zone around several oil and gas production facilities on the Gulf of Mexico OCS, measured from each point on its outer edge or from its construction site, not to interfere with the use of recognized sea lanes essential to navigation. These facilities and their locations are specifically identified at 33 CFR, Chapter 1, Parts 147.801 through 147.843.

These regulations prevent all vessels from entering or remaining in the safety zones except for: an attending vessel, a vessel under 100 feet in length overall not engaged in towing, or a vessel authorized by the Eighth Coast Guard District Commander.

(i) MMS Inspection and Enforcement of Certain Coast Guard Regulations. Bidders are advised to review the USCG regulations at 33 CFR, Chapter I, Part 140, Subpart B – Inspections. These regulations authorize the MMS to perform inspections on fixed OCS facilities engaged in OCS activities and to enforce USCG regulations applicable to those facilities in accordance with 33 CFR, Chapter I, Subchapter N. Specific questions regarding this authorization may be directed to the U.S. Coast Guard, Eighth District, Sector New Orleans, 1615 Poydras Street, New Orleans, Louisiana 70112.

(j) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities. To date, the USCG and the Maritime Administration (MARAD) have received nine applications for the licensing of deepwater ports involving proposed liquefied natural gas (LNG) importation facilities in the Gulf of Mexico OCS Region; three of these applications have been formally withdrawn. One of these projects, Gulf Landing on West Cameron Area, Block 213 (currently unleased), has surrendered its license to MARAD on July 1, 2009, officially terminating the project. These active or proposed facilities are designed to receive LNG ships, re-gasify the LNG offshore, and transport the natural gas to onshore markets either through new pipelines to onshore facilities or through pre-existing pipeline systems. Two of these LNG projects have been granted licenses by the Maritime Administration: Gulf Gateway Energy Bridge® on West Cameron Area, South Addition, Block 603 (currently leased) and Port Pelican on Vermilion Area, Blocks 139 and 140 (currently unleased). The Gulf Gateway facility has been constructed and is receiving periodic LNG shipments. The Port Pelican project has been put on hold indefinitely by its license holders. The MMS is offering the two unleased blocks in Vermilion Area, Blocks 139 and 140 in Lease Sale 213 subject to stipulations that limit the use of the seabed and water column in the vicinity of the approved Port Pelican offshore LNG deepwater port receiving terminal. For more specific information on this matter, please see Stipulations No. 9 within the “Lease Stipulations” document of the Sale Notice Package. You are also advised to review relevant deepwater port applications; MARAD records of decision; and port licenses to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships’ routing measures that could prevent or otherwise impact oil and gas operations on and around both existing and proposed deepwater port locations.

Additional information regarding the approved and proposed offshore LNG receiving and re-gasification facilities can be obtained at the following address:

Department of Homeland Security  
U.S. Coast Guard  
Deepwater Ports Standards Division  
2100 Second Street, SW, STOP 7126  
Washington, DC 20593-7126  
(202) 372-1440  
(202) 372-1926(fax)

By email to the USCG at:  
dwp@comdt.uscg.mil

From the USCG Deepwater Port Division web site at:  
<http://www.uscg.mil/hq/g-m/mso/mso5.htm>

Or by contacting:

Mr. Kevin Tone  
U.S. Coast Guard  
(202) 372-1441  
[Kevin.P.Tone@uscg.mil](mailto:Kevin.P.Tone@uscg.mil)

You may also access all of the publicly available data related to these deepwater port projects by searching on the docket number noted below, at the following website at:

<http://www.regulations.gov/search/index.jsp>.

License Issued: Port Pelican L.L.C. Deepwater Port License Application. Docket Number: USCG-2002-14134.

License Issued: Gulf Gateway (formerly El Paso Energy Bridge Gulf of Mexico L.L.C.) Deepwater Port License Application. Docket Number: USCG-2003-14294.

Bienville LNG Offshore Energy Terminal Deepwater Port License Application. Docket Number: USCG-2006-24644.

Freeport McMoRan Energy L.L.C. Main Pass Energy Hub Deepwater Port License Application. Docket Number: USCG-2004-17696.

Port Dolphin Energy L.L.C. Deepwater Port License Application. Docket Number: USCG-2007-28532.

Formally Withdrawn: Compass Port L.L.C. LNG Deepwater Port License Application. Docket Number: USCG-2004-17659.

Formally Withdrawn: Pearl Crossing LNG Terminal L.L.C. Deepwater Port License Application. Docket Number: USCG-2004-18474.

Formally Withdrawn: Beacon Port L.L.C. LNG Deepwater Port License Application. Docket Number: USCG-2005-21232.

License Surrendered Officially Terminating Project: Gulf Landing L.L.C Liquefied Natural Gas Deepwater Port. Docket Number: USCG-2004-16860.

(k) Ocean Dredged Material Disposal Sites. Under the Marine Protection, Research, and Sanctuaries Act of 1972 (MPRSA), the U.S. Environmental Protection Agency (USEPA) has the responsibility for designating and managing Ocean Dredged Material Disposal Sites (ODMDS). The USEPA currently has six ODMDS in the GOM. Four of these ODMDS are located within the Central Gulf of Mexico Planning Area offshore Pascagoula and Gulfport, Mississippi, and Mobile, Alabama. Another two are located within the Eastern Planning Area

offshore Pensacola, Florida (located in Pensacola Blocks 846 and 847 and another site in State waters). In addition, USEPA is considering designation of an additional ODMDS offshore Gulfport, Mississippi, and enlarging the existing or designating a new ODMDS offshore Mobile, Alabama. The USEPA Final National Pollutant Discharge Elimination System (NPDES), General Permit No. GMG460000 for Offshore Oil and Gas Activities in the Eastern Gulf of Mexico does not allow the discharge of any drilling fluids, drill cuttings or wastewaters from those facilities within 1,000 meters of, or within, any USEPA-designated ODMDS. Coordinates for each ODMDS can be found in the U.S. Code of Federal Regulations at 40 CFR 228.15(h) or at: <http://www.epa.gov/region4/water/oceans/sites.html>. The USEPA contacts on this matter are Mr. Chris McArthur, Ocean Disposal Program Coordinator, mcarthur.christopher@epa.gov, (404) 562-9391 or Mr. Doug Johnson, Regional Sediment Quality Coordinator, johnson.doug@epa.gov, (404) 562-9386, or Mr. Gary Collins, Biological Oceanographer, (404) 562-9395).

You may also wish to contact the U.S. Army Corps of Engineers, Mobile District, as they jointly manage the sites with USEPA. Their contacts are as follows: Ms. Jenny Jacobson, Jennifer.L.Jacobson@usace.army.mil, (251) 690-2724.

(l) Debarment and Suspension (Nonprocurement). Bidders are advised that in accordance with regulations at 2 CFR Parts 180 and 1400, the lessee shall comply with the U.S. Department of the Interior's nonprocurement debarment and suspension requirements, and agrees to communicate this requirement to comply with these regulations to persons with whom the lessee does business as it relates to this lease by including this term as a condition to enter into their contracts and other transactions. This agreement is evidenced by language in Section 1, paragraph 2 of each lease resulting from this lease sale.

(m) Potential Sand Dredging Activities (Western and Central Planning Areas) in High Island Area, Blocks 38, 39, 45 through 48, 71 through 76, 88, 89, 114, 199, 200, and 202, Sabine Pass Area, Blocks 10 through 16, 40 (LA), 44 (TX); West Cameron Area, Blocks 20 through 22, 43 through 45, 56 through 58, 90 through 93, 113 through 118, 128 through 134, 147 through 149, 155 through 157, 160 through 162, and 168 through 172; Vermilion Area, Blocks 11, 30, 51 through 54, 69 through 75, and 87 through 96; South Marsh Island Area, North Addition, Blocks 207 through 237, 241 through 249, 259, and 260; Eugene Island Area, Blocks 10, 18 through 35, 37 through 69, and 71 through 93; Ship Shoal Area, Blocks 64, 71, 84 through 100, and 107 through 110; South Pelto Area, Blocks 11 through 14, and 18 through 20; West Delta Area, Blocks 20 through 31, 43 through 50, and 56 through 61; Main Pass Area, Blocks 86 through 90, 93 through 114, 161, 162, 180, and 181; Chandeleur Area, Blocks 16 through 27 and 29 through 34; and Mobile, Blocks 816 through 821, 860-865, 904-909. It is possible that offshore dredging activities to obtain OCS sand for beach nourishment and coastal restoration projects will occur in some of the blocks cited above in the next 5 years. Additional High Island Area, Sabine Pass Area, West Cameron Area, Vermillion Area, South Marsh Island Area, Ship Shoal Area, South Pelto Area, West Delta Area, Main Pass Area, Chandeleur Area, and Mobile Blocks have been added to the list recently.

Central Planning Area: The National Oceanic and Atmospheric Administration and the Louisiana Department of Natural Resources (LDNR) plan to use approximately 4.8 million cubic

yards of sand from the Sandy Point borrow areas in the West Delta Area to restore Pelican Island. The U.S. Department of Agriculture Natural Resources Conservation Service and the LDNR plan to use 0.75 million cubic yards of OCS material from a borrow area immediately north of Ship Shoal to restore the marsh on Raccoon Island. The LDNR is considering the use of sand from the buried Peveto Channel deposit in the West Cameron Area and Sabine Bank in the Sabine Pass and West Cameron Areas to renourish Holly Beach and other parts of the Cameron Parish coast. In July 2004, the U.S. Army Corps of Engineers released the draft plan that identified Ship, Tiger, and Trinity Shoals as possible sand sources for the coastal restoration portion of a 10-year, \$1.9 billion program to address the most critical ecological needs facing the Louisiana coastal area. St. Bernard Shoals has been identified as a possible target for the restoration of the Chandeleur Islands. In late 2007, the passage of the Water Resources Development Act of 2007 authorized the Louisiana Coastal Area Restoration Plan. Upwards of 60 million cubic yards of OCS sand could be required for barrier shoreline, headlands, and island restoration actions.

Western Planning Area: The MMS-Texas Cooperative Sand Program identified offshore sand deposits at Heald Bank and Sabine Bank for possible use in coastal restoration projects along the Texas coast. Although no specific beach nourishment or coastal restoration projects have been identified to date that will be using those resources, it is possible that projects may occur in the future.

For further information or a map of the potentially affected lease blocks, please contact Chief, Leasing Division, Minerals Management Service, at (703) 787-1215.

(n) Concrete Anchors. Bidders are advised of the existence of nondegradable and degradable concrete anchors left on the seafloor after acquisition of several geophysical surveys in various areas in the GOM.

The locations of these anchors should be considered when conducting post-lease hazard surveys, as required by MMS regulation 30 CFR 250 Subpart B.

Additional information regarding the locations of these anchors is available at website at: <http://www.gomr.mms.gov/homepg/fastfacts/anchors/anchmaster.asp>. Questions regarding the concrete anchors may be directed to Ms. Rebecca Murphey at (504) 736-2430 or Mr. John Johnson at (504) 736-2455

(o) Updated Geophysical Data and Information Statement Instructions. Bidders are advised that the "Geophysical Data and Information Statement" section of the Proposed NOS 213 Package as well as the Example of Preferred Format have been updated. Please note that every bidder submitting a bid on a block in Sale 213, or participating as a joint bidder in such a bid, must submit a Geophysical Data and Information Statement.

(p) Blocks Deferred near the limit of the Exclusive Economic Zone (EEZ) in the Eastern Gap. In past sales, MMS has deferred the split blocks along the limit of the EEZ in the Eastern Gap. Bidders are advised that an additional one block setback was implemented with Sale 208. The additional blocks being deferred include: Henderson blocks 466, 508, 509, 551,

552, 594, 637, 679, 680, 722, 764, 765, 807, 849, 850, 891, 892, 933, 934, 975, 976; Florida Plain blocks 5, 6, 46-48, 89; and Lund South blocks 128, 129, 169-171, 208-212 and 251.

(q) Central-Eastern Planning Area Boundary Change. Bidders are advised that the Central-Eastern Planning Area Boundary has been revised to match the Federal OCS Administrative Boundary for the DeSoto Canyon, Lloyd Ridge, and Henderson Areas. The new boundary splits blocks that were formerly “stair-stepped” and can be seen on the “Stipulations and Deferred Blocks” or “Lease Terms and Economic Conditions” maps, included in this Proposed NOS 213 Package. The boundaries along the Pensacola, Destin Dome, and Florida Plain Areas will remain “stair-stepped” for this lease sale. The administrative boundaries can also be viewed at: <http://www.mms.gov/ld/AdminBoundaries.htm>.

(r) Below Seabed Operations on a Portion of Walker Ridge, Blocks 293 and 294. Bidders are advised that a right-of-use and easement has been approved for Walker Ridge, Blocks 293 and 294 (currently unleased), which will allow the permanent mooring of a floating production facility. For more specific information on this matter, see Stipulation No. 12 within the “Lease Stipulations” document within this Proposed NOS 213 Package.

(s) Below Seabed Operations on a Portion of Mississippi Canyon, Blocks 692 and 735. Bidders are advised that a right-of-use and easement has been approved for Mississippi Canyon, Blocks 692 and 735 (currently unleased), which will allow the permanent mooring of a floating production facility. For more specific information on this matter, see Stipulation No. 13 within the “Lease Stipulations” document within this Proposed NOS 213 Package.

(t) Commercial Waste Disposal Areas. Bidders are cautioned as to the existence of an inactive commercial waste disposal site that covers all or portions of blocks in the Mississippi Canyon Area, shown on the map “Stipulations and Deferred Block, Lease Sale 213” included in the Sale Notice Package. The disposal site was established in the 1970’s to facilitate the United States Environmental Protection Agency’s (USEPA) permitting for the seafloor deposition of thousands of steel barrels containing chemical wastes, which according to limited USEPA documentation consist mostly of chlorinated hydrocarbons and liquid metal salts. The exact location of all the waste material is unknown since geospatial data was not collected when the barrels were jettisoned. The MMS requires hazard surveys before bottom disturbing activities are approved in plans and permits. Hundreds of barrels have been detected during hazards surveys conducted over ten miles away from the designated disposal site boundary. For that reason, lessees are advised that the aforementioned blocks associated with the disposal site and most blocks neighboring its boundary should be considered potentially hazardous to drilling and platform/pipeline placement and may require precautions such as avoidance upon identification and any other precautions appropriate for the potential hazards.

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