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# Leasing Activities Information



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

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## Proposed Notice of Sale Cook Inlet Oil and Gas Lease Sale 191

Enclosed is the Proposed Notice of Sale (PNOS) for Sale 191, Cook Inlet, which is scheduled to be held on May 19, 2004, in Anchorage, Alaska. A Final Notice of Sale will be published at least 30 days prior to the Sale. The Proposed Notice sets out the proposed terms and conditions of the sale, including minimum bid amounts, royalty rates, and rentals.

In addition to the Proposed Notice, this package consists of:

- Lease Stipulations and Information to Lessees for Sale 191
- Royalty Suspension Provisions for Sale 191
- Blocks Available for Leasing in Sale 191

All of these documents may be found on the Internet at: <http://www.mms.gov/alaska>.



### ***Please Note:***

**Bonding Requirements:** The regulations at 30 CFR 256.58, "Termination of the period of Liability and cancellation of a bond" were amended on December 3, 2001, and became effective on January 2, 2002.

**Electronic Funds Transfer (EFT) Payments:** The 1/5<sup>th</sup> bonus bid deposits for successful bids will be due by 1:00 P.M. Eastern Time the day following bid reading. In addition, certain bid submitters (i.e., those that do NOT currently own or operate an OCS mineral lease OR those that have ever defaulted on a 1/5<sup>th</sup> bonus payment [EFT or otherwise]) will be required to guarantee (secure) their 1/5<sup>th</sup> bonus payment **prior** to the submission of bids. Also, when paying the 4/5<sup>th</sup> bonus and rental payments, it is requested that only one transaction be used.

**MMS Inspection and Enforcement of Certain Coast Guard Regulations:** On February 7, 2002, the Coast Guard published in the *Federal Register* (67 FR 5912) a final rule authorizing "... MMS to perform inspections on fixed Outer Continental Shelf facilities engaged in OCS activities ..." Bidders are referred to paragraph (x) of the Information to Lessees document.



### ***Terms and Conditions – Sale 191***

**Initial Period of Leases:** 8 years

**Minimum Bonus Bid Amount:** \$25 per hectare or fraction thereof

**Rental Rate:** \$5 per hectare of fraction thereof

**Minimum Royalty Rate:** \$13 per hectare or fraction thereof

**Royalty Rate:** 12 ½ percent

**Royalty Suspension Areas:** Royalty suspensions subject to price thresholds will apply to all blocks. Refer to the paper on Royalty Suspension Provisions included in the Proposed Notice of Sale package.

**Stipulations**

Four stipulations which will be made a part of leases issued as a result of this sale:

- Protection of Fisheries
- Protection of Biological Resources
- Orientation Program
- Transportation of Hydrocarbons



***Statistical Information – Sale 191***

**Size of Area Offered:** Approximately 2 million acres comprised of approximately 447 whole and partial blocks

**Range of Water Depths:** Approximately 30 feet to 650 feet

**Range of Distance from Shore:** 3 miles to approximately 30 nautical miles



For more information please contact Mr. Tom Warren at (907) 271-6691 or Ms. Beverly Sires at (907) 271-6419 of the Alaska OCS Region Leasing Activities Section.