

additional information, please call Mr. Charles Hill (504) 736-2795.

All blocks are shown on these Leasing Maps and Official Protraction Diagrams. The available Federal acreage of all whole and partial blocks in this sale is shown in the document "List of Blocks Available for Leasing in Sale 187" included in the FNOS 187 Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the Federal/State jurisdictional line, or partially included in the Flower Garden Banks National Marine Sanctuary (in accordance with the President's June 1998 withdrawal directive, portions of blocks lying within National Marine Sanctuaries are no longer available for leasing). Information on the unleased portions of such blocks is also found in the document "Western Gulf of Mexico Lease Sale 187—Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred," included in the FNOS 187 Package.

Areas Not Available for Leasing: The following whole and partial blocks are not offered for lease in this sale:

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.

Blocks located off Corpus Christi which have been identified by the Navy as needed for testing equipment and training mine warfare personnel:

Mustang Island (Area TX3)

Whole Blocks: 793, 799, 816.

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 sale are shown on the map "Stipulations and Deferred Blocks, Sale 187, Final."

Statutes and Regulations: Each lease issued in this sale is subject to the OCS Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (92 Stat. 629), hereinafter called "the Act"; all regulations issued pursuant to the Act and in existence upon the Effective Date of this lease; all regulations issued pursuant to the statute in the future which provide for the prevention of waste and conservation of the natural resources of the OCS and the protection of correlative rights therein; and all other applicable statutes and regulations.

Lease Terms and Conditions: Initial period, extensions of initial period, minimum bonus bid amount, rental rates, royalty rates, minimum royalty, and royalty suspension areas are shown on the map "Lease Terms and Economic Conditions, Sale 187, Final" for leases resulting from this sale:

Initial Period: 5 years for blocks in water depths of less than 400 meters; 8 years for blocks in water depths of 400 to 799 meters; and 10 years for blocks in water depths of 800 meters or deeper;

Extensions of Initial Period: Extensions may be granted for eligible leases on blocks in water depths less than 400 meters as specified in Notice To Lessees and Operators 2000-G22, effective December 22, 2000;

Minimum Bonus Bid Amount: A bonus bid amount of \$25 per acre or fraction thereof for blocks in water depths of less than 800 meters and a bonus bid amount of \$37.50 per acre or fraction thereof for blocks in water depths of 800 meters or deeper;

Rental Rates: \$5 per acre or fraction thereof for blocks in water depths of less than 200 meters and \$7.50 per acre or fraction thereof for blocks in water depths of 200 meters or deeper, to be paid on or before the first day of each lease year until a discovery in paying quantities of oil or gas, then at the expiration of each lease year until the start of royalty-bearing production;

Royalty Rates: 16 $\frac{2}{3}$ percent royalty rate for blocks in water depths of less than 400 meters and a 12 $\frac{1}{2}$ percent royalty rate for blocks in water depths of 400 meters or deeper, except during periods of royalty suspension, to be paid

monthly on the last day of the month next following the month during which the production is obtained;

Minimum Royalty: After the start of royalty-bearing production: \$5 per acre or fraction thereof per year for blocks in water depths of less than 200 meters and \$7.50 per acre or fraction thereof per year for blocks in water depths of 200 meters or deeper, to be paid at the expiration of each lease year with credit applied for actual royalty paid during the lease year. If actual royalty paid exceeds the minimum royalty requirement, then no minimum royalty payment is due;

Royalty Suspension Areas: Royalty suspension, subject to gas price thresholds, will apply to blocks in water depths less than 200 meters where new deep gas (15,000 feet or greater subsea) is drilled and commences production within 5 years from lease issuance, and, subject to both oil and gas price thresholds, will apply in water depths of 400 meters or deeper; see the map "Lease Terms and Economic Conditions, Sale 187, Final" for specific areas and the "Royalty Suspension provisions, Sale 187, Final" document contained in the FNOS 187 Package for specific details regarding royalty suspension eligibility, applicable price thresholds and implementation.

Stipulations: The map "Stipulations and Deferred Blocks, Sale 187, Final" depicts the blocks on which one or more of five lease stipulations apply: (1) Topographic Features; (2) Military Areas; (3) Operations in the Naval Mine Warfare Area; (4) Law of the Sea Convention Royalty Payment; and (5) Protected Species. The texts of the stipulations are contained in the document "Lease Stipulations for Oil and Gas Lease Sale 187, Final" included in the FNOS 187 Package.

Information to Lessees: The FNOS 187 package contains and "Information To Lessees" document which provides detailed information on certain specific issues pertaining to this oil and gas lease sale.

Method of Bidding: For each block bid upon, a bidder must submit a separate signed bid in a sealed envelope labeled "Sealed Bid for Oil and Gas Lease Sale 187, not to be opened until 9 a.m., Wednesday, August 20, 2003." The total amount of the bid must be in a whole dollar amount; any cent amount above the whole dollar will be ignored by the MMS. Details of the information required on the bid(s) and the bid envelope(s) are specified in the document "Bid Form and Envelope" contained in the FNOS 187 Package.

The MMS published a list of restricted joint bidders, which applies to