Activity/operator	Location	Date
Apache Corporation, Structure Removal Operations, SEA No. ES/SR 97–104.	Vermilion Area, Block 325, Lease OCS–G 2089, 92 miles south of the shore of Vermilion Parish, Louisiana.	05/22/97
Apache Corporation, Structure Removal Operations, SEA No. ES/SR 97–105.	Vermilion Area, Block 61, Lease OCS–G 7679, 14 miles south of the shore of Vermilion Parish, Louisiana.	06/24/97
Union Pacific Resources, Structure Removal Operations, SEA Nos. ES/SR 97–107 through 97–109.	High Island Area, Blocks A–562. A–193, and A–200; Leases OCS–G 13436, 6211 and 8172; 125 miles south of Sabine Pass, Texas.	05/15/97
CNG Producing Company, Structure Removal Operations, SEA Nos. ES/SR 97–110 through 97–112.	Ship Shoal Area, Blocks 246 and 271, Leases OCS–G 1027 and 1038, 48 to 55 miles from the shoreline of Terrebonne Parish, Louisiana.	06/24/97
Seagull Energy E&P Inc., Structure Removal Operations, SEA Nos. ES/SR 97–115 and 97–116.	Galveston Area, Block 391, Lease OCS–G 3740, 27 miles from the shoreline of Brazoria County, Texas.	06/24/97
Newfield Exploration Company, Structure Removal Operations, SEA No. ES/SR 97–117.	East Cameron Area, Block 46, Lease OCS–G 3288, 15 miles south of Cameron Parish, Louisiana.	06/18/97
Enron Oil & Gas Company, Structure Removal Operations, SEA No. ES/SR 97–118.	Viosca Knoll Area, Block, 32, Lease OCS–G 7871, 18 miles south of the shore of Dauphin Island, Alabama.	06/05/97
The Coastal Corporation, Structure Removal Operations, SEA No. ES/SR 97–119.	West Cameron Area, Block 498, Lease OCS–G 3520, 85 miles south of Cameron Parish, Louisiana.	06/05/97
Chevron U.S.A., Structure Removal Operations, SEA Nos. ES/SR 97–120 and 97–121.	Bay Marchand Area, Blocks 2 and 3, Leases OCS 0369 and OCS 0370, 5 miles south of Lafourche Parish, Louisiana.	06/12/97
Union Pacific Resources, Structure Removal Operations, SEA No. ES/SR 97–122.	Ship Shoal Area, Block 251, Lease OCS–G 10782, 49 miles south of Terrebonne Parish, Louisiana.	06/26/97
Murphy Exploration and Producing Company, Structure Removal Operations, SEA Nos. ES/SR 97–123 and 97–124.	Eugene Island Area, Block 47, Lease OCS 0317, 10 miles south of St. Mary Parish, Louisiana.	06/19/97
Murphy Exploration and Production Company, Structure Removal Operations, SEA Nos. ES/SR 97–125 through 97–133.	Ship Shoal Area, Blocks 90, 92, 93, 94, 120, and 134, Leases OCS 0063, OCS 0042, OCS–G 5540, OCS–G 5545, and OCS–G 5201, 25 miles south of Terrebonne Parish, Louisiana.	06/23/97
Enron Oil and Gas Company, Structure Removal Operations, SEA No. ES/SR 97–134.	Viosca Knoll Area, Block 156, Lease OCS–G 7885, 25 miles south of Jackson County, Mississippi.	06/24/97
Santa Fe Energy Resources, Inc., Structure Removal Operations, SEA No. ES/SR 97–135.	Vermilion Area, Block 249, Lease OCS–G 6678, 70 miles south of Vermilion Parish, Louisiana.	06/26/97
Enron Oil and Gas Company, Structure Removal Operations, SEA No. ES/SR 97–136.	East Cameron Area, Block 306, Lease OCS–G 7667, 95 miles south of Cameron Parish, Louisiana.	06/26/97

Persons interested in reviewing environmental documents for the proposals listed above or obtaining information about EA's and FONSI's prepared for activities on the Gulf of Mexico OCS are encouraged to contact the MMS office in the Gulf of Mexico OCS Region.

FOR FURTHER INFORMATION CONTACT: Public Information Unit, Information Services Section, Gulf of Mexico OCS Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394, Telephone (504) 736–2519.

SUPPLEMENTARY INFORMATION: The MMS prepares EA's and FONSI's for proposals which relate to exploration for and the development/production of oil and gas resources on the Gulf of Mexico OCS. The EA's examine the potential environmental effects of activities described in the proposals and present MMS conclusions regarding the significance of those effects. Environmental Assessments are used as a basis for determining whether or not approval of the proposals constitutes major Federal actions that significantly affect the quality of the human environment in the sense of NEPA Section 102(2)(C). A FONSI is prepared in those instances where the MMS finds that approval will not result in significant effects on the quality of the human environment. The FONSI briefly presents the basis for that finding and includes a summary or copy of the EA.

This notice constitutes the public notice of availability of environmental documents required under the NEPA Regulations.

Dated: July 16, 1997.

Chris C. Oynes,

Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 97–19505 Filed 7–23–97; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Outer Continental Shelf, Western Gulf of Mexico, Oil and Gas Lease Sale 168

AGENCY: Minerals Management Service, Interior.

ACTION: Final Notice of Sale.

1. *Authority.* This Notice is published pursuant to the Outer Continental Shelf (OCS) Lands Act (43 U.S.C. 1331–1356, (1988)), and the regulations issued thereunder (30 CFR Part 256).

A ''Sale Notice Package,'' containing this Notice and several supporting documents referenced in the Notice, including the maps, ''Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168'' and ''Stipulations and Deferred Blocks, Sale 168,'' is available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

2. *Filing of Bids.*

(a) *Filing of Bids.* Sealed bids will be received by the Regional Director (RD), Gulf of Mexico Region, Minerals Management Service (MMS), 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394. Bids may be delivered in person to that address during normal business hours (8 a.m. to 4 p.m., Central Standard Time (c.s.t.)) until the Bid Submission Deadline at 10 a.m., Tuesday, August 26, 1997. Hereinafter, all times cited in this Notice refer to c.s.t. unless otherwise stated. Bids will not be accepted the day of Bid Opening, Wednesday, August 27, 1997. Bids received by the RD later than the time and date specified above will be returned unopened to the bidders. Bids may not be modified or withdrawn unless written modification or written withdrawal request is received by the RD prior to 10 a.m., Tuesday, August 26, 1997.

Note: As noted in the Final Notices of Sale for Sales 157, 161, and 166, tracts or portions of tracts beyond the United States Exclusive Economic Zone are offered based upon provisions of the 1982 Law of the Sea Convention, and could be subject to a continental shelf delimitation agreement between the United States and Mexico. For clarity and descriptive purposes, this area is referred to in this Notice as the ''Northern Portion of the Western Gap.'' A list of these tracts or portions of tracts and a map are included in the Sale Notice Package available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)).

Procedures for opening of bids for all blocks except for blocks in the Northern Portion of the Western Gap are specified in paragraph (1) below. Procedures for opening of bids for blocks in the Northern Portion of the Western Gap are specified in paragraph (2) below:

(1) Bid Opening Time will be 9 a.m., Wednesday, August 27, 1997, at the Royal Sonesta Hotel, 300 Bourbon Street, New Orleans, Louisiana. All bids must be submitted and will be considered in accordance with applicable regulations, including 30 CFR Part 256. The list of restricted joint bidders which applies to this sale appeared in the **Federal Register** at 62 FR 14699, published on March 27, 1997.

(2) Procedures for opening bids on blocks in this area will differ from procedures described above as follows: The MMS will set aside bids for blocks in the Northern Portion of the Western Gap until a future date. On or before March 3, 1998, the Secretary will determine whether it is in the best interest of the United States either to open bids for these blocks or to return the bids unopened. The MMS will notify bidders at least 30 days prior to bid opening. Bidders on these blocks may withdraw their bids at any time after such notice and prior to 10 a.m. (c.s.t.) of the day before bid opening. If MMS does not give notice by March 3, 1998, MMS will return the bids unopened. This will provide time for companies to make decisions regarding the next annual Central Gulf and the next annual Western Gulf lease sales, proposed for March and August 1998, respectively, which may also, as they have for more than the past decade, offer tracts in the Northern Portion of the Western Gap. The MMS reserves the right to return these bids at any time. The MMS will not disclose which blocks received bids or the names of bidders in this area unless and until the bids are opened.

(b) *Natural Disasters.* In the event a natural disaster (such as widespread flooding) or other occurrence causes the MMS Gulf of Mexico Regional Office to be closed on Tuesday, August 26, 1997, bids will be accepted until 9 a.m., Wednesday, August 27, 1997, at the site of bid opening specified above. Under these conditions, bids may be modified or withdrawn upon written notification up until 9 a.m., Wednesday, August 27, 1997. Closure of the office may be determined by calling (504) 736–0557 and hearing a recorded message to that effect.

3. *Method of Bidding.*

Procedures for the submission of bids in Sale 168 are described in paragraph (a) below. Procedures for the submission of bids for blocks in the Northern Portion of the Western Gap will differ from bid submission procedures for bids on blocks outside that area. These differences are specified in paragraph (b) below.

(a) *Submission of Bids.* A separate signed bid in a sealed envelope labeled ''Sealed Bid for Oil and Gas Lease Sale 168, not to be opened until 9 a.m., c.s.t., Wednesday, August 27, 1997'' must be submitted for each tract bid upon. The sealed envelope and the bid should contain the following information: the company name, Gulf of Mexico Company Number (GOM Company Number), Leasing Map or Official Protraction Diagram number (e.g., TEX–MAP No. 1 for the South Padre Island Area, NG 14–3 for the Corpus Christi Area), and the area name and block number of the tract bid upon. In addition, the total amount bid to be considered by MMS must be in a whole dollar amount. Any cent amount above the whole dollar will be ignored by MMS. No bid for less than all of the available portion(s) of a block will be considered.

All documents must be executed in conformance with signatory authorizations on file in the Gulf of Mexico Regional Office. Partnerships also need to submit or have on file a list of signatories authorized to bind the partnership. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in percent, to a maximum of five decimal places, e.g., 33.33333 percent. Other documents may be required of bidders under 30 CFR 256.46. Bidders are warned against violation of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders.

Bidders must submit the 1/5th cash bonus using one of the following options:

(1) Bidders may submit with each bid 1/5th of the cash bonus, in cash or by cashier's check, bank draft, or certified check, payable to the order of the U.S. Department of the Interior—Minerals Management Service. For identification purposes, the following information must appear on the check or draft: company name, GOM Company Number, and the area and block bid on (abbreviation acceptable); or

(2) Bidders may use electronic funds transfer (EFT) payment for 1/5th of the cash bonus, payable to the Minerals Management Service. Bidders who choose this method must contact MMS Royalty Management (Mr. David Menard at (303) 231–3574) by the Bid Submission Deadline to inform MMS of their intent to use EFT, to clarify EFT procedures to be used, and to designate an EFT coordinator. Joint bidders must designate one bidder as EFT coordinator. EFT coordinators must submit the bids and ensure that the total of the 1/5 cash bonus for the high bids they submit is transferred to MMS via EFT. The EFT payment shall be made by either the Fedwire Deposit System (same day payments) or the Automated Clearing House (overnight payments).

The Gulf of Mexico OCS Regional Office will advise bidders who submit high bids of the amount required for EFT payment. Promptly after notification, the EFT coordinators must instruct their banks to send via EFT the sum of the 1/5th bonus for all high bids to the appropriate United States Treasury account. Instructions for making EFT 1/5th bonus payments are included in the Sale Notice Package. [These procedures/instructions are consistent with 4/5th bonus and first year rental payment procedures using EFT.]

Additionally, each EFT coordinator must submit in a separate sealed envelope accompanying the bids, a single payment for 1/5th of the sum of all bids submitted by that EFT coordinator for Sale 168, including joint bids. The lump sum payment(s) in the sealed envelope(s) must be in cash, or by cashier's check, bank draft, or certified check, payable to the order of the U.S. Department of the Interior—Minerals Management Service. These lump sum payments will be used to secure the EFT payments. Once the EFT payment in an amount sufficient to cover that bidder's high bids is credited to the appropriate United States Treasury account, the lump sum payment accompanying those bids will be returned. The envelope containing this payment should be in the following format:

Lump Sum Check Securing EFT Payments

Submitted by: Explorer LTD.

GOM Company No.: 20999

The EFT payment for 1/5th of the sum of the high bids on blocks must be received in the appropriate United States Treasury account no later than noon, Eastern Time, on August 28, 1997, the day after Lease Sale 168.

If the EFT payments are late or deficient in amount, the lump sum payments accompanying the bids will be deposited into the appropriate United States Treasury account. Should these payments (which secure high bids and unsuccessful bids) require a refund to the bidders, those refunds, without interest, will be accomplished through EFT as soon as practicable. No interest payments will be made for unsuccessful bid(s) returned in this manner.

(b) *Submission of Bids in the Northern Portion of the Western Gap.* Procedures for the submission of bids on blocks in this area will differ from procedures described in paragraph (a) above as follows:

The MMS will receive bids on blocks in the Northern Portion of the Western Gap. Separate, signed bids on these blocks must be submitted in sealed envelopes labeled only with ''Northern Portion of Western Gap Bid'', the Gulf of Mexico Company Number, and a sequential bid number for the company submitting the bid(s). The envelope would thus be in the following format:

Northern Portion of Western Gap Bid
GOM Company No.: 20999
Northern Portion of Western Gap Bid number 1

Bidders must submit bids using one of the options described in paragraph 3(a) above. If the option to use EFT for the 1/5th cash bonus is selected, each EFT coordinator submitting bids on blocks within the Northern Portion of the Western Gap must submit, in a separate sealed envelope accompanying those bids, a single payment for 1/5th of the sum of all bids on blocks within the Northern Portion of the Western Gap, including joint bids. The envelope containing this payment should be in the following format:

Lump Sum Check Securing EFT Payments
Northern Portion of the Western Gap
GOM Company No.: 20999

If the bids on blocks in the Northern Portion of the Western Gap are not opened, the sealed envelopes containing the lump sum checks will be returned to EFT coordinators along with the unopened bids.

The EFT payment for 1/5th of the sum of the high bids on blocks within the Northern Portion of the Western Gap must be received in the appropriate United States Treasury account no later than noon, Eastern Time, on the day after opening of bids on these blocks (see paragraph 2(a)(2)).

(c) *Submission of Statement(s) Regarding Certain Geophysical Data.* Each company submitting a bid, or participating as a joint bidder in such a bid, shall submit, prior to the Bid Submission Deadline specified in paragraph 2 of this Notice, a statement or statements identifying any processed or reprocessed pre- and post-stack depth-migrated geophysical data in their possession or control pertaining to each and every block on which they are participating as a bidder. The existence, extent, and type of such data must be clearly identified. In addition, the statement shall certify that no such data is in their possession for any other blocks on which they participate as a bidder. The statement shall be submitted in an envelope separate from those containing bids and shall be clearly marked; an example of a preferred format for the statement and the envelope is included in the document titled ''Trial Procedures for Access to Certain Geophysical Data in the Gulf of Mexico'' (revised January 19, 1996). Only one statement per bidder is required for each sale, but more than one may be submitted if desired, provided that all tracts bid on by that company are covered in the one or more statements. Companies bidding on blocks in the Northern Portion of the Western Gap (see paragraph 2(a)) must submit a separate statement covering any blocks in that area. This statement must be in a sealed envelope with a label stating that it contains information regarding blocks in the Northern Portion of the Western Gap. The following format is recommended:

For Blocks In The Northern Portion Of The Western Gap Only
GOM Company No. 20137
Depth-Migrated Seismic Data Statement
Proprietary Data
Submitted In Conjunction With Oil And Gas Lease Sale 168

This envelope will be opened only if and when bids on blocks in this area are opened (see paragraph 2(a)). If these bids are not opened, the sealed envelopes will be returned to the companies who submitted them.

Paragraph 14(j), *Information to Lessees,* contains additional information pertaining to geophysical data.

4. *Minimum Bid, Yearly Rental, and Bidding Systems.* The following bidding, yearly rental, and royalty systems apply to this sale:

(a) *Minimum Bid.* All bids submitted at this sale must provide for a cash bonus in the amount of $25.00 or more per acre or fraction thereof.

(b) *Yearly Rental.* All leases awarded on tracts in water depths of 200 meters and greater as depicted on the map ''Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168'' (i.e., tracts in any of the three royalty suspension areas) will provide for a yearly rental payment of $7.50 per acre or fraction thereof until initial production is obtained. This map is available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

All leases awarded on other tracts (i.e., those in water depths of less than 200 meters) will provide for a yearly rental payment of $5.00 per acre or fraction thereof until initial production is obtained.

(c) *Bidding Systems.* After initial production is obtained, leases will provide for a minimum royalty of the amount per acre or fraction thereof as specified as the yearly rental in paragraph 4(b) above, except during periods of royalty suspension as discussed in paragraph 4(c)(3) of this Notice. The following royalty systems will be used in this sale:

(1) *Leases with a 12½-Percent Royalty.* This royalty rate applies to tracts in water depths of 400 meters or greater; this area is shown on the Map ''Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168'' applicable to this Notice (see paragraph 13). Leases issued on the tracts offered in this area will have a fixed royalty rate of 12½ percent, except during periods of royalty suspension (see paragraph 4(c)(3) of this Notice).

(2) *Leases with a 16⅔-Percent Royalty.* This royalty rate applies to tracts in water depths of less than 400 meters (see aforementioned map). Leases issued on the tracts offered in this area will have a fixed royalty rate of 16⅔ percent, except during periods of royalty suspension for leases in water depths 200 meters or greater (see paragraph 4(c)(3) of this Notice).

(3) *Royalty Suspension.* In accordance with Public Law 104–58, signed by the President on November 28, 1995, MMS has developed procedures providing for the suspension of royalty payments on production from eligible leases issued as a result of this sale. MMS will allow only one royalty suspension volume per field regardless of the number of eligible leases producing the field. For purposes of this paragraph, an eligible lease is one that: is located in the Gulf of Mexico in water depths 200 meters or deeper; lies wholly west of 87 degrees, 30 minutes West longitude; and is offered subject to a royalty suspension volume authorized by statute.

An eligible lease from this sale may receive a royalty suspension volume only if it is in a field where no currently active lease produced oil or gas (other than test production) before November 28, 1995. The following applies only to eligible leases in fields meeting this condition.

(i) The royalty suspension volumes are:

—17.5 million barrels of oil equivalent (mmboe) in 200 to 400 meters of water;
—52.5 mmboe in 400 to 800 meters of water; and
—87.5 mmboe in 800 meters of water and greater.

A map titled ''Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168'' depicting blocks in which such suspensions may apply is currently available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

(ii) When production first occurs from any of the eligible leases in a field (not including test production), MMS will determine the royalty suspension volume applicable to eligible lease(s) in that field. The determination is based on the royalty suspension volumes and the map specified in paragraph 4(c)(3)(i) above.

(iii) If a new field consists of eligible leases in different water depth categories, the royalty suspension volume associated with the deepest eligible lease applies.

(iv) If an eligible lease is the only eligible lease in a field, royalty is not owed on the production from the lease up to the amount of the applicable royalty suspension volume.

(v) If a field consists of more than one eligible lease, payment of royalties on the eligible leases' initial production is suspended until their cumulative production equals the field's established royalty suspension volume. The royalty suspension volume for each eligible lease is equal to each lease's actual production (or production allocated under an approved unit agreement) until the field's established royalty suspension volume is reached.

(vi) If an eligible lease is added to a field that has an established royalty suspension volume, the field's royalty suspension volume will not change even if the added lease is in deeper water. The additional lease may receive a royalty suspension volume only to the extent of its production before the cumulative production from all eligible leases in the field equals the field's previously established royalty suspension volume.

(vii) If MMS reassigns a well on an eligible lease to another field, the past production from that well will count toward the royalty suspension volume, if any, specified for the new field to which it is assigned. The past production will not be counted toward the suspension volume, if any, from the first field.

(viii) An eligible lease may receive a royalty suspension volume only if the entire lease is west of 87 degrees, 30 minutes West longitude. A field that lies on both sides of this meridian will receive a royalty suspension volume only for those eligible leases lying entirely west of the meridian.

(ix) An eligible lease may obtain more than one royalty suspension volume. If a new field is discovered on an eligible lease that already benefits from the royalty suspension volume for another field, production from that new field receives a separate royalty suspension.

(x) A lessee must measure natural gas production subject to the royalty suspension volume as follows: 5.62 thousand cubic feet of natural gas equals one barrel of oil equivalent, as measured fully saturated at 15.025 psi, 60 degrees F.

(xi) In any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds $28.00 per barrel, royalties on the production of oil must be paid at the lease stipulated royalty rate (see paragraphs 4(c)(1) and (2) above), and production during such years counts toward the royalty suspension volume.

In any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds $3.50 per million British thermal units, royalties on the production of natural gas must be paid at the lease stipulated royalty rate (see paragraphs 4(c)(1) and (2) above), and production during such years counts toward the royalty suspension volume.

These prices for oil and natural gas are as of the end of 1994, and must be adjusted for subsequent years by the percentage by which the implicit price deflator for the gross domestic product changed during the preceding calendar year.

(xii) A royalty suspension will continue until the end of the month in which the cumulative production from eligible leases in the field reaches the royalty suspension volume for the field.

Paragraph 14(l), *Information to Lessees*, contains additional information pertaining to royalty suspension matters.

5. *Equal Opportunity*. The certification required by 41 CFR 60–1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form MMS–2033 (June 1985), and the Affirmative Action Representation Form, Form MMS–2032 (June 1985) must be on file in the MMS Gulf of Mexico Regional Office prior to lease award (see paragraph 14(e)).

6. *Bid Opening*. Bid opening will begin at the bid opening times stated in paragraph 2. The opening of the bids is for the sole purpose of publicly announcing bids received, and no bids will be accepted or rejected at that time.

7. *Deposit of Payment*. Any cash, cashier's checks, certified checks, or bank drafts submitted with high bids, and any EFT payments made in accordance with Paragraph 3(a)(2) above, will be deposited by the Government in an interest-bearing account in the U.S. Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. *Withdrawal of Tracts*. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid for the tract.

9. *Acceptance, Rejection, or Return of Bids*. The United States reserves the right to reject any and all bids. In any case, no bid will be accepted, and no lease for any tract will be awarded to any bidder, unless:

(a) The bidder has complied with all requirements of this Notice and applicable regulations;

(b) The bid is the highest valid bid; and

(c) The amount of the bid has been determined to be adequate by the authorized officer.

No bonus bid will be considered for acceptance unless it provides for a cash bonus in the amount of $25.00 or more per acre or fraction thereof. Any bid submitted which does not conform to the requirements of this Notice, the OCS Lands Act, as amended, and other applicable regulations may be returned to the person submitting that bid by the RD and not considered for acceptance.

To ensure that the Government receives a fair return for the conveyance of lease rights for this sale, tracts will be evaluated in accordance with established MMS bid adequacy procedures. A copy of the current procedures (''Summary of Procedures for Determining Bid Adequacy at Offshore Oil and Gas Lease Sales: Effective August 1997, with Sale 168'') is available from the MMS Gulf of Mexico Regional Office Public

Information Unit (see paragraph 14(a) of this Notice).

Please Note: MMS recently made modifications to its process for bid adequacy determination. These changes affect Sale 168 and were announced in a **Federal Register** Notice at 62 FR 37589, dated July 14, 1997, and are included in the Summary document mentioned above available from the Gulf of Mexico Regional Office Public Information Unit.

10. *Successful Bidders.* The following requirements apply to successful bidders in this sale:

(a) *Lease Issuance.* Each person who has submitted a bid accepted by the authorized officer will be required to execute copies of the lease (Form MMS–2005 (March 1986) as amended), pay the balance of the cash bonus bid along with the first year's annual rental for each lease issued, by EFT in accordance with the requirements of 30 CFR 218.155, and satisfy the bonding requirements of 30 CFR 256, Subpart I, as amended.

Paragraphs 14(m), (n), and (q), *Information to Lessees,* contain additional information pertaining to this matter.

(b) *Certification Regarding Nonprocurement Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions.* Each person involved as a bidder in a successful high bid must have on file, in the MMS Gulf of Mexico Regional Office Adjudication Unit, a currently valid certification that the person is not excluded from participation in primary covered transactions under Federal nonprocurement programs and activities. A certification previously provided to that office remains currently valid until new or revised information applicable to that certification becomes available. In the event of new or revised applicable information, a subsequent certification is required before lease issuance can occur. Persons submitting such certifications should review the requirements of 43 C.F.R., Part 12, Subpart D, as amended in the **Federal Register** of June 26, 1995, at 60 FR 33035.

Copies of the certification form are available from the MMS Gulf of Mexico Regional Office Public Information Unit. See Paragraph 14(a) of this Notice for directions on how to obtain the forms.

11. *Leasing Maps and Official Protraction Diagrams.* Tracts offered for lease may be located on the following Leasing Maps or Official Protraction Diagrams which may be purchased from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)):

(a) OCS Leasing Maps—Texas, Nos. 1 through 8. This is a set of 16 maps which sells for $18.00.

(b) OCS Official Protraction Diagrams. These diagrams sell for $2.00 each.

NG 14–3 Corpus Christi (rev. 01/27/76)
NG 14–6 Port Isabel (rev. 01/15/92)
NG 15–1 East Breaks (rev. 01/27/76)
NG 15–2 Garden Banks (rev. 10/19/81)
NG 15–4 Alaminos Canyon (rev. 04/27/89)
NG 15–5 Keathley Canyon (rev. 04/27/89)
NG 15–8 (No Name) (rev. 04/27/89)

12. *Description of the Areas Offered for Bids.*

(a) *Acreage Available for Leasing.* Acreage of blocks is shown on Leasing Maps and Official Protraction Diagrams. Some of these blocks, however, may be partially leased, or transected by administrative lines such as the Federal/State jurisdictional line. Information on the unleased portions of such blocks, including the exact acreage, is included in the following document as a part of the Sale Notice Package and is currently available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)):

Western Gulf of Mexico Lease Sale 168—Final. Unleased Split Blocks and Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease.

(b) *Tracts not available for leasing.* The areas offered for leasing include all those blocks shown on the OCS Leasing Maps and Official Protraction Diagrams listed in paragraph 11(a) and (b), except for those blocks or partial blocks already under lease and those blocks or partial blocks listed below. A list of Western Gulf of Mexico tracts currently under lease is included in the Sale Notice Package available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)).

(1) Although currently unleased, no bids will be accepted on High Island Area, East Addition, South Extension, Blocks A–375 and A–398 (at the Flower Garden Banks).

(2) Although currently unleased, no bids will be accepted on the following 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 Blocks 793, 799, and 816.

(3) Although currently unleased, no bids will be accepted on the following blocks which are currently under appeal: High Island Area Block 170, and Galveston Area, South Addition, Block A–125.

13. *Lease Terms and Stipulations.*

(a) Leases resulting from this sale will have initial terms as shown on the map "Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168." Copies of the map and lease form are available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)).

(b) The applicability of the stipulations which follow is as shown on the map "Stipulations and Deferred Blocks, Sale 168" and as supplemented by references in this Notice.

Stipulation No. 1—Topographic Features.

(This stipulation will be included in leases located in the areas so indicated in the Biological Stipulation Map Package associated with this Notice which is available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)).)

The banks that cause this stipulation to be applied to blocks of the Western Gulf are:

Bank name	No activity zone defined by Isobath (meters)
Shelf Edge Banks:	
West Flower Garden Bank.	100
	(Defined by ¼ ¼ ¼ system)
East Flower Garden Bank.	100
	(Defined by ¼ ¼ ¼ system)
MacNeil Bank	82
29 Fathom Bank	64
Rankin Bank	85
Geyer Bank	85
Elvers Bank	85
Bright Bank[1]	85
McGrail Bank[1]	85
Rezak Bank[1]	85
Sidner Bank[1]	85
Parker Bank[1]	85
Stetson Bank	52
Appelbaum Bank	85
Low Relief Banks:[2]	
Mysterious Bank	74, 76, 78, 80, 84
Coffee Lump	Various
Blackfish Ridge	70
Big Dunn Bar	65
Small Dunn Bar	65
32 Fathom Bank	52
Claypile Bank[3]	50
South Texas Banks[4]	
Dream Bank	78, 82
Southern Bank	80
Hospital Bank	70
North Hospital Bank	68
Aransas Bank	70
South Baker Bank	70
Baker Bank	70

[1] Central Gulf of Mexico bank with a portion of its "1-Mile Zone" and/or "3-Mile Zone" in the Western Gulf of Mexico.

[2] Low Relief Banks—Only paragraph (a) applies.

[3] Claypile Bank—Paragraphs (a) and (b) apply. In paragraph (b), monitoring of the effluent to determine the effect on the biota of Claypile Bank shall be required rather than shunting.

[4] South Texas Banks—Only paragraphs (a) and (b) apply.

(a) No activity including structures, drilling rigs, pipelines, or anchoring will be allowed within the listed isobath (''No Activity Zone'' as shown in the aforementioned Biological Stipulation Map Package) of the banks as listed above.

(b) Operations within the area shown as ''1,000-Meter Zone'' in the aforementioned Biological Stipulation Map Package shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than 10 meters, from the bottom.

(c) Operations within the area shown as ''1-Mile Zone'' in the aforementioned Biological Stipulation Map Package shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a downpipe that terminates an appropriate distance, but no more than 10 meters, from the bottom. (Where there is a ''1-Mile Zone'' designated, the ''1,000-Meter Zone'' in paragraph (b) is not designated.) This restriction on operations also applies to areas surrounding the Flower Garden Banks National Marine Sanctuary, namely the ''4-Mile Zone'' surrounding the East Flower Garden Bank and the West Flower Garden Bank.

(d) Operations within the area shown as ''3-Mile Zone'' in the aforementioned Biological Stipulation Map Package shall be restricted by shunting all drill cuttings and drilling fluids from development operations to the bottom through a downpipe that terminates an appropriate distance, but no more than 10 meters, from the bottom.

Stipulation No. 2—Military Areas.

(This stipulation will be included in leases located within the Warning Areas as shown on the map described in paragraph 13(b).)

(a) *Hold and Save Harmless.*

Whether compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the OCS, to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by the lessee in, on, or above the OCS, if such injury or damage to such person or property occurs by reason of the activities of any agency of the United States Government, its contractors or subcontractors, or any of its officers, agents or employees, being conducted as a part of, or in connection with, the programs and activities of the command headquarters listed at the end of this stipulation.

Notwithstanding any limitation of the lessee's liability in Section 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of its officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, or to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors, or any of its officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

(b) *Electromagnetic Emissions.*

The lessee agrees to control its own electromagnetic emissions and those of its agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the command headquarters listed in the following table to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities, conducted within individual designated warning areas. Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area; provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

(c) *Operational.*

The lessee, when operating or causing to be operated on its behalf, boat, ship, or aircraft traffic into the individual designated warning areas, shall enter into an agreement with the commander of the individual command headquarters listed in the following list, upon utilizing an individual designated warning area prior to commencing such traffic. Such an agreement will provide for positive control of boats, ships, and aircraft operating into the warning areas at all times.

W–228—Chief, Naval Air Training, Naval Air Station, Office No. 206, Corpus Christi, Texas 78419–5100, Telephone: (512) 939–3862/3902

W–602—Headquarters ACC/DOSR, Detachment 1, Operations Headquarters, Air Combat Command, Offutt AFB, Nebraska 68113–5550, Telephone: (402) 294–2334

Stipulation No. 3—Operations in the Naval Mine Warfare Area

(This stipulation will apply to Mustang Island Area East Addition Blocks 732, 733, and 734.)

(a) The placement, location, and planned periods of operation of surface structures on this lease during the exploration stage are subject to approval by the RD, MMS Gulf of Mexico Region, after the review of the operator's Exploration Plan (EP). Prior to approval of the EP, the RD will consult with the Commander, Mine Warfare Command, in order to determine the EP's compatibility with scheduled military operations. No permanent structures nor debris of any kind shall be allowed in the area covered by this lease during exploration operations.

(b) To the extent possible, sub-seafloor development operations for resources subsurface to this area should originate outside the area covered by this lease. Any above-seafloor development operations within the area covered by this lease must be compatible with scheduled military operations as determined by the Commander, Mine Warfare Command. The lessee will consult with and coordinate plans for above-seafloor development activities (including abandonment) with the Commander, Mine Warfare Command. The Development Operations Coordination Document (DOCD) must contain the locations of any permanent structures, fixed platforms, pipelines, or anchors planned to be constructed or placed in the area covered by this lease as part of such development operations. The DOCD must also contain the written comments of the Commander, Mine Warfare Command on the proposed activities. Prior to the approval of the DOCD, the RD will consult with the Commander in order to determine the DOCD's compatibility with scheduled military operations. For more information, consultation, and coordination, the lessee must contact:

Commander, Mine Warfare Command, 325 Fifth Street, S.E., Corpus Christi, Texas 78419–5032, Phone: (512) 939–4895

14. *Information to Lessees.*

(a) *Supplemental Documents.* For copies of the various documents identified as available from the MMS Gulf of Mexico Regional Office, prospective bidders should contact the Public Information Unit, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394, either in writing or by telephone at (504) 736–2519 or (800) 200–GULF. For additional information, contact the Regional Supervisor for Leasing and Environment at that address or by telephone at (504) 736–2759.

(b) *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.

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 OCS in accordance with section 4(e) of the OCS Lands Act, as amended.

For additional information, prospective bidders should contact Lt. Commander Bill Daughdrill, Chief of Facility and Offshore Compliance Section, 8th Coast Guard District, Hale Boggs Federal Building, New Orleans, Louisiana 70130, (504) 589–6901. For COE information, prospective bidders should contact Mr. Dan Nannings, Chief Evaluation Section, Regulatory Branch, Post Office Box 1229, Galveston, Texas 77553, (409) 766–3938.

(c) *Offshore Pipelines.* Bidders are advised that the Department of the Interior and the Department of Transportation have entered into a Memorandum of Understanding (MOU), dated December 10, 1996, concerning the design, installation, operations, inspection, and maintenance of offshore pipelines. Bidders should consult both Departments for regulations applicable to offshore pipelines. This recently revised MOU is available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

(d) *8-Year Leases.* Bidders are advised that any lease issued for a term of 8 years will be canceled shortly after the end of the fifth year, following notice pursuant to the OCS Lands Act, as amended, if within the initial 5-year period of the lease, the drilling of an exploratory well has not been initiated; or if initiated, the well has not been drilled in conformance with the approved exploration plan criteria; or if there is not a suspension of operations in effect. Furthermore, a rental payment for the sixth year will be due despite the cancellation. Bidders are referred to 30 CFR 256.37 and the MMS Gulf of Mexico Regional Office Letter to Lessees and Operators of February 13, 1995.

(e) *Affirmative Action.* Lessees are advised that they must adhere to the rules of the Department of Labor, Office of Federal Contract Compliance, at 41 CFR Chapter 60. Companies with questions regarding those rules should contact one of the various regional Department of Labor Offices of Federal Contract Compliance.

(f) *Ordnance Disposal Areas.* Bidders are cautioned as to the existence of two inactive ordnance disposal areas in the Corpus Christi and East Breaks areas, shown on the map described in paragraph 13(a). These areas were used to dispose of ordnance of unknown composition and quantity. These areas have not been used since about 1970. Water depths in the Corpus Christi area range from approximately 600 to 900 meters. Water depths in the East Breaks area range from approximately 300 to 700 meters. Bottom sediments in both areas are generally soft, consisting of silty clays. Exploration and development activities in these areas require precautions commensurate with the potential hazards.

(g) *Archaeological Resources.* Bidders are referred to the regulations at 30 CFR 250.26 (Archaeological Reports and Surveys). MMS Notice to Lessees (NTL) 91–02 (Outer Continental Shelf Archaeological Resources Requirements for the Gulf of Mexico OCS Region) published in the **Federal Register** on December 20, 1991, (56 FR 66076) effective February 17, 1992, specifies remote sensing instrumentation survey methodology, linespacing, and archaeological report writing requirements for lessees and operators in the Gulf of Mexico Region. Three additional documents are available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)):

''List of Lease Blocks Within the High-Probability Area for Historic Period Shipwrecks on the OCS'' dated May 22, 1995, (including an Errata Sheet II dated April 16, 1997). This list supersedes the list promulgated by the MMS Letter to Lessees (LTL) of November 30, 1990.

''List of Lease Blocks Within the High-Probability Area for Prehistoric Archaeological Resources on the OCS'' dated May 22, 1995.

MMS Gulf of Mexico Regional Office Letter to Lessees and Operators of March 17, 1996, which contains a list of lease blocks within the High-Probability Areas for both Historic Period Shipwrecks and Prehistoric Archaeological Resources on the OCS that were formerly ''grandfathered'' but which may now require archaeological surveys.

(h) *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 Gulf of Mexico. These are located in water depths of less than 200 meters. While all artificial reef sites require a permit from the COE, the Artificial Reefs program is implemented through State sponsorship through the following State Coordinators:

Alabama Mr. Steve Heath, (334) 968–7576
Florida Mr. Jon Dodrill, (904) 922–4340
Louisiana Mr. Rick Kasprzak, (504) 765–2375
Mississippi Mr. Mike Buchanan, (601) 385–5860
Texas Ms. Jan Culbertson, (281) 474–1418

For more information, on artificial reef sites, prospective bidders should contact the above listed State Artificial Reef Coordinators for their areas of interest.

(i) *Proposed Lightering Zones.* Bidders are advised that the U.S. Coast Guard has designated certain areas of the Gulf of Mexico (60 FR 45006 of August 29, 1995), as lightering zones for the purpose of permitting single hull vessels to off-load oil within the U.S. Exclusive Economic Zone. Such designation may have implications for oil and gas operations in the areas. Additional information may be obtained from Lieutenant Commander Stephen Kantz, Project Manager, Oil Pollution Act of 1990 (OPA) Staff, at (202) 267–6740.

(j) *Statement Regarding Certain Geophysical Data.* Pursuant to Sections 18 and 26 of the OCS Lands Act, as amended, and the regulations issued thereunder, MMS has a right of access to certain geophysical data and information obtained or developed as a result of operations on the OCS. MMS is sensitive to the concerns expressed by industry regarding the confidentiality of individual company work products and client lists and the potential burden of responding to a myriad of requests from MMS pertaining to the existence and availability of these types of reprocessed geophysical data. To resolve the concerns of both industry and MMS with respect to such cases, MMS has worked with industry to develop the requirements contained within paragraph 3(c) *Method of Bidding* above. MMS modified the previous procedure to require that bidders who are in possession of the requested data, now identify the specific data by line name or 3D phase. This has helped MMS in identifying time data that may have already been in our data base and at the same time has not imposed undue burden on industry by rerequesting the data. All requirements are being imposed on a trial basis to determine their effectiveness and are subject to further modification in future sales.

The details of this requirement are specified in the document ''Trial Procedures for Access to Certain Geophysical Data in the Gulf of Mexico'' (revised January 19, 1996) which is available upon request from the MMS Gulf of Mexico Region Public Information Unit (see paragraph 14(a)). In brief, these requirements include:

(1) In the period for ninety (90) days after the sale, bidders will allow MMS to inspect such data within seven (7) days of a written request from MMS, and upon further written request will transmit to MMS, within ten (10) working days, such data. After this ninety (90) day period, a response time of thirty (30) days following an MMS written request will be considered adequate.

(2) Successful bidders must retain such data for three (3) years after the sale, and unsuccessful bidders must retain such data for six (6) months after the sale, for possible acquisition by MMS.

For the six (6) month period after the sale, based on a review of the allowable cost of data reproduction to MMS for three-dimensional and two-dimensional data sets, the company providing the reprocessed data will be reimbursed at a rate of $480 per block or part thereof for three-dimensional data and $2 per line mile for two-dimensional data. Afterwards, reimbursement will be subject to the terms and conditions of 30 CFR 251.13(a).

All geophysical data and information obtained and reviewed by MMS pursuant to these procedures shall be held in the strictest confidence and treated as proprietary in accordance with the applicable terms of 30 CFR 251.14.

For additional information, contact the MMS Gulf of Mexico Regional Office of Resource Evaluation at (504) 736–2720.

(k) *Information about Indicated Hydrocarbons.* Bidders are advised that MMS makes available, about 3 months prior to a lease sale, a list of unleased tracts having well bores with indicated hydrocarbons. Basic information relating to production, well bores, and pay range for each tract is included in the list. The list is available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a)).

(l) *Royalty Relief.* The OCS Deep Water Royalty Relief Act authorizes the Secretary of the Interior to offer certain deepwater OCS tracts in the Central and Western Gulf of Mexico for lease with suspension of royalties for a volume, value, or period of production the Secretary determines. An interim rule was published in the **Federal Register** (61 FR 12022; March 25, 1996) that specifies the royalty suspension terms under which the Secretary will make tracts available for this sale. Bidders are advised to review that document for additional details on this matter. For further information, bidders may contact Mr. Walter Cruickshank of the MMS Offshore Minerals Analysis Division at (202) 208–3822.

A map titled ''Lease Terms, Bidding Systems, and Royalty Suspension Areas, Sale 168'' depicting blocks in which such suspensions may apply is currently available from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

The publication ''OCS Operations Field Names Master List'' depicts currently established fields in the Gulf of Mexico. This document is updated monthly and reprinted quarterly. Copies may be obtained from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

(m) *Lease Instrument.* Bidders are advised that the lease instrument will include royalty relief provisions (paragraph 4(c)(3) of this Notice) and 8-year lease cancellation provisions (paragraph 14(d) of this Notice) where applicable. Leases will continue to be issued on Form MMS–2005 (March 1986) as amended.

(n) *Electronic Funds Transfer.* Bidders are advised that the 4/5ths and first year rental EFT instructions for lease payoff have been revised and updated by MMS Royalty Management. Companies may now use either the Fedwire Deposit System or the Automated Clearing House (overnight payments). See paragraphs 3(a)(2) and 10(a) of this Notice.

(o) *Deepwater Operations Plans.* Bidders are advised that MMS Notice to Lessees (NTL) 96–4N, which became effective on August 19, 1996, requires that a Deepwater Operations Plan be submitted for all deepwater development projects (water depths greater than 304.8 meters (1,000 feet)) and for all projects utilizing subsea production technology; projects using conventional fixed-leg projects are exempted from this requirement. Copies of the NTL may be obtained from the MMS Gulf of Mexico Regional Office Public Information Unit (see paragraph 14(a) of this Notice).

(p) *Minimizing Oil and Gas Structures Near the Flower Garden Banks.* Bidders are reminded of Notice to Lessees and Operators (NTL) 85–8, ''Minimizing Oil and Gas Structures in the Gulf of Mexico,'' dated November 26, 1985. Section II of the NTL sets forth the MMS' policy with regard to the minimization of structures for drilling, development, and production on OCS leases. The policy requires that such structures including lease-term pipelines be placed in a manner that causes minimum interference with other significant uses of the OCS. Please be advised that the MMS will strictly adhere to this policy when reviewing Exploration Plans and Development Operations Coordination Documents which propose the use or installation of such structures within the ''Four-Mile Zone'' and adjacent areas surrounding the Flower Garden Banks National Marine Sanctuary.

(q) *New Bonding Requirements.* MMS promulgated revisions to the surety bond program on May 22, 1997 (62 FR 27948): ''Surety Bonds for Outer Continental Shelf Leases.'' The revisions to the surety bond program provide for the following:

(1) Establishes December 8, 1997, as the deadline for every lessee to comply with the bond coverage requirements established in the rule published August 27, 1993 (58 FR 45255).

(2) Clarifies the MMS position that co-lessees and operating rights owners are jointly and severally liable for compliance with our regulations and the terms and conditions of their OCS oil and gas and sulphur lease for non-monetary obligations.

(3) Clarifies the MMS position that an assignor of an OCS lease remains responsible for compliance with the lease abandonment obligations

associated with wells drilled or used while the assignor was lessee.

(4) Establishes regulatory frameworks for acceptance of lease-specific abandonment accounts and third-party guarantees.

(5) Sets a higher more realistic level of bond coverage to be required of the holder of a G&G exploration permit to drill a deep stratigraphic test well and authorizes a demand for a supplemental bond from the holder of a G&G permit or pipeline right-of-way.

This rule is the product of MMS efforts to write regulations in plain English and continues attempts to provide optimum flexibility for a lessee to meet lease bond requirements and ensure that lessees adequately fund their end-of-lease obligations.

Objectives for this rule are to: (1) ensure a lessee's financial capability to perform its lease obligations; (2) protect the environment from threat of harm that might result from a lessee's failure to timely carry out proper well abandonment and site clearance operations; (3) achieve a reasonable degree of protection from default by a lessee, permittee, or pipeline right-of-way holder at a minimum increase in costs for lease, permit, or pipeline operations; and (4) select a method for attaining those goals that equitably affect all parties.

(r) *Proposed Rule: Oil Spill Financial Responsibility for Offshore Facilities.* Bidders should note that MMS published in the **Federal Register** a proposed rule to implement a financial responsibility provision of the Oil Pollution Act of 1990 (OPA). The proposal, which appears at 62 FR 14052 on March 25, 1997, requires those responsible for offshore oil facilities to demonstrate that they can pay for cleanup and damages caused by facility oil spills. The proposed rule applies to oil exploration, production, and pipeline facilities located along and seaward of the U.S. coastline. The proposal reflects recent changes to OPA that more precisely define the scope of the oil spill financial responsibility requirement in terms of geographic limitations, types of facilities affected, and the dollar amounts of responsibility that must be demonstrated. Public comments on the proposed financial responsibility regulation were due June 23, 1997. A final regulation should be published by the end of the year.

(s) *Final Rule: Response Plans for Facilities Located Seaward of the Coast Line.* Bidders should note that MMS published in the **Federal Register** a final rule at 62 FR 13991 on March 25, 1997, to implement the facility response planning provision of Oil Pollution Act of 1990 (OPA). The rule, which supersedes an interim rule in effect since February 18, 1993, allows one plan to be used to cover multiple offshore facilities; thus allowing operators to reduce the cost of spill response compliance without sacrificing environmental protection. The final rule also permits the use of the National Response Team's Integrated Contingency Plan Guidance when preparing a plan for MMS review. This guidance allows facility owners to consolidate multiple plans required by various agencies into one functional response plan, thereby minimizing duplication.

Dated: July 28, 1997.

Cynthia Quarterman,

Director, Minerals Management Service.

Approved:

Bob Armstrong,

Assistant Secretary, Land and Minerals Management.

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

Outer Continental Shelf, Western Gulf of Mexico; Notice of Leasing Systems, Sale 168

Section 8(a)(8) (43 U.S.C. 1337(a)(8)) of the Outer Continental Shelf Lands Act (OCSLA) requires that, at least 30 days before any lease sale, a Notice be submitted to the Congress and published in the **Federal Register**:

1. Identifying the bidding systems to be used and the reasons for such use; and

2. Designating the tracts to be offered under each bidding system and the reasons for such designation.

This Notice is published pursuant to these requirements.

1. *Bidding systems to be used.* In the Outer Continental Shelf (OCS) Sale 168, blocks will be offered under the following two bidding systems as authorized by section 8(a)(1) (43 U.S.C. 1337(a)(1)), as amended: (a) Bonus bidding with a fixed 16⅔-percent royalty on all unleased blocks in less than 200 meters of water; and (b)(i) bonus bidding with a fixed 16⅔-percent royalty on all unleased blocks in 200 to 400 meters of water with potential for a royalty suspension volume of up to 17.5 million barrels of oil equivalent; (ii) bonus bidding with a fixed 12½-percent royalty on all unleased blocks in 400 to 800 meters of water with potential for a royalty suspension volume of up to 52.5 million barrels of oil equivalent; and (iii) bonus bidding with a fixed 12½-percent royalty on all unleased blocks in water depths of 800 meters or more with potential for a royalty suspension volume of up to 87.5 million barrels of oil equivalent.

For bidding systems (b) (i), (ii), and (iii), the royalty suspension allocation rules are described in the Interim Rule (30 CFR Part 260) addressing royalty relief for new leases that was published in the **Federal Register** on March 25, 1996 (61 FR 12022).

a. *Bonus Bidding with a 16⅔-Percent Royalty.* This system is authorized by section (8)(a)(1)(A) of the OCSLA. This system has been used extensively since the passage of the OCSLA in 1953 and imposes greater risks on the lessee than systems with higher contingency payments but may yield more rewards if a commercial field is discovered. The relatively high front-end bonus payments may encourage rapid exploration.

b. (i) *Bonus bidding with a 16⅔-Percent Royalty and a Royalty Suspension Volume (17.5 million barrels of oil equivalent).* This system is authorized by section (8)(a)(1)(H) of the OCSLA, as amended. This system complies with Sec. 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (DWRRA). An incentive for development and production in water depths of 200 to 400 meters is provided through allocating royalty suspension volumes of 17.5 million barrels of oil equivalent to eligible fields.

b. (ii) *Bonus Bidding with a 12½-Percent Royalty and a Royalty Suspension Volume (52.5 million barrels of oil equivalent).* This systems is authorized by section (8)(a)(1)(H) of the OCSLA, as amended. It has been chosen for blocks of water depths of 400 to 800 meters proposed for the Western Gulf of Mexico (Sale 168) to comply with Sec. 304 of the DWRRA. The 12½-percent royalty rate is used in deeper water because these blocks are expected to require substantially higher exploration, development, and production costs, as well as longer times before initial production, in comparison to shallow-water blocks. The use of a royalty suspension volume of 52.5 million barrels of oil equivalent for eligible fields provides an incentive for development and production appropriate for this water depth category.

b. (iii) *Bonus Bidding with a 12½-Percent Royalty and a Royalty Suspension Volume (87.5 million barrels of oil equivalent).* This system is authorized by section (8)(a)(1)(H) of the OCSLA, as amended. It has been chosen for blocks in water depths of 800 meters