

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE

NEGOTIATED NONCOMPETITIVE LEASE FOR  
SAND, GRAVEL AND SHELL RESOURCES ON THE  
OUTER CONTINENTAL SHELF

This form does not constitute an information collection as defined by  
44 U.S.C. 3502 and therefore does not require approval by the Office  
of Management and Budget

Office

Washington, D.C.

Lease Number

OCS-A \_\_\_\_\_

This lease is made under the authority of Section 8(k)(2)(A)(i) of the Outer Continental Shelf Lands Act of August 7, 1953 (43 U.S.C. 1331 et seq.), P.L. 95-372, as amended by P.L. 103 426, (hereinafter called the "Act"), between the United States of America (hereinafter called the "Government"), acting through the Minerals Management Service (hereinafter called the "Lessor"), and \_\_\_\_\_ (hereinafter called the "Lessee"). In consideration of the promises, terms, conditions, covenants, and stipulations contained herein or attached hereto, the parties mutually agree as follows:

**Section 1. Lease Area.** Under the terms and conditions of this lease, the Government hereby authorizes the removal of the material listed in Lease Term No. 3. Such rights include the right of the Lessee to remove such material prior to the expiration of this lease on the following described lands. See Lease Term Nos. 1 and 2.

**Section 2. Statutes and Regulations.** This lease is issued subject to the Act (43 U.S.C. 1337(k)(2)(A)(i)), all regulations, orders, guidelines, and directives issued pursuant to the Act and in existence upon the Effective Date of this lease, all regulations, orders, guidelines, and directives subsequently issued pursuant to the Act that provide for the prevention of waste and conservation of the natural resources of the Outer Continental Shelf (OCS) and the protection of correlative rights therein, and all other applicable statutes and regulations.

**Section 3. Expiration of Lease.** This lease shall expire as set forth in Lease Term No. 4 unless an extension of time is applied for by the Lessee and granted in writing by the Lessor. Written application for an extension of time shall be made by the Lessee not less than thirty (30) nor more than ninety (90) days prior to the expiration of the lease. See Lease Term No. 4.

**Section 4. Bonds.** This noncompetitive lease does not impose any bonding requirements beyond those required and specified by the U.S. Army Corps of Engineers (USACE) in their construction solicitation and specifications contract. If, after operations have begun, the Lessor deems additional security necessary, the Lessee shall, on behalf of the Lessor request the Contracting Officer of the USACE, Jacksonville District, to require additional security from their Contractor and to modify their contract to reflect the additional bonding requirement. **(If Applicable)**

**Section 5. Notice of Operations.** After the Lessee receives notification by the USACE, \_\_\_\_\_ District, or their contractor of the commencement or the termination of operations hereunder, the Lessee shall immediately notify the Lessor of such commencement or termination, as the case may be. **(If Applicable)**

**Section 6. Plans.** This lease is only valid if all operations in the leased area are conducted in accordance with the project plan references cited in Attachment 1 (Lease Terms and Stipulations) for this lease and the applicable regulations, orders, guidelines, and directives. The Lessee shall request the Contracting Officer to require compliance with the project plan by their Contractor and incorporate binding language to that effect in their contract. Modifications to the project plan which affect the leased area described in Lease Term No. 2 shall be submitted by

the Lessee to the Lessor for review and comment, or such submittals shall be made on behalf of the Lessee by the contractor.

**Section 7. Performance.** The Lessee shall assure that all operations in the leased area are conducted in accordance with all applicable regulations, orders, guidelines, and directives and the terms and conditions set forth in this lease. For such assurances, the Lessee shall request the Contracting Officer to require compliance by their Contractor and incorporate binding language to that effect in their contract. This lease is only valid if the Contractor is contractually bound to conduct Federal OCS mining activities authorized by this lease in a manner that does not: (1) interfere with or endanger operations under any lease issued or maintained pursuant to the Act, (2) cause any undue harm or damage to aquatic life, (3) cause pollution, (4) create hazardous or unsafe conditions, (5) unreasonably interfere with or harm other uses of the leased area, or (6) disturb cultural resources.

**Section 8. Safety Requirements.** The Lessee shall request the Contracting Officer to require that all necessary steps be taken to assure that their Contractor: (1) maintain all operations within the leased area in compliance with regulations, orders, guidelines, and directives intended to protect persons, property, and the environment, including mineral deposits and formations of mineral deposits not leased hereunder, and (2) allow prompt access, at the site of any operation subject to safety regulations, to any authorized Federal inspector and shall provide any documents and records that are pertinent to occupational or public health, safety, or environmental protection as may be requested. This lease is only valid if such steps are incorporated in the contract between the Contractor and the USACE.

**Section 9. Violations, Suspensions, and Cancellations.** If the Lessee violates any provisions of this lease, the Lessor may, after giving written notice, suspend any further operations of the Lessee under this lease, except such operations as may be necessary to remedy any violations. If the Lessee fails to remedy all violations within thirty (30) days after receipt of suspension notice, the Lessor may, by written notice, cancel this lease and take appropriate action to recover all damages suffered by the Government by reason of such violations.

**Section 10. Responsibility for Damages Suffered, Costs, or Expenses Incurred by the Government.** The Lessor does not warrant that the sand to be utilized in this project is suitable for the purpose for which it is intended. If the Lessor incurs any damages, costs, or liabilities resulting from the use of such sand, or through the negligence of the Lessee or its agents, contractors, or employees in relation to any operations conducted under this lease, the Lessee shall indemnify the Lessor for such costs, damages, or expenses incurred. Such indemnification is not to be construed as a further waiver of sovereign immunity in excess of the legislative waiver of sovereign immunity in \_\_\_\_\_ (Note State statutes here).

**Section 11. Assignment or Transfer of Lease.** This lease may not be assigned or transferred without written approval of the Lessor.

**Section 12. Surrender of Lease.** The Lessee may surrender this lease by filing with the Lessor a written relinquishment that shall be effective on the date of filing.

**Section 13. Lease Terms and Stipulations.** The Lessee shall be subject to all the lease terms and stipulations set appended to this lease.

Insert Lessee Name Here

**THE UNITED STATES OF AMERICA, Lessor**

\_\_\_\_\_  
(Lessee)

Approved as to form and legal sufficiency

\_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
**Attested: Corporation Secretary**

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Address of Lessee)

\_\_\_\_\_

\_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory)

Associate Director  
for Offshore Minerals Management  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
If this lease is executed by a corporation, it must bear the corporate seal.

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
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**NEGOTIATED NONCOMPETITIVE LEASE FOR  
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**LEASE TERMS AND STIPULATIONS**

**LEASE TERM NO. 1 - Description of the Public Works Project**

As provided in Section 8(k)(2)(A)(i) of the Outer Continental Shelf Lands Act, as amended by P.L. 103-426, rights to Federal Outer Continental Shelf (OCS) sand are conveyed in this noncompetitive lease for exclusive use in the following public works project:

Provide description and purpose of project here

**LEASE TERM NO. 2 - Description of the Borrow Site**

Any Federal OCS sand to be used for this public works project may only be obtained from an offshore site, identified as \_\_\_\_\_, bounded by the following coordinates (NAD83):

Provide borrow site coordinates in latitude and longitude

**LEASE TERM NO. 3 - Amount of Federal OCS Sand Authorized to be removed**

Up to \_\_\_\_\_ cubic yards of Federal OCS sand is authorized to be removed from \_\_\_\_\_ ( Name of borrow area) for the designated project.

**LEASE TERM NO. 4 - Effective/Expiration Date of the Lease**

The lease will be effective upon signature by all parties. This noncompetitive lease shall expire one hundred eighty (180) calendar days from the effective date if the (USACE or Lessee, whichever is applicable) does not issue a Notice to Proceed to a dredging contractor during that time. If a timely Notice to Proceed is issued, then the lease shall expire five hundred seventy (570) days from the date the dredging contractors receive such notice, or upon completion of the project, which ever occurs first. A written request for an extension of time may be submitted to MMS by the Lessee not less than thirty (30) days or more than ninety (90) days prior to the expiration of the lease.

**LEASE TERM NO. 5 - Indemnification**

The Lessee shall request that the (USACE or Lessee, whichever is applicable) require its contractors to indemnify MMS for, and hold it harmless from, any claim, including claims for loss or damage to property or injury to persons caused by or resulting from Project activities conducted by or on behalf of the Lessee or the USACE except for claims resulting from:

- (a) Negligence of MMS other than the commission or omission of a discretionary function or duty on the part of a Federal agency whether or not the discretion involved is abused; or
- (b) the Lessee, the USACE, or the USACE's contractor's non-negligent compliance with an order or directive of MMS against which an administrative appeal by the Lessee, the USACE, or the USACE's contractor is filed before the cause of action for the claim arises and is pursued diligently thereafter.

**STIPULATION NO. 1 - Post-Dredging Hydrographic Surveys of the Ocean Borrow Site**

Dredged excavations within the ocean borrow site shall not exceed maximum slide slopes of 2:1 and shall not result

in the creation of a deep pit or hole. A hydrographic survey is required by the Lessee after the dredging is completed. This data shall be submitted to MMS within two (2) weeks after receipt. The hydrographic data shall be in a format that is compatible with pre-dredging hydrographic data to enable the latter to be subtracted from the former to calculate the volume of sand removed and the shape of the excavation.

**STIPULATION NO. 2 - Endangered and Threatened Species Under the National Marine Fisheries Service (NMFS) Jurisdiction** (Conditions will be imposed upon USACE or designated representative of Lessee if not a USACE project, and if applicable)

Under the terms of section 7(b)(4) and section 7(o)(2) of the Endangered Species Act, taking that is incidental to and not intended as part of the agency action is not considered a prohibited taking provided that such taking is in compliance with the terms and conditions below. The documented incidental take, by injury or mortality, of seven (7) Kemp's ridleys, seven (7) green turtles, two (2) hawksbills, twenty (35) loggerhead turtles, and five (5) shortnose sturgeon is set for all USACE projects covered by the September 22, 1997 RBO pursuant to section 7(b)(4) of the ESA. This take level represents the total authorized take per year for hopper dredging in the Atlantic projects of the South Atlantic Division (SAD). To ensure that the specified levels of take are not exceeded early in any project, the USACE should reinitiate consultation for any project in which more than one turtle is taken in any 24 hours, or once five or more turtles are taken. The USACE must comply with the following terms and conditions. These terms and conditions are non-discretionary.

1. The USACE's draghead deflector engineer that assisted in this design should inspect the rigid draghead deflector annually to ensure that the deflector has been tailored appropriately to each draghead. Additionally, the inspector should assess whether the dredge operator appears to be familiar with the operation of the draghead deflector and provide necessary training where appropriate.
2. The USACE should develop an educational/training program for dredge operators to increase their understanding of how the draghead deflector works and why it is necessary.
3. One hundred percent inflow screening is required, and 100 percent overflow screening is recommended when sea turtle observers are required on hopper dredges in areas and seasons in which sea turtles may be present (see table below). If conditions disallow 100 percent inflow screening, inflow screening can be reduced but 100 percent overflow screening is required, and an explanation must be included in the preliminary dredging report (see 6, below).
4. The sea turtle deflecting draghead is required for all hopper dredging during the months that turtles may be present, unless a waiver is granted by the USACE SAD in consultation with NMFS.
5. Beach observers cannot be used in place of shipboard observers for hopper dredging of borrow areas unless the USACE can demonstrate that the volume of sand deposited on beaches will not preclude observation and identification of turtles or turtle parts.
6. To prevent impingement of sea turtles within the water column, every effort should be made to keep the dredge pumps disengaged when the dragheads are not firmly on the bottom.
7. Reporting: A preliminary report summarizing the results of the dredging and the sea turtle take must be submitted to the USACE and NMFS within 30 working days of completion of any given dredging project. An annual report (based on either calendar or fiscal year) must be submitted to NMFS summarizing hopper dredging projects, documented sea turtle and sturgeon incidental takes, and whale sightings.
8. The USACE continued participation in the Right Whale Early Warning System is necessary. Dredging within right whale critical habitat from December through March must follow the protocol established within the Early Warning System.
9. NMFS requires monitoring by endangered species observers with at-sea large whale identification experience to conduct daytime observations for whales between December 1 and March 31, when humpback and right whales occur in the vicinity of channels and borrow areas, north of Cape Canaveral.

Monitoring will be 100% for the first year of the biological opinion, unless subsequently altered upon authorization from NMFS. During daylight hours, the dredge operator must take necessary precautions to avoid whales. During evening hours or when there is limited visibility due to fog or sea states of greater than Beaufort 3, the dredge must slow down to 5 knots or less when transiting between areas if whales have been spotted within 15 nm of the vessel's path within the previous 24 hours. South of Cape Canaveral, surveys for whales should be conducted by endangered species observers during the intervals between dredge spoil monitoring.

10. The seasonal observer requirements under these terms and conditions are listed on the following table.

AREA	Whale Monitoring	Sea Turtle Monitoring: Navigation Channels		Sea Turtle Monitoring: Borrow Areas	
		Windows	Monitoring	Windows	Monitoring
	Whale observations are not necessary beyond those conducted between monitoring of dredge spoil.	Year Round	Two observers (100% monitoring) year round	Year Round	One observer (50% monitoring) year round

**STIPULATION NO. 3 - Endangered and Threatened Species Under the Fish and Wildlife Service (FWS) Jurisdiction**

Under the terms of section 7(b)(4) and section 7(o)(2) of the Endangered Species Act, taking that is incidental to and not intended as part of the agency action is not considered a prohibited taking provided that such taking is in compliance with the terms and conditions below. Incidental take is anticipated for all sea turtle nests that may be constructed and eggs that may be deposited from March 1 through April 30 and from September 1 through September 30 and missed by a nest survey and egg relocation program within the boundaries of the proposed project. Incidental take is also anticipated for all sea turtle nests deposited during the period when a nest survey and egg relocation program is not required to be in place within the boundaries of the proposed project. Incidental take is anticipated for all southeastern beach mice that may be found at the toe of the primary dune within the project area. This is the only portion of the work area where beach mice may be encountered. The USACE or Lessee must comply with the following terms and conditions. These terms and conditions are non-discretionary.

1. All fill material placed shall be sand that is similar to that already existing on the site in both coloration and grain size. All such fill material shall be free of construction debris, rocks, clay, or other foreign matter and shall not contain, on average, greater than 5 percent fines (passing the #200 sieve) and be free of coarse gravel or cobbles.
2. Beach nourishment shall be started after October 31 and be completed before May 1. During the May 1 through October 31 period, no construction equipment or pipes shall be stored on the beach.
3. If the beach nourishment project will be conducted during the period from March 1 through April 30, then daily early morning surveys for early nesting sea turtles shall be conducted within the period from March 1 through April 30 that the project is being conducted, and eggs shall be relocated per the following requirements.
  - A. Nest surveys and egg relocations shall only be conducted by personnel with prior experience and training in nest survey and egg relocation procedures. Surveyors shall have a valid Florida Department of Environmental Protection permit. Nest surveys shall be conducted daily between sunrise and 9 a.m.
  - B. Only those nests that may be affected by construction activities shall be relocated. Nests requiring

relocation shall be moved no later than 9 a.m. the morning following deposition to a nearby self-release beach site in a secure setting where artificial lighting will not interfere with hatchling orientation. Nest relocations in association with construction activities shall cease when construction activities no longer threaten nests. Nests deposited within areas where construction activities have ceased or will not occur for 65 days shall be marked and left in place unless other factors threaten the success of the nest. Any nests left in the active construction zone shall be clearly marked, and all mechanical equipment shall avoid nests by at least 10 feet.

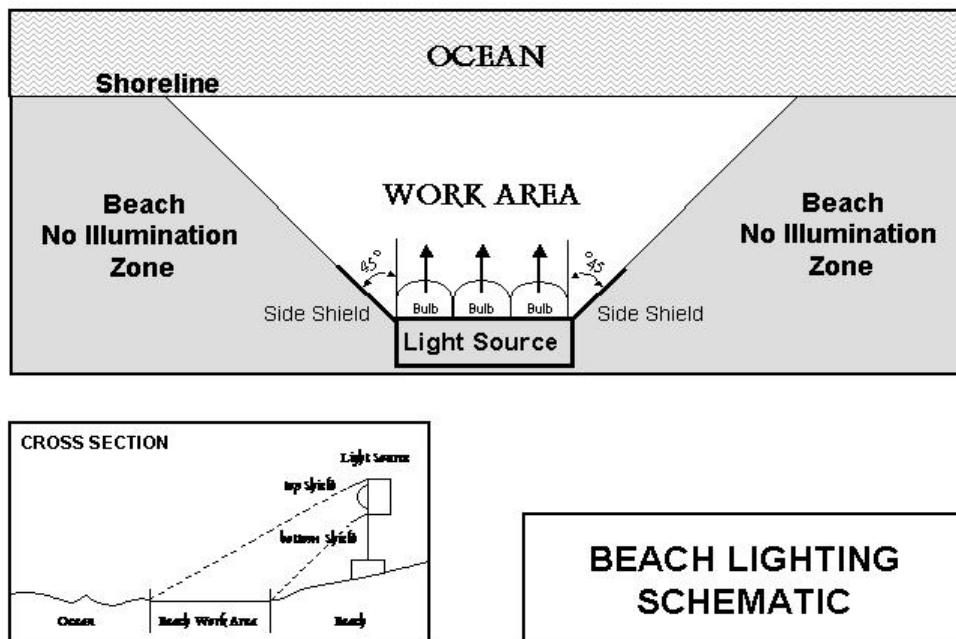
4. If the beach nourishment project will be conducted during the period from November 1 through November 30, then daily early morning surveys for late nesting sea turtles shall be conducted 65 days prior to project initiation and continue through September 30, and eggs shall be relocated per the preceding requirements.
5. Immediately after completion of the beach nourishment project and prior to March 1 for 3 subsequent years, sand compaction shall be monitored in the area of restoration in accordance with a protocol agreed to by the FWS, the state regulatory agency, and the applicant. At a minimum, the protocol provided under 5a and 5b below shall be followed. If required, the area shall be tilled to a depth of 36 inches. All tilling activity must be completed prior to March 1. A report on the results of compaction monitoring shall be submitted to the FWS prior to any tilling actions being taken. An annual summary of compaction and the actions taken shall be submitted to the FWS. This condition shall be evaluated annually and may be modified if necessary to address sand compaction problems identified during the previous year.
  - A. Compaction sampling stations shall be located at 500-foot intervals along the project area. One station shall be at the seaward edge of the dune/bulkhead line (when material is placed in this area); one station shall be midway between the dune line and the high water line (normal wrack line); and one station shall be located just landward of the high water line. At each station, the cone penetrometer shall be pushed to a depth of 6, 12, and 18 inches three times (three replicates). Material may be removed from the hole if necessary to ensure accurate readings of successive levels of sediment. The penetrometer may need to be reset between pushes, especially if sediment layering exists. Layers of highly compact material may lay over less compact layers. Replicates shall be located as close to each other as possible, without interacting with the previous hole and/or disturbed sediments. The three replicate compaction values for each depth shall be averaged to produce final values for each depth at each station. Reports shall include all 27 values for each transect line, and the final 9 averaged compaction values.
  - B. If the average value for any depth exceeds 500 psi for any two or more adjacent stations, then that area shall be tilled prior to March 1. If values exceeding 500 psi are distributed throughout the project area but in no case do those values exist at two adjacent stations at the same depth, then consultation with the FWS shall be required to determine if tilling is required. If a few values exceeding 500 psi are present randomly within the project area, tilling shall not be required.
6. Visual surveys for escarpments along the project area shall be made immediately after completion of the beach nourishment project and prior to April 1 for 3 subsequent years. Results of the surveys shall be submitted to the FWS prior to any action being taken. Escarpments that interfere with sea turtle nesting or that exceed 18 inches in height for a distance of 100 feet shall be leveled to the natural beach contour by April. An annual summary of escarpment surveys and actions taken shall be submitted to the FWS.
7. The USACE or Lessee, whichever is applicable, shall arrange a meeting between representatives of the contractor, the FWS, the Department of Environmental Protection, and the permitted person responsible for egg relocation at least 30 days prior to the commencement of work on this project. At least 10 days advance notice shall be provided prior to conducting this meeting. This will provide an opportunity for explanation and/or clarification of the sea turtle protection measures.
8. From March 1 through April 30 and November 1 through November 30, no construction equipment shall be parked on the beach where it could hinder sea turtle nesting or hatching activities. In addition, all construction pipes that are placed on the beach shall be located as far landward as possible without compromising the integrity of the existing or reconstructed dune system. Temporary storage of pipes shall

be off of the beach to the maximum extent possible. Temporary storage of pipes on the beach shall be in such a manner so as to impact the least amount of nesting habitat and shall likewise not compromise the integrity of the dune systems (placement of pipes perpendicular to the shoreline is recommended as the method of storage).

9. From March 1 through April 30 and November 1 through November 30, all on-beach lighting associated with the project shall be limited to the immediate area of active construction only. Such lighting shall be shielded low pressure sodium vapor lights to minimize illumination of the nesting beach and nearshore waters. Red filters should be placed over vehicle headlights (i.e., bulldozers, front-end loaders). Lighting on offshore equipment shall be similarly minimized through reduction, shielding, lowering, and appropriate placement of lights to avoid excessive illumination of the water, while meeting all U.S. Coast Guard and Occupational Safety and Health Administration (OSHA) requirements. Shielded low pressure sodium vapor lights are highly recommended for lights on offshore equipment that cannot be eliminated.
10. A report describing the actions taken to implement the terms and conditions of this biological opinion shall be submitted to the appropriate FWS Field Office within 60 days of completion of the proposed work for each year when the activity has occurred. This report will include the dates of actual construction activities, names and qualifications of personnel involved in nest surveys and relocation activities, descriptions and locations of hatcheries, nest survey and relocation results, and hatching success of nests.
11. In the event a sea turtle nest is excavated during construction activities, the permitted person responsible for egg relocation for the project should be notified so the eggs can be moved to a suitable relocation site.
12. Upon locating a dead, injured, or sick endangered or threatened sea turtle specimen, initial notification must be made to the \_\_\_\_\_ (Number will be inserted here). Care should be taken in handling sick or injured specimens to ensure effective treatment and care and in handling dead specimens to preserve biological materials in the best possible state for later analysis of cause of death. In conjunction with the care of sick or injured endangered or threatened species or preservation of biological materials from a dead animal, the finder has the responsibility to ensure that evidence intrinsic to the specimen is not unnecessarily disturbed.
13. The reasonable and prudent measures, with their implementing terms and conditions, are designed to minimize incidental take that might otherwise result from the proposed action. With implementation of these measures, the FWS believes that no more than those sea turtle nests and eggs that may be missed by a nest survey and egg relocation program, or those laid during the period when an egg relocation program is not required, will be incidentally taken. If during the course of the action, this minimized level of incidental take is exceeded, such incidental take represents new information requiring review of the reasonable and prudent measures provided. The USACE or Lessee, whichever is applicable, must immediately provide an explanation of the causes of the taking and review with the FWS the need for possible modification of the reasonable and prudent measures.
14. From March 1 through April 30 and November 1 through November 30, all on-beach lighting associated with the project shall be limited to the immediate area of active construction only. Such lighting shall be shielded low pressure sodium vapor lights to minimize illumination of the nesting beach and nearshore waters. Red filters should be placed over vehicle headlights (i.e., bulldozers, front-end loaders). Lighting on offshore equipment shall be similarly minimized through reduction, shielding, lowering, and appropriate placement of lights to avoid excessive illumination of the water, while meeting all U.S. Coast Guard and OSHA requirements. Shielded low pressure sodium vapor lights are highly recommended for lights on offshore equipment that cannot be eliminated. Shields must be affixed to the light housing and be large enough to block light from all lamps from being transmitted outside the construction area (see figure below).



15. The Contractor shall contract with a qualified and permitted biologist to carry out the trapping program.
16. The trapping effort will be directed to only that section of beach which will be impacted within a 24-hour period. The trapping program for that particular reach of beach will begin five days before material is deposited on site, and will conclude the morning of sand disposal. If there is a delay in sand disposal, trapping will continue until the work occurs.
17. Two traps will be placed at each southeastern beach mouse burrow. Captured beach mice will be held until nourishment activity in the area ceases, approximately 48 hours.



18. A report summarizing the number of trap nights and the number of beach mice captured and relocated will be submitted to the USACE and FWS three weeks after project completion.
19. If a dead beach mouse is found or one dies in the trap, the specimen should be frozen and the (name and telephone number of field office will be inserted here) contacted within 24 hours.

**STIPULATION NO. 4 - Calculation of the Volume of Sand Placed**

To ascertain the total volume of sand placed, the Lessee will request that the Contracting Officer forward copies of the data employed to make this determination, the methodology used, and the calculations to the Lessor within two (2) weeks after receipt by the Lessee or USACE.

**STIPULATION NO. 5 - National Oil and Hazardous Substances Pollution Contingency Plan**

The Lessee requests that the USACE's construction solicitation and specifications contract use language which its contractors and subcontractors prepare for and take all necessary precautions to prevent discharges of oil and releases of hazardous materials. In event of an occurrence, notification and response will be in accordance with

40 CFR 300 and applicable regulations of the State of Florida. The Lessee will assure the Lessor is notified of any occurrences and remedial actions, and provided copies of reports of the incident and resultant actions.

**STIPULATION NO. 6 - Archaeological Reporting Requirement Plan**

If the permittee/lessee discovers any archaeological resource while conducting sand, gravel, or shell exploration, development, or production activities within the project area, the permittee/lessee shall immediately halt activities within the area of the discovery and report the discovery to the MMS Leasing Division Chief at (703) 787-1300. If investigations determine that the resource is significant, the MMS Leasing Division Chief will inform the permittee/lessee of necessary protection measures.

**STIPULATION NO. 7 - Use of Electronic Positioning System on Dredge and Transmittal of Location and Production Information to the Lessor**

**Use of Electronic Positioning System and Transmittal of Location Information to MMS:**

In order to ensure the accuracy of the dredge relative to the borrow area specifications denoted in this lease agreement, during all phases of the offshore operation conducted within the borrow area, the Lessee will ensure that the dredge is equipped with an on-board differential global positioning system (DGPS) capable of maintaining and recording the location of the dredge within an accuracy range of no more than plus or minus 3 meters. The specific system will be approved by the MMS prior to the conduct of any dredge procedures within the borrow area.

Location information (latitude and longitude) in NAD83 must be supplied on CD-ROM on a weekly basis to Minerals Management Service, Chief, Marine Minerals Branch (MMB), 381 Elden Street, MS 4010, Herndon, Virginia 20170.

**Submittal of Production and Volume Information to MMS:**

The Lessor will ensure the accuracy of cut depths and widths, cut slopes, and site production (sand volumes removed) within the borrow area as specified in the project's operational plan and this lease agreement. This information is routinely collected continuously throughout the period of dredge operation at a borrow site. The Lessor shall retain all access rights to all operational data at any time during which dredging is occurring within the designated Federal borrow area.

The Lessee will submit a "certified" summary of all operational, production, and survey activity data to the MMS Chief, MMB at the address above on CD-ROM on a weekly basis, in a format and method agreed to between the Lessor, the Lessee, and the dredge operator prior to the commencement of operations at the borrow site. Any maps and/or profiles submitted to the Lessor will be provided in digital spatial format compatible with Arc GIS. Information pertaining to the volume of material removed must be provided with explanatory text outlining each preceding day's activities and production values.

Following completion of all activities within the lease area, the Lessee, in cooperation with the dredge operator, shall submit to the Lessor, a "certified" copy of the complete operational data set (dredge tracklines, cut slope angles, cut depth, etc.), outlining any deviations from the original operational design plan. This report should be in MS Word format and should be sent to the Chief, MMB at the address above.

**STIPULATION NO. 8 – Submittal of Project Completion Report to the MMS**

Upon final completion of the project authorized under the terms and conditions of this lease, the Lessee shall submit to Minerals Management Service, Chief, Marine Minerals Branch, 381 Elden Street, MS 4010, Herndon, Virginia 20170, one (1) paper copy and one (1) electronic copy of a project completion report. The report shall contain, at a minimum, the following information:

- the names and titles of the project managers overseeing the effort (both for the Lessee and the dredging/engineering firm), including contact information (phone numbers, mailing addresses, and email addresses),

- the location and description of the project, including the final figures relative to the total volume of material extracted from the borrow site and the volume of material actually placed on the beach or shoreline (including a description of the volume calculation method used to determine these volumes),
- a narrative describing the final, as-built features, boundaries, and acreage, including the restored beach width and length,
- a table, an example of which is illustrated below, showing the various key project cost elements,

	Project Cost Estimate (\$)	Cost Incurred as of Construction Completion (\$)
Construction		
Engineering and Design		
Inspections/Contract Administration		
Total		

- a table, an example of which is illustrated below, showing the various items of work construction, final quantities, and monetary amounts,

Item No.	Item	Estimated Quantity	Unit	Unit Price	Estimated Amount	Final Quantity	Bid Unit Price	Final Amount	% Over/Under
1	Mobilization and Demobilization								
2	Beach Fill								
3	Any beach or offshore hard structure placed or removed								

- a listing of construction and construction oversight information, including the prime and subcontractors, contract costs, etc.,
- a list of all major equipment used to construct the project,
- a narrative discussing the construction sequences and activities, and, if applicable, any problems encountered and subsequent solutions,
- a list and description of any construction change orders issued, if applicable,
- a list of any pipelines or other oil/gas-related infrastructure in the project area, the owners, and any contacts made,
- a list and description of any safety-related issues or accidents reported during the life of the project,
- a narrative and any appropriate tables describing any environmental surveys/efforts associated with the project and costs associated with these efforts,
- any additional pertinent comments,
- a table listing significant construction dates beginning with bid opening and ending with final acceptance of the project by the Lessee,
- An appendix containing the as-built drawings, beach-fill cross-sections, and survey data.

The report shall be submitted within 120 days following completion of the project.