

U.S. Department of the Interior

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Minerals Management Service

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UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

**LEASE OF SUBMERGED LANDS FOR
ALTERNATIVE ENERGY ACTIVITIES ON THE
OUTER CONTINENTAL SHELF**

Office

Washington, DC

Lease Number

Rental Rate

This lease is made under the authority of Section 43 U.S.C. 1337, subsection 8(p) of the Outer Continental Shelf Lands Act of August 7, 1953 (43 U.S.C. 1331 et seq.), as amended, (hereinafter called the "Act"), between the United States of America, (hereinafter called "Lessor") acting through the Minerals Management Service, its authorized officer, and _____ (hereinafter, whether one or more, called "Lessee"). In consideration of the promises, terms, conditions, covenants, and stipulations contained herein or attached hereto, the parties mutually agree as follows:

Section 1. Rights of Lessee. Lessor hereby grants and leases to Lessee the exclusive right, subject to the terms and conditions of this lease, to conduct the alternative energy activities described in Exhibit "B" on the area of submerged lands of the Outer Continental Shelf (OCS) described in Exhibit "A" hereof, such area hereinafter referred to as the "leased area." Except for the Initial Survey Activities described below, the rights granted Lessee herein are limited to the activities described in Exhibit "B" hereof and confer no preferential right to acquire, develop or operate commercially any alternative energy project on the OCS.

Upon execution of this lease and before submittal of the Project Plan required under Section 8, Lessee is authorized to conduct Initial Survey Activities including geotechnical, geophysical or shallow hazard surveys as Lessee deems necessary to identify the appropriate location on the leased area for placement of any facilities or other structures. The results of such Initial Survey Activities shall be provided to Lessor.

Section 2. Designation of Operator. When there is more than one Lessee, Lessees must designate an Operator. The designated Operator will have authority to act on behalf of all Lessees and to fulfill all of Lessees' obligations under this lease. Lessor must approve the designated Operator before the designated Operator may act on the Lessees' behalf.

Section 3. Reservations to Lessor. All rights in the leased area not expressly granted to Lessee by the Act or this lease are hereby reserved to Lessor. Lessor reserves the right to authorize other uses on the leased area that will not unreasonably interfere with activities authorized under this lease.

Section 4. Effective Date and Lease Term. This lease shall be effective on the date that it is signed by both parties (hereinafter “effective date”). Except as otherwise provided in Section 8 below, this lease shall expire five years from the effective date unless the Lessor, acting at its sole discretion upon the written request of Lessee, extends the term of this lease. Any request for an extension of the lease term shall be submitted to Lessor by Lessee not less than 30 days but not more than 90 days prior to the expiration of the lease. The request for extension of the lease term shall demonstrate to Lessor’s satisfaction that Lessee reasonably needs more time to conduct the alternative energy activities described in Exhibit “B.”

Section 5. Statutes and Regulations. This lease is issued subject to the Act, all applicable regulations, orders, guidelines, and directives issued pursuant to the Act.

Section 6. Rentals. Lessee shall pay Lessor on or before the first day of each lease year a rental as shown on the face hereof.

Section 7. Notice of Commencement or Termination of Activities. Lessee shall notify Lessor at least 72 hours prior to commencing installation of facilities. Lessee shall notify Lessor any time a facility is out of service for a period greater than 7 days and when the facility is returned to service.

Section 8. Project Plan. All activities in the leased area, except the Initial Survey Activities described in Section 1, shall be conducted in accordance with a Project Plan (hereinafter called the “Plan”) prepared by Lessee and submitted to Lessor.

(a) Except for the Initial Survey Activities described in Section 1, Lessee may not conduct activities under this lease until Lessor has acknowledged receipt of the Plan and has raised no objections within 60 calendar days of receipt, or Lessor notifies Lessee that subsequent modifications to the plan have satisfied Lessor’s initial objections.

(b) This lease shall terminate one year following the effective date if prior to that time, (1) Lessee has not submitted to MMS a Plan as provided in this section, or (2) otherwise notified Lessor of the reasons why a Plan has not been submitted. Lessor, at its sole discretion, may grant Lessee additional time to submit a Plan.

(c) The Plan shall include the following information in form and content satisfactory to Lessor:

- (1) A description of the proposed activities, including the technology intended to be utilized in conducting activities authorized by this lease and all surveys Lessee intends to conduct;

- (2) The surface location and water depth for all proposed facilities to be constructed in the leased area;
- (3) General structural and project installation information;
- (4) A description of the safety, prevention and environmental protection features or measures that Lessee will use;
- (5) A brief description of how facilities on the leased area will be removed and the leased area restored as required by Section 18 below; and
- (6) Any other information reasonably requested by Lessor to ensure Lessee's activities on the OCS are conducted in a safe and environmentally sound manner.

(d) Lessee agrees to conduct periodic reviews and inspections of activities under the lease to ensure compliance with the provisions of the Plan and the terms and conditions of this lease.

(e) Any proposed modifications to the Plan shall be submitted to Lessor and Lessor shall have 30 calendar days to raise any objection to the proposed modification prior to implementation.

Section 9. Compliance. Lessee shall not conduct any activities on the leased area until it has obtained all necessary governmental approvals. Furthermore, Lessee agrees to conduct all activities in the leased area in accordance with all applicable laws, rules and regulations.

Lessee further agrees that no activities authorized by this lease will be carried out in a manner that: (1) could interfere with or endanger activities or operations under any lease issued or maintained pursuant to the Act or under any other license or approval issued by any Federal agency in accordance with applicable law prior to the issuance of this lease; (2) could cause any undue harm or damage to marine life; (3) could create hazardous or unsafe conditions; (4) could unreasonably interfere with or harm other uses of the leased area; or (5) could adversely affect sites, structures, or objects of historical or archaeological significance without notice to and direction from the Lessor on how to proceed.

Section 10. Progress Reports.

(a) Lessee shall submit to Lessor a quarterly progress report that shall include a brief narrative of the overall progress since the beginning of the lease term or since the last progress report.

(b) Lessee shall make available to Lessor upon request all studies, surveys, inspections or test reports compiled or completed during the duration of the lease term and three years thereafter and all raw data, analyses and computational models used by Lessee to interpret such data.

(c) At the conclusion of the activities covered by this lease, or at the termination of

this lease, whichever comes first, Lessee shall submit a final progress report. The final progress report shall include, at a minimum, a comprehensive narrative of Lessee's activities and results from testing, surveys and inspections.

(d) Lessee shall retain copies of all such progress and other reports for the duration of the lease term and three years thereafter.

Section 11. Confidentiality. To the extent permitted by applicable law, in particular the Freedom of Information Act and implementing regulations, Lessor shall keep confidential all information, including but not limited to studies, surveys, or test reports, received from Lessee for the duration of the lease term and three years thereafter, unless disclosure is agreed to by the lessee(s) and all relevant third parties. The Lessor will follow the procedures set forth in 43 CFR § 2.23 with respect to objections to requests for commercial or financial information. Lessor shall be entitled to retain all reports and similar work product delivered to it by Lessee.

Section 12. Inspections. Lessee shall: (1) allow prompt access to any authorized Federal inspector to the site of any activities conducted pursuant to this lease; and (2) provide any documents and records that are pertinent to occupational or public health, safety, or environmental protection that may be requested by MMS or other authorized Federal inspectors. Lessee shall incorporate these requirements in any contract between Lessee and third parties conducting activities on the leased area.

Section 13. Violations, Suspensions and Cancellations. If Lessee violates any provision of this lease, Lessor may, after giving written notice ordering lessee to cease and remedy all such violations, suspend any further activities of Lessee under this lease. Lessee may continue activities that are necessary to remedy any violation. If Lessee fails to remedy all violations within 30 days after receipt of a suspension notice, Lessor may, by written notice, cancel this lease and take appropriate action to recover all costs incurred by Lessor by reason of such violation(s). Cancellation of this lease due to any violation of the provisions of this lease by Lessee shall not entitle Lessee to compensation. Lessor, by written notice, may also suspend or cancel this lease when it is necessary (1) to comply with judicial decrees; (2) to respond to a serious threat of imminent harm or injury to human life, or natural, historical or archaeological resources; and (3) to respond to national security or defense requirements.

Section 14. Indemnification. Lessee shall indemnify Lessor for, and hold Lessor harmless from, any claim, including claims for loss or damages suffered or costs or expenses incurred by Lessor arising out of any activities conducted by Lessee or its employees, contractors, subcontractors, or their employees, under this lease whenever such damage, cost or expense results from any breach of this lease by Lessee or its employees, contractors, subcontractors, or their employees, or from the wrongful or negligent act or omission of Lessee or its employees, or Lessee's contractors, subcontractors, or their employees, which causes death, personal injury or damage to property. Lessee shall pay Lessor for such damage, cost, or expense attributable to its breach or negligence or that of its employees, contractors, subcontractors, or their

employees within 90 days after a written demand therefore by Lessor.

Section 15. Financial Assurance. Lessee shall maintain at all times a surety bond or other form of financial assurance approved by Lessor in the amount of \$300,000 and shall furnish such additional financial assurance as may be required by Lessor if, at any time during the term of this lease, Lessor deems such additional financial assurance to be necessary.

Section 16. Assignment or Transfer of Lease. This lease may not be assigned or transferred in whole or in part without prior written approval of Lessor. Lessor reserves the right, in its sole discretion, to deny approval of any transfer or assignment.

Section 17. Surrender of Lease. Lessee may surrender this lease by filing with Lessor a written relinquishment that shall be effective on the date of filing, subject to the responsibility to remove property and restore the leased area pursuant to section 18.

Section 18. Removal of Property and Restoration of the Leased Area on Termination of Lease. Within a period of 1 year after cancellation, expiration, relinquishment or other termination of this lease, unless Lessor approves a longer period, Lessee shall remove all devices, works and structures from the leased area and restore the leased area to its original condition before issuance of the lease in accordance with the conditions in Exhibit "B." Within 90 days following the removal of property and restoration of the leased area, Lessee shall provide Lessor with a written report summarizing its facility removal and site restoration activities.

Section 19. Debarment Compliance. Lessee shall comply with the Department of the Interior's nonprocurement debarment and suspension regulations as required by 2 CFR Parts 180 and 1400 and shall communicate the requirement to comply with these regulations to persons with whom it does business related to this lease by including this term in its contracts and transactions.

Section 20. Notices. Except for notices required under Section 7, which Lessee may provide orally, all notices or reports provided under the terms of this lease shall be in writing. Notices shall be delivered to the Lease Representative electronically, by hand, by facsimile, or by United States first class mail, adequate postage prepaid, to the specific persons listed below. Any party's address may be changed from time-to-time by such party giving notice as provided above. Until notice of any change of address is delivered as provided above, the last recorded address of either party shall be deemed the address for all notices required under this lease. For all operational matters, notices shall be provided to the party's Operations Representative as well as the Lease Representative.

(a) Lessor's Contact Information

Lease Representative
Representative:

Operations

Name:
Title:
Address:
Address:
Phone:
Fax:
E-mail

(b) Lessee's Contact Information

Lease Representative
Representative :

Operations

Name:
Title:
Address:
Address:
Phone:
Fax:
E-mail:

**THE UNITED STATES OF
AMERICA, Lessor**

(Lessee)

(Signature of Authorized Officer)

(Signature of Authorized Officer)

(Name of Signatory)

(Name of Signatory)

(Title)	(Title)
(Date)	(Date)
(Address of Lessee)	

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

PAPERWORK REDUCTION ACT OF 1995 (PRA) STATEMENT: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information as part of authorizing respondents to conduct data collection and/or technology testing on the OCS. The MMS uses the information to evaluate and approve or disapprove the adequacy of the equipment and/or procedures to safely perform the proposed activities in an environmentally responsible manner. Responses are required for benefit. Proprietary data are covered under the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR part 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated at 1 hour per response. This includes the time for completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Mail Stop 4230, Minerals Management Service, 1849 C Street, NW, Washington, DC 20240.

MMS Form MMS-0001 (January 2008)

EXHIBIT "B"
TECHNOLOGY TESTING AND DEMONSTRATION ACTIVITIES
WAVE AND/OR CURRENT RESOURCES

Lease Number _____

U.S. DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

**LEASE OF SUBMERGED LANDS FOR ALTERNATIVE ENERGY
ACTIVITIES ON THE OUTER CONTINENTAL SHELF**

Lessor hereby grants to Lessee the right to conduct the following alternative energy activities for wave and/or current resources on the leased area. "Wave and/or current resources" means the ocean waves and/or currents moving across the leased area. These rights include:

- (a) constructing, installing, using, upgrading, maintaining, and removing buoys, turbines or other devices, to study wave and/or current flow, motion, frequency, speed, rise and fall, or direction, and other data in order to determine the potential to harness the wave and/or current resources on the leased area for the production of energy;
- (b) accessing the leased area for permit applications, site analysis, extraction of soil and water samples, and other geotechnical, geophysical, and meteorological analyses and tests necessary to determine the feasibility of converting the wave and/or current resources to electricity;
- (c) employing and testing technology and/or demonstrating Lessee's ability to convert wave and/or current resources to electricity and to collect and transmit that electricity to market, provided, however, that these rights do not include the right to install transmission cables to shore;
- (d) any other activities necessary to establish the nature and extent of the wave and/or current resources on the leased area and to establish whether the leased area has sufficient wave and/or current resources for the commercial production and distribution of electricity; and
- (e) any activities relating to assessing biological resources, including avian, marine mammal, or other living resources identifiable from the leased area.

Lessee's rights to conduct the aforesaid alternative energy activities are subject to the following stipulations.

Stipulation 1 -

Note: Stipulations will be developed on a case-by-case basis depending upon location, technology utilized and other relevant factors, including site-specific findings from project-specific environmental analyses. The stipulations will also be based on the environmental analysis in the Alternative Energy Alternate Use (AEAU) programmatic Environmental Impact Statement (EIS).

EXHIBIT “B”
DATA COLLECTION ACTIVITIES
WAVE AND/OR CURRENT RESOURCES

Lease Number

U.S. DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

**LEASE OF SUBMERGED LANDS FOR
ALTERNATIVE ENERGY ACTIVITIES ON THE
OUTER CONTINENTAL SHELF**

Lessor hereby grants to Lessee the right to conduct the following alternative energy activities for wave and/or current resources on the leased area. “Wave and/or current resources” means the ocean waves and/or currents moving across the leased area. These rights include:

- (a) constructing, installing, using, upgrading, maintaining, and removing buoys, turbines or other devices, to study wave and/or current flow, motion, frequency, speed, rise and fall, or direction, and other data in order to determine the potential to harness the wave and/or current resources on the leased area for the production of energy;
- (b) accessing the leased area for permit applications, site analysis, extraction of soil and water samples, and other geotechnical, geophysical and meteorological analyses and tests necessary to determine the feasibility of converting the wave and/or current resources to electricity;
- (c) any other activities necessary to establish the nature and extent of the wave and/or current resources on the leased area and to establish whether the leased area has sufficient wave and/or current resources for the commercial production and distribution of electricity; and
- (d) any activities relating to assessing biological resources, including avian, marine mammal, or other living resources identifiable from the leased area.

Lessee’s rights to conduct the aforesaid alternative energy activities are subject to the following stipulations.

Stipulation 1 -

Note: Stipulations will be developed on a case-by-case basis depending upon location, technology utilized and other relevant factors, including site-specific findings from project-specific environmental analyses. The stipulations will also be based on the environmental analysis in the Alternative Energy Alternate Use (AEAU) programmatic Environmental Impact Statement (EIS)

EXHIBIT “B”
DATA COLLECTION ACTIVITIES
WIND RESOURCES

Lease Number _____

U.S. DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

**LEASE OF SUBMERGED LANDS FOR
ALTERNATIVE ENERGY ACTIVITIES ON THE
OUTER CONTINENTAL SHELF**

Lessor hereby grants to Lessee the right to conduct the following alternative energy data collection activities for wind resources on the leased area. “Wind resources” means the wind moving across the leased area. These rights include:

- (a) constructing, installing, using, upgrading, maintaining, and removing meteorological towers to study wind speed, wind direction, and other meteorological data in order to determine the potential of the wind resources on the leased area for the production of energy;
- (b) accessing the leased area for permit applications, site analysis, extraction of soil and water samples, and other geotechnical, geophysical and hydrological analyses and tests necessary to determine the feasibility of converting the wind resources to electricity;
- (c) any other activities necessary to establish the nature and extent of the wind resources on the leased area and to establish whether the leased area has sufficient wind resources for the commercial production and distribution of electricity; and
- (d) any activities relating to assessing biological resources, including avian, marine mammal, or other living resources identifiable from the leased area.

Lessee’s rights to conduct the aforesaid alternative energy activities are subject to the following stipulations:

Stipulation 1 -

Note: Stipulations will be developed on a case-by-case basis depending upon location, technology utilized and other relevant factors, including site-specific findings from project-specific environmental analyses. The stipulations will also be based on the environmental analysis in the Alternative Energy Alternate Use (AEAU) programmatic Environmental Impact Statement (EIS).