

**UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
GULF OF MEXICO OCS REGION**

NTL No. 2006-G03

Effective Date: February 10, 2006

Expiration Date: March 31, 2007

**NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS
LEASES IN THE OUTER CONTINENTAL SHELF, GULF OF MEXICO OCS
REGION**

**Lease Term Extensions Pursuant to 30 CFR 250.180(e) Because of
Hurricane Damage**

This Notice to Lessees and Operators (NTL) is issued pursuant to 30 CFR 250.103 and 30 CFR 250.180(e) to implement a temporary policy for granting lease extensions in cases where you cannot complete the necessary assessment work in order to commit to the restoration of production from your lease or unit prior to lease expiration. In cases where the assessment has been completed and there is a commitment to restore production, a Suspension of Production (SOP) should be requested.

Pursuant to § 250.180(e), you may “ask the Regional Supervisor to allow you more than 180 days ... when operating conditions warrant.” MMS considers that the extensive and unprecedented damage to offshore oil and gas facilities and pipelines, and disruption of support services, both onshore and offshore, caused by Hurricanes Katrina and Rita constitute an “operating condition” which warrants special consideration under this regulation. Further, consistent with this regulation, such extensions would be in the national interest and would conserve resources, prevent waste, or protect correlative rights in cases where production is restored.

If you have situations in which additional time is needed to evaluate your lease for reasons such as a lack of the equipment needed to perform underwater inspections, etc., a request must be submitted in writing to the Regional Supervisor of the Office for Production and Development. Your request must include (1) a description of the hurricane damage, (2) a description of the assessment completed to date, (3) a description of the remaining assessment work needed to be performed, (4) an activity schedule showing any major milestones needed to complete your assessment, and (5) an estimate of the amount of time needed to complete the assessment.

If appropriate, MMS will determine the additional time that will be needed under § 250.180(e) for the assessment work to be completed. However, any lease term extension will not exceed 180 days. Once the assessment work has been completed, an

SOP should be requested in cases where you can provide a commitment to restore production.

If you have any questions, please contact Mr. Kevin J. Karl at (504) 736-2632, Kevin.karl@mms.gov or Mr. Ronald Konecni at (504) 736-2661, Ronald.konecni@mms.gov.

Paperwork Reduction Act of 1995 Statement

The information collection referred to in this NTL is intended to provide clarification, description, or interpretation of requirements contained in 30 CFR 250.180(e), lease term extensions. The Office of Management and Budget (OMB) has approved the information collection requirements in these regulations under OMB Control Number 1010-0114. This NTL does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

[Original Signed]

Chris C. Oynes
Regional Director