

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

NTL No. 2000-G22

Effective Date: December 22, 2000

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

Subsalt Lease Term Extension

Introduction

The current geophysical processing and imaging technology may require longer than normal timeframes to provide an accurate image of a potential subsalt objective. The application of 3D pre-stack depth migration technology is critical to successful subsalt imaging and potential hydrocarbon reservoir identification. If circumstances warrant, this NTL would allow you to maintain your lease past its term by granting additional time, pursuant to 30 CFR 250.180(e), to refine subsalt imaging techniques as well as the processing and interpretation of such imaging. This lease extension applies to a Gulf of Mexico lease that has a subsalt objective as evidenced by either geophysical imaging or geologic information, or both, provided to us by you.

If approved, we would issue a lease extension consistent with 30 CFR 250.180(e) for a period of 1 year from the date of lease expiration if the applicant demonstrates a commitment of significant resources to reprocess existing geophysical data, or 2 years if the applicant plans to acquire and process additional geophysical data.

Criteria For Lease Eligibility

1. Your lease has an initial 5-year primary term and is located in water depths of less than 400 meters.
2. You started drilling a well to a hydrocarbon objective during the term of the lease.
3. You submitted an application for lease extension to the Regional Supervisor, Office for Production and Development, Gulf of Mexico OCS Region. Accompanying the application, you provided credible evidence of an allochthonous salt body with a potential subsalt hydrocarbon objective identified by geophysical imaging, appropriate maps, and/or any geologic evidence that

validates the presence of a potential subsalt hydrocarbon accumulation. You submitted your application at least 60 days before the lease expiration date.

4. We evaluated the information you provided with your application and we determined that you identified a potential hydrocarbon-bearing reservoir underneath an allochthonous salt body emplaced at a stratigraphic level above its original salt layer (not including a salt dome).

Remedy

If you disagree with the final determination of the Regional Supervisor, the decision may be appealed according to 30 CFR Part 290.

Paperwork Reduction Act of 1995 Statement

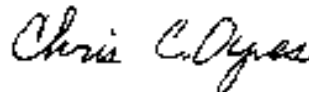
The information collection referred to in this NTL is intended to provide clarification, description, or interpretation of requirements in 30 CFR 250, Subpart A, and 30 CFR Part 290. The Office of Management and Budget (OMB) has approved the information collection requirements in these regulations under OMB control numbers 1010-0114 and 1010-0121. This NTL does not impose any additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contact

If you have specific questions concerning this matter, please contact Mr. Mike Hrabec at (504) 736-2656.

December 21, 2000

Date



Chris C. Oynes
Regional Director