

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

NTL No. 99-G01

Effective Date: February 12, 1999

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

Deepwater Emergency Well Control Operations

This Notice to Lessees and Operators (NTL) addresses all oil, gas, or other well-related operations in water depths of 400 meters or greater, including all well-related operations conducted on a lease (drilling, production, workover, etc.) from the drilling of the first well through the permanent abandonment of all wells.

The MMS operating regulations under 30 CFR 250, Section 250.400, require lessees to take necessary precautions to keep their wells under control at all times using the best available and safest drilling technology to enhance the evaluation of conditions of abnormal pressure and to minimize the potential for the well to flow or kick. Section 250.400 further requires lessees to employ trained and competent personnel and to use and maintain equipment and materials necessary to assure the safety and protection of personnel, equipment, natural resources, and the environment.

Historically, Gulf of Mexico wells generally have produced between 200 and 300 barrels per day (bpd). However, at least one existing deepwater well is producing over 30,000 bpd of oil per day, and several are producing over 20,000 bpd. The operational costs of drilling to regain control of a deepwater well under emergency conditions are considerably higher than they are in shallow water. Regaining control of a well could include the drilling of a separate relief well to intercept the primary well at an intermediate depth and to stop the uncontrolled flow of gasses or fluids. Because of the high flow rates from deepwater wells in the Gulf of Mexico, MMS insists that all companies operating in deep water are logistically and financially able to carry out these responsibilities.

Therefore, for all well-related operations in waters greater than 400 meters deep, MMS will review the Exploration Plans, Development Operations Coordination Documents, Development and Production Plans, or Applications for Permit to Drill of each operator concerning its capability to respond to a well control emergency, including the possible drilling of a relief well. The MMS also will review the financial documents that operators submit in compliance with 30 CFR 253 concerning oil spill financial responsibility. If there is reason to doubt the operator's capability to drill a deepwater relief well, either logistically or financially, the Regional Supervisor will request additional assurances from the operator in the form of contingency plans or financial capability (e.g., indemnities, insurance, bonds, etc.) to ensure that the intent of Section 250.400 is upheld.

Paperwork Reduction Act of 1995 Statement: The information collection provisions referred to in this notice are intended to provide clarification, description, or interpretation of requirements in 30 CFR 250, Subparts B and D, and 30 CFR 253. The Office of Management and Budget (OMB) approved the information collection requirements in these regulations and assigned OMB control numbers 1010-0049, 1010-0053, and 1010-0106. This notice does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

This NTL is also on the MMS worldwide website at <http://www.mms.gov>.

8 February 1999
Dated

Carolita U. Kallaur
Associate Director for
Offshore Minerals Management