

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

NTL No. 2008-G24

Effective Date: December 31, 2008

Expiration Date: June 30, 2009

**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) Due to Hurricane Damage

This Notice to Lessees and Operators (NTL) is issued 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 firm commitment to restore production in paying quantities, a Suspension of Production (SOP) should be requested.

Pursuant to 30 CFR 250.180(e), you may “ask the Regional Supervisor to allow you more than 180 days to resume operations on a lease continued beyond its primary term when operating conditions warrant.” MMS feels that the extensive damage to offshore oil and gas facilities and pipelines, and disruption of onshore and offshore support services, caused by Hurricanes Gustav and Ike constitute an “operating condition” which warrants special consideration under this regulation. Also, 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, including any work done consistent with NTL No. 2008-G18, (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 30 CFR 250.180(e) in order for the assessment work to be completed. However, any lease term extension will not exceed 180 days. Once the assessment work has been completed, a SOP should be requested in cases where you can provide a firm commitment to restore production.

If you have any questions, please contact Mr. Mike Nixdorff at (504) 736-2660, or michael.nixdorff@mms.gov, or Mr. Steve Dessauer at (504) 736-2646, or stephen.dessauer@mms.gov.

Guidance Document Statement

The MMS issues NTL's as guidance documents in accordance with 30 CFR 250.103 to clarify, supplement, and provide more detail about certain MMS regulatory requirements, and to outline the information you provide in your various submittals. Under that authority, this NTL sets forth a policy on and an interpretation of a regulatory requirement that provides a clear and consistent approach to complying with that requirement.

Paperwork Reduction Act of 1995 Statement

The collection of information referred to in this NTL provides clarification, description, or interpretation of requirements contained in 30 CFR 250, Subpart A. The Office of Management and Budget (OMB) has approved the collection of information required by that regulation and assigned OMB control number 1010-0114. This NTL does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

[original signed]

Lars T. Herbst
Regional Director