

**UNITED STATES DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE (MMS)**

Effective Date: June 1, 2006

NTL 99–N01 Addendum No. 1

**NOTICE TO LESSEES AND OPERATORS (NTL) OF FEDERAL OIL AND GAS  
LEASES IN THE OUTER CONTINENTAL SHELF (OCS) AND LOCATED IN  
CERTAIN AREAS OF COASTAL STATES**

**Guidelines for Oil Spill Financial Responsibility for Covered Facilities**

NTL 99-N01, effective January 6, 1999, provides guidelines for Oil Spill Financial Responsibility (OSFR) for Covered Offshore Facilities (COF's) on the basis of 30 CFR 253. This addendum provides further clarification, guidance, and information to operators and owners of facilities and leases on MMS policies and procedures for submitting OSFR documents to the GOM OCS Region.

**Original Documents Required for OSFR Submittals**

MMS will no longer process or approve an OSFR submittal unless it contains all originally executed MMS forms and financial documentation specified in 30 CFR 253. If your OSFR application does not contain original forms as required, MMS may return the incomplete submittal to you or hold it pending submittal of the remainder of the required documents.

**Exception for Form MMS-1019 Fax Binders**

MMS will accept an e-mail, facsimile, or other type of copy as a temporary insurance confirmation (fax binder) for each insurance certificate used as OSFR evidence. This binder is a copy of Form MMS-1019, Insurance Certificate, completed to show the full insurance slip, i.e., listing of all underwriters with their individual quota shares, and at least one insurance underwriter's signature, and submitted to the MMS as a fax copy of evidence of OSFR. In accordance with 30 CFR 253.29(d), a fax binder may be used as temporary insurance evidence of OSFR for up to 90 days while the remaining signatures are obtained. However, Form MMS-1019 will not be accepted as a fax binder when it requires only a single underwriter's signature. This occurs when a Lloyds of London insurance syndicate or the underwriter of an Institute of London Underwriters member insurance company binds all risks and liabilities specified in the Oil Pollution Act of 1990 to all other syndicates or member companies specified on the form.

## **Amendments to List of COF's in Current OSFR Demonstration**

Form MMS-1022, Covered Offshore Facility (COF) Changes, is used to add or drop coverage of a COF from your OSFR demonstration. In accordance with 30 CFR 253.42(b), you must continue to demonstrate OSFR for a COF until MMS approves OSFR evidence for the COF from another designated applicant or OSFR is no longer required. If OSFR is no longer required and you wish to drop a COF from coverage, you must include on Form MMS-1022 a statement of the reason(s) why OSFR is no longer required. For example, such a statement might indicate that you have assigned your interest in the COF, your determination of the worst case oil-spill discharge volume shows that the lease or pipeline is no longer a COF, or the COF has been decommissioned or terminated.

## **Paperwork Reduction Act of 1995 Statement**

NTL 99-N01 refers to various information collection provisions in our regulations and forms which the Office of Management and Budget (OMB) has approved and assigned OMB control numbers. The primary collection of information referred to is required by 30 CFR part 253 (OMB Control Number 1010-0106). Other information collections referred to are required by 30 CFR part 254 (OMB Control Number 1010-0091) and 30 CFR part 250 (this part has various OMB control numbers, which are displayed in 30 CFR 250, subpart A). This notice provides clarification, description, or interpretation of requirements and does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

## **Contacts**

Please address any questions on the OSFR program to Mr. Patrick Clancy, Jr. at (504) 736-2600 or [patrick.clancy@mms.gov](mailto:patrick.clancy@mms.gov).

6/1/06  
Dated

[original signed by Thomas A. Readinger]  
Associate Director for  
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