

**UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE**

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NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS AND SULPHUR
LEASES IN THE OUTER CONTINENTAL SHELF

Invitation to MMS Industry Awards Program and Luncheon

As you know, MMS has presented its Safety Award for Excellence (SAFE) annually, often in conjunction with other industry-or association-sponsored events. This year, however, we are changing substantially both the format of the awards presentations as well as the criteria and number of awards presented.

We will present these awards at an MMS-sponsored luncheon at the Renaissance Houston Hotel on Friday, April 16. A program will precede the luncheon which will outline our performance-based approach to offshore safety and detail the modifications to the awards program. Industry finalists for the SAFE award also have the opportunity to share information about their safety record and program.

In past years, we notified SAFE award winners in advance. However, this year we'll only announce five finalists in each of three categories: small operator, large operator, and contractor. We will announce the winners for each of these categories during the luncheon.

Additionally, MMS will present two new awards this year: the Corporate Citizen Award (CORCIT) and the Corporate Leadership Award (CORLA). The CORLA Award recognizes exemplary acts or services that help MMS meet its mission. Specifically, a CORLA candidate must:

- Perform an act or service that benefits either the Offshore or Royalty Management mission.
- Work directly with an MMS program office or employee.
- Volunteer to perform the beneficial act or service.

The CORLA awards are intended to recognize individuals, not companies, for the performance outlined above. There is no limit on the number of CORLA awards that can be presented each year. In March, the Director will send the award recipients an invitation to attend the awards luncheon.

The new CORCIT Award recognizes outstanding OCS lessees in the areas of operating performance and fiscal responsibility. We will choose the CORCIT recipient from among the top five OCS "citizens." We determine who are among the top five based on two primary

considerations—operational safety and financial reporting:

- *Operational Safety.* Must be among the top 10 OCS lessees according to the MMS Safety Ranking formula. The safety ranking formula considers data on Incidents of Noncompliance and accidents attributed to the lessee during a calendar year.
- *Financial Reporting.* Must be among the 10 best-performing OCS lessees in terms of royalty reporting and production reporting during a calendar year. The method used to identify the top performers is similar to the method used to identify the MMS Stewardship Award candidates.

We chose Houston as the venue for this event since it is both the corporate center of OCS operators, as well as home to a Royalty Compliance Division office. The MMS Director will present all the awards. There will be appropriate media coverage of the event, recognizing the finalists and winners. Registration information will be forthcoming soon through distribution of an addendum to this Notice to Lessees and information on MMS's world wide web site. (<http://www.mms.gov/eod/awards/1.htm>)

We're excited about this new endeavor to properly recognize outstanding OCS performers. Please mark your calendars and plan on attending. The exchange of safety information will be well worth your time.

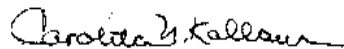
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This NTL is also on the MMS worldwide website at <http://www.mms.gov>.



Carolita U. Kallaur
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Offshore Minerals Management

Jan 14 1999
Dated: