

**Memorandum of Agreement
Between the
Bureau of Ocean Energy Management
And the
Bureau of Safety and Environmental Enforcement**

Bankruptcy Coordination

I. Purpose

This Memorandum of Agreement (MOA) clarifies the responsibilities of the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) in managing certain activities associated with the insolvency proceedings or potential bankruptcies of record title owners, operating rights owners, operators, right-of-way (ROW) holders, and right-of-use and easement (RUE) holders on the Federal Outer Continental Shelf (OCS). The purpose of this MOA is to assist both bureaus with the identification, coordination, communication, and administration of bankruptcy-related matters. Nothing within this MOA conflicts with or supersedes existing Memoranda of Understanding describing the general relationship between the two bureaus, nor does this MOA stand in conflict with or supersede other Memoranda of Agreement establishing more specific roles and responsibilities of the two bureaus on other activities requiring their cooperation.

II. Authorities

Both BOEM and BSEE derive authority to regulate certain activities on the OCS through the Secretary of the Interior. BOEM's authority includes the mineral and renewable energy leasing process, including, but not limited to, activities involving leasing, plans, environmental studies, National Environmental Policy Act analysis, economic and reserves analysis, geologic risk analysis, and financial assurance. BSEE's authority includes, but is not limited to, permitting, decommissioning, environmental compliance, conservation compliance, engineering standards, oil spill response planning, inspections, enforcement, and investigations. Additionally, both bureaus have responsibilities derived from Departmental regulations and delegations of authority issued to implement various statutes, including the Outer Continental Shelf Lands Act, the Oil Pollution Act of 1990, the Energy Policy Act of 2005, the Gulf of Mexico Energy Security Act of 2006, and the Deepwater Royalty Relief Act.

III. Objective

The objective of this MOA is to establish a Bankruptcy Coordination Team to facilitate coordination and communication. The Bankruptcy Coordination Team will have an appointed team lead from each bureau. The position of team chair will rotate annually between the current BOEM team lead and the current BSEE team lead, effective January 1 of each year. Additionally, representatives from the Department of the Interior's Office of the Solicitor, Division of Mineral Resources, will participate as advisory members with certain responsibilities. The Bankruptcy Coordination Team will provide the framework to ensure that

both bureaus and the Solicitor's Office are apprised of the most current information regarding entities that are in bankruptcy or may be insolvent in order to facilitate and expedite successful resolution of any outstanding lease and/or grant performance obligations.

IV. Responsibilities

The Bankruptcy Coordination Team members will meet monthly; however, *ad hoc* meetings may be required as warranted. *Ad hoc* meetings may be scheduled at the sole discretion of either of the bureau team leads. The Bankruptcy Coordination Team will coordinate with other federal and industry stakeholders as needed. The Solicitor's Office advisory members will be in charge of coordinating with the Department of Justice (DOJ), including informing DOJ of concerns and strategies developed that should be asserted in current bankruptcy cases. Team leads will provide a monthly status report outlining meeting results to their respective management.

At regularly occurring meetings or upon request, each team lead will share all current and relevant information with the other members. This information will include, but not be limited to, the following:

BOEM will provide:

- Bankruptcy related lease records and lessee information.
- Evaluation of any new bankrupt entities including, but not limited to: sole liability properties, predecessors, updated reserve analysis (as needed), and financial assurance.
- List of financially at-risk entities.
- List of financial assurance available for properties implicated in bankruptcies.
- Update on the development of financial risk policy.
- List of compliance and/or performance data.

BSEE will provide:

- Technical information for all known orphaned liabilities.
- List of compliance and/or performance data.
- Status of work completed pursuant to decommissioning agreements, if any.
- Cost estimates for decommissioning liabilities.
- Status of orders to co-lessees and prior lessees.

SOL will provide:

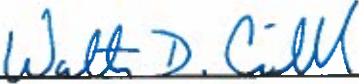
- Information regarding upcoming hearings, filings, and other critical dates and developments in current bankruptcy cases and related cases before the Interior Board of Land Appeals.
- Status of negotiations and draft decommissioning agreements with prior lessees, if any.

V. Effective Date, Amendment and Cancellation

This MOA will become effective upon the date of the last signature below and will continue until cancelled or superseded. Amendments to this MOA will be effected by the mutual written consent of the bureaus' Directors. Either Director may terminate this MOA, at any time, by providing the other Director with 30 days written notice.


Interpretations of this MOA should be consistent with the stated goals and purpose as provided above. For specific actions, each bureau should clarify their roles and responsibilities in a Standard Operating Procedure (SOP). The SOPs may be modified with the written consent of both bureaus' appropriate Regional Director or Senior Executive.

VI. Signatures



Walter D. Cruickshank
Acting Director
Bureau of Ocean Energy Management

9-13-2019
Date



Scott A. Angelle
Director
Bureau of Safety and Environmental Enforcement

9-16-19
Date