



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

In Reply Refer To: GM 365-D

October 20, 2016

FEDEX Tracking Number #####

Proposal Letter

Company

Attention: Name & Title

Address Line 1

Address Line 2

City, State Zip

Dear Name:

Pursuant to 30 CFR § 556.901(f), the Bureau of Ocean Energy Management (BOEM) is sending this Proposal Letter to Designated Operators who act on behalf of the lessees pursuant to 30 CFR § 550.143(b), Right-of-way (ROW) Holders, and/or Right-of-use and easement (RUE) Holders, to propose the amount of additional security that BOEM believes is required on your leases, ROWs, and/or RUEs, as of the date of this letter.

The enclosed customized list includes all properties for which you are the Designated Operator, ROW Holder, and/or RUE Holder and differentiates Sole Liability Properties and Non-Sole Liability Properties. The list also includes the Property or Grant Number, Area, Block, Property or Grant Type, Cumulative Assessed Decommissioning Cost, Security in Place (e.g. Supplemental Bonds and/or U.S. Treasury Security(ies), etc.) and the Amount of the Additional Security Required as well as the Record Title Owner(s) and Operating Rights Owner(s).

The Enclosure further details existing indemnity agreements currently on file with BOEM. However, BOEM's policy on the adequacy of these indemnity agreements is currently under review and therefore the value of Security in Place stated in the Enclosure may not represent the final amount.

If you would like an electronic version of the customized enclosure, please contact the Risk Management Operations Group at boemrmpropertylists@boem.gov. A list of all OCS Leases can be found at <http://www.boem.gov/Property-Lists/>.

Please coordinate the review of the enclosure with all parties liable for Lease, ROW and/or RUE obligations, as appropriate. If you dispute any aspect of this Proposal Letter or its enclosure, you must submit a written notification of disputes within 30 days of receipt of this Proposal Letter, to:

Bureau of Ocean Energy Management
Risk Management Operations Group
1201 Elmwood Park Boulevard (GM 365-D),
New Orleans, Louisiana 70123.

Such written notification must identify the nature of the dispute and the property which the dispute applies, and include any supporting documentation on which you relied (i.e. 3rd Party Decommissioning Estimates, Platform Removal Contracts, etc.). In addition, if you wish to meet with BOEM concerning the dispute(s), please provide a point of contact name, phone number, and e-mail address.

Please note that if you need information, or have specific questions regarding the data, which do not rise to the level of a dispute, a list of the specific BOEM and BSEE Points of Contact regarding Decommissioning Liability Assessments, Record Title and Operating Rights Ownership, Designated Operators, ROWs and RUEs, etc. is listed on our website at <http://www.boem.gov/Bonding-Points-of-Contact/>.

As noted, this is a Proposal Letter, proposing an amount of additional security. The letter is provided as a courtesy and does not constitute a formal order by the Regional Director of the Bureau of Ocean Energy Management. If, within that 30-day period, you do not write to BOEM concerning a dispute, the BOEM Regional Director will issue an order requiring you to provide additional security by a specified date.

If you have general questions regarding this letter, you may contact the Risk Management Operations Group at boermog@boem.gov or at 504-736-7541.

Sincerely,

Michael A. Celata
Regional Director,
Gulf of Mexico Region

Enclosure