



SENT VIA ELECTRONIC MAIL

December 9, 2009

Dr. Marshall Rose
Minerals Management Service
Chief, Economics Division
marshall.rose@mms.gov

**Re: Comments on Proposed Changes in Lease Terms
Outer Continental Shelf (OCS) Oil and Gas Lease Sale 213
Central Planning Area
Gulf of Mexico**

Dear Dr. Rose:

ExxonMobil Exploration Company, a division of Exxon Mobil Corporation, is pleased to respond to the proposed changes to lease terms as presented in the Mineral Management Service's "Notice of Availability of the Proposed Notice of Sale (NOS) for Outer Continental Shelf (OCS) Oil and Gas Lease Sale 213 in the Central Planning Area (CPA) in the Gulf of Mexico (GOM)" published November 16, 2009, in the Federal Register (pp. 58976, et seq.).

The Notice proposes substituting a 5-year term for leases in 400 to less than 800 meters with an earned extension of 3 additional years in place of the previous 8-year lease term provisions for these water depths. The Notice also states that this action will relieve the MMS of the administrative burden of taking action to cancel a lease at the end of the fifth year of its term in the event a well has not been drilled. ExxonMobil very much supports this change as it will also relieve industry of the burden of paying a non-refundable annual rental on a lease that has terminated but has not been formally released by a lessee.

The Notice also proposes a new term of 7 years with an earned extension of an additional 3 years as a substitute for the traditional 10 year term for leases in 800 to less than 1600 meters of water. While ExxonMobil is certain that the MMS does not wish, in any way, to discourage those who might otherwise risk valuable resources of time, material and capital in the exploration of high-risk deepwater plays, it has been ExxonMobil's experience that shorter terms (e.g. less than 10 years minimum) often provide less than sufficient time to explore and appraise a lease located in these water depths. In particular, the increasing complexity of these geological targets may require multi-year data acquisition/processing programs utilizing advanced technologies before drilling decisions are reached and rig procurement activities commence for an initial exploratory well. Completion of these activities within a 7 year primary

term may prove to render these prospects non-competitive. In fact, due to the numerous and serious technological and economic risks associated with deepwater exploration and development, even a 10 year primary term may be insufficient to adequately explore and appraise such leases.

Please do not hesitate to contact me at 281.654.7016 should you have any questions or require any assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "RM Lowe". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard M. Lowe
Regional Exploration Manager - Americas