

**UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
PACIFIC OCS REGION**

NTL No. 2009-P04

Effective Date: October 29, 2009
Expiration Date: October 29, 2014

**NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES
IN THE PACIFIC OUTER CONTINENTAL SHELF REGION**

Decommissioning of Pacific OCS Facilities

This NTL supersedes NTL No. 2003-P10.

This Notice to Lessees and Operators (NTL) gives general guidelines regarding the permitting process for decommissioning platforms, pipelines and other related oil and gas facilities on the Pacific Outer Continental Shelf (OCS). It provides advice and guidance on procedures for coordinating with MMS and other affected parties.

In accordance with 30 CFR 250.107(a), operators must protect health, safety, and property, and the environment by (1) performing all operations in a safe and workmanlike manner and (2) maintaining all equipment and work areas in a safe condition. These requirements remain in effect during decommissioning operations, from the cessation of production through the actual removal activities. During the time the platform is stacked, equipment must be maintained in a safe condition. Questions regarding the platform equipment safety requirements should be directed to the District Manager.

Decommissioning Requirements

Certain OCS platforms may be approaching the end of their projected economic life, so you may be in the early stages of developing applications for decommissioning and removing such facilities. In developing these applications you should refer to your Lease Agreements and the Code of Federal Regulations (30 CFR Part 250, Subpart Q) for specific requirements pertaining to Permanently Plugging Wells (§§250.1710 through 250.1717), Temporary Abandoned Wells (§§250.1721 through 250.1723), Removing Platforms and Other Facilities (§§250.1725 through 250.1730), decommissioning of facilities subject to an Alternate Use right-of-use and easement (30 CFR §250.1731), Site Clearance for Wells, Platforms, and Other Facilities (§§250.1740 through 250.1743), and Pipeline Decommissioning (§§250.1750 through 250.1754). For decommissioning of facilities involving Renewable Energy or Alternate Uses of Existing Facilities, you should refer to 30 CFR Part 285.

You should also review lease stipulations and approval conditions for your Development and Production Plan and its modifications, including those placed on a former lessee/operator for which the current lessee/operator is now responsible pursuant to MMS granting an assignment of that lease.

We will conduct a detailed technical and environmental review of proposed decommissioning projects to ensure that you conduct operations in a safe and environmentally sound manner. We will conduct this review in close consultation with Federal, State, and local agencies and other affected parties. The technical review will focus on engineering and safety considerations and compliance with applicable regulations and requirements. We will conduct the environmental review according to Federal Regulations (40 CFR 1500 through 1508) and Departmental procedures that implement the National Environmental Policy Act per Department of the Interior Manual Part 516 Chapter 15. The MMS environmental review will also involve consultation (formal or informal) with the National Marine Fisheries Service and U.S. Fish and Wildlife Service pursuant to the requirements of the Endangered Species Act, Marine Mammal Protection Act, and the Magnuson-Stevens Fishery Conservation and Management Act.

Early Notification and Coordination

We urge you to meet with us at the earliest practicable time to discuss your plans for decommissioning OCS oil and gas facilities. These meetings should take place during the early conceptual design stages of the decommissioning project, before you submit the initial platform removal application, which is due to the MMS at least 2 years before production is projected to cease.

We also encourage you to schedule early coordination meetings with Federal, State, and local regulatory agencies and other affected parties to review preliminary information outlining the conceptual framework and general timetable for decommissioning facilities. The goal of these meetings is to share information and promote open communication by all parties. This approach will help identify permitting requirements and timetables, information needs, environmental concerns, and other issues that could have an important bearing on how you conduct decommissioning operations. This approach will also provide an opportunity for regulatory agencies to develop a more coordinated and streamlined process for reviewing and approving projects.

Decommissioning Applications and Timing

According to 30 CFR 250.1704, the initial platform removal application is due to the MMS Pacific OCS Region at least 2 years before production is projected to cease, and a final platform removal application is due not more than 2 years after the submittal of the initial platform removal application. As is the case for other MMS requirements, applicants may propose alternate timing, which will be considered by the MMS on a case-by-case basis. These applications and the pipeline decommissioning/removal application referenced below are to be submitted to:

Regional Supervisor
Office of Field Operations
Attention: Operations, Safety and Enforcement Section
770 Paseo Camarillo, 2nd Floor
Camarillo, CA 93010

According to 30 CFR 250.1725(a)-(c), you must remove all platforms and other facilities within 1 year after the lease or pipeline right-of-way terminates, unless you receive approval from the MMS to maintain the structure to conduct other activities; you must submit a final removal application to the MMS for approval; and you must remove a platform or other facility according to the approved application.

The information to be included in the initial and final platform removal applications is specified at 30 CFR 250.1726 and 250.1727 and listed here in abbreviated form for easy reference:

Initial Platform Removal Application

- a. Platform/facility removal procedures including the types of vessels and equipment you will use;
- b. Facilities (including pipelines) you plan to remove or leave in place;
- c. Platform/facility transportation and disposal plans;
- d. Plans to protect marine life and the environment during decommissioning operations, including a brief assessment of the environmental impacts of the decommissioning operations and procedures and mitigation measures that will be taken to minimize the impacts; and
- e. Projected decommissioning schedule.

Final Platform Removal Application

- a. Identification of the application, as specified in the regulation at 30 CFR 250.1727
- b. Identification of the structure, as specified in the regulation;
- c. Description of the structure, as specified in the regulation;
- d. Description, including anchor pattern, of the vessel(s) you will use to remove the structure;
- e. Identification of the purpose of the removal, as specified in the regulation;
- f. Description of the removal method, as specified in the regulation;
- g. Your plans for transportation and disposal (including as an artificial reef) or salvage of the removed platform;
- h. If available, the results of any recent biological surveys conducted in the vicinity of the structure and recent observations of turtles or marine mammals at the structure site;
- i. Plans to protect archaeological and sensitive biological features during removal operations

including a brief assessment of the environmental impacts of the removal operations and procedures and mitigation measures you will take to minimize such impacts; and

j. A statement whether or not you will use divers to survey the area after removal to determine any effects on marine life.

Pipeline Decommissioning/Removal Application

Pipeline decommissioning/removal requirements are at 30 CFR 250.1750 through 250.1754. Decommissioning pipelines in place is covered by 30 CFR 250.1750 through 250.1751. Removal of pipelines is covered by 30 CFR 250.1752. The regulations specify that pipeline decommissioning or removal applications must be submitted to the MMS for approval before the proposed activity is performed and identifies the information to be included.

Environmental Considerations and Information Sources

As specified above, environmental information is required to be included in the initial and final platform removal applications; such information is also required for pipeline removal applications. Although decommissioning of oil and gas facilities may have long-term environmental benefits, the process of removing the facilities has the potential to cause adverse impacts to water quality, air quality, sensitive species, habitats, commercial and recreational fishing, and other resources. You should consider these impacts when formulating decommissioning applications and develop effective measures to minimize such impacts. The environmental documents prepared for Development and Production Plans provide detailed information on environmental concerns and mitigation measures. To date, Exxon's Offshore Storage and Treatment Vessel (OS&T) was the only oil and gas facility decommissioned on the Pacific OCS. The environmental document MMS prepared for the OS&T project provides a perspective on environmental concerns and mitigation measures that Exxon adopted or MMS and other regulatory agencies required. The comprehensive mitigation program Chevron developed for removing Platforms Hope, Heidi, Hilda, and Hazel from State Tidelands in the Santa Barbara Channel also provides a reference point for other lessees/operators considering similar projects on the OCS. Information regarding the Chevron project can be obtained from the California State Lands Commission.

We look forward to working closely with you on decommissioning and removing OCS oil and gas facilities as the need arises. Again, we encourage you to contact MMS at the earliest practicable time to discuss plans for decommissioning facilities.

Guidance Document Statement


The MMS issues NTL's as guidance documents in accordance with 30 CFR 250.103 to clarify, supplement, and provide more detail about certain MMS regulatory requirements and to outline the information you provide in your various submittals. Under that authority, this NTL sets forth a policy on and an interpretation of a regulatory requirement that provides a clear and consistent approach to complying with that requirement. However, if you wish to use an alternate approach

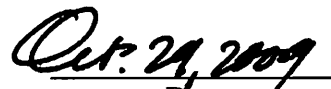
for compliance, you may do so, after you receive approval from the appropriate MMS office under 30 CFR 250.141.

Paperwork Reduction Act of 1995 Statement

The collection of information referred to in this notice provides clarification, description, or interpretation of requirements in 30 CFR 250, subparts B and Q. The Office of Management and Budget (OMB) approved the information collection requirement in these regulations and assigned OMB control numbers 1010-0151 and 1010-0142, respectively. This notice does not impose any additional information collection requirements subject to the Paperwork Reduction of 1995.

If you have any technical or safety questions, please contact Ms. Catherine Hoffman at (805) 389-7575. If you have any questions concerning environmental aspects of decommissioning, please call Dr. Ann S. Bull at (805) 389-7820.


Ellen G. Aronson
Regional Director
Pacific OCS Region


Date

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