

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

NTL No. 2010-P05

Effective Date: February 19, 2010
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**NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES
IN THE PACIFIC OUTER CONTINENTAL SHELF REGION**

Decommissioning Cost Report Update

This Notice to Lessees and Operators (NTL) supersedes NTL No. 2004-P03, Offshore Facility Decommissioning Costs Report.

This NTL serves to notify you of the availability of a new report entitled, "Decommissioning Cost Update for Removing Pacific OCS Region Offshore Oil and Gas Facilities, January 2010."

The new report contains updated cost estimates for decommissioning Outer Continental Shelf (OCS) oil and gas facilities in the Pacific OCS Region (POCSR). This cost report was prepared for the Minerals Management Service (MMS) by Proserv Offshore, which developed cost estimates in accordance with Federal regulations (30 CFR 250) governing oil and gas operations conducted on the OCS. The regulations specify requirements for plugging wells, decommissioning platforms and pipelines, and clearing a lease site. This report is one of the inputs used by MMS to determine if a lessee is required to post a supplemental bond to ensure OCS lease decommissioning obligations are met. Title 30 CFR 256 and MMS Notice to Lessees No. 2008-N07, Supplemental Bond Procedures (<http://www.mms.gov/ntls/Attachments/2008-N07.htm>), specify the requirements for supplemental bonds. The MMS POCSR customarily prepares a decommissioning cost report every 5 years to determine estimated cumulative lease liabilities and support decisions regarding supplemental bonding requirements; this new report is the third in the series and supersedes the 2004 report.

The MMS Technology Assessment & Research Program website, at <http://www.mms.gov/tarprojects/646.htm>, provides a link to Volume 1 of the report and includes additional information on the project and directions for obtaining Volume 2 (detailed appendices). Volume 1 may also be downloaded directly, at <http://www.mms.gov/tarprojects/646/AA.pdf>.

Guidance Document Statement

The MMS issues NTL's as guidance documents in accordance with 30 CFR 250.103. This NTL is informational and provides details about the availability of a new report for public review. The report helps to ensure that operators plan appropriately to follow through on meeting decommissioning liabilities by providing an up-to-date assessment of those liabilities.

Paperwork Reduction Act of 1995 Statement

This NTL does not impose information collection requirements subject to the Paperwork Reduction Act of 1995.

If you have any questions or need clarification regarding this NTL, please contact Mr. John Smith at john.smith@mms.gov or (805) 389-7833 or Mr. Jaron B. Ming at jaron.ming@mms.gov or (805) 389-7502.



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Date

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