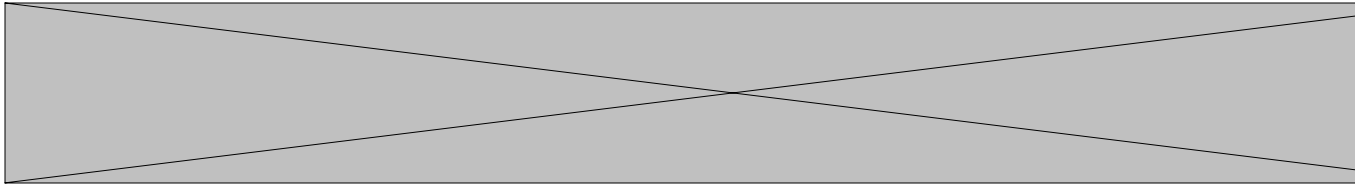
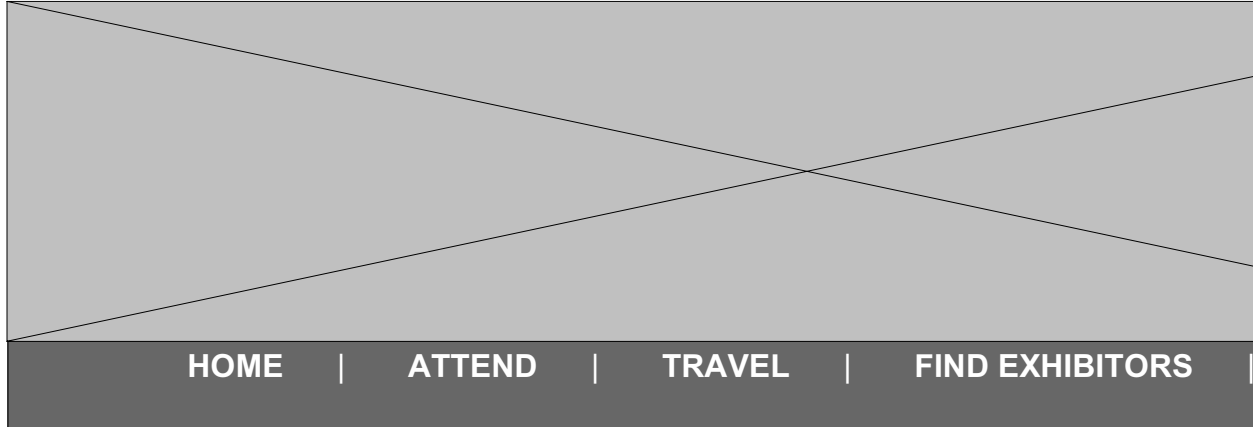


To: vincent_devito@ios.doi.gov[vincent_devito@ios.doi.gov]
From: OTC 2017 Event Insider
Sent: 2017-05-30T11:01:51-04:00
Importance: Normal
Subject: Thanks for attending OTC 2017!
Received: 2017-05-30T11:05:24-04:00

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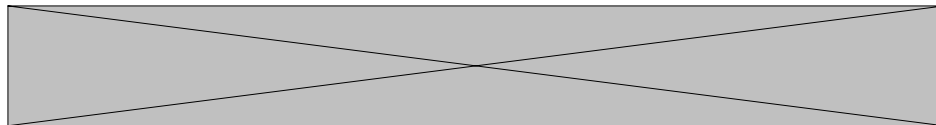
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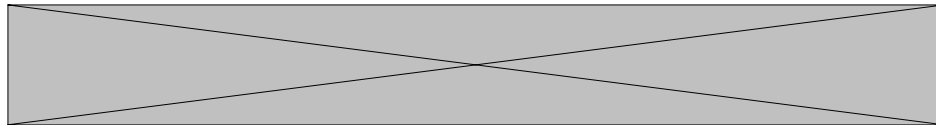
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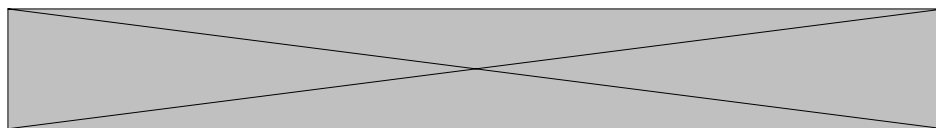


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OTC Asia

20–23 March 2018 | Kuala Lumpur, Malaysia

OTC Asia brings the technologies and networking opportunities of the Offshore Technology Conference to Asia Pacific. OTC Asia provides the ideal platform to reflect on the achievements and aspirations of the region and the industry, and what it takes for Asia to remain resilient and responsive to a growing energy market. [Learn more.](#)

OTC

30 April–3 May 2018 | Houston, Texas

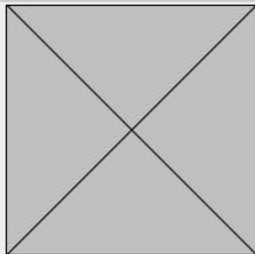
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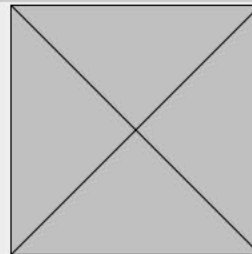


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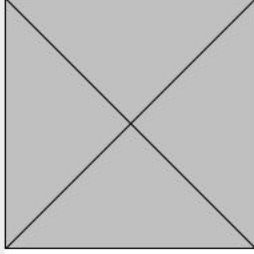
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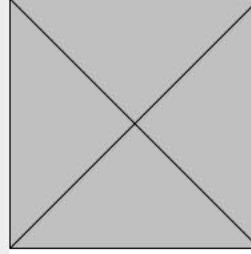
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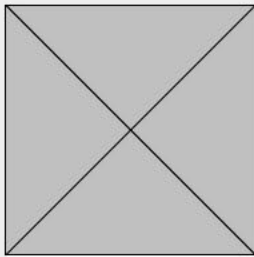
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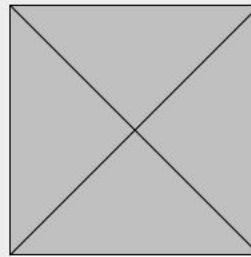
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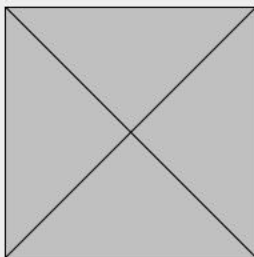
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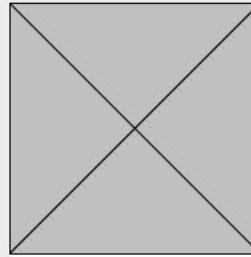
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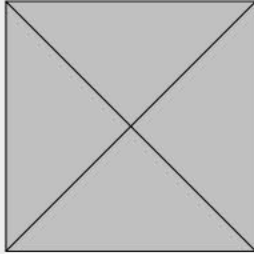


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Hi-Tech Seals' new Manufacturing Centre came to fruition with the merging of our Gasket and Machining Division into one location. Spanning 12,000 sq. ft., the new facility is a strategic

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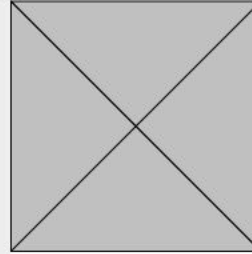
move to further increase our in-house Rapid Seal and Rapid Gasket manufacturing capacity, allowing us to better serve our customers.



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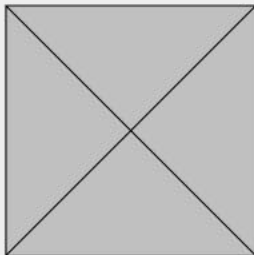


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Learn how to add us to your address book or safe sender list so our emails get to your inbox.

This edition of the OTC 2017 Event Insider was sent to vincent_devito@ios.doi.gov.

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To: Vincent Devito[vincent_devito@ios.doi.gov]
Cc: John Simmons[jsimmons@rooseveltdc.com]
From: todd.lavin@eversource.com
Sent: 2017-06-29T08:32:06-04:00
Importance: Normal
Subject: Re:
Received: 2017-06-29T08:32:22-04:00

Thanks Vincent

-Todd

Todd Lavin
Eversource Energy
901 F Street, NW, Suite 602
Washington, DC 20004

> On Jun 29, 2017, at 8:11 AM, Vincent Devito <vincent_devito@ios.doi.gov>
wrote:

>

> "EXTERNAL EMAIL SENDER: Do not click on links or attachments if sender
is unknown or if the email is unexpected from someone you know, and never
provide a user ID or password."

>

>

> Hi, RFI being pushed out this afternoon.

>

>> On Jun 20, 2017, at 10:17 PM, "todd.lavin@eversource.com"
<todd.lavin@eversource.com> wrote:

>>

>>

>> John,

>> Let me introduce you to Vincent DeVito, currently working as Counsel to
the

>> Secretary of Interior for energy. Vincent and I are old friends and

>> colleagues from our days at the Department of Energy. I also believe
that

>> both of you have worked for Mass Development.

>>

>> Vincent, do you have any insight that you could share? If not, do you
have

>> any recommendations on who can help?

>>

>> In advance, thanks for any insight.

>> -Todd

>>

>> Todd Lavin

>> Eversource Energy

>> 901 F Street, NW, Suite 602

>> Washington, DC 20004

>>

>>

>>> On Jun 16, 2017, at 5:23 PM, John Simmons <jsimmons@rooseveltdc.com>

>> wrote:

>>>

>>> Do you have any recent articles or policy briefings on offshore oil
>> drilling? Or placement of wind turbines? We had a City of Virginia
Beach

>> official ask if there was a final official statement on offshore

>> development and impact on Department of Defense training and operations.

>>>

>>> John M. Simmons

>>> Managing Partner

>>> 202.469.3490 (o)

>>> 202.412.3869 (c)

>>

>>

>>

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To: Vincent Devito[vincent_devito@ios.doi.gov]
Cc: james.schindler@boem.gov[james.schindler@boem.gov]; Kevin Bruce[kbruce@fwellc.com]
From: Smith, Lem O.
Sent: 2017-07-03T17:15:03-04:00
Importance: Normal
Subject: Thank-You and Follow-Up
Received: 2017-07-03T17:15:27-04:00
[attachment 1.pdf](#)
[ATT00001.txt](#)
[attachment 1.pdf](#)
[ATT00002.txt](#)
[attachment 1.pdf](#)
[ATT00003.txt](#)

Vincent,

Thank-you again for your time last week and for assembling a meeting with you, James, Kate and Scott. It was a quality discussion and we appreciated hearing directly about the priorities of the department with regard to stable regulatory framework, capital investment/job growth, federal royalty generation and environmental stewardship. To be clear, independent operators share those priorities as a partner with BOEM and BSEE in the Gulf.

Per your request, I have attached an electronic version of the outline we discussed with regard to financial assurance which we believe enables the department to achieve the aforementioned priorities while also protecting the U.S. Taxpayer and fostering sustainable and responsible industry operations on the OCS.

For additional reference, I have attached a Senate and House letter to Secretary Sally Jewell which was sent in December 2016 calling the department's attention to this issue, which was supported by 14 Senators and 31 House Members requesting the Obama Administration rescind the July 2016 Notice to Lessees (NTL). President Trump's 4/28 America-First Offshore Executive Order (EO) in Section 6 provided 100% alignment with this communication from the Congress, and we thank the Secretary and his staff for the leadership in identifying this as a priority.

In the short-term, we would respectfully offer that there is quite honestly nothing more meaningful that the department could do to incentivize new investment in the Gulf of Mexico than to replace the Obama financial assurance NTL with a framework that is based on realistic cost assessments and not unnecessarily punitive but instead is efficient and effective, protects the taxpayer and provides certainty for operators.

With regard to the questions in the medium-term relative to new royalty parity with the federal onshore for new leases offshore, that action would be helpful and welcomed. But, consideration for reduced royalty for new wells (from existing leases or existing infrastructure) in the Gulf of Mexico would likely be far more material and result in increased capital investment. We will provide follow-up detail on each, but the key short-term and long-term consideration to spur new investment would be replacing the Obama Administration's financial assurance guidance, which has been a genuine failure and spurred large uncertainty about the shelf's future across the operator and investment community. Until this is resolved, new investment will be extremely uneven if not nonexistent.

Many thanks again for the outreach and requested follow-up. Free free to call on me at anytime. Have a wonderful Fourth of July holiday.

All the best,
Lem
703-407-9789

46 Offices in 21 Countries

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#US

Congress of the United States
Washington, DC 20515

December 14, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Jewell:

We write to request your prompt engagement on a matter of vital importance to the offshore oil and gas industry. As you are aware, the Bureau of Ocean Energy Management (“BOEM”) announced in July 2016 a new policy that overhauls the way in which the Agency manages financial assurance for oil and gas infrastructure on the Outer Continental Shelf (“OCS”). Without undertaking a formal rulemaking, BOEM unilaterally replaced its prior risk management process with Notice to Lessees 2016-N01 (the “NTL”). Effective September 12, 2016, the NTL completely revamps the process by which BOEM evaluates the financial ability of operators to carry out their obligations to decommission wells, platforms and other facilities in the OCS and, consequently, will unduly burden without justification lessees and operators who are already covering decommissioning obligations.

There is broad consensus that the NTL, if fully implemented and enforced, poses a very serious threat to the sustainability and viability of independent producers in the offshore oil and gas industry. Indeed, we understand that the requirements of the NTL may be so burdensome as to drive some operators out of business by creating artificial stress in these markets. In addition to the troubling impact of the NTL, the undersigned Members are concerned with BOEM’s lack of transparency in developing this new policy. Specifically, BOEM did not engage in notice and comment rulemaking, which would have provided stakeholders an opportunity to raise concerns with any number of the problematic aspects of the new policy and recommend alternative approaches in an open and transparent way. Further, BOEM’s reliance on estimates for decommissioning liability recently issued by the Bureau of Safety and Environmental Enforcement (“BSEE”) exacerbates the problems with the new financial assurance requirements. It is our understanding that BSEE’s estimates significantly inflate actual decommissioning costs, particularly for facilities in the shallow water Gulf of Mexico. In some cases, in fact, BSEE’s decommissioning estimates are over 100% higher than previous estimates from as recently as a few months ago.

Additionally, we understand that offshore oil and gas producers have repeatedly reached out to both BOEM and BSEE seeking clarity on the methodologies used to reach the revised decommissioning cost estimates and to gain insight as to how BOEM intends to apply its new framework to calculate a company’s financial strength and reliability. We, too, would like a better understanding of both agencies’ methodologies and their underlying assumptions. Yet, information central to the rationale of the NTL has not been released to the public or to operators attempting to understand and to meet the new financial assurance requirements. This is disappointing.

To be sure, the undersigned Members of the U.S. House of Representatives share BOEM and BSEE’s commitment to ensuring that there are adequate risk management measures in place to protect U.S. taxpayers. Offshore bonding requirements, however, must be tied to realistic risk forecasts and must not be unduly burdensome or unnecessarily punitive. Moreover, offshore

Congress of the United States
Washington, DC 20515

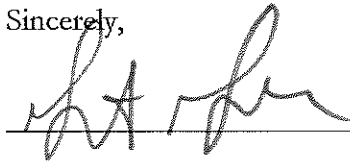
operators have made significant investments based on the existing regulatory framework, and BOEM has now changed the rules in a manner that threatens to trigger the very risk it is trying to prevent, as these new requirements will tie up capital that would otherwise be available for exploration, development, jobs, revenues to states and the federal government – and most ironically – for actual plugging and abandonment work.

For these reasons, we strongly oppose the NTL in its current form and request that BOEM suspend implementation. We further request that BOEM and BSEE make the methodologies upon which decommissioning estimates and the NTL are based available to stakeholders without further delay. Robust and responsible oil and gas development in the OCS – including in those areas being targeted for leasing in BOEM's 2017-2022 OCS Oil and Gas Leasing Program – generates royalties, severance tax revenues to the state and federal government, jobs and additional capital investment for the benefit of all Americans. The development of accurate and reliable decommissioning liability estimates and a reasonable regulatory framework for financial assurance requirements is critically important, and the assumptions underpinning BSEE and BOEM's work on these issues to date must be thoroughly vetted and verified to ensure a viable future for OCS operators.

We intend to encourage the 115th Congress to engage more deeply on the financial assurance issues raised in BOEM's NTL. In the interim, we would appreciate your feedback on the concerns outlined herein, both with regard to the substance of the NTL and also the process by which it was developed and implemented. For this reason, we respectfully request that BOEM stay further enforcement of the NTL and provide the information requested herein to the public without delay.

We thank you for time and look forward to your response on this matter.

Sincerely,



Member of Congress



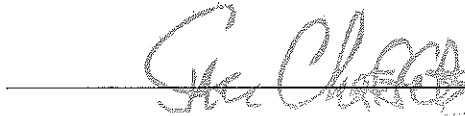
Member of Congress



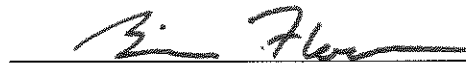
Member of Congress



Member of Congress




Member of Congress



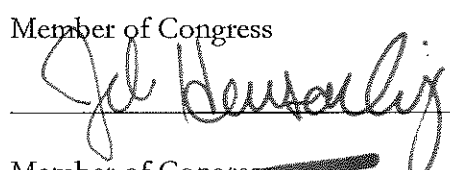
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Pete Olson

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Bruce Westerman

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Member of Congress

W. Brett Murray

Member of Congress



Member of Congress

United States Senate

WASHINGTON, DC 20510

December 12, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Jewell:

We request your prompt engagement on a matter of vital importance to the offshore oil and gas industry. As you are aware, the Bureau of Ocean Energy Management (“BOEM”) announced a new policy in July 2016 that overhauls the financial assurance process for oil and gas infrastructure on the Outer Continental Shelf (“OCS”). Without undertaking a formal rulemaking, BOEM unilaterally replaced its prior risk management process with a Notice to Lessees 2016-N01 (the “NTL”). Effective September 12, 2016, the NTL completely revamps the process in which BOEM evaluates the financial ability of operators to carry out their obligations to decommission wells, platforms, and other facilities in the OCS. We believe this will unduly burden lessees and operators who are already covering decommissioning obligations.

There is broad consensus that the NTL poses a very serious threat to the sustainability and viability of independent producers in the offshore oil and gas industry. The requirements of the NTL may create artificial stress in the market, driving some operators out of business. In addition to the troubling impact of the NTL, we are concerned with BOEM’s lack of transparency in developing this new policy. Specifically, BOEM did not provide stakeholders with an opportunity to raise concerns about problematic aspects or recommend alternative approaches in an open and transparent way. Further, BOEM’s reliance on estimates for decommissioning liability recently issued by the Bureau of Safety and Environmental Enforcement (“BSEE”) exacerbates the problems with the new financial assurance requirements. It is our understanding that BSEE’s estimates significantly inflate actual decommissioning costs, particularly for facilities in the shallow water of the Gulf of Mexico. In some cases, BSEE’s decommissioning estimates are more than 100 percent higher than previous estimates from just a few months ago.

Additionally, we understand that offshore oil and gas producers have repeatedly reached out to both BOEM and BSEE seeking clarity on the revised decommissioning cost estimates and the application of the new framework to calculate a company’s financial strength and reliability. We would also like a better understanding of both agencies’ methodologies and their underlying

assumptions. However, the information central to NTL has not been released to the public or to operators attempting to understand and meet the new financial assurance requirements.

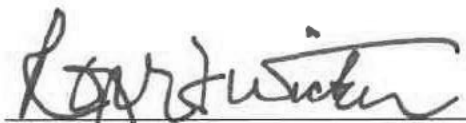
We share BOEM and BSEE's commitment to ensuring that there are adequate risk management measures in place to protect U.S. taxpayers from having to pay for decommissioning, plugging, and abandonment costs in the event of operator bankruptcy. Offshore bonding requirements, however, must be tied to realistic risk forecasts and must not be unduly burdensome or unnecessarily punitive. Moreover, offshore operators have made significant investments based on the existing regulatory framework. BOEM's recent change threatens to trigger the risk it is trying to prevent, because these new requirements could tie up capital otherwise available for exploration, development, jobs, state and federal revenues, and actual plugging and abandonment work.

For these reasons, we strongly oppose the NTL in its current form and request that BOEM suspend implementation. We further request that BOEM and BSEE make available the methodologies used for the decommissioning estimates and the NTL without further delay. Robust and responsible oil and gas development in the OCS, including in those areas being targeted for leasing in BOEM's 2017-2022 OCS Oil and Gas Leasing Program, generates royalties, severance tax revenues to the state and federal government, jobs, and additional capital investment for the benefit of all Americans. The development of accurate and reliable decommissioning liability estimates and a reasonable regulatory framework for financial assurance requirements is critically important. The assumptions underpinning BSEE and BOEM's work on these issues to date should be thoroughly vetted and verified to ensure a viable future for OCS operators.

We intend to encourage the 115th Congress to engage more deeply on the financial assurance issues raised in BOEM's NTL. In the interim, we would appreciate your feedback on our concerns regarding the substance of the NTL and the process by which it was developed and implemented. For this reason, we respectfully request that BOEM stay further enforcement of the NTL and provide the information requested to the public without delay.

We thank you for time and look forward to your response on this matter.

Sincerely,



Roger F. Wicker
United States Senator



Bill Cassidy, M.D.
United States Senator



David Vitter
United States Senator



Tom Cotton
United States Senator



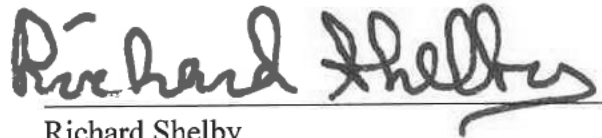
Thad Cochran
United States Senator



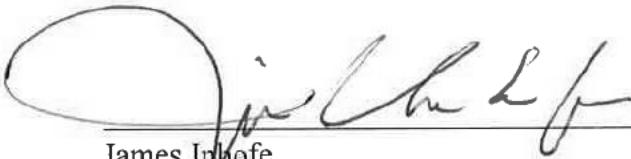
Ted Cruz
United States Senator



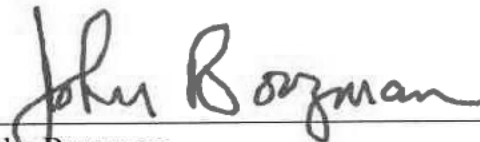
Cory Gardner
United States Senator



Richard Shelby
United States Senator



James Inhofe
United States Senator



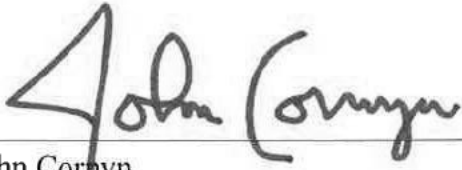
John Boozman
United States Senator



Lisa Murkowski
United States Senator



Dan Sullivan
United States Senator



John Cornyn
United States Senator



Thom Tillis
United States Senator

CC: Director Brian Salerno
Bureau of Safety and Environmental Enforcement
1849 C Street, NW
Washington, D.C. 20240

Director Abigail Ross-Hopper
Bureau of Ocean Energy Management
1849 C Street, NW
Washington, D.C. 20240

Proposed Path Forward for Replacing NTL 2016-N01

Executive Summary

This proposal outlines the basic elements of a new Notice to Lessees (“NTL”) that can replace the existing NTL 2016 N01 with a workable and comprehensive financial assurance program that serves to both:

- Require appropriate financial security necessary to protect the American taxpayer from plugging, abandonment and decommissioning liability (“P&A Liability”) on certain Outer Continental Shelf (“OCS”) leases, rights of way (“ROW”) and right of use easements (“RUEs”) (collectively “OCS Properties”) that meet the below defined criteria of high risk; and
- Encourage future OCS capital spending and development by both large and small OCS stakeholders by eliminating unnecessary and duplicative financial security requirements.

Such an effort is directly aligned with the President’s executive orders to minimize unnecessary regulatory burdens and with the Bureau of Ocean Energy Management’s (“BOEM”) oft stated desire to protect American taxpayers from operator default on the highest risk properties.

Outline of Replacement NTL

The BOEM and its predecessors have issued a series of NTLs over the years that expand upon the financial assurance regulations in 30 C.F.R. §§ 556.901(d) (f) related to bonding and other security requirements. The Bureau’s stated objective in these NTLs has always been to implement adequate protections to ensure that decommissioning obligations on the OCS will be performed at no cost to the Federal government and by extension the American taxpayer.

NTL 2016 N01 radically changed the financial security requirements for both new and existing OCS Properties. Rather than simply protecting the American taxpayer from potential defaults by OCS Property owners, this NTL went much further and authorized the BOEM Regional Directors to require additional financial security well beyond what is needed to protect against the risk of default on P&A Liability. The NTL 2016 N01 largely ignored the presence of significant chain of title owners, private financial security in place, or the existence of long life production and reserves to secure against any default.

In keeping with recent executive directives to better tailor bond requirements to the actual risk that an owner will default in carrying out its P&A obligations, the BOEM could immediately issue a new NTL incorporating the below elements and outlining the procedures and criteria that its Regional Directors will use to determine if and when additional security may be required.

I. PART ONE: IDENTIFICATION OF HIGHEST RISK SOLE LIABILITY PROPERTIES

Taxpayer exposure for P&A Liability is greatest for OCS Properties where (1) the holder is the only liable party (i.e., there are no co lessees, operating rights owners or other grant holders), and (2) there are no prior interest holders liable to meet the lease or grant obligations (hereinafter referred to as “**Sole Liability Properties**”). Thus, it is recommended that the BOEM’s initial focus be on identifying and obtaining additional bonding or other security on Sole Liability Properties in accordance with the following process and criteria.

A. Process for Identifying Sole Liability Properties

Following its announcement of NTL 2016 N01, the BOEM began the process of identifying all Sole Liability Properties. Initially, the Bureau’s list improperly included many OCS Properties where there are prior owners in the chain of title that remained liable for the required P&A work. Further, the initial list of properties was overstated due to the BOEM’s current practice of only allowing one owner (typically the operator) to hold ROWs and RUEs, ignoring the concurrent ownership of other third parties. Since then,

BOEM has done a commendable job of attempting to narrow its list to only those OCS Properties that meet the Bureau's stated criteria for Sole Liability Properties.

The BOEM's collaboration with operators to ensure that the Bureau's Sole Liability Properties list accurately reflects the past and current ownership status of OCS Properties and only includes the properties that qualify as Sole Liability Properties is very important to this process. As the process continues, it would be helpful to incorporate a 60-90 day period whereby the Sole Liability Property owners are given the opportunity to review and attempt to correct the BOEM's list before any orders to provide additional financial security are issued by the Bureau. In the event there is an unresolvable disagreement between an owner and the BOEM over whether a particular property belongs on the Sole Liability Properties list, the owners should be afforded customary appeal rights.

B. BSEE Should Use Operator AROs for P&A Liability Cost Estimates

As the BOEM knows, the Bureau of Safety and Environmental Enforcement's ("BSEE") most recent decommissioning cost estimates vary considerably from operators' actual decommissioning costs and are not reflective of actual P&A performed in recent years. Lease operators are currently required to carry P&A Liabilities as Asset Retirement Obligations (ARO) on the operators' books. Those estimates are based on recent experience in conducting P&A work and are required to be accurate, subject to third party audit, and to reflect actual P&A experience. These estimates are also relied upon by banks and investors in lending to the operator and investing in the operators' lease operations, and, for public companies, have the CEO and CFO signed representation. An operator's undiscounted ARO on its balance sheet should be used in place of BSEE's decommissioning cost estimates because AROs reflect the best estimate of future P&A Liabilities in that: (1) estimates reflect an operator's actual P&A costs for wells, pipelines and offshore facilities; (2) estimates appropriately account for continuous P&A operations in a given area rather than incorporating mobilization and demobilization costs into the estimates for every property; and (3) estimates take into consideration ROW abandonment in place, where appropriate, rather than cost of removal. Additionally, use of operators' AROs would eliminate the need for BSEE to have staff and costs associated with generating its internal P&A estimates.

C. Additional Considerations in Requiring Financial Security for Sole Liability Properties

The OCS industry will support the BOEM's efforts to move quickly to secure financial assurances for Sole Liability Properties and for those other OCS Properties that pose a credible default risk as identified in Section II below. However, a significant majority of OCS industry participants also agrees that certain Sole Liability Properties do not represent a significant or current risk of default to the American taxpayer and therefore should be exempted from any supplemental bonding requirements.

1. Sole Liability Properties Owned by Integrated Majors and Large Independents

OCS Property owners with investment grade ratings (i.e., Moody's Baa3 or S&P/Fitch ratings of BBB), major integrated oil companies, and large independents (collectively referred to as "Tier 1 Companies") do not represent a significant risk of default on P&A Liability for their OCS Properties. Therefore, it is recommended that no additional financial security should be required for those Sole Liability Properties owned by Tier 1 Companies, and that such Sole Liability Properties be exempted from the requirements of a new NTL.

2. Sole Liability Properties with Sufficient Reserve Values

If the net present value of lease reserves (1P) on a Sole Liability Property exceeds the undiscounted ARO by a multiple of three times, such Sole Liability Property should be exempted from supplemental bonding until such time as the reserve value falls below the above threshold, at which time the BOEM can further evaluate the need for supplemental bonding in accordance with the criteria specified in Section II.

D. Recommend the BOEM Release Existing Financial Security for Non-Sole Liability Properties

As previously indicated, the BOEM's initial process of identifying Sole Liability Properties resulted in the inclusion of certain OCS Properties that were later determined not to be Sole Liability Properties. In some cases, OCS Property owners were required to post supplemental bonds or other financial security for these OCS Properties only to learn later that the BOEM eliminated such properties from its final Sole Liability Properties list. Similarly, various OCS Property owners were required to post supplemental bonds or other financial security for OCS Properties where there is a low risk of default on P&A liabilities due to the presence of prior chain of title parties that are financially secure and remain liable for the P&A, existing private security arrangements, or significant reserve/production life left to fund future P&A. In such cases, the BOEM's retention of such supplemental bonds for these OCS Properties does not serve to protect the American taxpayer and results in the misuse of the owner's limited capital. Therefore, it is strongly recommended that the BOEM release all supplemental bonds or other financial security posted for all such low risk properties.

II. PART TWO: IDENTIFICATION OF OTHER HIGH RISK OCS PROPERTIES

The key to any NTL that replaces NTL 2016 N01 is the development of a process and criteria to identify those OCS Properties that represent a credible risk of operator default on P&A and for which there is no other credit worthy responsible party in line in front of the federal government to bear the costs.

A. Process for Identifying Other High Risk OCS Properties

Consistent with the BOEM's longstanding regulatory objective of protecting the federal government from operator default wherein there are no solvent co owners or predecessors in title to cover the P&A Liability, the Bureau could develop a process (similar to the process described in Section I.A.) to identify those non sole liability OCS Properties that represent a credible risk of default on P&A. The BOEM can make it clear that the following factors will be determinative and that no additional financial security (i.e., security above the amounts prescribed in 30 C.F.R. § 556.900(a)) will be required for OCS Properties that meet at least one of the below criteria.

- Whether there is private financial security in place to secure P&A Liability;
- Whether the OCS Property has reserve values significantly in excess of current ARO estimates;
- Whether at least one of the current owners of the OCS Property is financially secure and capable of satisfying the P&A Liability;
- Whether there are Tier 1 Companies in the chain of title of the OCS Property that remain liable in the event of a default by the current owners; and
- Whether current owner can demonstrate that it has the financial capability of performing future P&A based on its overall company Reserve Value compared to estimated ARO (e.g., company overall reserve value is at least 2X estimated ARO).

Based on the above criteria, additional OCS properties for which bonding could be required under a revised financial assurance program may include (1) additional infrastructure (i.e. pipelines, platforms, other facilities, or wells drilled off of newly installed infrastructure) installed by a current owner(s) on OCS Properties since being assigned the lease from a Tier 1 Company such that the prior owner or interest holder would not be liable for the "new" infrastructure obligations; and (2) OCS Properties with only one current owner where the prior owners in the chain of title do not have sufficient financial capacity to perform the P&A in the event of default by the current owner and no other financial security exists related to the property. Requiring bonding on these two categories of properties for which there may be a credible risk of owner default in addition to the Sole Liability Properties described in Section I will ensure that American taxpayers are properly protected.

B. Revised Method for Determining Amount of Additional Financial Security Required

For those OCS Properties that the BOEM identifies as requiring additional financial security to protect against P&A default, the replacement NTL should clarify that (1) an operator's ARO estimates will be used to estimate P&A Liability (as outlined in Section I.B.); and (2) while each owner remains jointly and severally liable for all P&A Liability on a lease, the BOEM would require each current owner to post only its proportionate share of such P&A Liability.

C. Clarification on BOEM's Chain of Title Demand Process

It is also recommended that BOEM implement a process that firmly establishes the manner in which the BOEM will require P&A coverage from former owners of an OCS Property upon a default by the current owner(s). Currently, the BOEM typically notifies some or all prior owners in the chain of title to assume responsibility for any required P&A without regard to whether the prior owner possessed the facilities in the most recent years or many decades before. In some cases, the BOEM appears to bypass the most recent chain of title owners and requires older chain of title owners, perhaps with deeper pockets, to assume responsibility for the P&A Liability.

The most equitable and efficient manner to facilitate the acceptance and performance of P&A obligations would be to clarify that the BOEM will first call upon the most recent chain of title owners to perform any required P&A obligations. Upon such prior owner's inability to satisfy P&A obligations, then the BOEM would go up the chain of title, in reverse order from the most recent owner to the earliest owner, until one or more prior chain of title owner(s) satisfies responsibility for the P&A obligations. Clarifying such a practice would better serve to assign the P&A Liability to the most likely prior chain of title owner capable and responsible for the P&A for the following reasons:

- The most recent prior chain of title owner will be the most likely prior owner holding the financial security (bond or other financial guarantee) posted by the defaulting current owner;
- The most recent prior owner sold the interest to the defaulting company creating the inherent risk of default and therefore should be the first to receive the BOEM demand to perform any required P&A obligations;
- The most recent chain of title owner is likely both legally and contractually responsible for the P&A obligations because such owner typically assumed, and became contractually obligated, to perform the P&A obligations from its assignor, who assumed the same obligations from its prior assignor/owner; and
- Assigning responsibility to the most recent chain of title owner would facilitate judicial economy and expedite assumption of any required P&A obligations. In this regard, the most recent chain of title owner typically cannot seek indemnity for P&A obligations from its prior chain of title owners. In contrast, the older prior chain of title owners typically will be required to enforce its contractual indemnity rights against its immediate assignee thereby causing each subsequent assignee to seek similar indemnity rights from its assignee until the responsibility ultimately lies with the most recent current chain of title owner.

D. Financial Security Should Not be Required until P&A Liability has Actually Accrued

Under existing regulations, P&A liability actually accrues when a well is initially drilled or a platform, pipeline, or other facility is installed on a lease. The BOEM has recently required financial security before the liability actually accrues (e.g., when an exploration plan is approved and prior to BSEE's approval of a permit to drill a well). For wells drilled on the OCS, financial security should only be required after a well is drilled and the drilling rig is moved off location without performing P&A for that well. In practice, many wells are drilled, evaluated for completion, and, if determined to be uneconomic, are immediately plugged and abandoned while the drilling rig is still on location. Additionally, many deepwater exploration and appraisal wells are plugged and abandoned immediately after drilling and logging the well. In all such cases, no P&A liability remains and, therefore, no financial security should be required.

E. Recommendation that the BOEM Establish a Process Whereby Existing Financial Security is First Collected upon a Default and then Distributed to Those Required to Perform P&A

Lastly, it is recommended that the BOEM adopt a formal process whereby any financial security posted with the BOEM is collected upon a default by a current owner and the proceeds are then made available to other current or chain of title owners who are tasked with performing the P&A. Historically, the BOEM has called on supplemental bonds or other financial security, collected the proceeds, and informally made those proceeds available to parties performing the required P&A. This informal process, however, has not always been followed. In some cases, the BOEM has required other current or past owners to perform the required P&A before calling a bond or collecting the proceeds thereof and never made the proceeds available to the current or prior owners who performed the P&A. A formal process is recommended for BOEM to do the following: (1) declare a default by the current OCS Property owner; (2) call any applicable supplemental bonds or other financial security posted by sureties for such defaulting owner; (3) sequester the proceeds of any such financial security in a lease specific account designated for the applicable OCS Property; and (4) make such proceeds available to the other current or prior owners who are required to perform any such P&A.

Conclusion and Next Steps

The above proposal sets forth a measured and reasonable approach to identifying and securing those OCS Properties that pose a credible financial risk to the U.S. taxpayer. Moreover, adopting the above stated process recognizes and aligns with the existing legal and business practices adopted by the industry to address P&A obligations over the history of OCS development.

To: 'vincent_devito@ios.doi.gov'[vincent_devito@ios.doi.gov]
From: Alan Mintz
Sent: 2017-07-10T14:21:16-04:00
Importance: Normal
Subject: Follow up on matter in the Gulf of Mexico
Received: 2017-07-10T14:23:25-04:00
ECOP - Two Page Briefing Document - July 7 2017 revision.docx

Vincent,

Thanks again for taking the time to meet with Teresa Imm from Arctic Slope Regional Corporation and me last month to discuss energy exploration, development and production on Alaska's North Slope and in the Arctic Ocean. We greatly appreciated your time and attention to these important matters, and look forward to the opportunity to work closely with you in the months and years ahead.

As you may recall, you and I also briefly discussed my firm's ongoing efforts to obtain suspensions of production to allow for continued development of a field in the shallow water Gulf of Mexico off the coast of Louisiana, where, although the leases have a forty year plus production history and significant future resource potential, development has been stalled by a bankruptcy proceeding and other issues. We originally had a meeting scheduled in June to discuss this matter with Kate McGregor, as I believe that this matter can only be resolved with some policy direction from the new Administration. Between the scheduling of the meeting and the scheduled meeting date, however, Scott Angelle came on board, and the meeting was shifted to be with him.

The meeting with Scott Angelle was subsequently cancelled, and efforts to reschedule, for whatever reason, have been unsuccessful. We believe that a meeting with you and/or Director Angelle is critical at this point to bring this matter to a reasonable and responsible conclusion, one that will allow for the resumption of production that will best serve the interests of the nation and of our client, and that avoids potential liability to the federal government and the taxpayers.

For your use and information, I have attached a two page briefing paper that provides further history and context for this matter. I hope that this briefing paper is helpful to you.

Please let me know if you have any questions or concerns regarding this matter. I hope that we can find a time in the near future when we can meet with you and Director Angelle to discuss this matter further and, hopefully, to find a mutually beneficial resolution to this matter. Given recent developments in the ongoing bankruptcy proceeding, time is of the essence at this point, and we look forward to discussing this matter further with you in the near future.

Thanks.

Alan L. Mintz
Partner
Van Ness Feldman, LLP
1050 Thomas Jefferson Street, N.W.
Washington, D.C. 20007

Direct line 202-298-1837
Cell 202-257-7175

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Background Information: East Cameron Offshore Properties Suspension of Production Issue

Background

- East Cameron Offshore Properties (ECOP) is the lessee of record of two Outer Continental Shelf (OCS) gas leases located in the shallow water Gulf of Mexico off the coast of Louisiana.
- ECOP's leases have a 40+ year production history and significant future resource potential.
- On February 11, 2015, ECOP submitted to the Bureau of Safety and Environmental Enforcement (BSEE) requests for suspension of production (SOP) for the two leases. ECOP needed the SOPs to allow for continued development of a field where development has been stalled due to bankruptcy and other issues.
- On June 25, 2015, BSEE denied ECOP's requests, finding that ECOP failed (i) to demonstrate a "commitment to production"; and (ii) to provide a "reasonable schedule of work," despite the fact that EC Mako was prepared to provide financing that would support production of field resources.
- ECOP appealed the decision and, at BSEE's request, ultimately submitted revised SOP requests on April 13, 2016.
- On October 19, 2016, BSEE again denied the requests, finding that ECOP had failed to demonstrate a "commitment to production" as required by BSEE's regulations. The denial again discounted the fact that, supported by EC Mako, ECOP was prepared to resume operations leading to production.
- Immediately prior to issuing the denial, the Department of the Interior's Office of the Solicitor (SOL) notified ECOP's counsel of the adverse decision and said that BSEE would consider settling the dispute if ECOP would agree to provide supplemental bonding, required by the Bureau of Ocean Energy Management (BOEM) , in the amount of \$14.5 million.
- On November 7, 2016, ECOP, BSEE, BOEM, and SOL engaged in a settlement discussion in New Orleans. ECOP proposed the following terms:
 1. ECOP would secure additional security in the amount of \$995,193 (the difference between total existing bonds for the leases and the average of estimates derived from multiple vendor quotes);
 2. BSEE would grant the SOPs; and
 3. BOEM would rescind outstanding supplemental bonding orders.
- BSEE rejected ECOP's proposal and ECOP challenged the agency's decision to deny the SOPs before the Interior Board of Land Appeals (IBLA).
- In late 2016, SOL again approached ECOP's counsel and said that BSEE would consider settlement of this dispute if ECOP could furnish decommissioning and abandonment "short-term turnkey contracts" and if the parties could agree upon a supplement bonding amount based upon those contracts.
- Since that time, ECOP has been attempting to develop short-term turnkey contracts that would be acceptable to both BSEE and BOEM to our knowledge, ECOP is the first and only company operating on the OCS that must engage in this process.
- In addition, ECOP has attempted to schedule meetings with policy makers at the Department of the Interior. To date, efforts to schedule a meeting have been unsuccessful.

Policy Considerations

- BSEE's actions, to date, have burdened the safe, efficient development of domestic energy resources, and are precisely the types of agency actions that the current Administration sought to eliminate by issuing Executive Order 13783, entitled "Promoting Energy Independence and Growth." Without justification, BSEE continues to hold ECOP to a different standard on financial assurance than it is applying to all other offshore companies.
- Granting the SOPs is clearly in the "national interest.":
 - Granting the SOPs will facilitate continued development and production of a mature shallow-water gas field with proven reserves, avoiding premature abandonment of producing wells and ensuring that producible federal resources are not left in the ground.
 - If the two leases terminate and the existing facilities are decommissioned, it would no longer be economic for anyone to develop the remaining reserves.
 - Ultimately, abandonment of these leases will resort in significant royalty losses to the federal government and U.S. taxpayer.
 - Moreover, ECOP is currently in Chapter 11 bankruptcy. Granting the SOPs would avoid the multiple, time-consuming, expensive issues that would result from a bankrupt operator being financially unable to fulfill its decommissioning obligations.
 - Currently, ECOP is being financed by EC Mako Energy LLC.
 - If EC Mako should decide to stop financing ECOP, then the ECOP bankruptcy will convert to a Chapter 7 proceeding.
 - Ultimately, it could take years to resolve all outstanding claims in an ECOP Chapter 7 bankruptcy.
 - Moreover, once the bankruptcy resolved, ECOP's assets might not be sufficient to meet decommissioning and abandonment costs.
 - While BSEE's regulations allow the agency to hold lease predecessors in interest jointly and severally liable for decommissioning and abandonment costs, there are no predecessors in interest on one of the ECOP leases.
 - Accordingly, BSEE and the U.S. taxpayer may ultimately become liable for decommissioning and abandonment costs for these leases.

Next Steps

- BSEE recently cancelled a scheduled meeting between ECOP/EC Mako and Director Scott Angelle and has for some reason not been willing to reschedule. We request that you either schedule a meeting that includes both you and Mr. Angelle, or otherwise ensure that Mr. Angelle meets with ECOP, to discuss this matter, including options for settlement. It is important, under the circumstances, that such a meeting take place quickly.
- We hope that such a meeting will result in the prompt resolution of this matter in a manner that will allow production to resume and that avoids unnecessary burdens on the safe and efficient development of OCS oil and gas resources.

To: Vincent Devito[vincent_devito@ios.doi.gov]
Cc: Mack, Andy T (DNR)[andy.mack@alaska.gov]
From: Crowther, John J (DNR)
Sent: 2017-07-12T14:49:45-04:00
Importance: Normal
Subject: Check-in and Follow-up
Received: 2017-07-12T14:50:46-04:00

Vincent -

Thank you for the time recently, I appreciated the discussion very much.

We have appreciated the Secretary's leadership and all that Steve Wackowski is doing on the ground, and look forward to a lot of progress on energy in Alaska.

I have cc'd our Commissioner of Natural Resources, Andy Mack here - next time you are in Alaska or he is in DC I would like to try to arrange a meeting between the two of you, as Andy has a great deal of experience on all issues OCS, NPR-A, and North Slope development. He has worked in the leadership of the North Slope Borough and has extensive personal relationships with the leaders of the North Slope and local community members. I believe you may have met briefly while the Secretary was in Alaska. If we can assist your work please don't hesitate to let us know.

Best,

John Crowther
Inter-Governmental Coordinator
Office of the Commissioner
Alaska Department of Natural Resources
(907) 306-1643 cell
john.crowther@alaska.gov

From: Brent D. Greenfield <bgreenfield@consumerenergyalliance.org>
Sent: Monday, August 7, 2017 2:53 PM
To: Devito, Vincent
Subject: RE: Aug. 10 Offshore Energy Tele-Town Hall

Thanks very much for your email, and absolutely. The Wednesday pre-call will be with you, CEA (myself and David Holt), and our confirmed CEA member speakers, which so far include Lori LeBlanc (Gulf Economic Survival Team) and Aves Thompson (Alaska Trucking Association). The purpose of the call is just to review logistics and the run-of-show for Thursday's Tele-Town Hall.

As to Thursday's Tele-Town Hall, the audience will be comprised of groups such as chambers of commerce, ports, trucking associations, manufacturing organizations, and individual businesses from around the country.

The purpose of the call is to provide an opportunity for you to highlight DOI's role in the development of the new offshore leasing plan, the kind of information that will be helpful for DOI to receive as the plan is development, and the importance of getting involved. In addition, before you begin your remarks, CEA President David Holt will provide a brief introduction of CEA and the role it has played in this process in the past and how it is engaging today.

After your remarks, several CEA members will offer their views on offshore energy and support for the process underway. Confirmed speakers currently include the Gulf Economic Survival Team (Lori LeBlanc) and Alaska Trucking Association (Aves Thompson), both of whom will join for the pre-call on Wednesday when we review logistics/run-of-show etc.

To round out the call, David will address 2-3 offshore-energy related questions with you. We can share our suggested Q&A topics in the next day or so and review during our call on Wednesday if you would like.

Here is the timeline we envisioned:

- Brief introduction by CEA President David Holt (3 minutes)
- Remarks from Mr. DeVito to address DOI's role in the development of the 2019-2024 program, current and upcoming opportunities for engagement, and the information and feedback being sought to assist the Secretary in developing and finalizing the new leasing plan (15 minutes)
- CEA member views and perspectives on offshore energy (15 minutes)
- CEA (David Holt) Q&A with Mr. DeVito (10 minutes)

Many thanks for your participation on Thursday's call, and let me know if any additional information would be helpful.

Best,
Brent

From: Devito, Vincent [mailto:vincent_devito@ios.doi.gov]
Sent: Monday, August 7, 2017 1:22 PM
To: Brent D. Greenfield <bgreenfield@consumerenergyalliance.org>
Subject: Re: Aug. 10 Offshore Energy Tele-Town Hall

Brent, Can you please send additional details about Wednesday? Audience, topics, purpose, etc. Thanks

On Thu, Aug 3, 2017 at 4:20 PM, Brent D. Greenfield <bgreenfield@consumerenergyalliance.org> wrote:

| Mr. DeVito,

At the request of Gisella, below please find the invitation being sent to attendees for next week's Tele-Town Hall on offshore energy, along with the dial-in number and access code.

We are looking forward to the call, and please let me know if you have any questions or if any additional information would be helpful.

Best,

Brent

DIAL-IN INFORMATION

USA Toll-Free: 888-204-5987

Access Code: 2097099

Brent Greenfield

Consumer Energy Alliance

2211 Norfolk Street

Suite 410

Houston, TX 77098

(713) 337-8821 (Direct)

(866) 273-8998 (Fax)

bgreenfield@ConsumerEnergyAlliance.org

You are invited to the following event:

[CEA OFFSHORE ENERGY TELE-TOWN HALL](#)

Event to be held at the following time,
date, and location:

Thursday, August 10, 2017 from 3:00 PM
to 3:45 PM (CDT)

Dial-in information to be provided upon
registration

[Attend Event](#)



TELE-TOWN HALL ON OFFSHORE ENERGY

Thursday, August 10th | 3:00pm CT / 4:00pm ET

Join Consumer Energy Alliance and the U.S. Interior Department

You are cordially invited to attend a **Consumer Energy Alliance Tele-Town Hall on Offshore Energy**.

Join CEA on Thursday, Aug. 10 at 3:00 pm CT / 4:00 pm ET for a 45-minute U.S. Interior Department briefing and stakeholder discussion on the development of a new offshore energy leasing plan for the United States.

[Click above to Register!](#)

Date: Thursday, Aug. 10

Start time: 3:00 pm CT / 4:00 pm ET (45 min call)

Guest Speaker: U.S. Department of the Interior, Counselor to the Secretary for Energy Policy, Vincent DeVito

Agenda:

- Brief introduction by CEA President David Holt
- Remarks from Mr. DeVito
- CEA member views and perspectives on offshore energy
- Q&A with Mr. DeVito and David Holt

If you have a question for consideration, please email Brent Greenfield using the link below

Dial-in information will be available upon registration and emailed again after registering.*

Space is limited so please RSVP.

***Please mute your line. This call will be listen-only mode.**

--

Vincent DeVito, Esq.
Counselor to the Secretary of Interior for Energy Policy
Immediate Office of the Secretary
+1.202.208.2884
vincent_devito@ios.doi.gov

To: Orr, Renee[renee.orr@boem.gov]
Cc: David E Holt[dholt@consumerenergyalliance.org]; Katharine Macgregor[katharine_macgregor@ios.doi.gov]; Vincent Devito[vincent_devito@ios.doi.gov]; Richard Cardinale[Richard_Cardinale@ios.doi.gov]; Gisella Ojeda-dodds[gisella_ojeda-dodds@ios.doi.gov]; Walter Cruickshank[Walter.Cruickshank@boem.gov]
From: Brent D. Greenfield
Sent: 2017-08-08T12:36:36-04:00
Importance: Normal
Subject: RE: OCS Gov. Staff Briefing
Received: 2017-08-08T12:36:33-04:00

Fantastic. Thanks very much, Renee, and we'll notify the Coalition.
Best,
Brent

From: Orr, Renee [mailto:renee.orr@boem.gov]
Sent: Tuesday, August 8, 2017 11:20 AM
To: Brent D. Greenfield <bgreenfield@consumerenergyalliance.org>
Cc: David E Holt <dholt@consumerenergyalliance.org>; Katharine Macgregor <katharine_macgregor@ios.doi.gov>; Vincent Devito <vincent_devito@ios.doi.gov>; Richard Cardinale <Richard_Cardinale@ios.doi.gov>; Gisella Ojeda-dodds <gisella_ojeda-dodds@ios.doi.gov>; Walter Cruickshank <Walter.Cruickshank@boem.gov>
Subject: Re: OCS Gov. Staff Briefing

Hi Brent,

Thanks very much for the invitation. Both Kate and Vincent would like to participate in the call.

I've cc'd them and their staff to include in logistics/details going forward.

Thanks,
Renee

----- Forwarded message -----

From: Brent D. Greenfield <bgreenfield@consumerenergyalliance.org>
Date: Fri, Aug 4, 2017 at 3:48 PM
Subject: OCS Gov. Staff Briefing
To: Renee Orr <renee.orr@boem.gov>
Cc: David E Holt <dholt@consumerenergyalliance.org>

Renee,

David mentioned that there had been discussion about DOI's interest in engaging OCS governors' staff on offshore energy matters, so I wanted to flag the next OCS Governors Coalition staff call as an upcoming opportunity (Tuesday, Aug. 22 at 2:00 pm ET). If the timing works and you all would like to proceed, just let me know and we'll work with you to make it happen.

Best,
Brent

--

Renee Orr
Chief, Office of Strategic Resources
Bureau of Ocean Energy Management
1849 C Street, NW, DM5227
Washington, DC 20240
(t) 202-208-3515; (c) 571-345-4248
<http://www.boem.gov/>

To: vincent_devito@ios.doi.gov[vincent_devito@ios.doi.gov];
troy.ezell@boem.gov[troy.ezell@boem.gov];
richard_cardinale@ios.doi.gov[richard_cardinale@ios.doi.gov];
katharine_macgregor@ios.doi.gov[katharine_macgregor@ios.doi.gov]; Orr,
Renee[renee.orr@boem.gov]; Ojeda-dodds, Gisella[gisella_ojeda-dodds@ios.doi.gov]
Cc: David E Holt[dholt@consumerenergyalliance.org]
From: Brent D. Greenfield
Sent: 2017-08-10T11:05:52-04:00
Importance: Normal
Subject: CEA Offshore Energy Tele-Town Hall Follow-Up
Received: 2017-08-10T11:06:03-04:00

All:

At your request, following up on yesterday's pre-call, below please find a few sample questions for the Q&A portion of today's Tele-Town Hall, as well as a list that includes organizations with representatives who have RSVP'd.

As a reminder, today's event will begin at 4:00 pm Eastern and will be accessible at (888) 204-5987, Code: 2097099.

Best,
Brent

Brent Greenfield
Consumer Energy Alliance
2211 Norfolk Street
Suite 410
Houston, TX 77098
(713) 337-8821 (Direct)
(866) 273-8998 (Fax)
bgreenfield@ConsumerEnergyAlliance.org

SAMPLE Q&A

- Many on today's call have already submitted pro-access comments on the offshore leasing program or are in the process of doing so. How important is it for people and organizations to make their voice heard in this process? Beyond submitting comments, are there other methods of engagement that would be helpful to the Department as it moves forward, including outside of formal public comment periods?
- Access to domestic resources is obviously key to unleashing the full power of American energy, and great work is being done there with the development of a new offshore leasing program. Can you address some of the other initiatives already underway or under consideration that DOI is looking at to help incentivize and promote domestic offshore energy projects?
- Aside from regulatory proceedings, what kind of organizational changes is the Department considering, and how might that impact and benefit domestic offshore energy development?

RSVPs

Alaska Trucking Association
American Iron and Steel Institute
American Association of Petroleum Geologists
Associated General Contractors of Alaska
Axia Partners
British-America Business Council
Calypso Exploration
CAT
Cheniere
Clay County Chamber of Commerce
Cobalt
Cook Inlet Region, Inc.
Deep Gulf Energy
DHI Group Inc.
Energy Institute of Alabama
EnVen Energy Corporation
Fieldwood Energy
Florida Chamber of Commerce
Georgia Chamber of Commerce
Golden Valley Electric Association
Gulf Economic Survival Team
Houma-Terrebonne Chamber of Commerce
Illinois Chamber of Commerce
Independent Petroleum Association of America
International Association of Drilling Contractors
International Association of Geophysical Contractors
International Longshoremen's Association Local 1768
Jacksonville Chamber of Commerce
James Madison Institute
Kentucky Chamber of Commerce
LA 1 Coalition
Louisiana Association of Business and Industry
Mississippi Energy Institute
Mississippi Manufacturers Association
Mitsubishi Hitachi Power Systems Americas
National Association of Neighborhoods
National Ocean Industries Association
Natural Gas Supply Association
NEOS GeoSolutions
Noble Energy
One Acadiana
Oviedo-Winter Springs (FL) Chamber of Commerce
Partnership for Affordable Clean Energy
Pennsylvania Chamber of Commerce
Port of Corpus Christi
Renaissance Offshore
SSAB
Slover Consulting
Stone Energy
TechnipFMC
Tennessee Chamber of Commerce
U.S Chamber of Commerce
Virginia Chamber of Commerce
Virginia Manufacturers Association
Wexford Strategies

W.D. Scott Group
Wisconsin Manufacturers and Commerce

To: vincent_devito@ios.doi.gov[vincent_devito@ios.doi.gov]; Katharine MacGregor[katharine_macgregor@ios.doi.gov]
Cc: Richard_Cardinale@ios.doi.gov[Richard_Cardinale@ios.doi.gov]; gisella_ojeda-dodds@ios.doi.gov[gisella_ojeda-dodds@ios.doi.gov]; Walter Cruickshank[Walter.Cruickshank@boem.gov]; Orr, Renee[renee.orr@boem.gov]; 'Angela.Monroe@maine.gov'[Angela.Monroe@maine.gov]
From: Brent D. Greenfield
Sent: 2017-08-18T11:04:12-04:00
Importance: Normal
Subject: OCS Governors Coalition Staff Call
Received: 2017-08-18T11:04:01-04:00

Vincent and Kate:

At the request of Chairman LePage's office (his primary point of contact Angela Monroe is copied), I am reaching out to you regarding next week OCS Governors Coalition staff call on **Tuesday, Aug. 22** at **2:00 p.m. Eastern**. Dial-in information and a list of expected state attendees as of today is included further below.

The Coalition is looking forward to hosting you and hearing the latest on offshore conventional and renewable energy activities at DOI. In terms of specific topics, there is also interest in learning more about how state input on access to new and existing areas and revenue-sharing will be factored in as the new leasing plan is further developed.

With the call slated to last one hour, would allotting 15-20 minutes for a DOI briefing and another 20-25 minutes for open discussion/Q&A with gubernatorial staff work for you all?

Please let us know if you have any questions or if any additional information would be helpful.

Best,
Brent

DIAL-IN INFORMATION
(713) 337-8800
Code: 72580

EXPECTED STATE ATTENDEES

- Angela Monroe, Acting Director, Maine Energy Office (Chairman LePage's primary point of contact for the Coalition)
- Jon Barganier, Deputy Chief of Staff to Alabama Gov. Ivey
- Baker Allen, General Policy Advisor to Alabama Gov. Ivey
- Nick Tew, State Geologist of Alabama/Oil and Gas Supervisor, Geological Survey of Alabama
- Alice Perry, Senior Policy Advisor to Mississippi Gov. Bryant
- Hayes Framme, Deputy Secretary of Commerce and Trade, Commonwealth of Virginia
- Craig Fleener, Arctic Policy Advisor and Director of State & Federal Relations, Office of Alaska Gov. Walker
- Jerry Strickland, Executive Director, Texas Office of State-Federal Relations, Texas Gov. Abbott

Brent Greenfield
Consumer Energy Alliance
2211 Norfolk Street
Suite 410

Houston, TX 77098
(713) 337-8821 (Direct)
(866) 273-8998 (Fax)
bgreenfield@ConsumerEnergyAlliance.org

To: DeVito, Vincent (Interior)[Vincent_DeVito@ios.doi.gov]
From: Chuck Cunningham
Sent: 2017-08-21T17:00:49-04:00
Importance: Normal
Subject: RE: MEETING REQUEST with Secretary Zinke
Received: 2017-08-21T17:00:58-04:00

Vince:

I look forward to meeting with you tomorrow. Thought that you might be interested in some of our actions at SAFE relating to public land use:

[Trump's Energy Week Positions American Energy Production and Security Center Stage](#)

[SAFE Applauds Executive Action to Advance Pipeline Infrastructure, While Urging Comprehensive Approach to Boosting Energy Security](#)

[Responsible Energy Production Can Improve U.S. Energy Security New \(Obama\) DOI Regulations Prevent That](#)

[SAFE Criticizes \(Obama\) Move to Block Offshore Drilling](#)

Chuck

From: Chuck Cunningham
Sent: Friday, August 04, 2017 11:13 AM
To: Hommel, Scott (Interior)
Subject: MEETING REQUEST with Secretary Zinke
Importance: High

Scott:

It was great seeing Secretary Zinke and you in Denver at the ALEC Annual Meeting. His "energy dominance" message along with maximizing domestic energy production and less dependence on foreign oil is perfectly aligned with our views at Securing America's Future Energy (SAFE).

Robby Diamond, our founder and CEO, General Jim Conway, retired Commandant of the Marine Corps who serves as our co-chairman of our Energy Security Leadership Council, and I would like to meet with Secretary Zinke to discuss how we can assist and work together with Interior towards energy dominance. We are also very interested in working together to help overcrowding in National Parks through the use of autonomous and electric vehicles.

Attached are our pending meeting request letter and a letter about the OPEC Commission. Below is some information that would be useful for our meeting.

[Energy Security Means Putting America First](#)

[America First Energy Strategy Should Be Priority for Trump Administration to Counter OPEC](#)

SAFE Fact Sheet on OPEC Commission

Please do not hesitate to contact me, if we can be of any assistance.

Chuck

Charles H. Cunningham

ChuckC@visi.net

Senior Vice President for Government Relations and External Affairs

Securing America's Future Energy (SAFE)

1111 Nineteenth Street, N.W., Suite 406

Washington, D.C. 20036-3627

(202) 461-2369

(202) 461-2379 (FAX)

From: Brent D. Greenfield
Location: (713) 337-8800, Code: 72580
Importance: Normal
Subject: REMINDER: OCS Governors Coalition Staff Call
Start Date/Time: 2017-08-22T14:00:00-04:00
End Date/Time: 2017-08-22T15:00:00-04:00

*Immediate Office of the Secretary
Deputy Director, Scheduling and Advance
Direct: (202) 208-5359
Cell: (202) 706-9435*

To: 'Getto, Leila'[leila_getto@ios.doi.gov]
Cc: 'Gareth Rees'[gareth_rees@ios.doi.gov]
From: Guith, Christopher
Sent: 2017-09-22T11:58:23-04:00
Importance: Normal
Subject: RE: September 26th event ...
Received: 2017-09-22T11:58:33-04:00

Good Morning Leila and Gareth. Checking in to see if you need anything else from me in advance of Tuesday. Also, can you let me know when to anticipate his arrival, and who will be accompanying him? Thanks -christopher

From: Guith, Christopher
Sent: Tuesday, September 19, 2017 2:36 PM
To: 'Getto, Leila'
Cc: Gareth Rees
Subject: RE: September 26th event ...

Leila-

Sorry for the delay, was on the road yesterday and just catching up. Below is the agenda for our meeting next week. As far as scope of what we'd like Deputy Secretary Bernhardt to address:

- 1) His goals as COO of the federal government's energy agency
- 2) Status on
 - a. Venting and Flaring
 - b. ONRR Reg
 - c. OCS Leasing Program
 - d. Fracking Reg
 - e. Coal
- 3) His NEPA memo, NEPA coordination across DOI and the entire Executive Branch

And he should know that a certain coal company will be in attendance that may ask about the Navajo Generating Station

8:30 - Breakfast
9:00 - Discussion on power market formation
10:00 - Deputy Secretary of Energy, Dan Brouillette
10:30 - Deputy Secretary of the Interior, David Bernhardt
11:00 - Meeting Ends

From: Getto, Leila [mailto:leila_getto@ios.doi.gov]
Sent: Monday, September 18, 2017 9:00 AM
To: Guith, Christopher
Cc: Gareth Rees
Subject: September 26th event ...

Good morning, Christopher!

When you have a moment this morning, can you please send me the draft agenda for the LC meeting on the 26th and what you would like the Deputy to highlight in his remarks?

Thank you!

Lelia

*Leila Sepehri Getto
U.S. Department of the Interior
Immediate Office of the Secretary
Deputy Director, Scheduling and Advance
Direct: (202) 208-5359
Cell: (202) 706-9435*

To: 'Leila Getto'[leila_getto@ios.doi.gov]
Cc: Gareth Rees[gareth_rees@ios.doi.gov]
From: Guith, Christopher
Sent: 2017-09-22T12:35:03-04:00
Importance: Normal
Subject: RE: September 26th event ...
Received: 2017-09-22T12:35:12-04:00

I've got a couple of questions so please call when you can. (b)(6)

From: Leila Getto [mailto:leila_getto@ios.doi.gov]
Sent: Friday, September 22, 2017 12:27 PM
To: Guith, Christopher
Cc: Gareth Rees
Subject: Re: September 26th event ...

Hi Christopher! Are you able to share the attendee list?

Leila Getto

Deputy Director, Scheduling and Advance
Office of the Secretary
Direct 202-208-5359
Cell 202-706-9435

On Sep 22, 2017, at 11:59 AM, Guith, Christopher <CGuith@uschamber.com> wrote:

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Thank you!
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U.S. Department of the Interior
Immediate Office of the Secretary
Deputy Director, Scheduling and Advance
Direct: (202) 208-5359
Cell: (202) 706-9435*

To: Rees, Gareth[gareth_rees@ios.doi.gov]
From: Guith, Christopher
Sent: 2017-09-25T10:03:38-04:00
Importance: Normal
Subject: Re: September 26th event ...
Received: 2017-09-25T10:03:53-04:00

Good morning Gareth. Address of the Chamber is 1615 H St.

When will he be arriving and how is he getting here? Also, is anyone coming with him and/or advancing him.

On Sep 25, 2017, at 9:56 AM, Rees, Gareth <gareth_rees@ios.doi.gov> wrote:

Hi Christopher
Can you confirm the location for tomorrow's event?

Thanks

On Fri, Sep 22, 2017 at 12:35 PM, Guith, Christopher <CGuith@uschamber.com> wrote:

I've got a couple of questions so please call when you can. 202-834-3214

From: Leila Getto [mailto:leila_getto@ios.doi.gov]
Sent: Friday, September 22, 2017 12:27 PM
To: Guith, Christopher
Cc: Gareth Rees
Subject: Re: September 26th event ...

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Leila Getto

Deputy Director, Scheduling and Advance

Office of the Secretary

Direct 202-208-5359

Cell 202-706-9435

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From: Guith, Christopher

Sent: Tuesday, September 19, 2017 2:36 PM

To: 'Getto, Leila'

Cc: Gareth Rees

Subject: RE: September 26th event ...

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Leila Sepehri Getto

U.S. Department of the Interior

Immediate Office of the Secretary

Deputy Director, Scheduling and Advance

Direct: (202) 208-5359

Cell: (202) 706-9435

--

Gareth C. Rees

Office to the Deputy Secretary

U.S. Department of the Interior

Tel: 202-208-6291

Fax: 202-208-1873

Cell: 202-957-8299

To: 'Rees, Gareth'[gareth_rees@ios.doi.gov]
From: Guith, Christopher
Sent: 2017-09-25T15:14:15-04:00
Importance: Normal
Subject: RE: September 26th event ...
Received: 2017-09-25T15:14:24-04:00

Thanks. Is anyone coming with him? Just want to make sure we have a seat and place card if there is.

From: Rees, Gareth [mailto:gareth_rees@ios.doi.gov]
Sent: Monday, September 25, 2017 2:32 PM
To: Guith, Christopher
Subject: Re: September 26th event ...

Let me see if I can get a final version of his bio and send it to you.

Thanks

On Mon, Sep 25, 2017 at 12:16 PM, Guith, Christopher <CGuith@uschamber.com> wrote:
Gareth-
Can you send an official bio for us to include in the packets for attendees? Thanks -
christopher

From: Rees, Gareth [mailto:gareth_rees@ios.doi.gov]
Sent: Monday, September 25, 2017 9:56 AM
To: Guith, Christopher
Subject: Re: September 26th event ...

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--

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--

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Cell: 202-957-8299

To: Vincent DeVito[vincent_devito@ios.doi.gov]
Cc: Christopher Stolte[christopher_stolte@ios.doi.gov]
From: Lori LeBlanc
Sent: 2017-10-03T13:09:27-04:00
Importance: Normal
Subject: Follow Up - Thank you
Received: 2017-10-03T13:10:37-04:00

Vincent,

Just want to thank you again for taking the time to meet with the LMOGA Financial Assurance Growth Companies yesterday on this very important issue. We appreciate you engaging in additional dialogue to further understand our position. We look forward to continuing to work with you to develop a financial assurance program that ensures the OCS remains a viable investment option while also protecting the American taxpayers.

Feel free to contact me if you have any questions or need additional information.

Best regards,

Lori

Lori LeBlanc
Director, Offshore Committee
Louisiana Mid-Continent Oil & Gas Association
(c) 985.209.7932
lori@lorileblancllc.com

To: Robert E. Grady[(b)(6)]; Gareth Rees[gareth_rees@ios.doi.gov]
From: Amos Eno
Sent: 2017-10-05T16:14:27-04:00
Importance: Normal
Subject: Contact
Received: 2017-10-05T16:14:42-04:00

Gareth
Grady speaking on OCS tomorrow
Needs contact for Devito or Cason

To: Gareth Rees[gareth_rees@ios.doi.gov]
From: Smith, Lem O.
Sent: 2017-10-10T18:51:55-04:00
Importance: Normal
Subject: CEO Meeting Request for Mr. David Bernhardt - Thursday 10/19 or Friday 10/20
Received: 2017-10-10T19:01:12-04:00
Correspondence to R. Zinke - 9.26.17.pdf
ATT00001.txt

Hello, Gareth,

Thank-you for your time on the phone. Per our discussion, I'm emailing an official request to Mr. Bernhardt for a meeting with Mike Minarovic (CEO, Arena Energy), Tim Duncan (CEO, Talos Energy) and Matt McCarroll (CEO, Fieldwood Energy), three of the leading producers and ongoing investors in the shallow and intermediate waters of the Gulf of Mexico.

Per your request, I have attached the aforementioned letter on financial assurance which went to Secretary Zinke last week with a CC to Mr. Bernhardt. The purpose of our meeting with Mr. Bernhardt is a broader discussion on the current investment and regulatory climate in the Gulf, of which this is a part. With regard to financial assurance, Mike, Tim, Matt and I are meeting from 10:00 am - 11:00 AM with Mr. Vincent Devito on the 19th already consistent with ongoing discussions, so it would be ideal if we could meet with Mr. Bernhardt at another time-slot convenient to him on Thursday the 19th. Alternatively, we would be happy to meet with Mr. Bernhardt on the morning of the 20th if the 19th is not available.

Please feel free to contact me with questions and thank-you in advance for your consideration.

I worked with Mr. Bernhardt when he was Solicitor under Bush 43 at Kerr-McGee Corporation in both Washington DC and later Denver, CO, where I am based now. Appreciate his commitment to serve the department again.

Kind regards,
Lem
703-407-9789

46 Offices in 21 Countries

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#US

September 26, 2017

VIA FEDERAL EXPRESS AND US MAIL

The Honorable Ryan K. Zinke
Secretary of the Interior
United States Department of the Interior
1849 C Street, NW, Room 6612
Washington, DC 20240
Tel: (202) 208-7351

Re: Offshore Oil and Gas Financial Assurance Replacement Proposal

Dear Secretary Zinke:

The fifteen undersigned independent companies greatly appreciate the Administration's strong leadership in promoting robust, responsible offshore energy development, and we applaud the Department's commitment to ensuring ongoing investment and royalty production in the Gulf of Mexico. It is with this sense of appreciation and shared commitment to the President's America-first offshore energy strategy that we write today.

Collectively, we represent more than 80% of the oil and gas production in the shallow and intermediate waters of the Outer Continental Shelf ("OCS"). The Bureau of Ocean Energy Management's Notice to Lessees 2016-N01, in which the Bureau overhauled the financial assurance process for oil and gas infrastructure on the OCS (the "2016 NTL"), represents the single greatest regulatory hurdle to our companies' continued presence and investment in the Gulf of Mexico. We thank your Department for heeding the serious concerns raised by multiple stakeholders about the 2016 NTL, and we are committed to partnering with the Department and its bureaus to develop a replacement financial assurance plan that imposes commonsense bonding requirements that protect the United States taxpayer without driving business, royalties, jobs and new investment out of the Gulf of Mexico.

To this end, we write to reiterate our support for the enclosed policy proposal, which was presented to your Counselor for Energy Policy and a group of DOI leaders assembled by him at the end of June. We believe our proposal outlines a workable, comprehensive financial assurance program that requires an increased and appropriate level of financial security necessary to protect the American taxpayer from operator default without stifling investment or creating artificial regulatory barriers that all but the largest integrated oil and gas companies can surmount. By securing financial assurance for the highest risk properties first and by ensuring that the existing reserves and the financial strength of the current and chain of title property owners are factored into any bonding requirements, the enclosed proposal tracks your Department's stated objective to remove unnecessary regulatory burdens and to better tailor bond requirements to the actual risk that operators will default in carrying out their decommissioning obligations.

We understand that a second OCS financial assurance proposal prepared by a number of integrated major oil and gas companies, most of whom have sold all of their shelf properties to independent companies over the last decade, was recently presented to your office (hereafter referred to as the "Majors' Proposal"). Thus, our second purpose in writing today is to express our grave concerns about the policies contained in the Majors' Proposal, which do not represent a workable path forward on financial assurance for the independent operators represented herein. The Majors' Proposal endorses sweeping policy changes that fundamentally alter the well-established legal theories upon which all transfers of properties on the OCS have been transacted. Indeed, if implemented, we estimate that the Majors' Proposal would have as bad if not worse

economic impacts on our companies than the Obama Administration's 2016 NTL for the reasons set forth below.

- The proposal eliminates all bonding requirements for "Tier 1" companies (defined to encompass integrated major oil and gas companies), while simultaneously substantially increasing bonding levels for "Tier 2" and "Tier 3" companies (defined to encompass most independents in the OCS), even for properties where a Tier 1 company is a current co-owner. Not only does the Majors' Proposal call for substantially more bonding than is necessary to protect the American taxpayer, but the bonding levels required are also simply not obtainable. If enforced, such requirements would unnecessarily tie up capital, which will further decrease drilling and investment leading to fewer jobs, lower royalties and acceleration of infrastructure abandonments.
- The Majors' Proposal purports to protect the U.S. government and taxpayer but is little more than a thinly veiled attempt to protect their own interests – even if such efforts serve to chill new investment in the Gulf of Mexico or to drive out existing operators and the jobs and royalties that such operators create for communities in the Gulf Coast. The purpose of BOEM's supplemental financial assurance regulations is to ensure that there is adequate security in place to protect the U.S. government and taxpayer from having to pay for plugging and abandonment costs in the event of operator bankruptcy and default. The Majors' Proposal inappropriately shifts the focus from protecting the American taxpayer to protecting owners in the chain of title (i.e., the Majors themselves) from having to cover such costs in the event of operator default. It is a well settled tenet of the American oil and gas leasing system that assignment of a lease does not relieve the assignor of accrued lease obligations that the assignee or a subsequent assignee fails to perform. Further, such accrued liability has been factored into most of the business transactions involving the assignment of offshore property holdings. In effect, the Majors' Proposal would require the U.S. government to retroactively impose deal terms that these companies should have secured at the time of sale.
- We further understand that the level of bonding that would be imposed on Tier 2 and Tier 3 companies under the Majors' Proposal is higher than many of these same Tier 1 companies currently impose or have imposed in the past upon purchasers on the open market (because such bonding requirements are simply not obtainable). Increasing financial security requirements in an OCS sales contract typically lowers the purchase price of assets, which the sellers chose to maximize in their transactions. In other words, the Majors clearly understood that their accrued liability for plugging and abandonment is not extinguished upon assignment if the successor defaults. In typical transactions, these sellers demanded some level of bonding protection and escrow arrangements at the time of sale, but they allowed themselves to be exposed on a portion of the obligation. Had they required bonding on all of the future obligation at the time of sale, they would have realized a lower sale price or perhaps not been able to complete the transaction at all. Instead, they opted to maximize price in exchange for assuming greater risk in the event of successor default. Now, in an attempt to re-trade such risk, they are asking the U.S. Government to step in and demand protections from purchasers of their assets beyond what they negotiated at the time of sale. This should not be an opportunity for the Majors to revisit these transactions when they fully understood the risk.
- Lastly, the Majors' Proposal does not focus on the highest risk sole liabilities properties first but rather suggests that BOEM utilize a complicated formula to conduct a detailed analysis of all owners and every single property (even leases where a major is a current co-owner) which cannot be deployed quickly or efficiently. In short, the proposal is not workable or achievable and will be plagued by the same challenges from an implementation and administrative standpoint that proved fatal to the 2016 NTL.

In sum, the Majors' Proposal does nothing to promote the President's America First Energy Plan. Rather, it promotes precisely the sort of overly burdensome and unnecessary policies that this Administration has vowed to abolish, and we urge you to reject it. The government should not be adopting policy that impacts the economics of previously negotiated third party contracts when there is no benefit to the United States or its taxpayers.

In closing, there is nothing more meaningful that the Department can do to incentivize new and continued investment in the Gulf of Mexico and to protect the American taxpayer from the risk of operator default than to replace the failed Obama financial assurance NTL with a framework that is based on realistic risk forecasts and achievable, non-punitive bonding requirements. We again thank the Department for considering the replacement NTL proposal supported by the undersigned companies and look forward to working with you and your team to implement a regulatory solution that protects the long-term viability of America's offshore oil and gas industry.

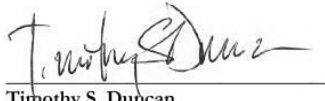
Sincerely,



Matt McCarroll
President & CEO, Fieldwood Energy



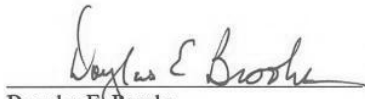
Michael Minarovic
CEO, Arco Energy



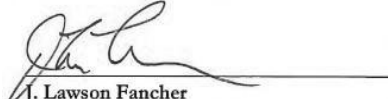
Timothy S. Duncan
President & CEO, Talos Energy LLC



Jeffrey R. Soine
President & CEO, Renaissance Offshore LLC



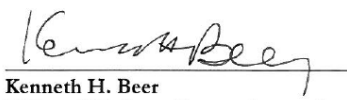
Douglas E. Brooks
President and CEO, Energy XXI



J. Lawson Fancher
Co-Founder & Principal, Peregrine Oil & Gas



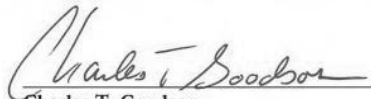
Richard Kirkland
CEO & Managing Partner, Cantium, LLC



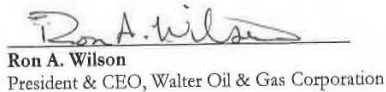
Kenneth H. Beer
EVP & CFO, Stone Energy Corporation



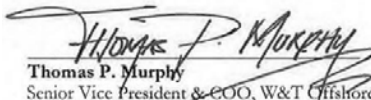
Obie O'Brien
Vice President, Governmental Affairs, Apache Corporation



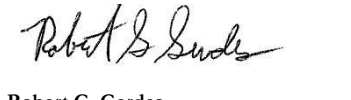
Charles T. Goodson
President & CEO, PetroQuest Energy



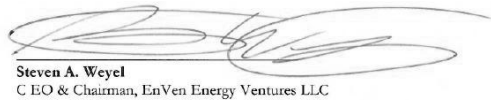
Ron A. Wilson
President & CEO, Walter Oil & Gas Corporation




Thomas P. Murphy
Senior Vice President & COO, W&T Offshore



Robert G. Gerdes
President & CEO, ANKOR Energy LLC



Steven A. Weyel
CEO & Chairman, EnVen Energy Ventures LLC



Jonathan Wilson
SVP & Chief Development Officer
Castex Offshore, Inc.

Enclosure

Cc: Mr. Vincent DeVito, Esq., Counselor to the Secretary for Energy Policy
Mr. David Bernhardt, Esq., Deputy Secretary of the Interior
Ms. Katharine MacGregor, Acting Assistant Secretary for Land and Minerals Management
Mr. Scott Angelle, Director, Bureau of Safety and Environmental Enforcement
Dr. Walter Cruickshank, Director, Bureau of Ocean Energy Management
Mr. James Schindler, Esq., Special Assistant, Bureau of Ocean Energy Management

Energy Freedom Score Card
(as of October 15, 2017)

Mission Statement: Affordable, reliable, and plentiful energy enables us to protect the environment while also creating jobs and the goods and services we need. Expensive and unreliable energy, like the kind produced by ethanol and commercial wind and solar companies, destroys jobs and harms the environment.

Fossil fuels are the foundation of economic growth and prosperity. Taxing them or making them more scarce causes economic growth to slow, makes food and other essential goods more expensive, and many of the good things we take for granted are lost.

We owe it to future generations to leave the world a better place than we found it. Renewable energies don't protect the environment. They actually harm it by being less efficient and more land-intensive than fossil fuels.

Status	Recommendation
<p>1. Rein in EPA Repeal unnecessary regulations affecting air and water quality and energy production, end the abuse of science, end subsidies to leftist groups.</p>	
DONE	Withdraw implementation of the Waters of the U.S. rule.
<p>STARTED Some regs on coal-powered generation have been removed or delayed. Others are up for review.</p>	Roll back recent EPA regulations on ozone, small particles, and other air pollutants that are based on discredited epidemiology and toxicology.
<p>STARTED Trump ended terms of many long-time members of science advisory boards with conflicts of interest.</p>	End conflicts of interest on scientific review boards.
<p>STARTED Pruitt's withdrawal of the CPP said there are no health effects below EPA's standard for PM-2.5.</p>	Formally end the use of the "linear no-threshold assumption" in determining safe levels of exposure to pollutants.
<p>STARTED Trump said Obama's preliminary approval of higher CAFÉ standards will be reviewed.</p>	Roll back Corporate Average Fuel Economy (CAFE) standards, which result in the deaths of thousands of car and truck passengers every year, needlessly increase the price of new cars, and favor foreign car manufacturers.
<p>STARTED Pruitt announced an end to "sue-and-settle"</p>	Dramatically reduce government funding of environmental advocacy groups, including funds delivered to such groups through the "sue and settle" scam.
NOT DONE	End the use of "secret science" by EPA and other regulatory agencies.
NOT DONE	End reliance on near-zero risk ratios.
NOT DONE	Enforce the Data Quality Act with respect to the junk science promoted and funded by EPA on air pollution and toxicology.
NOT DONE	Congress should repeal the Delaney clause, which essentially commits the FDA and other government agencies to an impossible zero risk standard.

2. Repeal Global Warming Regulations

End the war on fossil fuels by withdrawing from the Paris and FCCC, the endangerment finding, the social cost of carbon, Clean Power Plan, and other regulations justified by global warming alarmism.

DONE	Withdraw from the Paris Accord and stop funding the Green Climate Fund.
DONE	Retract and rescind “social cost of carbon” estimates and stop including them in required cost-benefit analysis of new regulations.
DONE	Withdraw/repeal the Clean Power Plan.
STARTED Pruitt has announced plans for a Red Team, progress has been slow.	Create a President’s Council on Climate Change charged with cutting through the politics and bias that infected climate science and policymaking during the Obama administration and advising the President on what policies to repeal and what policies to pursue.
STARTED At least some research grants are being cancelled, the president’s budget called for a 30% cut to EPA budget.	Dramatically reduce government funding of climate change research pending the findings of the new President’s Council on Climate Change. When funding for such research resumes, require that equal amounts go to studying natural and man-made climate change.
NOT DONE	Withdraw from the UN’s Framework Convention on Climate Change.
NOT DONE	Stop basing military planning and strategies on the predictions of flawed climate models.
NOT DONE	Support legislation repealing Obama’s Executive Order 13693, which requires the Department of Defense to create a number of climate change programs and policies.
NOT DONE	End funding for the United Nations’ biased climate change programs, in particular the Intergovernmental Panel on Climate Change (IPCC).

3. End Climate Profiteering

End subsidies, tax credits, feed-in tariffs, regulatory carve-outs, and mandates that benefit wind, solar, and ethanol producers yet produce no environmental benefits.

STARTED Some states have frozen renewable energy mandate targets, some have considered repealing existing mandates, but progress is slow.	Repeal state Renewable Power Mandates (RPMs) where they exist and oppose their option in states that don’t currently have them.
STARTED* A DOE proposal to FERC would start to level the playing field between coal and renewables. See footnote below.	Have FERC grant higher rates to coal generation to recognize the important role they play in provide base-load energy.
STARTED Trump’s budget proposed moving forward with Yucca Mountain	Remove regulatory obstacles to the expansion of nuclear power and open the nuclear waste storage facility at Yucca Mountain.
STARTED Trump froze current ethanol production minimum rather than raising it.	Abolish the Renewable Fuels Standard (RFS) program, which mandates that refiners add ethanol to gasoline.

NOT DONE	End federal tax credits to wind and solar producers.
NOT DONE	Convince state PUCs not to implement “zombie” Obama-era regulations and subsidies that lead to the premature closing of coal-powered generation.
NOT DONE	Hold solar and wind power producers to the same environmental protection standards as are applied to coal and natural gas power generators.
<p>4. Use It, Don’t Lose It Achieve “energy dominance” by maximizing U.S. production of fossil fuels. End excessive restrictions of exploration, development, and production of fossil fuels on public lands as well as private lands,</p>	
DONE	Approve Keystone XL and other pipelines blocked by President Obama.
STARTED Some restrictions have been withdrawn, Interior is reducing size of some national monuments.	Roll back unnecessary regulations on hydraulic fracturing, mining, and oil and gas exploration offshore and on federal lands.
STARTED Trump ended an Obama-era anti-fracking rule, states are debating restrictions on fracking.	Repeal unnecessary restrictions and state bans on fracking.
STARTED	Expand U.S. exports of coal, liquefied natural gas, and oil as a way to reduce the reliance of allies and other countries on energy imports from Russia and other bad actors in the international community.

America First Energy Conference
Full Event Timing
 Last updated by Jim - October 20

Thursday, November 9, 2017

Breakfast Keynote

7:30 AM – 8:45 AM | Liberty 4-6

Time	Speaker	Title and affiliation
7:55	Tim Huelskamp, Ph.D.	President, The Heartland Institute (opening remarks, introduction of Joe Leimkuhler)
8:00 - 8:45	Joe Leimkuhler (keynote)	Vice President of Drilling, LLOG Exploration
8:45	Jim Lakely	Director of Communications, The Heartland Institute (info on next sessions)

8:45 - 9:15 BREAK to set Liberty Hall 4-6 for panel

Panel 1A. Climate Science

9:15 AM – 10:00 AM | Liberty Hall 4-6

9:15 - 9:20	H. Sterling Burnett, Ph.D. (moderator)	Research fellow, The Heartland Institute
9:20 - 9:35	David Legates, Ph.D.	Professor of Climatology, University of Delaware
9:35 - 9:50	Anthony Lupo, Ph.D.	Associate Professor of atmospheric sciences, University of Missouri - Columbia
9:50 - 10:00	Q&A	

Panel 1B. Energy and Prosperity

9:00 AM – 10:00 AM | Liberty Hall 1-3

9:00 - 9:05	John Nothdurft (moderator)	Director of Government Relations, The Heartland Institute
9:05 - 9:20	Paul Driessen	Senior Fellow, CFACT
9:20 - 9:35	Roger Bezdek, Ph.D.	President, Management Information Services, Inc.
9:35 - 9:50	Nick Loris	Herbert and Joyce Morgan Fellow, The Heritage Foundation
9:50 - 10:00	Q&A	

10 MINUTE BREAK TO SWITCH PANELS, MIC UP SPEAKERS

Panel 2A. Energy and National Security

Time	Speaker	Title and affiliation
10:10 AM – 11:10 PM Liberty Hall 4-6		
10:10 - 10:15	Aaron Stover (moderator)	Research Fellow, The Heartland Institute
10:15 - 10:30	Hal Doiron, Ph.D.	Retired engineer (Apollo Program), NASA
10:30 - 10:45	Adm. Thomas Hayward (ret.)	Former Chief of Naval Operations, Commander-in-Chief of the U.S. Pacific Fleet
10:45 - 11:00	Richard W. Westerdale II, P.E.	Senior Advisor, Bureau of Energy Resources, U.S. Department of State
11:00 - 11:10	Q&A	
Panel 2B. Protecting the Environment		
10:10 AM - 11:10 AM Liberty Hall 1-3		
10:10 - 10:15	Isaac Orr (moderator)	Research Fellow, The Heartland Institute
10:15 - 10:30	Todd Myers	Environmental Director, Washington Policy Center
10:30 - 10:45	H. Sterling Burnett, Ph.D.	Research Fellow, The Heartland Institute
10:45 - 11:00	Jay Lehr, Ph.D.	Science Director, The Heartland Institute
11:00 - 11:10	Q&A	
10 MINUTE BREAK TO SWITCH PANELS, MIC UP SPEAKERS		
Panel 3A. The Shale Oil and Gas Revolution		
11:20 AM – 12:20 PM Liberty Hall 4-6		
11:20 - 11:25	Bette Grande (moderator)	Senior Fellow, The Heartland Institute
11:25 - 11:40	Isaac Orr	Research Fellow, The Heartland Institute
11:40 - 11:55	Mark Krumenacher	Senior Vice President, GZA GeoEnvironmental, Inc.
11:55 - 12:10	Joe Leimkuhler	Vice President of Drilling, LLOG Exploration
12:10 - 12:20	Q&A	
Panel 3B. Peace Dividend: Benefits of Ending the War on Fossil Fuels		
11:20 AM – 12:20 PM Liberty Hall 1-3		

Time	Speaker	Title and affiliation
11:20 - 11:25	H. Sterling Burnett, Ph.D. (moderator)	Research Fellow, The Heartland Institute
11:25 - 11:40	Kevin Dayaratna, Ph.D.	Senior Statistician, The Heritage Foundation
11:40 - 11:55	Ross McKittrick, Ph.D.	Professor of Economics, University of Guelph
11:55 - 12:10	TBA	
12:10 - 12:20	Q&A	
12:20 - 12:50 BREAK to set Liberty Hall 4-6 for plenary session		
Lunch Keynote		
12:50 PM – 2:10 PM Liberty Hall 4-6		
1:15 - 1:25	Tim Huelskamp, Ph.D.	President, The Heartland Institute (remarks and introduction)
1:25 - 1:45	Alan Chamberlain (keynote)	President and Chief Geologist, Cedar Strat Corp.
1:45 - 1:50	Tim Huelskamp, Ph.D.	President, The Heartland Institute (remarks and introduction)
1:50 - 2:10	Hon. Jeff Landry (keynote)	Louisiana Attorney General
2:10 - 2:10	Jim Lakely	Director of Communications, The Heartland Institute (info on next sessions)
2:10 - 2:40 BREAK to set Liberty Hall 4-6 for panel		
Panel 4A. The Future of Coal		
2:40 PM - 3:40 PM Liberty Hall 4-6		
2:40 - 2:45	Fred Palmer (moderator)	Senior Fellow, The Heartland Institute
2:45 - 3:00	Robert E. Murray	CEO, Murray Energy Corporation,
3:00 - 3:15	Joe Craft (or VP Health Lovell; Fred arranging)	CEO Alliance Resource Partners, L.P.
3:15 - 3:30	Bud Weinstein, Ph.D.	Associate Director, Maguire Energy Institute; Adjunct Professor of Business Economics, SMU
3:30 - 3:40	Q&A	
Panel 4B. Energy, Climate, and Human Health		
2:40 PM - 3:40 PM Liberty Hall 1-3		

Time	Speaker	Title and affiliation
2:40 - 2:45	Steve Milloy, M.H.S., J.D. (moderator)	Founder and Editor, Junkscience.org
2:45 - 3:00	James E. Enstrom, Ph.D., M.P.H.	President, Scientific Integrity Institute
3:00 - 3:15	John Dale Dunn, M.D., J.D.	Physician and Policy Advisor, The Heartland Institute
3:15 - 3:30	Robert Phalen, Ph.D.	Professor of Medicine, University of California, Irvine
3:30 - 3:40	Q&A	
10 MINUTE BREAK TO SWITCH PANELS, MIC UP SPEAKERS		
Panel 5A. The Cost of Excessive Regulation		
3:50 PM – 4:50 PM Liberty Hall 4-6		
3:50 - 3:55	Isaac Orr (moderator)	Research Fellow, The Heartland Institute
3:55 - 4:10	Rich Trzupsek	Principal Consultant, Trinity Consultants, LLC
4:10 - 4:25	Perhaps: Chuck Cunningham	Senior Vice President for GR and External Affairs, Securing America’s Future Energy (SAFE)
4:25 - 4:40	Peter Hartley, Ph.D.	George and Cynthia Mitchell Chair in Sustainable Development and Environmental Economics and Professor of Economics, Rice University
4:40 - 4:50	Q&A	
Panel 5B. Endangerment Finding		
3:50 PM - 4:50 PM - Liberty Hall 1-3		
3:50 - 3:55	Steve Milloy, M.H.S., J.D. (moderator)	Founder and Editor, Junkscience.org
3:55 - 4:10	David Schnare, Ph.D., J.D.	Trump Transition Team Member, Environmental Protection Agency
4:10 - 4:25	Richard Belzer, Ph.D.	Former staff economist, U.S. Office of Management and Budget
4:25 - 4:40	Harry MacDougald, J.D.	Caldwell, Propst & DeLoach, LLP
4:40 - 4:50	Q&A	
10 MINUTE BREAK TO SWITCH PANELS, MIC UP SPEAKERS		
Panel 6A. Energy and Agriculture		

Time	Speaker	Title and affiliation
5:00 PM – 6:00 PM Liberty Hall 4-6		
5:00 - 5:05	Bette Grande (moderator)	Senior Fellow, The Heartland Institute
5:05 - 5:20	Craig Idso, Ph.D.	Chairman, Center for the Study of Global Change Lead author of <i>Climate Change Reconsidered</i>
5:20 - 5:35	Leighton Steward, Ph.D.	Founding Board Member, CO2 Coalition
5:35 - 5:50	Michelle Smith	Vice President, Land The Quiat Companies
5:50 - 6:00	Q&A	
Panel 6B. Reforming EPA		
5:00 PM – 6:00 PM Liberty Hall 1-3		
5:00 - 5:05	H. Sterling Burnett, Ph.D. (moderator)	Research Fellow, The Heartland Institute
5:05 - 5:20	Steve Milloy, M.H.S., J.D.	Founder and Editor, Junkscience.org
5:20 - 5:35	David Stevenson	Director, Center for Energy Competitiveness, Caesar Rodney Institute
5:35 - 5:50	Myron Ebell	Director of Energy and Global Warming Policy, Competitive Enterprise Institute
5:50 - 6:00	Q&A	
6:00 - 6:30 BREAK to set Liberty Hall 4-6 for plenary session		
Dinner Keynote		
6:30 PM – 8:15 PM Liberty Hall 4-6		
7:30 - 7:40	Tim Huelskamp, Ph.D.	President, The Heartland Institute (comments and introduction)
7:40 - 8:05	David Bernhardt (keynote)	Deputy Secretary, U.S. Department of Interior
8:05 - 8:15	Joseph Bast	CEO, The Heartland Institute (closing remarks)
END OF PROGRAM		

To: David Bernhardt ((b)(6) - Bernhardt) ((b)(6) - Bernhardt)
Cc: gareth_rees@ios.doi.gov[gareth_rees@ios.doi.gov]; Smith, Jennifer[jennifer.smith@squirepb.com]
From: Smith, Lem O.
Sent: 2017-11-29T18:08:17-05:00
Importance: Normal
Subject: Deputy Secretary Request for Follow-Up: BOEM Supplemental Bonding
Received: 2017-11-29T18:08:38-05:00
[Fieldwood Bonding Letter regarding release of bonds 2-22-2017.pdf](#)
[2231_001.pdf](#)

Deputy Secretary Bernhardt,

Thank-you for your and Associate Deputy Secretary Cason's time in meeting with Gulf Energy Alliance CEOs regarding ongoing challenges to investment on the Gulf of Mexico OCS ("GOM shelf"), and Obama's financial assurance NTL ("2016 NTL") in particular. Near the end of the meeting, some companies referenced perceived actions taken by BOEM in spite of the current suspension of the 2016 NTL, and you requested follow-up.

While we continue to gather information from other alliance operators, we wanted to respond in a timely manner: One large GOM shelf operator ("Fieldwood") has requested that BOEM release more than \$11MM in supplemental bonds on properties mistakenly identified by the agency as "sole liability properties." For your quick reference, attached are as follows:


1. February 22nd, 2017 Fieldwood Letter to BOEM requesting release of bonds re: Misidentified Sole Liability Properties (\$13,062,000);
2. November 16th, 2017 Fieldwood Letter to BOEM requesting release of remaining \$11,747,000 (with accompanying schedule of remaining properties, following release of one bond).

Please let me know if you or your staff require more information. The 11/16/2017 letter was discussed with BOEM Regional Staff in-person just before the holidays, and we certainly appreciate their willingness to consider our request and their ongoing commitment to open dialogue.

In closing, we understand the numerous and complex regulatory priorities of the Department at present. Therefore, your time and attention to resolution of the BOEM financial assurance matter and development of a replacement NTL, which protects the taxpayer while fostering a responsible and robust industry for years to come, is greatly appreciated.

Gareth, a special thanks to you for scheduling our time.

Regards,
Lem

SQUIRE 
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46 Offices in 20 Countries

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#US

November 16, 2017

VIA FEDEX

Michael Celata, Regional Director, Gulf of Mexico OCS Region
United States Department of Interior
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Re: BOEM Orders to Provide Additional Security

Dear Mr. Celata:

On September 25, 2017, the Bureau of Ocean Energy Management (“BOEM”) issued an Order to Provide Financial Assurance (the “Orders”) to Fieldwood Energy LLC, Fieldwood Energy Offshore LLC, Fieldwood Energy SP LLC and Bandon Oil and Gas, LP (collectively “Fieldwood”). Although I understand the Regional Director has the authority to issue supplemental bonding demands for sole liability properties, a commitment was made to Fieldwood that we would not receive any such demands until a new NTL regarding financial assurance was issued.

Fieldwood has been in communication with the BOEM regarding these Orders. By letter dated October 23, 2017, BOEM informed Fieldwood of its conclusion that ROW OCS-G 29316 is not a sole liability property and consequently removed it from the Order.

Thereafter, on November 3, 2017, Fieldwood requested that the BOEM remove ROWs OCS-G 28751, PSN 19456 and OCS-G 29255, PSN 19158 from the Order. Fieldwood’s regulatory team has been in regular communication with BSEE dating back to July 2016 regarding removal of PSN 18890.. Fieldwood has completed substantially all of the abandonment work associated with PSN 19158 and cannot complete the abandonment of that pipeline until BSEE responds to the aforementioned permit for PSN 18890. Frank Patton with BSEE has advised that Angie Gobert is ultimately responsible for making that decision but we have been waiting on a response from BSEE since July 23, 2016. Nevertheless, we were notified on November 15, 2017, that the BOEM rejected our request to remove these ROWs from the Orders.

Additionally, in May 2016 Fieldwood provided \$13,062,000 in supplemental bonds that the BOEM previously determined to be sole liability properties. Both the BOEM and Fieldwood have since agreed that those properties were improperly classified as sole liabilities. Fieldwood formally requested the release of those bonds by letter dated February 22, 2017. As of today, however, only one of those bonds has been released. We again request that the BOEM release

G.M. McCarroll
President & Chief Executive Officer
Direct: 713-969-1015
E-Mail: MattM@Fwellc.com

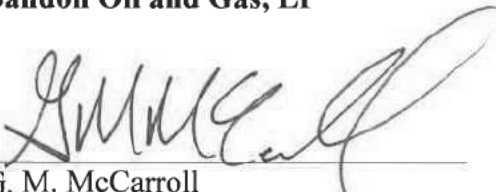
the remaining supplemental bonds posted for the properties listed on the attached Schedule A and which total \$11,747,000.

Indeed, based on our discussions with others at the Department of Interior, it is my understanding that releasing these bonds, as requested, would be entirely consistent with the intent of DOI leadership.

Fieldwood is requesting that the BOEM extend the deadline set forth in the Orders for submitting additional security to a later date to be agreed upon at our quarterly in-person meeting scheduled for December 15, 2017.

Sincerely,

Fieldwood Energy LLC
Fieldwood Energy SP LLC
Fieldwood Energy Offshore LLC
Bandon Oil and Gas, LP



G. M. McCarroll
President and Chief Executive Officer

Enclosures

Attached to and made part of that certain Letter dated November 16, 2017 from Fieldwood Energy LLC to the Bureau of Ocean Energy Management

Schedule "A"

Misidentified Sole Liability Properties									
BOEM Lease No.	Platform / Segment	Area/Block	Status	Rights	Predecessor in Title	Co-Lessees	Operator	BSEE Decom Liability as of 10/6/2017	Bond Amount
G29056	PSN 14073	EI 188	OUT	ROW	Apache	None	FE	\$ 388,462	\$ 520,000
G02139	PSN 1127	EI 297	ACT	ROW	Pennzoil, Devon, Apache	Ridgewood	FE	\$ 967,480	\$ 565,000
G30244	A, B, C-QTR	EI 63	ACT	RUE	Hunt	Exxon	FEO	\$ 12,762,197	\$ 1,423,000
G30195	A	GA 255	TERM	RUE	Petrofina, Valero, Samedan	None	FEO	\$ 5,089,685	\$ 1,065,000
G23643	A	MI 686	TERM	RUE	Chevron	Chevron	GOM	\$ 5,216,967	\$ 1,195,000
G30248	B	SM 146	ACT	RUE	McMoRan, Hunt, Newfield	None	FEO	\$ 2,745,228	\$ 1,070,000
G30200	A	SM 147	ACT	RUE	ConocoPhillips, Newfield, McMoRan, Piquant	None	FEO	\$ 3,553,732	\$ 1,300,000
G30201	A	SS 80	ACT	RUE	Chevron, ConocoPhillips	Calypso, Knight, Rooster	FEO	\$ 1,168,181	\$ 800,000
G30213	A/A-Aux	VR 315	ACT	RUE	BP, Noble, Walter	None	FEO	\$ 6,655,051	\$ 2,375,000
G30173	A/A-Aux	WD 86	ACT	RUE	ConocoPhillips, Marathon, Hess, Newfield	None	FEO	\$ 5,435,711	\$ 1,434,000
								\$ 43,982,694	\$ 11,747,000

February 22, 2017

VIA FEDEX

Michael Celata, Regional Director, Gulf of Mexico OCS Region
United States Department of Interior
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Re: Release of Supplemental Bonds - Misclassified Sole Liability Properties

Dear Mr. Celata:

We recently received notice that the BOEM is withdrawing all sole liability orders issued to OCS lease, ROW, and RUE holders to allow time for the new Administration to review the complex financial assurance program. We applaud the BOEM's actions and agree that the new financial assurance program is complex and should be modified to require a minimal level of financial assurances with the two-part goal of encouraging future OCS development by major and independent producers alike, and ensuring that the American taxpayer will never be required to pay for P&A liability associated with OCS wells and facilities.

As you know, from our previous letters and discussions, in May 2016, Fieldwood Energy LLC or its subsidiaries (collectively "Fieldwood") provided \$13,062,000 in supplemental bonds for certain leases, RUEs and ROWs listed on the enclosed Schedule A that the BOEM had previously determined to be Sole Liability Properties. Both the BOEM and Fieldwood have now concluded that the properties listed on Schedule A were improperly classified as sole liability and Fieldwood should not have been required to post supplemental bonds for these properties at that time.

We again request that the BOEM release the supplemental bonds posted for the properties listed on Schedule A. Attached for your review are copies of each of these supplemental bonds. The surety for each of these bonds may be contacted through its designated representative at the following address:

IndemCo
777 Post Oak Blvd, Suite 330
Houston Texas 77056
Attn: Michele Tyson, Underwriting Manager
mtyson@indemco.com
713-355-3100 ext. 1314



G.M. McCarroll
President & Chief Executive Officer
Direct: 713-969-1015
E-Mail: MattM@Fwellc.com

In the event you need additional information to effectuate releases of the bonds listed on Schedule A, please do not hesitate to contact me at your earliest convenience.

Sincerely,

Fieldwood Energy LLC

G. M. McCarroll
President and Chief Executive Officer

Fieldwood Energy Offshore LLC

G.M. McCarroll
President

GOM Shelf LLC

G.M. McCarroll
President

Cc:
Bureau of Ocean Energy Management
Financial Responsibility Unit
1201 Elmwood Park Boulevard
Mail Stop 266A
New Orleans, Louisiana 70123-2394
Attn: Kathleen Lee

Enclosures

To: Vincent Devito[vincent_devito@ios.doi.gov]
From: Paul Goodwine
Sent: 2017-12-07T15:07:05-05:00
Importance: Normal
Subject: RE: Proposed NTL
Received: 2017-12-07T15:07:16-05:00
LLOG NTL Proposal - Short Version - 12.6.17.DOCX
Re: LLOG Meeting on Financial Assurance

Vincent:

Please find attached our thoughts regarding a starting point for a replacement NTL for NTL 2016 N01. Invariably, there will be issued spotted and some holes to fill, but we believe the attached is straightforward and blends DOI/Taxpayer protections without overly impacting industry. Hopefully, it is a good starting point or presents issues worth discussing further. Although not stated explicitly, there is a high degree of Regional Director discretion built into this, which we believe is important.

Of course, we are happy to discuss, either over the phone or in a face to face meeting, at your convenience. Please let us know if you would like to take that step.

Also, Eric Turner sent me the attached email. Should I forward this to Eric or is that something y'all will do internally?

Thanks,

P.J.

Paul J. Goodwine | Attorney
Looper Goodwine P.C.
650 Poydras Street, Suite 2400 | New Orleans, LA 70130
D: 504.503.1515 | C: 504.615.3021
E: pgoodwine@loopergoodwine.com | www.loopergoodwine.com

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From: Vincent Devito [mailto:vincent_devito@ios.doi.gov]
Sent: Tuesday, December 5, 2017 10:21 AM
To: Paul Goodwine <pgoodwine@loopergoodwine.com>
Subject: Re: Proposed NTL

Thank you.

On Dec 5, 2017, at 10:03 AM, Paul Goodwine <pgoodwine@loopergoodwine.com> wrote:

Vincent:

God morning. I just got some more comments back from LLOG regarding the short form proposed NTL concepts. I will be working on it some more today and tonight, and should be able to send in the morning.

P.J.

Paul J. Goodwine | Attorney
Looper Goodwine P.C.
650 Poydras Street, Suite 2400 | New Orleans, LA 70130
D: 504.503.1515 | C: 504.615.3021
E: pgoodwine@loopergoodwine.com | www.loopergoodwine.com

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**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT**

NTL No. 201__ - ____

Date _____

**NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS
AND SULFUR LEASES, AND HOLDERS OF PIPELINE RIGHTS-OF-WAY
AND RIGHTS-OF-USE AND EASEMENT GRANTS IN THE OUTER
CONTINENTAL SHELF**

Supplemental Financial Assurance for OCS Infrastructure

Introduction

The Bureau of Ocean Energy Management (BOEM) is issuing this Notice to Lessees and Operators (NTL) to clarify the procedures and criteria that BOEM Regional Directors use to determine if and when additional security, pursuant to 30 CFR § 556.901(d)-(f), may be required for Outer Continental Shelf (OCS) leases, pipeline rights-of-way (ROW), and rights-of-use and easement (RUE). This NTL supersedes and replaces NTL No. 2008-N07 and NTL No. 2016-N01. The guidance and clarification of requirements described in this NTL apply to all BOEM Regions. Additionally, this NTL has been reformatted, revised, and updated to include correct Bureau names and contact information, citations, and web addresses.

This NTL, issued by the BOEM Director, details several changes in policy that are within the scope of the existing regulations and the discretion vested in the Regional Directors. This NTL discontinues the policies under NTL No. 2008-N07 and NTL No. 2016-N01. This NTL also attempts to further the policies of the Department of the Interior articulated in 43 U.S.C. § 1332 (Congressional Declaration of Policy) by coupling supplemental financial assurance which may be required pursuant to 30 CFR § 556.901(d) with incentives to expeditiously address and eliminate decommissioning obligations for infrastructure associated with leases, ROWs and RUEs located in federal waters.

Authority and Background

BOEM regulations at 30 CFR part 556, Subpart I, set forth a multi-tiered financial assurance system applicable to oil and gas and sulfur leases to ensure that OCS obligations will be met. There are three stages in the life of a lease when financial assurance is required by regulation: (1) lease issuance, (2) approval of an exploration plan, and (3) approval of a development and production plan or a development operations coordination document (see 30 CFR §§ 556.900(a), and 556.901(a) & (b)). However, at any time, the Regional Director may determine that additional security is necessary (30 CFR § 556.901(d)).

BOEM regulations contain similar financial assurance requirements applicable to ROWs and RUEs. The additional security regulation applicable to ROWs is found at 30 CFR § 550.1011(a)(2). The additional security regulation applicable to RUEs associated with state leases is 30 CFR § 550.166(b).

BOEM regulations at 30 CFR § 550.160(c) state that a Federal lessee/RUE holder must meet bonding requirements. With respect to RUEs associated with Federal leases, this NTL applies to any demand to increase the amount of the bond or other financial assurance after the initial bond is established.

Self-Insurance

BOEM will require all entities qualified with BOEM to submit, by June 1 of every calendar year unless an extension is granted by BOEM in writing, audited annual financial statements for the prior year and related documentation, certified as accurate by a duly authorized representative of the submitting entity, sufficient for BOEM to conduct an analysis of the entity consistent with the guidelines contained within this NTL. Any entity failing to submit such audited financial statements and related documentation shall automatically be deemed to forfeit any right to self-insurance as discussed below.

All entities submitting to BOEM audited financial statements and related documentation shall qualify for self-insurance in an amount equal to fifty (50%) percent of its “Self-Insurance Coverage Allotment.” The Self-Insurance Coverage Allotment is such entity’s total net worth from its balance sheet (including non-controlling interests) minus the sum total of all of its decommissioning liabilities for infrastructure supporting production for “short term reserves.” “Short term reserves” is defined as all categories of proved reserves with a PV10 value (as determined by utilizing guidelines approved and adopted by the Securities and Exchange Commission) of less than 1.5 times the Bureau of Safety and Environmental Enforcement (BSEE) assessed decommissioning for all infrastructure supporting such reserves. BOEM may decrease an entity’s Self-Insurance Coverage Allotment based upon the analytical factors included in 30 CFR § 556.901(d)(i)-(v). BOEM’s analysis of each factor may decrease an entity’s Self-Insurance Coverage Allotment by 0-10% per factor, with major weighting for each of the factors being applied to an analysis of an entity’s ability to adequately address decommissioning of infrastructure supporting its short term reserves. Further information on each analytical factor which may decrease the Self-Insurance Coverage Allotment is included in Attachments 1-5, and BOEM’s analysis of any financial ratios and other criteria shall be conducted consistent with industry customs and practices prevalent in OCS. An entity’s awarded Self-Insurance Coverage Allotment can be applied to any of its decommissioning liabilities.

Categories of Decommissioning

An entity’s decommissioning liabilities shall be placed into one of four categories: (i) Short-Term Decommissioning Liabilities; (ii) Long-Term Decommissioning Liabilities; (iii) Exploratory Decommissioning Liabilities; and (iv) High Risk Decommissioning Liabilities. These categories are further defined as follows:

- **Short-Term Decommissioning Liabilities:** Decommissioning liabilities for infrastructure supporting proved reserves with a PV10 value (as determined by utilizing guidelines approved and adopted by the Securities and Exchange Commission) of less than 1.5 times the BSEE assessed decommissioning liabilities associated therewith.
- **Long-Term Decommissioning Liabilities:** Decommissioning liabilities for infrastructure supporting proved reserves with a PV10 value (as determined by utilizing guidelines approved and adopted by the Securities and Exchange Commission) of greater than 1.5 times the BSEE assessed decommissioning liabilities associated therewith.

- **Exploratory Decommissioning Liabilities:** Decommissioning liabilities associated with drilling activities designed to create proved reserves pursuant to an approved Exploration Plan.
- **High Risk Decommissioning Liabilities:** Decommissioning liabilities determined by BOEM which do not meet the definitions of Short-Term Decommissioning Liabilities, Long-Term Decommissioning Liabilities, or Exploratory Liabilities and which, in BOEM's reasonable determination, present a significant risk such that the Department of the Interior, on behalf of the United States Taxpayers, may need to perform requisite decommissioning activities.

Financial Assurance for Short-Term Decommissioning Liabilities

An entity may apply some or all of its Self-Insurance Coverage Allotment as financial assurance for its Short-Term Decommissioning Liabilities. If an entity is not awarded sufficient Self-Insurance Coverage Allotment, or if such entity chooses not to deploy all of its Self-Insurance Coverage Allotment to Short-Term Decommissioning Liabilities, such entity may provide BOEM with any type of financial assurance contemplated by 30 CFR 556 § 902(e) or 30 CFR 556 § 904 for such liabilities. In lieu thereof, BOEM will accept cross-applicable financial assurance covering all of an entity's Short-Term Decommissioning Liabilities in the amount of \$25 million pledged or provided on a cross-applicable basis to cover all such liabilities classified as Short-Term Decommissioning Liabilities.

Financial Assurance for Long Term Decommissioning Liabilities

Individual tailored plans need to be submitted for Long-Term Decommissioning Liabilities. An entity may propose for BOEM's consideration a single tailored plan for all of its Long-Term Decommissioning Liabilities or series of tailored plans, either on a stand-alone basis or with other liable entities, for specific infrastructure jointly owned or utilized to support joint operations, which can include tailored plans submitted for an entire development field. Such tailored plans shall be funded on an agreed upon schedule such that full security for covered infrastructure will be provided by the time the characterization of such infrastructure becomes re-classified as Short-Term Decommissioning Liabilities. Although any form of security contemplated by 30 CFR 556 § 902(e) or 30 CFR 556 § 904 may be utilized as financial assurance within tailored plans for Long-Term Decommissioning Liabilities, BOEM will encourage the utilization of abandonment accounts pursuant to 30 CFR 556 § 904 by making funds on deposit in such accounts available to the designated operator for direct payment to the contractors performing the decommissioning without a default or distress scenario being recognized.

Financial Assurance for Exploratory Decommissioning Liabilities

BOEM recognizes that exploratory activities must be encouraged, that exploratory activities are not always associated with proved reserves, and that rigs capable of performing decommissioning are usually on sight when exploratory activities are conducted. As such, BOEM will require supplemental financial assurance for exploratory activities with the assumption that the rig and equipment utilized for the exploratory activities can and will be utilized to perform decommissioning activities if completion activities will not be pursued. Decommissioning assessments for exploratory decommissioning activities shall remain covered by Financial Assurance for Exploratory Decommissioning Liabilities until proved reserves associated therewith move the infrastructure to another category of decommissioning liabilities. In lieu of individual financial assurance for such one-off exploratory

activities, entities may post a single areawide \$15 million exploratory bond or other form of financial assurance contemplated by 30 CFR 556 § 902(e) or 30 CFR 556 § 904 to cover its successive exploratory activities.

Financial Assurance for High Risk Decommissioning Liabilities

For any decommissioning liabilities which do not fit within Short-Term Decommissioning Liabilities, Long-Term Decommissioning Liabilities, or Exploratory Decommissioning Liabilities, BOEM may require any form of financial assurance contemplated by 30 CFR 556 § 902(e) or 30 CFR 556 § 904 immediately and prior to the commencement or continuation of any additional exploratory, development, or production activities.

Additional Implementation Guidance

A. Joint Ownership and Joint and Several Liability

BOEM recognizes that a significant amount of infrastructure used to support exploration, production, and development activities is jointly owned and BOEM maintains joint and several liability protections in relation to present owners of such infrastructure. As such, BOEM, and with cooperation from BSEE, will recognize joint ownership and joint and several liability as to present owners in its financial assurance program and will, where feasible, direct all demand for financial assurance to all jointly and severally liable parties with an interest in applicable infrastructure in lieu of just making demands as to the designated operators. BOEM will continue to review its policies and procedures, consistent with applicable regulations, to facilitate the ability for infrastructure on the OCS to be jointly owned and to expand as appropriate the entities with joint and several liability to the Department of the Interior.

B. Dual Oblige Security

BOEM and the industry recognize the importance of joint and several liability protections of the Department of the Interior and the United States taxpayer both for jointly owned property and for predecessors in interest for liabilities which accrued while such predecessor owned or utilized such infrastructure. Nothing in this NTL impinges on such protections in any way. In further support thereof, and to better encourage liability mitigation for jointly and severally liable parties, BOEM will encourage the use of dual oblige security where feasible to provide predecessor performing decommissioning access to supplemental financial assurance contemplated by this NTL. As a general rule, BOEM will endeavor to utilize dual oblige security with predecessors in title to facilitate lease, ROW, and infrastructure transfers and to ensure that predecessors are encouraged to perform decommissioning in an expeditious manner if the need arises.

Likewise, to ensure that any and all financial assurance is used to expeditiously mitigate decommissioning liabilities, any and all financial assurance procured by BOEM will, to the extent feasible, be treated as dual oblige security with the designated operator for the specific infrastructure at the time decommissioning is required.

C. Recognition of Company Generated Asset Retirement Obligation Estimates

BOEM recognizes that, as a part of their financial statement preparation process, entities need to comply with Generally Accepted Accounting Principles and to accurately track and report their asset retirement obligations. In addition, BOEM recognizes that applicable regulations do not mandate utilization of BSEE assessments for financial assurance purposes. As such, for tailored plan purposes associated with Long Term Decommissioning Liabilities, BOEM will utilize, at the entity's request, verifiable third party estimates for decommissioning infrastructure associated with Long Term Decommissioning Liabilities.

D. Phase In Approach

BOEM recognizes that the pronouncements included in this NTL will require a phase in over time and will communicate with industry as to an appropriate timetable for compliance.

E. Adherence to Regulations and Continued Protection of the Department of the Interior and the United States Taxpayer

BOEM provides this NTL as guidance for financial assurance generally and does not commit to adhere to the guidance herein for all entities and for all situations. Consistent with the regulations, BOEM can demand supplemental financial assurance from any entity to ensure appropriate protections are afforded the Department of the Interior and the United States taxpayer.

Addresses

Use the following contacts to obtain further information or to submit information:

Alaska OCS:

Bureau of Ocean Energy Management
Alaska OCS Region
3801 Centerpoint Drive, Suite 500 Mail
Stop AM500
Anchorage, AK 99503-5823

Gulf of Mexico & Atlantic OCS:

Bureau of Ocean Energy Management Gulf
of Mexico OCS Region
1201 Elmwood Park Boulevard, Mail Stop GM 250E
New Orleans, LA 70123-2394

Pacific OCS:

Bureau of Ocean Energy Management
Pacific OCS Region
760 Paseo Camarillo, Ste. 102
Mail Stop CM102
Camarillo, CA 93010-6002

For further information on BOEM’s additional security guidelines and forms, please refer to the websites listed in the Attachment.

Guidance Document Statement

BOEM issues NTLs as guidance documents in accordance with 30CFR § 550.103 to clarify and provide more detail about certain BOEM regulatory requirements and to outline the information to be provided in various submittals. Under that authority, this NTL sets forth a policy on, and an interpretation of, regulatory requirements to provide a clear and consistent approach for complying with those requirements.

Paperwork Reduction Act of 1995 (PRA) Statement

The information collection is needed for the efficient administration of the financial assurance provision in 30 CFR part 556. The Office of Management and Budget (OMB) has approved the information collection requirements in that part and assigned OMB Control Number 1010-0006. This NTL also refers to approved information collection requirements in 30 CFR part 550), Subpart A (OMB Control Number 1010-0144). This NTL does not impose additional information collections requirements subject to the PRA.

Name:
Director
Bureau of Ocean Energy Management

Date:

Attachment 1 Financial Capacity

Consistent with 30 CFR § 556.901(d)(1)(i), Financial Capacity substantially in excess of existing and anticipated lease and other obligations, as evidenced by your most recent (not more than 12 months old) audited financial statements, is demonstrated in part by applicable financial criteria, including but not limited to, those listed below:

Current Ratio

What it is: It divides a firm's current assets by its current liabilities. Consideration should be given to any current maturities of long-term debt that are refinanced to long-term debt subsequent to the balance sheet date but are disclosed in the footnotes to the financial statements.

Why it is important: The current ratio measures a firm's ability to pay its debts over the next 12 months. The higher the ratio, the more easily the company can pay its obligations.

Potential Deduction from Self-Insurance Coverage Allotment for Insufficient Ratio: 1-2%

Debt/EBITDA

What it is: Debt divided by EBITDA. Debt is the total of a company's long- and short-term debts. EBITDA is the company's total earnings before excluding interest, taxes, depreciation and amortization. Amounts recorded as non-cash impairment charges, such as full-cost ceiling writedowns, should be treated the same as depreciation when calculating EBITDA because these charges are of the same nature as depreciation.

Why it is important: EBITDA evaluates a company's profitability, focusing on operations and minimizing financing decisions and accounting practices. In general, a high ratio of debt to EBITDA reveals a company that is deeply in debt.

Potential Deduction from Self-Insurance Coverage Allotment for Insufficient Ratio: 1-2%

Debt/Equity

What it is: Another measure of a company's financial leverage, calculated as the company's total debt divided by its stockholders' equity. Debt should include all amounts for borrowed money.

Why it is important: The Debt/Equity ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity, in other words, how much of the company's financing comes from debt rather than from shareholders. The higher the ratio, the more the company relies on debt to finance its operations. In general, a higher ratio is less of a concern for a large and well-established company than it is for a small or new company.

Potential Deduction from Self-Insurance Coverage Allotment for Insufficient Ratio: 1-2%

Cash Flow/Total Debt

What it is: A company's operating cash flow from its statement of cash flows divided by its total debt. Debt should include all amounts for borrowed money.

Why it is important: This ratio measures a company's ability to cover total debt with its yearly cash flow from operations. This ratio shows how much money the company generated in the reporting period as a result of running its business, rather than just obtaining money through financing their operations with investor money or loans. A higher ratio indicates a better ability to carry its total debt.

Potential Deduction from Self-Insurance Coverage Allotment for Insufficient Ratio: 1-2%

Return on Equity

What it is: Return on equity (ROE) is the amount of net income returned as a percentage of shareholder's equity. The ratio is calculated by dividing an entity's annual net income by its total equity (including equity attributable to non-controlling interests).

Why it is important: ROE measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Potential Deduction from Self-Insurance Coverage Allotment for Insufficient Ratio: 1-2%

BOEM will not utilize specific thresholds for each of the ratios listed above to determine that an entity possesses sufficient financial capacity substantially in excess of existing and anticipated lease and other obligations. Instead, BOEM shall analyze these ratios for each entity with an emphasis being placed on the entity's ability to satisfy decommissioning associated with short term proved reserves.

Based upon BOEM's analysis of these ratios comprising Financial Capacity, an entity's Self-Insurance Coverage Allotment may be decreased between 0-10% in total.

Attachment 2
Projected Financial Strength

Consistent with 30 CFR § 556.901(d)(1)(ii), Projected Financial Strength is determined by comparing the estimated value of an entity's existing OCS lease production and all proved reserves of future production consistent with guidelines approved and adopted by the Securities and Exchange Commission for classification of reserves as proved to the entity's decommissioning liabilities associated with infrastructure supporting short term reserves. BOEM will not utilize specific thresholds in comparing existing production and proven reserves to decommissioning liabilities for infrastructure supporting short term reserves.

Based upon BOEM's analysis of an entity's Projected Financial Strength, an entity's Self-Insurance Coverage Allotment may be decreased between 0-10% in total.

Attachment 3
Business Stability

Consistent with 30 CFR § 556.901(d)(1)(iii), Business Stability is based upon five years of continuous operation and production on the OCS or onshore by the qualified entity or core management of such entity or any of its affiliates and a subjective analysis of the strengths of such company and management team.

Based upon BOEM's analysis of an entity's Business Stability, an entity's Self-Insurance Coverage Allotment may be decreased between 0-10%.

Attachment 4
Reliability

Consistent with 30 CFR § 556.901(d)(1)(iv), Reliability is based upon an entity's credit rating from Moody's or Standard and Poor's or trade references less than one year old. BOEM will not penalize any entity that does not have a credit rating and will instead rely solely on trade references. Trade references may be tendered from service providers or financial institutions providing debt financing of financial accommodations.

Based upon BOEM's analysis of an entity's Reliability, an entity's Self-Insurance Coverage Allotment may be decreased between 0-10%.

Attachment 5
Record of Compliance

Consistent with 30 CFR § 556.901(d)(1)(v), an entity's Record of Compliance is based upon debarments or assessments of civil penalties of \$100,000 for a single incident or \$500,000 for a series of incidents issued by BOEM, BSEE, or another federal agency with regulatory supervision for OCS activities, with all such civil penalties being used for analysis being assessed within the preceding three calendar years.

Based upon BOEM's analysis of an entity's Record of Compliance, an entity's Self-Insurance Coverage Allotment may be decreased between 0-10%.

To: Paul Goodwine[pgoodwine@loopergoodwine.com]
From: Turner, Eric
Sent: 2017-12-05T10:16:29-05:00
Importance: Normal
Subject: Re: LLOG Meeting on Financial Assurance
Received: 2017-12-05T10:17:21-05:00

I appreciate the update.
Thanks,
-Eric T.

Eric Turner
Chief, Risk Management Policy Group
Bureau of Ocean Energy Management
Phone: 703 787 1735

On Tue, Dec 5, 2017 at 10:01 AM, Paul Goodwine <pgoodwine@loopergoodwine.com> wrote:

Eric:

I just got off the phone with LLOG. We plan to have the proposed short form NTL done by tomorrow. We'll send as the day progresses tomorrow.

Paul J. Goodwine | Attorney

Looper Goodwine P.C.

650 Poydras Street, Suite 2400 | New Orleans, LA 70130

D: 504.503.1515 | C: 504.615.3021

E: pgoodwine@loopergoodwine.com | www.loopergoodwine.com

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From: Paul Goodwine
Sent: Monday, December 4, 2017 9:53 AM
To: Turner, Eric <eric.turner@boem.gov>
Subject: Re: LLOG Meeting on Financial Assurance

Working on it. Should be done in a day or two.

Sent from my iPhone

Paul J. Goodwine

Looper Goodwine PC

Office: (504) 503-1515

Cell: (504) 615-3021

Contents of this Email are Strictly Confidential

On Dec 4, 2017, at 9:52 AM, Turner, Eric <eric.turner@boem.gov> wrote:

P.J.

I heard that you were in a recent meeting on financial assurance with LLOG, where a possible two page proposal on financial assurance was discussed. Any traction behind this and if so, is this something you can share?

Thanks,

-Eric T.

Eric Turner

Chief, Risk Management Policy Group

Bureau of Ocean Energy Management

Phone: 703 787 1735

To: Vincent Devito[vincent_devito@ios.doi.gov]
Cc: Ojeda-dodds, Gisella[gisella_ojeda-dodds@ios.doi.gov]; Kemps, David[David.Kemps@morganstanley.com]; christopher_stolte@ios.doi.gov[christopher_stolte@ios.doi.gov]; Richard Linville[richard.linville@capalphadc.com]
From: James Lucier
Sent: 2018-01-10T17:03:32-05:00
Importance: Normal
Subject: Re: Meeting Request -- Morgan Stanley -- January 17/18
Received: 2018-01-10T17:04:36-05:00

Dear Mr DeVito:
What dates did you have in mind?

I think that Capital Alpha Partners could probably sponsor investor briefings in New York or Boston, over lunch perhaps.

We could probably also arrange a visit to Morgan Stanley in NYC if Ole or Evan is in town that day.

Jim

On Tue, Jan 9, 2018 at 7:10 PM, Vincent Devito <vincent_devito@ios.doi.gov> wrote:

I have plans to be in both NY and Boston this month, as well. Happy to visit your offices.

On Jan 9, 2018, at 2:06 PM, Ojeda-dodds, Gisella <gisella_ojeda-dodds@ios.doi.gov> wrote:

I greatly apologize, unfortunately Mr. DeVito will be on travel that week. Would it be possible to schedule a meeting for the near future? Perhaps in late January?

Sincerely,

Gisella Ojeda Dodds

On Tue, Jan 9, 2018 at 3:13 PM, James Lucier <james.lucier@capalphadc.com> wrote:

Dear Ms. Ojeda-Dodds.

Our calendar for January 17 is nearly full. Would it be possible to do something mid morning or mid day on January 18?

On Fri, Jan 5, 2018 at 6:07 PM, James Lucier <james.lucier@capalphadc.com> wrote:

Dear Ms Ojeda-Dodds:

I am writing on behalf of the energy research team at Morgan Stanley Equity Research in New York.

We would like to meet with an appropriate person at the Interior Department to discuss the Draft Proposed Plan for Offshore Drilling which the Department has just publicly released.

If Mr. De Vito is not available, perhaps Ms. Magallanes or someone else might be.

Evan Calio is the lead analyst at Morgan Stanley covering the integrated oil industry. Benny Wong is the lead analyst covering the independent refining industry.

They may be joined by Drew Venker, who covers independent oil and gas E&P, and Ole Slorer, who covers global offshore oil service.

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My firm, Capital Alpha Partners, is an independent research firm that assists Morgan Stanley Equity Research in this and other research projects.

Thank you for your assistance.

James

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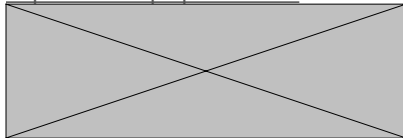
James Lucier

Managing Director

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james.lucier@capalphadc.com

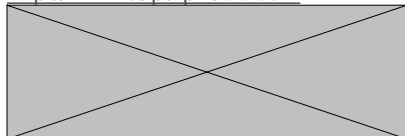
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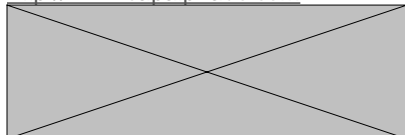
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Cc: Vincent Devito[vincent_devito@ios.doi.gov]; Ojeda-dodds, Gisella[gisella_ojeda-dodds@ios.doi.gov]; Kemps, David[David.Kemps@morganstanley.com]; Richard Linville[richard.linville@capalphadc.com]
To: Stolte, Christopher[christopher_stolte@ios.doi.gov]
From: James Lucier
Sent: 2018-01-11T09:29:23-05:00
Importance: Normal
Subject: Re: Meeting Request -- Morgan Stanley -- January 17/18
Received: 2018-01-11T09:45:01-05:00

Thank you Christopher. I am sorry I missed you. I have a doctor's appointment in Tyson's this morning but I could call you right after that. Are you free around 1130?

Sent from my iPhone

On Jan 11, 2018, at 9:06 AM, Stolte, Christopher <christopher_stolte@ios.doi.gov> wrote:

James,
Good morning to you! I left a voice message with you yesterday morning regarding setting-up a meeting. Do you have time for a call today to discuss options and timing?

Thanks,

Chris

On Wed, Jan 10, 2018 at 5:03 PM, James Lucier <james.lucier@capalphadc.com> wrote:

Dear Mr DeVito:
What dates did you have in mind?

I think that Capital Alpha Partners could probably sponsor investor briefings in New York or Boston, over lunch perhaps.

We could probably also arrange a visit to Morgan Stanley in NYC if Ole or Evan is in town that day.

Jim

On Tue, Jan 9, 2018 at 7:10 PM, Vincent Devito <vincent_devito@ios.doi.gov> wrote:

I have plans to be in both NY and Boston this month, as well. Happy to visit your offices.

On Jan 9, 2018, at 2:06 PM, Ojeda-dodds, Gisella <gisella_ojeda-dodds@ios.doi.gov> wrote:

I greatly apologize, unfortunately Mr. DeVito will be on travel that week. Would it be possible to schedule a meeting for the near future? Perhaps in late January?

Sincerely,

Gisella Ojeda Dodds

On Tue, Jan 9, 2018 at 3:13 PM, James Lucier <james.lucier@capalphadc.com> wrote:

Dear Ms. Ojeda-Dodds.

Our calendar for January 17 is nearly full. Would it be possible to do something mid morning or mid day on January 18?

On Fri, Jan 5, 2018 at 6:07 PM, James Lucier <james.lucier@capalphadc.com> wrote:

Dear Ms Ojeda-Dodds:

I am writing on behalf of the energy research team at Morgan Stanley Equity Research in New York.

We would like to meet with an appropriate person at the Interior Department to discuss the Draft Proposed Plan for Offshore Drilling which the Department has just publicly released.

If Mr. De Vito is not available, perhaps Ms. Magallanes or someone else might be.

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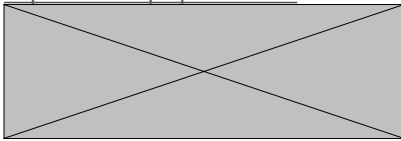
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Thank you for your assistance.

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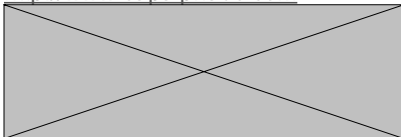
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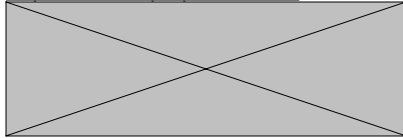
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To: SIO, Scheduling[scheduling_sio@ios.doi.gov];
scott_hommel@ios.doi.gov[scott_hommel@ios.doi.gov]
Cc: Tiffany Waddell -GOV-[tiffany.waddell@maryland.gov]; Ariel Judah -GOV-
[ariel.judah@maryland.gov]
From: Amanda Allen -GOV-
Sent: 2018-01-15T10:16:52-05:00
Importance: Normal
Subject: Call with Governor Hogan
Received: 2018-01-15T10:17:02-05:00

Hi Scott & Leila,
Governor Hogan would like to connect by phone with Secretary Zinke this week if possible.
Topics include EPA funding, 295 and offshore drilling.

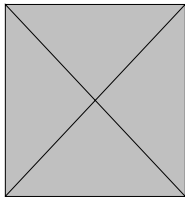
The Governor is available:

Tuesday 1/16 11 AM -12 PM
Thursday 1/18 11 AM - 12 PM
Friday 1/19 1:45 PM - 2:15 PM

Please let me know if any of those times work for a call.

Thanks,
Amanda

--



Amanda Allen
Director of Scheduling &
Executive Assistant to the Governor
Office of Governor Larry Hogan
100 State Circle
Annapolis, Maryland 21401
Amanda.allen@maryland.gov
410 974 5910 (office)

To: Matthew Clark -GOV-[matthew.clark@maryland.gov]
Cc: todd_wynn@ios.doi.gov[todd_wynn@ios.doi.gov]; Amanda Allen -GOV-[amanda.allen@maryland.gov]; Getto, Leila[leila_getto@ios.doi.gov]; Smith, Steven[steven_m_smith@ios.doi.gov]; Scott Hommel[scott_hommel@ios.doi.gov]
From: Tiffany Waddell -GOV-
Sent: 2018-01-16T09:47:13-05:00
Importance: Normal
Subject: Re: Discussion on OCS
Received: 2018-01-16T09:48:08-05:00

Good morning Todd,

Governor Hogan would be interested in connecting with Secretary Zinke. Below are a few times Amanda Allen provided Leila yesterday. Please let us know if any of these times might work.

Tuesday 1/16 11 AM 12 PM
Thursday 1/18 11 AM 12 PM
Friday 1/19 1:45 PM 2:15 PM

Best regards, Tiffany

On Tue, Jan 16, 2018 at 9:43 AM, Matthew Clark -GOV- <matthew.clark@maryland.gov> wrote:

Thanks Todd. We are very eager to set up a meeting or a call on this issue as well.

Tiffany and Amanda will be in touch to get something on the calendar.

Matt

On Jan 16, 2018 9:36 AM, "Wynn, Todd" <todd_wynn@ios.doi.gov> wrote:

Would love to find some time for Governor Hogan and the Department of Interior Secretary Ryan Zinke to touch base on the recent announcement regarding the Outer Continental Shelf Draft Proposed Program.

Figured I would reach out and connect you with Leila cc'd who can work with you to find some time in the near future.

Please let me know if you need anything from me and have a great weekend.

Todd

--

Todd M. Wynn
Director of the Office of Intergovernmental and External Affairs
Office of the Secretary
U.S. Department of the Interior
Desk: (202) 208 6649
Cell: (202) 897-7269

NOTE: Every email I send or receive is subject to release under the Freedom of Information Act.

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Tiffany Waddell
Director, Federal Relations
Office of the Governor
444 N. Capitol Street NW Suite 311
Washington, DC 20001
tiffany.waddell@maryland.gov
[202 624 1432](tel:2026241432) (office)
[443 433 6816](tel:4434336816) (mobile)

To: Getto, Leila[leila_getto@ios.doi.gov]
Cc: Tiffany Waddell -GOV-[tiffany.waddell@maryland.gov]; Matthew Clark -GOV-[matthew.clark@maryland.gov]; Todd Wynn[todd_wynn@ios.doi.gov]; Smith, Steven[steven_m_smith@ios.doi.gov]; Scott Hommel[scott_hommel@ios.doi.gov]
From: Amanda Allen -GOV-
Sent: 2018-01-16T16:39:18-05:00
Importance: Normal
Subject: Re: Discussion on OCS
Received: 2018-01-16T16:46:21-05:00

Thanks Leila!

On Tue, Jan 16, 2018 at 4:35 PM, Getto, Leila <leila_getto@ios.doi.gov> wrote:

Per my conversation with Amanda, we're confirmed for Monday, January 22 at 2:15pm (additional issues to be discussed (at Governor request) include is ESA and 295). Secretary Zinke will call Amanda [410-974-5910](tel:410-974-5910) to be transferred to the Governor. Thank you!

*Leila Sepehri Getto
U.S. Department of the Interior
Immediate Office of the Secretary
Deputy Director, Scheduling and Advance
Direct: (202) 208-5359
Cell: (202) 706-9435*

On Tue, Jan 16, 2018 at 9:47 AM, Tiffany Waddell -GOV- <tiffany.waddell@maryland.gov> wrote:

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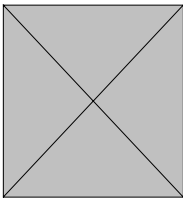
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To: Todd_Wynn@IOS.DOI.gov[Todd_Wynn@IOS.DOI.gov];
Vincent_Devito@IOS.DOI.gov[Vincent_Devito@IOS.DOI.gov]
From: Paul Driessen
Sent: 2018-01-22T16:16:19-05:00
Importance: Normal
Subject: OCS lease sales
Received: 2018-01-22T16:16:35-05:00

Hello Todd and Vincent.

I'm likely to do this week's article on the Department of the Interior's OCS latest leasing plans.

I would love to some thoughts and details from you not just on (almost instantly) walking back plans for FL, but more importantly on where the real industry interests might lie ... what you and your colleagues might recommend as the best actions Trump and DOI should take now, in the face of the expected and typical state and environmentalist opposition ... how you respond to questions and concerns about the Deepwater Horizon spill and offshore safety in general ... the need for coastal states other than TX-LA-AL-MS (and CA in decades past) to have lease sales that go with their continued need for petroleum ... and any other topics you think are most germane to this debate.

Thank you for any wisdom, insights, analyses and witticisms you might want to share.

Best regards,

Paul

To: RPC, DOI[rpc@ios.doi.gov]; Colin McKee[colin.mckee@wyo.gov]; Katharine MacGregor[katharine_macgregor@ios.doi.gov]; Renee Orr[renee.orr@boem.gov]; Scott Angelle[scott.angelle@bsee.gov]; Timothy Spisak[tspisak@blm.gov]; Walter Cruickshank[walter.cruickshank@boem.gov]; Albert Modiano[amodiano@usoga.org]; Benjamin M Simon[benjamin_simon@ios.doi.gov]; Bidtah Becker[bidtahnbecker@navajo-nsn.gov]; Christian Crowley[christian_crowley@ios.doi.gov]; Clinton Carter[clinton.carter@finance.alabama.gov]; Estella Alvarado[stella.alvarado@anadarko.com]; Jennifer Fortier[jcadena@i-og.net]; Jennifer Golladay[jennifer.golladay@boem.gov]; John Crowther[john.crowther@alaska.gov]; John Hovanec[john.hovanec@onrr.gov]; John Kalish[jkalish@blm.gov]; John Sweeney[(b)(6)]; Kathleen Sgamma[ksgamma@westernenergyalliance.org]; Kevin Simpson[kevin.c.simpson@shell.com]; Lynn Helms[lhelms@nd.gov]; Matthew Adams[Matthew.Adams@cldpk.com]; Michael DeBerard[michael.deberard@onrr.gov]; Patrick Noah[p.h.noah@cop.com]; Radford Schantz[radford.schantz@boem.gov]; Randall Luthi[rluthi@noia.org]; Sarah Coffman (Peters)[sarah.coffman@boem.gov]; Stern, Adam[adam_stern@ios.doi.gov]; Tim Charters (Randall Luthi Support)[tcharters@noia.org]; James Schindler[james.schindler@boem.gov]; Christopher Stolte[christopher_stolte@ios.doi.gov]; Vincent Devito[vincent_devito@ios.doi.gov]; Deirdre Gallagher[deirdremg@voicesofvaluellc.com]; Rachel Milner Gillers[rachel_milnergillers@ios.doi.gov]; Jennifer Malcolm[jennifer.malcolm@onrr.gov]

From: Emily Hague

Sent: 2018-02-01T17:25:34-05:00

Importance: Normal

Subject: RE: Planning, Analysis, and Competitiveness Subcommittee Meeting (February 2nd)

Received: 2018-02-01T17:26:43-05:00

[RPC PAC Studies WG - Recommendations - Revised.docx](#)

All

Attached you will find a revised version of the RPC PAC Studies Workgroup recommendations. I have added a recommendation for DOI to pursue updating the 2011 IHS/CERA study to reflect current market conditions and regulatory policies.

My apologies to the Studies Workgroup team for not providing you with an opportunity to vet this recommendation before tomorrow's call. My hope is that we can discuss it and tweak it as appropriate during the call, and then the Subcommittee can move it forward to the RPC for consideration at the end of the month. Strong interest for the recommendation was expressed to me offline this week by a workgroup member, and given the long-term nature of the action, it is important that we move it forward to the RPC as soon as possible.

Looking forward to our discussions tomorrow.

Thank you,

Emily

Emily Kennedy Hague
202-682-8260
hague@api.org



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From: chris.mentasti@onrr.gov [mailto:chris.mentasti@onrr.gov] **On Behalf Of** RPC, DOI
Sent: Tuesday, January 30, 2018 8:40 AM
To: Colin McKee; Katharine MacGregor; Renee Orr; Scott Angelle; Timothy Spisak; Walter Cruickshank; Albert Modiano; Benjamin M Simon; Bidtah Becker; Christian Crowley; Clinton Carter; Emily Hague; Estella Alvarado; Jennifer Fortier; Jennifer Golladay; John Crowther; John Hovanec; John Kalish; John Sweeney; Kathleen Sgamma; Kevin Simpson; Lynn Helms; Matthew Adams; Michael DeBerard; Patrick Noah; Radford Schantz; Randall Luthi; Sarah Coffman (Peters); Stern, Adam; Tim Charters (Randall Luthi Support); James Schindler; Christopher Stolte; Vincent Devito; Deirdre Gallagher; Rachel Milner Gillers; Jennifer Malcolm
Subject: Planning, Analysis, and Competitiveness Subcommittee Meeting (February 2nd)

Attached are the recommendations to be voted on during the PAC Subcommittee call this Friday.

Here is the agenda for the call.

RPC PAC Subcommittee conference call

February 2, 2018

- 1) Welcome – Randall and Colin
- 2) Rollcall – Chris Mentasti
- 3) DOI update – Vincent Devito/James Schindler
 - a. Review of schedule for Feb. 27/28
- 4) Working groups – review of and vote on recommendations
 - a. Onshore– discussion and vote
 - b. Offshore– discussion and vote
 - c. Alaska– discussion and vote
 - d. Coal– discussion
 - e. Renewables– discussion and vote
 - f. Studies– discussion and vote
- 5) New business (Kevin Simpson/John Crowther?)

6) Adjourn

**Royalty Policy Committee
Planning, Analysis and Competitiveness Subcommittee
Studies Work Group
Proposed recommendation**

- 1) (Short-term) The following recommendation was developed with the objective of providing DOI/BOEM with insight into what factors BOEM should consider in order for the U.S to remain competitive with emerging areas. The RPC recommends that:
 - a. Global Data will be asked to assess and compare 3 regimes (U.S. GOM, Guyana and Mexico).
 - b. The analysis will focus on the following factors: current tax laws, royalty/royalty equivalents (e.g. profit sharing) and other revenues, and lease block sizes.
 - c. Global Data will look at recent lease sales (the last ~3 years) within each regime, examining trends particularly if there were big finds within an area and seek to assess if there are common drivers across the regimes encouraging development or widely divergent drivers for development.

- 2) (Long-term) The following recommendation was developed with the objective to provide the Department of the Interior (DOI) and the RPC with information based on current market conditions and regulatory policies. The RPC recommends that:
 - a. DOI should pursue a contract with a 3rd party consultant to update the IHS/CERA Comparative Assessment of the Federal Oil and Gas Fiscal System (October 2011) so that the assessment reflects current market conditions and regulatory policies. Ideally, the consultant will be IHS since they completed the original assessment and are the most familiar with the study.
 - b. DOI staff, with advice from RPC members, should review the U.S. locations as well as the international locations selected in the original study and consider whether to update the selected locations to ensure that relevant and emerging markets are properly covered.

To: RPC, DOI[rpc@ios.doi.gov]; Colin McKee[colin.mckee@wyo.gov]; Katharine MacGregor[katharine_macgregor@ios.doi.gov]; Renee Orr[renee.orr@boem.gov]; Scott Angelle[scott.angelle@bsee.gov]; Timothy Spisak[tspisak@blm.gov]; Walter Cruickshank[walter.cruickshank@boem.gov]; Albert Modiano[amodiano@usoga.org]; Benjamin M Simon[benjamin_simon@ios.doi.gov]; Bidtah Becker[bidtahnbecker@navajo-nsn.gov]; Christian Crowley[christian_crowley@ios.doi.gov]; Clinton Carter[clinton.carter@finance.alabama.gov]; Estella Alvarado[stella.alvarado@anadarko.com]; Jennifer Fortier[jcadena@i-og.net]; Jennifer Golladay[jennifer.golladay@boem.gov]; John Crowther[john.crowther@alaska.gov]; John Hovanec[john.hovanec@onrr.gov]; John Kalish[jkalish@blm.gov]; John Sweeney[redacted (b)(6)]; Kathleen Sgamma[ksgamma@westernenergyalliance.org]; Kevin Simpson[kevin.c.simpson@shell.com]; Lynn Helms[lhelms@nd.gov]; Matthew Adams[Matthew.Adams@cldpk.com]; Michael DeBerard[michael.deberard@onrr.gov]; Patrick Noah[p.h.noah@cop.com]; Radford Schantz[radford.schantz@boem.gov]; Randall Luthi[rluthi@noia.org]; Sarah Coffman (Peters)[sarah.coffman@boem.gov]; Stern, Adam[adam_stem@ios.doi.gov]; Tim Charters (Randall Luthi Support)[tcharters@noia.org]; James Schindler[james.schindler@boem.gov]; Christopher Stolte[christopher_stolte@ios.doi.gov]; Deirdre Gallagher[deirdremg@voicesofvaluellc.com]; Rachel Milner Gillers[rachel_milnergillers@ios.doi.gov]; Vincent Devito[vincent_devito@ios.doi.gov]; Jennifer Malcolm[jennifer.malcolm@onrr.gov]; Chris Mentasti[chris.mentasti@onrr.gov]

From: Emily Hague
Sent: 2018-02-05T16:10:31-05:00
Importance: Normal
Subject: RPC PAC Studies Workgroup Recommendations
Received: 2018-02-05T16:12:52-05:00
[RPC PAC Studies WG - Recommendations - Final.docx](#)

All

Attached is a revised version of the RPC PAC Studies Workgroup Recommendations to the RPC incorporating feedback from our call on Friday.

I have revised the document to remove references to potential consultants and have also added some additional language to the IHS recommendation for DOI to consider whether to include U.S. locations for onshore Federal, State and/or private lands and offshore shallow and deepwater Federal lands.

If you have any additional scoping suggestions for either recommendation that you would like included in the recommendation write-up, please send it to me by COB tomorrow.

Thank you,

Emily

Emily Kennedy Hague
202-682-8260
hague@api.org



This transmission contains information that is privileged and confidential and is intended solely for use of the individual(s) listed above. If you received the communication in error, please notify me immediately. Any dissemination or copying of this communication by anyone other than the individual(s) listed above is prohibited.

**Royalty Policy Committee
Planning, Analysis and Competitiveness Subcommittee
Studies Work Group
Proposed recommendation**

- 1) **(Short-term)** The following recommendation was developed with the objective of providing DOI/BOEM with insight into what factors BOEM should consider in order for the U.S to remain competitive with emerging areas. The RPC recommends that:
 - a. The Department of the Interior procures a study that assesses and compares 3 regimes (U.S. GOM, Guyana and Mexico).
 - b. The study will assess the following factors: current tax laws, royalty/royalty equivalents (e.g. profit sharing) and other revenues, and lease block sizes.
 - c. The study will use recent lease sales (conducted over the last ~3 years) within each regime, examining trends particularly if there were big finds within an area and seek to assess if there are common drivers across the regimes encouraging development or widely divergent drivers for development.

- 2) **(Long-term)** The following recommendation was developed with the objective to provide the Department of the Interior (DOI) and the RPC with information based on current market conditions and regulatory policies. The RPC recommends that:
 - a. The Department of the Interior pursue a contract with a 3rd party consultant to update the IHS/CERA Comparative Assessment of the Federal Oil and Gas Fiscal System (October 2011) so that the assessment reflects current market conditions and regulatory policies.
 - b. DOI staff, with advice from RPC members as appropriate, should review the U.S. locations as well as the international locations selected in the original study and consider whether to update the selected locations to ensure that relevant and emerging markets are properly covered. Possible U.S locations that could be considered for inclusion within the study are onshore Federal, State and/or private lands and offshore shallow and deepwater Federal lands.

To: Burroughs, James[jburroughs@allenmatkins.com]
Cc: scott_cameron@ios.doi.gov[scott_cameron@ios.doi.gov]
From: Wheeler, Douglas P.
Sent: 2018-02-15T15:25:28-05:00
Importance: Normal
Subject: Re: friendly inquiry
Received: 2018-02-15T15:25:46-05:00

Great to hear from you, Jim. We're in the Caribbean on vacation, and I don't have ready access to contact info for leadership at DOI, but you might try Scott Cameron, a fellow Wilson alum who's now Acting A/S for Policy, Management and Budget at the Department. Scott's e-mail is as above, Scott_Cameron@ios.doi.gov. Let's talk next week, if need be. Doug

On Feb 15, 2018, at 3:04 PM, Burroughs, James <jburroughs@allenmatkins.com> wrote:

Doug,

Too much time has passed since we last connected, but I occasionally hear through other sources (mainly Goldzband) that you are doing well. I think the last I heard was that you are trying to do something about the Zinke attack on National Monuments, etc. I'm still helping clients navigate big project permitting here in California and keeping an interested eye on what is sure to be the doomed attempt by the Trump Administration to open up the California OCS to drilling again.

Favor for me do you have an e-mail address or other contact information for Austin Ewell, Deputy Assistant Secretary for Water and Science at Interior?

Thanks, and maybe we'll connect sometime when you are in California (clients never send me to D.C.).

Jim

James T. Burroughs Esq.

Partner
Allen Matkins Leck Gamble Mallory & Natsis LLP
Three Embarcadero Center, 12th Floor, San Francisco, CA 94111-4074
(415) 837-1515 (main)
(415) 273-7482 (direct)
(415) 837-1516 (fax)
jburroughs@allenmatkins.com

<image001.png>

Top of Form

Bottom of Form

Confidentiality Notice: The information contained in this electronic e-mail and any accompanying attachment(s) is intended only for the use of the intended recipient and may be confidential and/or privileged. If any reader of this communication is not the intended recipient, unauthorized use, disclosure or copying is strictly prohibited, and may be unlawful. If you have received this communication in error, please immediately notify the sender by return e-mail, and delete the original message and all copies from your system. Thank you.

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To: scott_hommel@ios.doi.gov[scott_hommel@ios.doi.gov]
From: Scott Hommel
Sent: 2018-03-09T07:59:02-05:00
Importance: Normal
Subject: Fwd: Meet
Received: 2018-03-09T07:59:12-05:00

Begin forwarded message:

From: Leo Giacometto <leo@gage.cc>
Date: March 7, 2018 at 5:48:12 AM EST
To: "Scott Hommel ((b)(6) - Bernhardt)" <(b)(6) - Bernhardt >
Subject: FW: Meet

Scott Richard Pombo is offering his services to you if you wanted to discuss ways to address so of the offshore drilling issues. See his note below.
I assume you know he was in Congress for a long time and was the Chairman of Chairman of the House Resources Committee from 2003 to 2007.
Just FYI. Also he like a glass of whiskey so you let me know...

Leo A. Giacometto
GAGE INTERNATIONAL
Intl # 202.230.2497
www.GAGE.cc

From: Richard Pombo <rpombo@gavelresources.com>
Sent: Monday, March 05, 2018 10:30 AM
To: Leo Giacometto <leo@gage.cc>
Subject: Meet

Leo, this is the issue I was talking about, <http://thehill.com/policy/energy-environment/376514-trump-drilling-plan-faces-backlash> , We were successful a decade ago negotiating a bill that opened up most of the coast for exploration and we had the support of several Florida and other coastal Members on the bill. We also had the endorsement of Jeb Bush when he was Governor. I could be a resource on this issue and maybe avoid some of the pitfalls we went through.
Richard

Richard Pombo
Gavel Resources | www.gavelresources.com

400 First Street SE | Second Floor | Washington, DC 20003
Phone: 209.879.3798 | Email: rpombo@gavelresources.com



GAVEL
RESOURCES

To: scott_hommel@ios.doi.gov[scott_hommel@ios.doi.gov]
From: Andrew Gilchrest
Sent: 2018-03-15T14:55:05-04:00
Importance: Normal
Subject: Santa Barbara OCS
Received: 2018-03-15T14:58:23-04:00
[2018 January 30 Offshore Oil resolution.pdf](#)
[Santa Barbara OCS - Zinke 3-18.pdf](#)

Attached please find a letter and Board-adopted resolution on behalf of the Santa Barbara County Board of Supervisors opposing new offshore oil leasing off the coast of California as proposed in the Draft Proposed Five-Year Outer Continental Shelf Leasing Program for 2019 through 2024. If you have any questions, please contact Don Gilchrest at dgilchrest@twaltersinc.com or at 202-737-7523.

Thank you

DAS WILLIAMS

First District, Chair

JANET WOLF

Second District

JOAN HARTMANN

Third District

PETER ADAM

Fourth District

STEVE LAVAGNINO

Fifth District, Vice Chair



BOARD OF SUPERVISORS

County Administration Building
105 East Anapamu Street
Santa Barbara, CA 93101
Telephone: (805) 568 2190
www.countyofsb.org

COUNTY OF SANTA BARBARA

July 21, 2017

The Honorable Ryan Zinke, Secretary
United States Department of the Interior
Washington, D.C. 20240

Dear Mr. Secretary:

On January 30, the Santa Barbara County Board of Supervisors voted to adopt the attached resolution opposing new offshore oil leasing off the coast of California as proposed in the Draft Proposed Five-Year Outer Continental Shelf Leasing Program for 2019 through 2024.

In Santa Barbara County, both the 1969 oil spill and the 2015 oil pipeline rupture off the Gaviota Coast demonstrated the catastrophic damage that oil extraction can inflict. Both the California public and California lawmakers have long recognized the value of protecting the State's coastal economy and protecting local fisheries and coastlines from the threats posed by offshore oil and gas exploration. In 2017, the California Senate adopted three resolutions (Resolutions 35, 44, and 51), which support the current federal prohibition on new oil or gas drilling in federal waters offshore California, oppose attempts to modify the prohibition, and defend the National Marine Sanctuaries of the United States.

In January of this year, the Department of Interior, through BOEM, released the Draft Proposed Plan for the 2019-2024 offshore Oil and Gas Leasing program which would make 90 percent of the Offshore Continental Shelf (OCS) - including the coastal waters off the coast of Santa Barbara - open to oil and gas exploration. In response, the County of Santa Barbara Board adopted this resolution to oppose new offshore oil leases off the California Coast and to assert that the California Coast deserves protection equal to that of the State of Florida.

I thank you for your consideration.

Sincerely yours,

Don Gilcrest
Washington Representative

DWG: awg
Attachment

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA
BARBARA OPPOSING NEW OFFSHORE OIL LEASES IN FEDERAL WATERS OFF
OF THE CALIFORNIA COAST**

RESOLUTION NO. 18-22

WHEREAS, Santa Barbara County hereby submits this resolution in response to the call for comments on the Draft Proposed Five-Year Outer Continental Shelf (OCS) Leasing Program (DPP) for 2019 through 2024 as proposed by the Bureau of Ocean Energy Management (BOEM) and referenced in Federal Register Volume 83, Number 5 (Monday, January 8, 2018) Notices, Pages 829-834, FR Doc No: 2018-00083.

WHEREAS, the coastal waters of Santa Barbara County are a national treasure that attract millions of visitors per year for beach going, surfing, fishing, diving, and boating; and

WHEREAS, coastal recreation, fishing, boating, and tourism are essential components of the local economy as well as treasured staples of life in Santa Barbara County; and

WHEREAS, the Santa Barbara Harbor is a port for commercial fishing, recreational boating, diving, whale-watching, and cruise ship tourism; and

WHEREAS, the coastal waters off of Santa Barbara County include Channel Islands National Park, numerous marine protected areas, support uniquely rich biodiversity, and provide habitat for endangered species such the blue whale; and

WHEREAS, in 2015 an oil pipeline ruptured along the Gaviota Coast which fouled beaches and coastal waters in both Santa Barbara County and beyond, and caused catastrophic damage to the environment, wildlife, fisheries, and the local economy; and

WHEREAS, in 1969 a well failure off our coast fouled the ocean and beaches, and caused catastrophic damage to the region, the local economy, and sparking the beginning of the modern environmental movement; and

WHEREAS, Santa Barbara County finds the BOEM provision of only one California public hearing opportunity on the Draft Proposed Five-Year OCS Leasing Program wholly inadequate and hereby requests additional public hearings in our own community.

THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Santa Barbara hereby opposes new offshore oil leases in the federal waters off of the California Coast and assert that the California Coast deserves protection equal to that of the State of Florida.

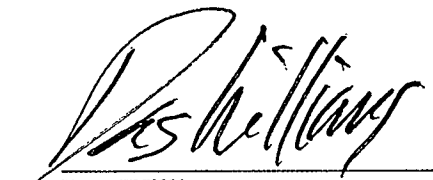
PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California this 30th day of January, 2018, by the following vote:

AYES: Supervisor Williams, Supervisor Wolf, and Supervisor Hartmann

NOES: Supervisor Adam, and Supervisor Lavagnino

ABSENT: None

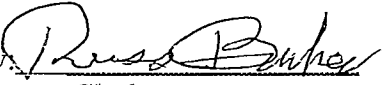
ABSTAIN: None



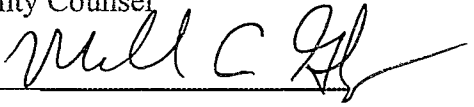
Das Williams
Chair, Board of Supervisors
County of Santa Barbara

ATTEST:

Mona Miyasato
Clerk of the Board

By: 
Deputy Clerk

Approved as to Form: Michael Ghizzoni
County Counsel

By: 

Deputy County Counsel

To: scott_hommel@ios.doi.gov[scott_hommel@ios.doi.gov]
Cc: Brian.Mccormack@hq.doe.gov[Brian.Mccormack@hq.doe.gov]
From: Jim.Pierce@jltus.com
Sent: 2018-03-20T05:54:17-04:00
Importance: Normal
Subject: RE: Connecting JLT and DOI
Received: 2018-03-20T05:54:40-04:00

Scott-

Apologies for the 30 days of silence. Things got pretty busy.

I have 3 C-Suite officers who are interested in a session with you and the Secretary. They are:

Roger Jenkins President and CEO of Murphy Oil Corporation

Richard Clark President of Deep Gulf Energy

Julie Robertson Chairman of the Board, President, and CEO of Noble Corporation

I am thinking I will convene them and ask them to work together to develop a very short list (3-5 issues) of regulatory barriers that are slowing down/impeding any return to (or semblance of) normalcy in respect of exploration and production activity in US waters.

I know there are other lobbying efforts in DC, but sometimes a small meeting can achieve a lot more than what happens as and when the wheels of the bureaucracy turn and churn along at a turtle's pace.

This is a good panel, as two of the execs represent exploration companies, and one represents the offshore drilling sector.

Perhaps it would help if you could give me a few dates in May or June that would work for a meeting in DC? That way, when I reach out to Roger, Julie, and Richard, we can get a meeting date nailed down, and they can begin to work on the short list of issues for discussion.

Hopefully this makes sense. I look forward to hearing from you.

Thanks, and again, sorry for the delay in responding.

Jim P

James R. Pierce, Jr. | Deputy Co-Chair, Global Specialty & Head of Energy, Power & Mining
JLT Specialty | 5847 San Felipe, Suite 2800 | Houston, Texas 77057
Direct Dial: 713-325-7619 | Mobile: 832-491-5670
jim.pierce@jltus.com | www.jltus.com

From: Scott Hommel
Sent: Thursday, February 01, 2018 1:06:22 PM
To: Pierce, Jim USA3257619
Cc: Brian.Mccormack@hq.doe.gov
Subject: Re: Connecting JLT and DOI

This message has been archived.

Sure thing. I'll call you early next week Jim.

Scott C. Hommel
Chief of Staff
Department of the Interior

On Feb 1, 2018, at 11:42 AM, <Jim.Pierce@jltus.com> <Jim.Pierce@jltus.com> wrote:

Brian, thanks for this.

Scott, am in NYC and back in H-Town Friday night. Perhaps we could spend a few minutes on the phone early next week?

Jim P

James R Pierce, Jr
Chairman
JLT Specialty USA
5847 San Felipe, Suite 2800
Houston, Texas 77057

713-325-7619 (o)

To: 'Cameron, Scott'[scott_cameron@ios.doi.gov]
From: Kilroy, Jaclyn
Sent: 2018-04-24T15:29:14-04:00
Importance: Normal
Subject: RE: [EXTERNAL] Coastal Meetings
Received: 2018-04-24T15:30:12-04:00

Thanks Scott, really appreciate this. I will get in touch with Buddy Carter's office (GA) and circle back with you around the end of the week.

Best,
Jackie

From: Cameron, Scott [mailto:scott_cameron@ios.doi.gov]
Sent: Tuesday, April 24, 2018 2:00 PM
To: Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov>
Subject: Re: [EXTERNAL] Coastal Meetings

Jackie,
Here is a high level response. The appropriate folks in DOI would be happy to participate in a meeting and more detailed discussion with the interested Congressional Office(s).

The OCS Five Year Plan has specific steps in place that address this very issue. At each step of the process, there exists opportunity for public input and Governor input. We are still at the Draft Proposed Program stage which had public meetings in state capitols and a public comment period. The next stage will be the proposed program and during that stage, the states that are still a part of the program will have public meetings along the coast. The process is thorough and deliberative and does involve public meetings in coastal communities at the appropriate time in that process.

Thanks,
Scott
Scott J. Cameron
Acting Assistant Secretary for Policy, Management and Budget
Office of the Secretary of the Interior
Desk 202 208 4242
Cell 202 706 9031

On Tue, Apr 24, 2018 at 10:46 AM, Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov> wrote:
Hi Scott,

Sorry I missed your call. Thanks in advance for any information you can provide related to the requests for coastal meetings in Georgia.

Thanks,
Jackie Kilroy

Interior & Environment Appropriations
202-225-3081

To: 'Cameron, Scott'[scott_cameron@ios.doi.gov]
From: Kilroy, Jaclyn
Sent: 2018-04-27T15:09:18-04:00
Importance: Normal
Subject: RE: [EXTERNAL] Coastal Meetings
Received: 2018-04-27T15:10:21-04:00
[BOEM Response to January Meeting Request Letter - 3.5.18.pdf](#)
[Letter to Acting Director Cruickshank - 2019-2024 BOEM Offshore Proposal....pdf](#)

Hi Scott,

The person to contact in Mr. Carter's office is Nick Schemmel, at 202-226-6186.

For your reference, Mr. Carter's staff sent me the attached Jan 5 and Mar 5 letters exchanged between Mr. Carter and Dr. Cruickshank. My understanding is that Nick has been trying to work through Lee Tilton and Blake Deeley to date but my hope is that you or the appropriate folks at DOI can connect with him and solve some of Mr. Carter's concerns.

Thanks again. Please don't hesitate to reach out if I can provide any additional information or coordination from my end.

Best,

Jackie Kilroy

From: Kilroy, Jaclyn
Sent: Tuesday, April 24, 2018 3:29 PM
To: 'Cameron, Scott' <scott_cameron@ios.doi.gov>
Subject: RE: [EXTERNAL] Coastal Meetings

Thanks Scott, really appreciate this. I will get in touch with Buddy Carter's office (GA) and circle back with you around the end of the week.

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Jackie

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To: Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov>
Subject: Re: [EXTERNAL] Coastal Meetings

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Scott
Scott J. Cameron
Acting Assistant Secretary for Policy, Management and Budget
Office of the Secretary of the Interior
Desk 202 208 4242
Cell 202 706 9031

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Hi Scott,
Sorry I missed your call. Thanks in advance for any information you can provide related to the requests for coastal meetings in Georgia.

Thanks,
Jackie Kilroy

Interior & Environment Appropriations
202-225-3081

EARL L. "BUDDY" CARTER
FIRST DISTRICT OF GEORGIA

ENERGY AND COMMERCE COMMITTEE
SUBCOMMITTEE ON HEALTH
SUBCOMMITTEE ON ENVIRONMENT
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

Congress of the United States
House of Representatives
Washington, DC 20515-1001

WASHINGTON OFFICE
432 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5831

SAVANNAH OFFICE
6602 ABERCORN STREET
SAVANNAH, GA 31405
(912) 352-0101

BRUNSWICK OFFICE
1510 NEWCASTLE STREET
BRUNSWICK, GA 31520
(912) 265-9010

<http://BuddyCarter.House.gov>

January 5, 2018

Dr. Walter Cruickshank
Acting Director
Bureau of Ocean Energy Management
U.S. Department of the Interior
189 C Street, NW
Washington, DC 20240

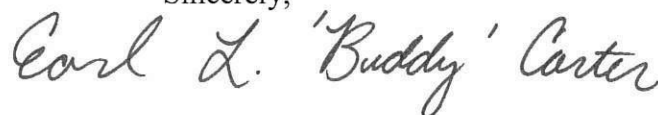
Dear Dr. Cruickshank,

As the Acting Director of the Bureau of Ocean Energy Management (BOEM), you are tasked with leading a group dedicated not only to our offshore energy management, but also the environmental stewardship of our waters and coastlines. Representing the First District of Georgia, I have the honor and privilege of representing the entire coastline, from the Florida border to the South Carolina border. This responsibility includes advocating for issues impacting my constituents and our beautiful coastline. While I support the Administration's move towards energy independence, yesterday's announcement by Secretary Zinke of the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program has left me with some questions.

In the proposal, the Georgia Department of Natural Resources submitted comments in which they supported environmentally sound efforts, but want to see a number of issues addressed before that happens. I have also heard from my constituents that they would like to hear more information from BOEM about the plan and the process and let their opinions be heard. As such, I would like to request that as part of the public comment period, BOEM schedule a public hearing in Coastal Georgia to answer questions and provide further detail of the plan's impact on the coast and my constituents.

While I support an expansive energy independence policy, Georgians should have the opportunity to know more about the new proposal and how it could possibly impact them and their surroundings. I would like to offer my assistance to facilitate this meeting because of its importance to my constituents and our district. I look forward to your response.

Sincerely,



Earl L. "Buddy" Carter
Member of Congress



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

WASHINGTON, DC 20240-0001

MAR - 5 2018

The Honorable Earl L. "Buddy" Carter
U.S. House of Representatives
Washington, DC 20515

Dear Representative Carter:

Thank you for your letter dated January 5, 2018, providing comments on the development of the Outer Continental Shelf (OCS) Oil and Gas Leasing Program (National OCS Program). It was a pleasure meeting with you on Wednesday, January 17, 2018, to discuss the Draft Proposed Program. Your comments have been made a part of the official record.

Section 18 of the OCS Lands Act (43 U.S.C. §1344) prescribes the major steps involved in developing the National OCS Program, including extensive opportunities for public comment. The Bureau of Ocean Energy Management (BOEM) seeks a wide array of input during development of a National OCS Program, including information on the economic, social, and environmental values of all OCS resources. BOEM wants to hear from all voices as part of its public involvement process and recognizes that offshore oil and gas activities impact all parts of a state.

As noted during our recent meeting, because capital cities are meant to serve all of a state's citizens and are generally located in a centralized location, the Department's decision to hold meetings predominantly in state capitals will allow more convenient access for the full spectrum of interested stakeholders. To further our outreach, BOEM also designed an online virtual meeting to provide the public with the same materials presented at public meetings. These materials are available on BOEM's website. Additional public meetings will occur after the publication of the Proposed Program and Draft Programmatic EIS in those areas that are presented in the Secretary's Proposed Program decision.

Again, it was a pleasure meeting with you. I appreciate your comments and will consider them closely as we move forward with developing the National OCS Program. If I can be of further assistance, please do not hesitate to contact Lee Tilton, Chief, BOEM Office of Congressional Affairs at (202) 208-3502.

Sincerely,

Walter D. Cruickshank
Acting Director

To: 'Cameron, Scott'[scott_cameron@ios.doi.gov]; John Tanner[john_tanner@ios.doi.gov]
Cc: Katharine Macgregor[kate_macgregor@ios.doi.gov]
From: Kilroy, Jaclyn
Sent: 2018-04-27T16:39:13-04:00
Importance: Normal
Subject: RE: [EXTERNAL] Coastal Meetings
Received: 2018-04-27T16:39:47-04:00

Thanks Scott.
John/Kate let me know if you need anything from me.

Best,
Jackie
202-226-7139

From: Cameron, Scott [mailto:scott_cameron@ios.doi.gov]
Sent: Friday, April 27, 2018 4:31 PM
To: Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov>; John Tanner <john_tanner@ios.doi.gov>
Cc: Katharine Macgregor <kate_macgregor@ios.doi.gov>
Subject: Re: [EXTERNAL] Coastal Meetings

Hi Jackie,
I am handing this off to John Tanner in our Congressional Liaison shop for the appropriate follow up with Mr. Carter's office.

Thanks,
Scott
Scott J. Cameron
Acting Assistant Secretary for Policy, Management and Budget
Office of the Secretary of the Interior
Desk 202 208 4242
Cell 202 706 9031

On Fri, Apr 27, 2018 at 3:09 PM, Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov> wrote:
Hi Scott,
The person to contact in Mr. Carter's office is Nick Schemmel, at 202-226-6186.

For your reference, Mr. Carter's staff sent me the attached Jan 5 and Mar 5 letters exchanged between Mr. Carter and Dr. Cruickshank. My understanding is that Nick has been trying to work through Lee Tilton and Blake Deeley to date but my hope is that you or the appropriate folks at DOI can connect with him and solve some of Mr. Carter's concerns.

Thanks again. Please don't hesitate to reach out if I can provide any additional information or coordination from my end.
Best,
Jackie Kilroy

From: Kilroy, Jaclyn
Sent: Tuesday, April 24, 2018 3:29 PM
To: 'Cameron, Scott' <scott_cameron@ios.doi.gov>
Subject: RE: [EXTERNAL] Coastal Meetings

Thanks Scott, really appreciate this. I will get in touch with Buddy Carter's office (GA) and circle back with you around the end of the week.

Best,
Jackie

From: Cameron, Scott [mailto:scott_cameron@ios.doi.gov]
Sent: Tuesday, April 24, 2018 2:00 PM
To: Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov>
Subject: Re: [EXTERNAL] Coastal Meetings

Jackie,
Here is a high level response. The appropriate folks in DOI would be happy to participate in a meeting and more detailed discussion with the interested Congressional Office(s).

The OCS Five Year Plan has specific steps in place that address this very issue. At each step of the process, there exists opportunity for public input and Governor input. We are still at the Draft Proposed Program stage which had public meetings in state capitols and a public comment period. The next stage will be the proposed program and during that stage, the states that are still a part of the program will have public meetings along the coast. The process is thorough and deliberative and does involve public meetings in coastal communities at the appropriate time in that process.

Thanks,
Scott
Scott J. Cameron
Acting Assistant Secretary for Policy, Management and Budget
Office of the Secretary of the Interior
Desk 202 208 4242
Cell 202 706 9031

On Tue, Apr 24, 2018 at 10:46 AM, Kilroy, Jaclyn <Jaclyn.Kilroy@mail.house.gov> wrote:
Hi Scott,
Sorry I missed your call. Thanks in advance for any information you can provide related to the requests for coastal meetings in Georgia.

Thanks,
Jackie Kilroy

Interior & Environment Appropriations
202-225-3081

Erik

Erik Milito
Group Director, Upstream & Industry Operations
American Petroleum Institute
1220 L Street, NW
Washington, DC 20005
Ph: (202) 682-8273
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militoe@api.org



This transmission contains information that is privileged and confidential and is intended solely for use of the individual(s) listed above. If you received the communication in error, please notify me immediately. Any dissemination or copying of this communication by anyone other than the individual(s) listed above is prohibited.

--

Gareth C. Rees

Office to the Deputy Secretary

U.S. Department of the Interior

Tel: 202-208-6291

Fax: 202-208-1873

Cell: 202-957-8299

Meeting Proposal Information Form

*Please complete this form and send to gareth_rees@ios.doi.gov

To ensure that the appropriate individual within the Department of the Interior is meeting with you on a given matter and because the Office of the Deputy Secretary is committed to maintaining the highest ethical standards, we request that you answer the following questions before we will agree to schedule a meeting.¹ Therefore, please provide your request in writing and answer the following questions either on this sheet or a separate one.

Describe the action you are seeking by the Office of the Deputy Secretary:

Guest speaker with the American Petroleum Institute's Upstream Committee, a committee that is comprised of industry executives with oversight over exploration and production activities in the United States and that represent companies regulated by the Department of the Interior.

Meeting date: *July 17, 2018*

Meeting location: *API, 1220 L Street NW, Washington, DC 20005*

Contact information (Name, Email, Phone):

*Erik Milito
militoe@api.org
202-682-8273*

With which Bureau or Agency does your agenda most align? (Please list all, if more than one.)

*Bureau of Ocean Energy Management
Bureau of Safety and Environmental Enforcement
Bureau of Land Management
Office of Natural Resources Revenue*

The matter related to the request involves:

B: A discrete and identifiable class of persons, such as a regulation or legislation that applies to a specific industry

If you answered "a" above: *Not applicable*

- **Please identify the specific parties if possible:**
- **If the specific parties are identified, are you aware that any party is represented by Brownstein Hyatt Farber Schreck, LLP in this particular matter?**
- **If yes, please identify any such specific party:**

¹In order to avoid even the potential appearance of a lack of impartiality, the Deputy Secretary agreed that, for one year after his withdrawal from his former firm, he would not participate personally and substantially in any particular matter involving specific parties in which he knows his former firm is or represents a party, unless authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). He also agreed not to participate personally and substantially in any particular matter involving specific parties in which he knows a former client of his is or represents a party for a period of one year after he last provided service to that client, unless he is first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, per the Administration Ethics Pledge, the Deputy Secretary agreed that he will not for a period of two years from the date of his appointment participate in any particular matter involving specific parties in which a former employer or client of his is or represents a party, if he served that former employer or client during the two years prior to his appointment, absent a waiver under Section 3 of Executive Order No. 13770. This includes recusal from any meeting or other communication with such a former employer or client unless (1) there are five or more different stakeholders present and (2) no particular matters involving specific parties are discussed.

Please explain the time sensitivity of the request, if any, including what is driving the timing of the request, such as court-ordered or statutory deadline:

No sensitivity, other than the timelines for the respective agencies to conclude their work (industry would like to provide its expertise to ensure all factors are considered).

If the requested action involves the interpretation or application of a particular policy, regulation, or statute, please provide the underlying text along with any briefing material sufficiently in advance of any meeting so that it can be reviewed before the meeting.

Attached please find information related to BOEM's financial assurance oversight.

Expected meeting participants (name, title, and organization):

Alex Archila	BHP
Bernie Wolford	Noble Corporation
Bryan Collins	Parker Drilling
Carri Lockhart	Equinor
Charles (Chuck) Stanley	QEP Resources, Inc.
Chris Johnston	ENSCO
Clay Gaspar	WPX Energy Services Co LLC
Danny Brown	Anadarko Petroleum Corporation
Donald Hrap	ConocoPhillips
Frank Patterson	Chesapeake Energy Corporation
Gary Willingham	Noble Energy Inc.
Gene Coleman	Murphy Exploration & Production Company
Grady Ables	Apache Corporation
Greg Guidry	Shell Exploration & Production
Greg Hill	Hess Corporation
Jeff Shellebarger	Chevron North America Exploration & Production Company
John Jasek	Newfield Exploration Company
Jose Ignacio Sanz	Total E&P USA, Inc.
Jud Walker	EnerVest Ltd.
Keelan Adamson	Transocean
Lees Rodionov	Schlumberger
Luke Dunn	CrownQuest Operating, LLC
Mariano Ferrari	Repsol
Mark Berg	Pioneer Natural Resources Company
Mark Richard	HALLIBURTON
Michael Ming	Baker Hughes, a GE Company
Mike McAllister	Encana
Paul Geiger	Southwestern Energy Company
Randy Cleveland	ExxonMobil Production Company
Richard Jackson	Occidental Petroleum Corporation
Starlee Sykes	BP America Inc.
T.M. Little	Marathon Oil Corporation
Tony Vaughn	Devon Energy Corporation

If the Deputy Secretary is unable to meet, is a surrogate desired? If yes, who specifically? *No*

Proposals for a Risk-Based and Balanced OCS Financial Assurance Program

The DOI should ensure that current lease interest owners are capable of meeting decommissioning and other lease obligations. The DOI's required reconsideration of currently-suspended NTL 2016-N01 and regulatory review, pursuant to Executive Order 13785 and DOI Secretarial Order 3350, should be guided by four core principles regarding financial assurance on the OCS:

- The OCS should remain a viable and attractive investment option through a responsible, balanced, predictable and equitable financial assurance program.
- The financial strength of former lease interest owners is no substitute for financial security against the operational and financial risks of current owners.
- Companies that invest in offshore leases should have the financial capacity to address, on a realistic timeline, all obligations legally assumed or created.
- The financial assurance program that DOI ultimately adopts should be risk-based, and focused on offshore properties late in their economic life cycle. Implementation should be phased-in, allowing companies to successfully comply with any modification to DOI's existing financial assurance program.

To further the above principles, the following actions are proposed for DOI consideration. The first group of proposed actions may be implemented via a near-term replacement NTL. Subsequent, yet still prompt, amendments to BOEM regulations at 30 C.F.R. Part 556 (and possibly related BSEE regulations) through notice-and-comment rulemaking would serve to codify the terms of the NTL as well as implement the second group of proposals which require a rule change.

I. Proposals for OCS Financial Assurance Replacement NTL

1. *Prohibit consideration of predecessors in supplemental security demands.* DOI should not use the financial strength of predecessors-in-title as a criterion in determining the amount of supplemental financial security required from a current lease interest owner. Allowing current owners to decrease their financial assurance obligation based on financially strong predecessors-in-title is bad policy and legally unsupportable. Prior owners assigned their interests in reliance on existing BOEM regulations requiring the assignee to meet the full financial assurance requirements for all decommissioning and other lease obligations accrued prior to assignment.
2. *Adhere to chain of title for performance of lease obligations.* DOI should clarify that it will continue to require performance of all accrued lease obligations in the first instance by the current record title and operating rights owners. In the event of default of lease obligations by all current lessees, BSEE should pursue predecessors-in-title in reverse chronological order, beginning with the most recent assignors that are most familiar with the lease. The recent regulatory addition of joint and several liability among all predecessors and current lease owners which first appeared in a final rule does not mandate, or warrant,

demands throughout the chain of title per BOEM's serial register page for a lease. BSEE should not unilaterally and arbitrarily pick and choose which of the prior owners the bureau would like to perform lease decommissioning.

3. *Restore self-bonding for financially strong operators.* BOEM should not require the posting of additional security, or permit use of additional self-bonding, for companies that hold investment grade financial ratings. This approach would be consistent with the lack of historical evidence of such companies defaulting on decommissioning obligations.
4. *Increase accessibility of other existing security.* If a predecessor-in-title is required to undertake any decommissioning obligation, BOEM should grant that party access to any lease-specific or general bonds, or other security, that the defaulting current lessees provided to BOEM for decommissioning work.
5. *Clarify and standardize financial strength criteria for any supplemental security.* DOI should publish clear assessment criteria that the agency will use to determine if the current lessee has the financial strength to fulfill all accrued lease obligations without providing additional financial security to DOI to cover said obligations. Assessment criteria and metrics should be clear and transparent for all lessees versus confidential or tailored arrangements. The agency should use financial standards particularly applicable to the oil and gas industry.
6. *Avoid trade references.* The reliability criterion for any additional security should be based on public credit ratings, or an implied credit rating system only in the event a public credit rating is not available. While 30 C.F.R. § 556.901(d)(1)(iv) alternatively allows BOEM to use "trade references," BOEM should avoid doing so because such anecdotal data are significantly less probative of the lessee's financial reliability for lease obligations. If BOEM does collect such references, it should verify them and analyze their import for additional financial security.
7. *Define "record of compliance" criterion.* BOEM should confirm that a lessee's "record of compliance" under 30 C.F.R. § 556.901(d)(1)(v) that impacts financial assurance considerations only includes infractions by the lessee itself and not its designated operator. Moreover, this criterion should include only major operational violations where the lessee is under a "Performance Improvement Plan," royalty-related violations involving delinquent and uncontested royalties owed, or unpaid civil penalties.

II. Proposals for OCS Financial Assurance Regulatory Reforms

Incorporating well-functioning NTL elements into the C.F.R. will provide longer-term certainty to current and future OCS lessees that must make extremely large and long-term investments. For example, the regulations should confirm that BOEM may not consider a prior owner's financial strength in determining a current lessee's obligations for financial assurance, thus confirming that an approved assignment of lease interests creates no "surety" or "guarantor" relationship between the assignor and the assignee. Other recommended changes, however,

cannot be implemented via an NTL, which inherently is limited to interpreting the existing regulations. These other changes instead require amending existing regulatory provisions.

1. *Ensure sequential liability for predecessors in title.* BSEE and BOEM performing their respective roles to determine decommissioning liability and require adequate financial assurance from current lessees should diminish the need for universal, simultaneous liability among all current and previous interest owners, and thereby avoid uncertainty and financial accounting burdens on prior interest owners years, or even decades, after relinquishing their lease interests.
2. *Expand alternatives to bonds.* DOI should more expressly afford itself flexibility to consider vehicles other than bonds when addressing supplemental financial security requirements. Wherever the term “bonds” appears in the regulations in Part 556 Subpart I, BOEM should add “or other financial assurance,” consistent with the title of that Subpart. For shorthand, BOEM could define “other financial assurance” in § 556.105 as “a form of security other than a bond that is acceptable to BOEM and complies with the requirements of this Part.”
3. *Prevent premature security.* Current § 556.901 requires additional bonding when an exploration or development plan is merely submitted, unless BOEM grants an exception. Instead, the obligation to obtain a bond and incur the associated bonding costs should be delayed, at a minimum, until the proposed activities have been conducted. Once a well is drilled, if the well is not permanently plugged and abandoned, BOEM should consider whether or not supplemental security is needed. Once a platform or pipeline is installed, it is more sensible to stage the financial assurance requirement and delay full funding until later in the lease term. The risk of default on decommissioning obligations is minimal when lease production is at its peak. Full financial assurance should be required only when production levels are in significant decline and estimated future revenues are insufficient to cover the cost of decommissioning.
4. *Enable more flexibility for third-party guarantees.* DOI should allow a third party guarantor to limit its guarantee to the obligor’s proportionate ownership share of lease obligations and decommissioning obligations, as opposed to a guarantee for “all lessees’ lease obligations” per current § 556.905(c). Additionally, guarantors should be relieved of liability when replacement security is provided or security is no longer required, comparable to sureties being relieved of liability when a bond is canceled.

To: Adam Stern[adam_stern@ios.doi.gov]; Albert Modiano[amodiano@usoga.org]; Benjamin Simon[benjamin_simon@ios.doi.gov]; Chris Crowley[christian_crowley@ios.doi.gov]; Chris Mentasti[chris.mentasti@onrr.gov]; Chris Stolte[christopher_stolte@ios.doi.gov]; Clinton Carter[clinton.carter@finance.alabama.gov]; Colin McKee[colin.mckee@wyo.gov]; Deirdre Gallagher[deirdremg@voicesofvaluellc.com]; Emily Hague[hague@api.org]; James Schindler[james.schindler@boem.gov]; Jennifer Cadena[jcadena@i-og.net]; Jennifer Golladay[jennifer.golladay@boem.gov]; Jennifer Malcolm[jennifer.malcolm@onrr.gov]; John Crowther[john.crowther@alaska.gov]; John Hovanek[john.hovanec@onrr.gov]; John Sweeney[(b)(6)]; Katharine MacGregor[katharine_macgregor@ios.doi.gov]; Kathleen Sgamma[ksgamma@westernenergyalliance.org]; Kevin Simpson[kevin.c.simpson@shell.com]; Lynn Helms[lhelms@nd.gov]; Marisa Mitchell[mnmitchell@gmail.com]; Matt Adams[matthew.adams@cldpk.com]; Mike DeBerard[michael.deberard@onrr.gov]; Monte Mills[monte.mills@mso.umt.edu]; Patrick Noah[p.h.noah@cop.com]; Rachel Milner Gillers[rachel_milnergillers@ios.doi.gov]; Randall Luthi[rluthi@noia.org]; Renee Orr[renee.orr@boem.gov]; Rod Eggert[reggert@mines.edu]; Sarah Coffman[sarah.coffman@boem.gov]; Scott Angelle[scott.angelle@bsee.gov]; Stella Alvarado[stella.alvarado@anadarko.com]; Timothy Charters[tcharters@noia.org]; Tim Spisak[tspisak@blm.gov]; Vincent Devito[vincent_devito@ios.doi.gov]; Walter Cruickshank[walter.cruickshank@boem.gov]

Cc: Timothy Charters[tcharters@noia.org]; Justin Williams[jwilliams@noia.org]

From: Randall Luthi

Sent: 2018-05-29T14:57:24-04:00

Importance: Normal

Subject: [EXTERNAL] RPC - Recommendations 5.29.2018.pptx

Received: 2018-05-29T15:52:49-04:00

[RPC - Recommendations 5.29.2018.pptx](#)

PAC: Attached, are what I believe to be the latest and possibly the last version of the presentation slides for the Albuquerque RPC meeting. These are for presentation purposes and not the “official recommendations”, but are available for your review. This version reflects the call last Friday.

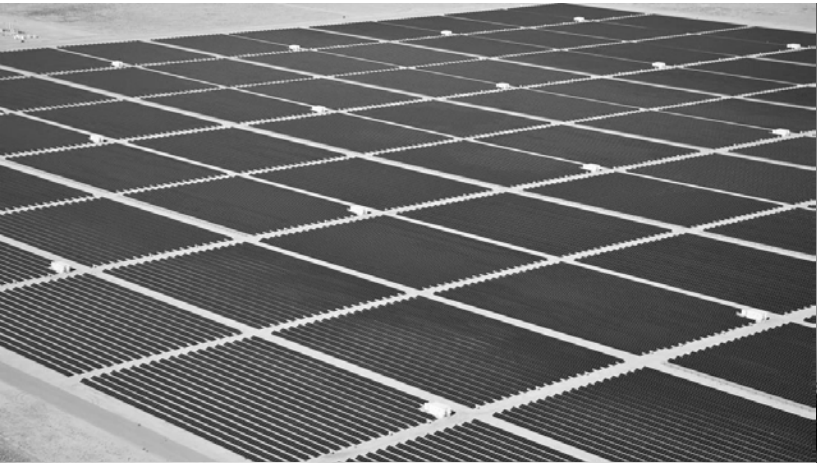
Chris Mentasti at DOI will be copying them and preparing for the RPC meeting this week, so if any of you have suggestions for further edits, please work through the presenters (Working group leaders) and we will coordinate with him. While not ideal, there can certainly be changes made just prior to the RPC meeting.

Thank you all for your efforts.



Royalty Policy Committee

Planning, Analysis and Competiveness Subcommittee
(Economics)



**Planning, Analysis &
Competitiveness
Subcommittee
Recommendations**



Non-Fossil Fuel Working Group Recommendations

Presenter: Marisa Mitchell, Intersect Power

Colin McKee, Governors Office, Wyoming

Non-Fossil Fuel Working Group Recommendation #1

Recommendation: The Secretary shall plan a wind leasing program to bring at least twenty additional gigawatts from offshore wind to the United States over the decade beginning in 2024. This goal shall be achieved by leasing at least two gigawatts annually through at least four lease sales on the United States Outer Continental Shelf (OCS) of at least five hundred megawatts each.

Nature of change: Secretarial Order

Background

America's energy future demands an aggressive "All of the Above" energy strategy in the OCS. This includes the responsible development of offshore wind power to support the energy needs of our coastal communities. This development will spur investments in local economies – creating job growth and avoiding the need to export hard-earned energy dollars outside the region.

The first handful of leases offered by BOEM has put in place leases for the first generation offshore wind, which is generally enough to meet the market demand (supported by state policies) through roughly 2030. However, that market demand is expected to grow, requiring the next generation of leasing and a commitment to a broader plan and the next generation of investment.

Experience from Europe has shown that an industrial commitment of two gigawatts of development is necessary to establish a significant and competitive supply chain for the offshore wind industry.

Analysis

This level of federal commitment, planning and investment of resources by the Federal Government, will spur follow on investment from States, industries, and researchers nationwide. Too often major energy projects, particularly in new areas, suffer from a “chicken and the egg” syndrome. For offshore wind this means no leasing, without power contracts, but no power contracts without leasing. By ensuring that the Federal Government is making an active effort to plan, prepare and initiate leasing of areas of the OCS, the Department of the Interior creates an important benefit of signaling that the Federal resources are open and available for investment and development.

Considering that a single lease can take as long as 5 years to prepare and plan prior to an actual lease sale, initiating a plan now to begin in 2024 puts us right on schedule for kick starting an American energy future with offshore wind all over the US OCS.

Non-Fossil Fuel Working Group Recommendation #2

Recommendation: In order to ensure the benefits of offshore energy and mineral development to all Americans it is necessary to expand the reach of the Outer Continental Shelf Lands Act (OCSLA) to the United States Territories, Guam, American Samoa, U.S. Virgin Islands, Commonwealth of the Northern Marianas and Puerto Rico.

Nature of change: Secretary will submit to Congress a legislative amendment to OCSLA

Background

The effort to expand the OCSLA to the territories has passed one body or the other in Congress several times over the last decade, most recently in the SECURE Act (Scalise-LA), HR 4239. In addition, the Obama Administration issued a strong statement of support and the Trump Administration has continued that support. Including the U.S. territories and possessions under the leasing authority of OCSLA will result in:

- Potential Economic Activity
- Revenues
- Increased Scientific Research
- Improved Technology

Both the rebuilding of the electrical grid of Puerto Rico as part of the recovery from the hurricanes of 2017 and the significant investment of resources by the Department of Defense into Guam provide unique opportunities for energy investment in the OCS if the Department of Interior is given the opportunity to plan offshore energy development.

Analysis

According to the Congressional Budget Office enacting this provision could increase federal revenues by \$20 million over the 2018-2027 period.

Specifically, CBO says in analysis of HR 4239 that “Renewable Energy Leases on the OCS. H.R. 4239 would direct DOI to study the potential for production of electricity generated by wind off the coasts of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands. If those studies showed that developing offshore wind resources was feasible, the bill would direct DOI to conduct lease sales in those areas. CBO estimates that implementing those provisions would increase offsetting receipts by \$20 million over the 2018-2027 period, net of payments to states and territories.

Non-Fossil Fuel Working Group Recommendation #3

Recommendation: The Committee recommends that the Secretary direct the National Office of the Bureau of Land Management to issue an Instruction Memorandum to update and clarify solar energy right-of-way (ROW) acreage rent schedules, megawatt (MW) capacity fees, lease and grant renewal processes, bond requirements, and application priority for projects in the six southwestern states subject to BLM's Western Solar Plan (Arizona, California, Colorado, Nevada, New Mexico, and Utah), including guidance on the implementation of the rule on Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections, 81 Fed. Reg. 92,122 (Dec. 16, 2016) (the "Rule").

Nature of change: Instruction Memorandum

Background

America's multiple use public lands in six southwestern states offer some of the best solar resources in the nation and have been identified by the BLM as highly suitable and potentially suitable for such use. However, despite a solar boom on America's private lands, prevailing federal land solar policies discourage solar development on public lands. Clarifications to and guidance on current policy should be made to ensure that multiple-use federal lands are made competitive with private lands.

Analysis

1. **Acreage Rent** – current policy creates rent uncertainty for fixed revenue stream assets and escalates at well above market rate, contributing to public land being uncompetitive with private land
2. **MW Capacity Fee** – current policy includes a royalty-like payment that is well above market, contributing to public land being uneconomic with private land
3. **ROW Grant and Lease Renewal** – current policy limits solar grants and leases to 30 years, inclusive of construction period, while useful life of equipment is 35+ years, causing assets on public land to be undervalued relative to private land counterparts

Analysis

4. **Bond Rates for Solar Grants and Leases** – current policy sets minimum solar bond rates 10x above market, inconsistent with reclamation cost estimates, causing credit terms for public land sited facilities to be uneconomic compared to private land
5. **Variance Application Processing** – current policy puts a would-be project's site control at risk by giving BLM staff the discretion to open "Variance Process Lands" to competitive bidding, even if a proponent has expended significant funds to diligence and secure the site, causing public land to be too risky for proponents to expend development capital

Consequence: American Taxpayers are not Benefiting from Solar Development as the Rule Intended

Analysis

	Coal	Oil + Gas	Solar PV ²	Wind ³
Per acre lease rate ¹	\$3	\$1.50 \$2	\$16.77 \$914.10	\$1.68 \$91.31
Capacity fee	n/a	n/a	\$2,863 / MW	\$5,010 / MW
Royalty rate	12.5%	12.5%	n/a	n/a
Minimum bond rate	\$10,000 / lease	\$10,000 / lease	\$10,000 / acre (\$15,000,000 / lease)	\$20,000 / turbine (\$1,000,000 / lease)
Federal acres available	370,000,000	564,000,000	19,600,000	19,600,000
Production (2016)	728,000,000 tons	32,636,000,000 mcf	37,000,000 MWh	227,000,000 MWh
Treasury revenue (2017)	\$558,000,000	\$6,149,000,000	n/a	\$55,000,000

1 No annual escalation for coal, oil, gas; solar, wind escalate at IPD-GDP + 4%

2 Lease rates as high as \$56k/acre in areas largely unsuitable for solar

3 Lease rates as high as \$5.6k/acre in areas largely unsuitable for wind

Equivalent standard across industries: Fair Market Value to taxpayers

Source: https://www.eia.gov/outlooks/aeo/pdf/electricity_generation.pdf; USEITI

Analysis

Recommendations, if adopted, would:

- Allow American Taxpayers to benefit from the ~50 GW of installed capacity anticipated by 2021
- Estimate solar treasury revenue of ~\$350M/year by 2021
- Create tens of thousands of domestic jobs

Non-fossil Fuel Working Group Recommendation #4

Recommendation: The RPC recommends that the Secretary issue a Secretarial Order grandfathering projects that were under construction or development at the time the BLM issued its “Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections (81 Fed. Reg. 92122 (December 19, 2016))”.

Nature of change: Secretarial Order

Background

In 2016, the BLM issued this rule. Prior to this rule, operators were only subject to a capacity fee. However, the new rule instituted an additional acreage fee and changed how the capacity fee is calculated.

While it does have aspects that are positive for newly proposed wind and solar projects, it carries significant financial burdens for projects that were under development at the time of issuance. This was a significant and common issue brought up by a number of commenters, including the American Wind Energy Association, the Solar Energy Industries Association and many others.

Analysis

Making this change, the U.S. Treasury can expect to see the same level of revenue from projects. It will not affect projects applying with Interior after the issuance date of the rule. At most, without this change the impacts of the new rule may put at risk projects that were under development at the time of its issuance. At the least, this change will allow projects under development at the time of rule issuance to play under the same regulatory system that was in effect when projects first started permitting with Interior.

Making this change continues Interior's commitment to advancing renewable projects on federal lands and can provide some certainty to upcoming projects that the rules of the game will not change during the course of permitting.

A black and white photograph of an offshore oil rig in the foreground, set against a backdrop of snow-capped mountains and a cloudy sky. The rig is a complex structure with a tall central tower and various platforms. The mountains in the background are rugged and covered in snow, with some clouds hanging in the sky. The overall scene is industrial and natural.

Offshore Working Group Recommendations

Presenter: Patrick Noah, ConocoPhillips

Previous Recommendation

In February 2018, the U.S. Department of the Interior's Royalty Policy Committee voted to recommend the following language:

Revise, clarify and simplify process for granting varying royalty rate for declining or particularly costly fields.

Offshore Working Group Recommendation #1

Recommendation: This follows on the previous recommendation for Royalty relief for late life or challenging assets by adding specificity as committed in the last full RPC meeting. Offshore committee recommends appropriate DOI/agency personnel consider, in their review of potential avenues for improved achievability of existing statutory royalty relief options, such factors as enhanced oil recovery (EOR); high pressure/high temperature wells (HPHT); and reservoir depths. (NOTE: 20,000 feet TVDSS is a common marker for exceptionally challenging reservoir depth.)

Nature of change: Notice to Lessees

Background

It is the committee's understanding that royalty relief is technically available to certain challenging and/or late life projects, but official dialogue at the last full RPC meeting confirmed that there has been little to no successful application for such relief in many years.

The [linked DOI data](#) seems to substantiate the absence of such successful policy application in modern OCS operations.

Background



-IHS CERA BOEM

“However, the challenge is that the key to unlock the next phase of significant volumes in the GoM lies with ultra-high-pressure exploration and development. What is still especially relevant to move projects forward in deepwater GoM are potential policy incentives specific to these ultra-high pressure developments. Without some stimulus, these volumes will struggle to compete with more attractive reservoirs in Brazil and Mexico.”

“The wide ranges of government takes between 53% for profitable projects to 86% for marginal projects in Deepwater GOM suggests a highly regressive fiscal system that penalizes marginal fields.” P.5

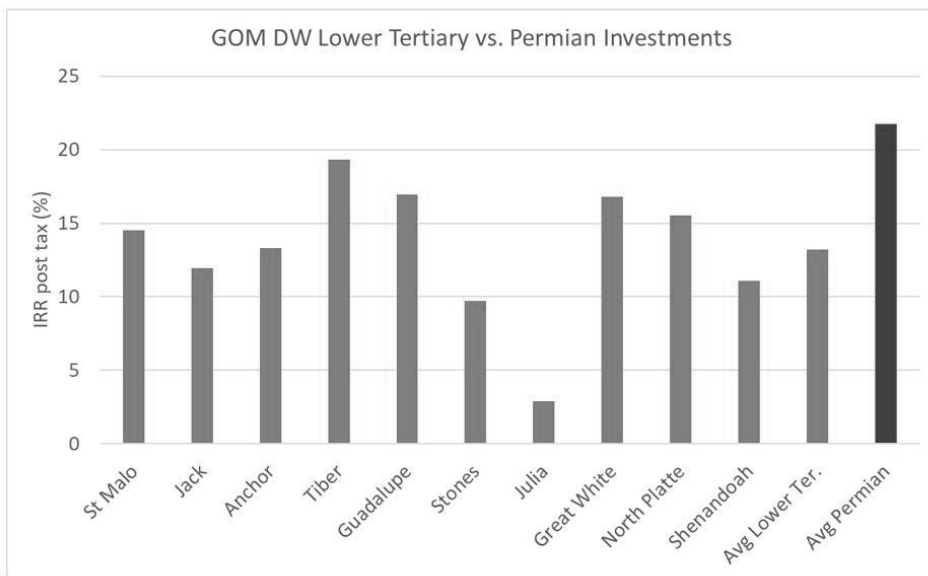
“The GOM is an attractive investment environment; however it is also among the most expensive next to Alaska and other arctic environments. As exploration and production move beyond 5,000 feet, which seems to be the area with the greatest growth potential in the GOM according to EIA and DOI, achieving desirable rates of return is going to be quite challenging. P. 60

“...the GOM nominal royalty rate is already higher than all offshore oil and gas jurisdictions outside the United States.” P. 133

Background

Current IRR of DW Lower Tertiary vs. Permian

Data Source: Wood Mackenzie's "Upstream Asset Valuation" tool Nov 2017



Current IRR of DW Lower tertiary vs Permian

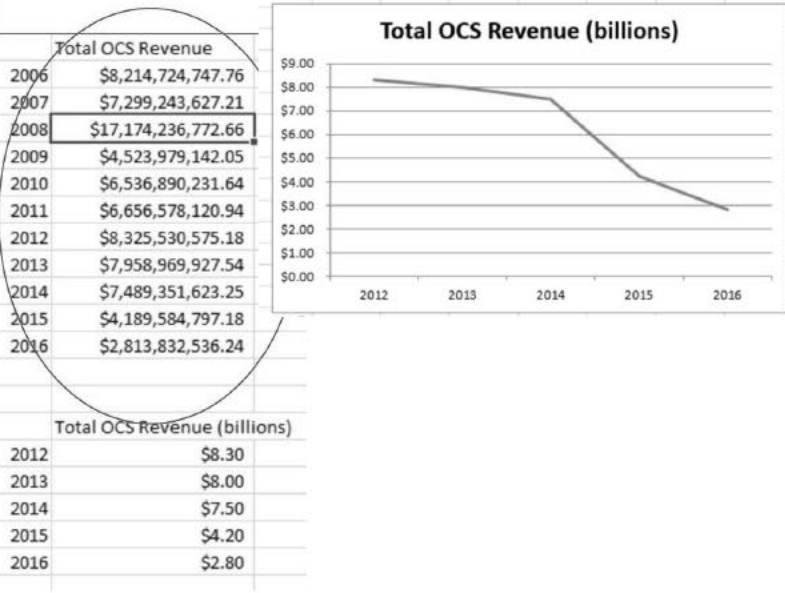
Source: Wood Mackenzie's "Upstream Asset Valuation" too, November 2017

*IRR= Internal Rate of Return

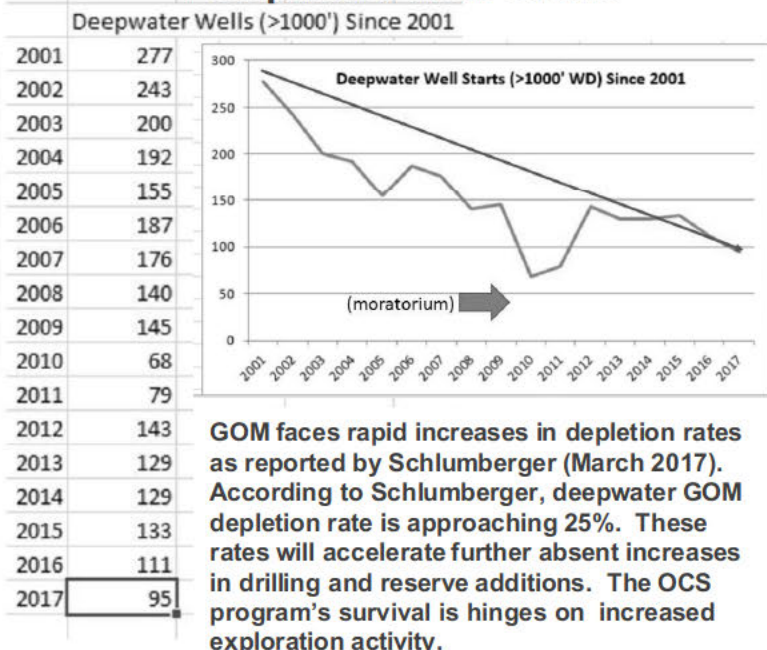
Background

10 Yr Sustained Decline in Revenue

Source: ONRR Data (CY 2017 not yet available)



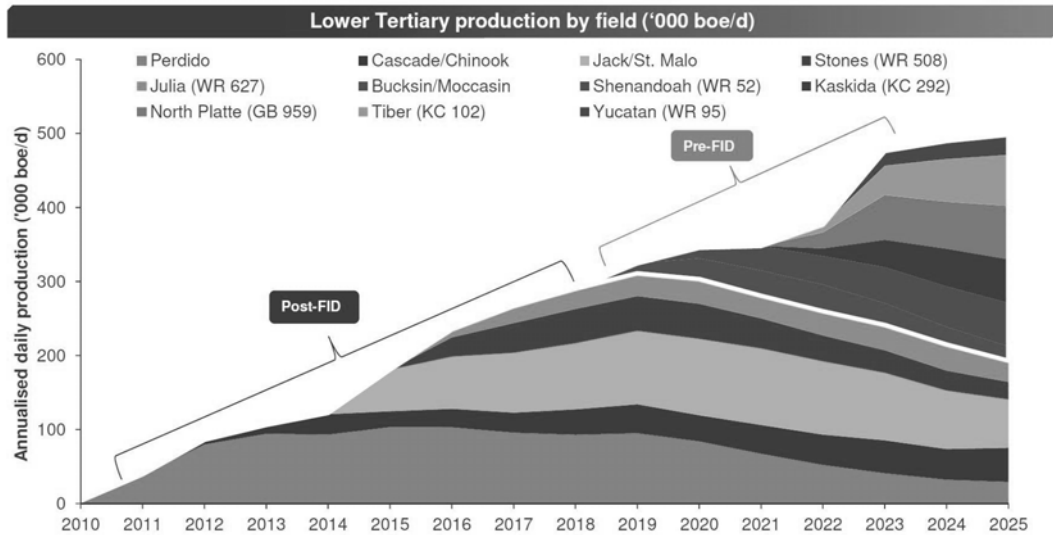
15 Yr Sustained Decline in Deepwater Well Starts



Background

Approximately 300,000 boe/d at risk by 2025 due to lower oil prices

Final Investment Decision for the next round of Lower Tertiary projects depends on a number of key factors including: 1. successful appraisal results (North Platte & Shenandoah); 2. development of HP/HT equipment and; 3. confidence in a stronger oil price. If pre-FID projects are sanctioned, we expect production to roughly triple over the next 10 years.



Source: Wood Mackenzie Upstream Data Tool (UDT) July 2015

Background

Relief is rarely sought and even more rarely approved (10 total applications; 7 approvals minus 2 withdrawn by government.)

Most recent approval was 17 years ago.

The multiple indicators of declining GOM competitiveness strongly suggest that the lack of applications in recent decades are not for lack of need, but for lack of achievability.

BUREAU OF OCEAN ENERGY MANAGEMENT

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Listing of Deepwater Royalty Relief Applications
data last updated: 05-20-2018 03:00 AM(CST)

The following is a listing of deepwater royalty relief applications received for pre-Act Fields. Please contact the GOMR with questions regarding the royalty relief status of individual leases within these Fields.

Data Grid

Customization: [Reset Grid Layout](#) Export Current Grid: [PDF](#) [XLS](#) [XLSX](#) [RTF](#) [CSV](#)

Drag a column header here to group by that column

Field Name	Type	Action	Action Date	Suspension Volume	Withdrawn	Withdrawn Date
DC133	IDWNP	Approved	7/16/1998	87.5		
EW958	IDWNP	Approved	6/5/1997	52.5	MMS Withdrawn	12/11/1999
GB161	IDWSE	Denied	11/4/1999			
GB409	IDWNP	Approved	11/9/2001	52.5		
GB783	IDWNP	Denied	3/30/2005	0		
GC236	IDWNP	Approved	12/4/2000	87.5		
GC472	IDWNP	Approved	6/1/2001	87.5		
MC084	IDWNP	Approved	4/30/1998	87.5	MMS Withdrawn	5/23/2000
MC718	IDWNP	Approved	7/23/1999	87.5	Operator Withdrawn	3/25/1999

[Download the Royalty Relief Applications Raw Data](#)
[View the Field Definitions for Royalty Relief Applications](#)

Analysis

Where there are risks that certain projects either would not materialize, would materialize sub-optimally (i.e. likely to produce substantially lower EURs), or would face earlier than optimal end of asset life/abandonment but for certain royalty relief, there is a public interest in seeking the “win/win” wherein greater production volumes and associated revenues and associated benefits continue to flow to the taxpayer, government, and employment markets. Creating improved certainty and accessibility for those situations would remedy the identified risks.

A black and white photograph of an oil drilling rig in a field under a cloudy sky. The rig is the central focus, standing tall in the middle ground. In the background, there are other smaller structures and utility poles. The foreground is a field of tall grass with a dirt path leading towards the rig.

Onshore Working Group Recommendations

Presenter: Kathleen Sgamma, Western Energy Alliance

Onshore Working Group Recommendation #1

Recommendation: BLM should issue an Instruction Memorandum (IM) directing all field offices to issue Categorical Exclusions (CX) when any of the Energy Policy Act of 2005 (EPAAct 2005) Section 390 criteria are met.

Nature of change: Instruction Memorandum

Background

Lengthy Application for Permit to Drill (APD) timeframes often occur because BLM is conducting redundant NEPA analysis rather than granting CXs when companies meet the criteria under Section 390 of the EPOA.

BLM data show APDs take 260 days on average.

BLM should issue guidance that CXs must be used when a company meets any of the statutory Section 390 criteria.

The Section 390 CXs are mandated by EPOA 2005 and should not be discretionary.

Use of CXs would reduce APD processing time, avoiding redundant NEPA analysis and allow analysis on non-CX activities.

Onshore Working Group Recommendation #2

Recommendation: In an effort to reduce NEPA processing timelines and increase regulatory certainty on public lands, project-specific NEPA documents should be scoped to the actual impact of projects and limited to best-available information, tiering to existing environmental analyses already analyzed in prior NEPA documents. Project proponents should not be required to fund new research to produce data that go beyond the scope of the project.

Nature of change: Instruction Memorandum or Guidance to NEPA staff

Background

NEPA analysis can take up to ten years for larger projects, and even small project NEPA documents can take three to five years.

The Royalty Policy Committee has evaluated reducing NEPA and other approval timelines to encourage more development and hence, increase royalty revenue.

To implement Secretarial Order 3355 (one year time frame and 150 pages NEPA documents should focus on actual, not speculative, beyond the scope of the proposed project.

Tiering to existing environmental analyses should be used wherever possible.

NEPA documents should also be scoped to best available information. Processing of NEPA documents should not be put on hold while waiting for new research to be completed.

Onshore Working Group Recommendation #3

Recommendation: BLM should use the opportunity as it updates IM 2009-78 Processing Oil and Gas Applications for Permit to Drill for Directional Drilling into Federal Mineral Estate from Multiple-Well Pads on Non-Federal Surface and Mineral Estate Locations (otherwise known as the fee-fee-fed IM) to avoid unnecessary NEPA analysis of impacts to nonfederal surface when multi-well pads develop both federal and nonfederal minerals from off-lease, nonfederal surface locations. Similar, this guidance should avoid unnecessary analysis of horizontal wells that develop a minority of federal minerals.

Nature of change: Guidance to NEPA planning staff

Background

NEPA analysis need not consider impacts from nonfederal actions that would occur independently of a federal authorization such as when a multi-well pad is sited on off-lease, nonfederal surface to access nonfederal minerals.

BLM should provide clear concrete guidance for distinguishing between situations in which multi-well pads are and are not determined by access to the federal mineral estate. There should be a presumption that a multi-well pad developing both federal and nonfederal minerals is sited to access the nonfederal minerals, unless specific facts demonstrate otherwise.

NEPA analysis need not consider all impacts of drilling a well that develops a minority of federal minerals. BLM should establish clear guidance for analyzing impacts of horizontal wells that develop a minority mineral interest.

BLM should not conduct unnecessary analysis of impacts from nonfederal actions that would occur regardless of whether BLM approves an APD.

Onshore Working Group Recommendation #4

Recommendation: The Department of the Interior should rewrite Onshore Orders 43 CFR 3173 , 3174, and 3175 by adopting API standards and GPA standards in their entirety.

Nature of change: Full rulemaking process

Background

The rulemaking should fix the retroactive aspects of the existing rule that threaten existing unitization and commingling agreements.

- The simplest and most equitable means of modifying the regulations would be to adopt the American Petroleum Institute (API) and GPA Midstream (GPA) standards in their entirety.
- Continue to honor all variances, commingling agreements, and off-site measurement agreements approved prior to the effective dates of the new rules.
- Existing Commingling and Allocation Approval: BLM should consider a provision in the rule to define “economically marginal” that would establish when commingling of production is allowed from a property.



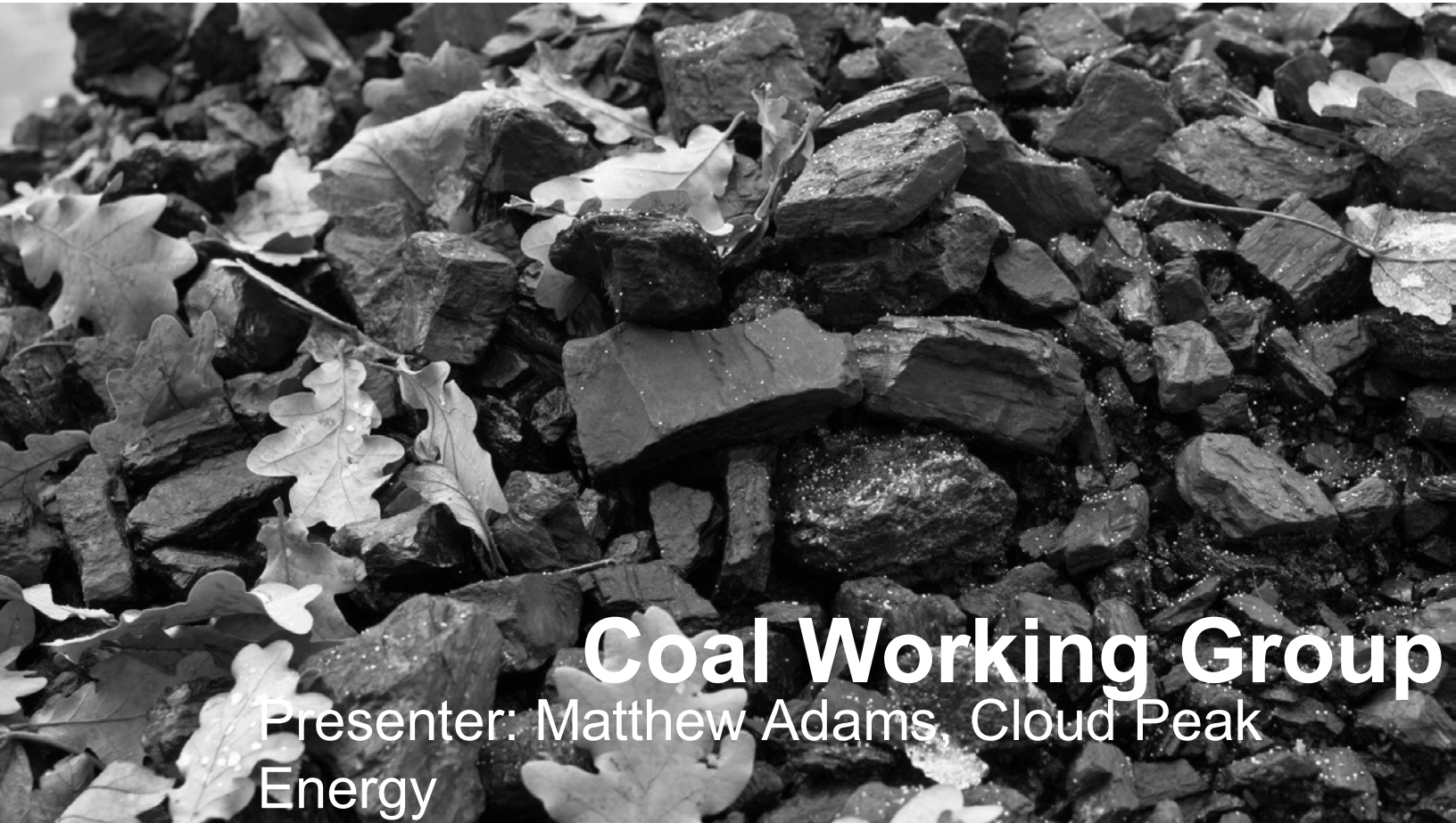
Alaska Working Group

Presenter: John Crowther, State of Alaska

Update

The Alaska Workgroup is not bringing forward any formal recommendations at this time, but has a number of topics under discussion related to our prior recommendation and potential upcoming recommendations:

- DOI has begun the NEPA scoping process for leasing in the 1002 Area, and we expect robust involvement from the State government and local stakeholders.
- The National Petroleum Reserve-Alaska continues to be an important new exploration opportunity for federal production, and DOI needs to ensure appropriate acreage is available and permitting is coordinated and efficient.
- The OCS 5 year planning process continues in Alaska, including planning for a 2019 lease sale in the Beaufort sea area. These are significant long-term national opportunities.
- Federal royalty valuation for OCS transportation costs and other factors should take into consideration the Alaska-context to promote production.



Coal Working Group

Presenter: Matthew Adams, Cloud Peak Energy

Update

The Coal Workgroup is not bringing forward any formal recommendations at this time, but has a number of topics under discussion:

- The Coal Workgroup has reviewed the Lease By Application process and discussed potential changes. We have reviewed a number of concepts, but do not have a recommendation at this time.
- The Coal Workgroup has discussed and attended presentations covering the current permitting and review processes necessary for new coal projects. We will continue to focus on this area.

Studies Working Group

Presenter: Emily Kennedy Hague
American Petroleum Institute



Update

The PAC Studies Workgroup, working with BOEM and BLM subject matter experts, has kicked off an effort to analyze modeling conducted within the Department. The team plans to review existing model assumptions and how the bureaus review and update those assumptions periodically to stay in line with current economic conditions. The group will also explore how the models are used within the Department to inform policy decisions and also look to see if there are gaps or additional factors that should be included within the models.



Thank You

Planning, Analysis and Competiveness Subcommittee

Notes Summary:

No speaker notes are contained in this presentation.

To: gareth_rees@ios.doi.gov[gareth_rees@ios.doi.gov]
Cc: Wynn, Todd[todd_wynn@ios.doi.gov]
From: Elizabeth Craddock
Sent: 2018-06-04T20:21:09-04:00
Importance: Normal
Subject: [EXTERNAL] Meeting request for next Thursday, June 14
Received: 2018-06-04T20:23:04-04:00
[Meeting Proposal Information Form Deputy Secretary IADC June 2018 request.docx](#)

Hi Gareth,

Please see this meeting request for next Thursday, June 14th for members of the International Association of Drilling Contractors (IADC). IADC is a trade association based in Houston, TX. We have over 1,100 members, but we will have about 12 senior management members from a variety of offshore and onshore companies in town next week. They would really love an audience to discuss their business with the Deputy Secretary.

Many thanks for your consideration of my meeting request.

Liz Craddock

Elizabeth Leoty Craddock
Vice President, Government & Industry Affairs
International Association of Drilling Contractors (IADC)
1667 K Street, NW Suite 420
Washington, DC 20006
202-293-0670 (office)
202-615-6816 (cell)
www.iadc.org



***IADC's Houston office will be relocating to the following location in July 2018:**

3657 Briarpark Drive, Suite 200
Houston, TX 77042

Meeting Proposal Information Form

*Please complete this form and send to gareth_rees@ios.doi.gov

To ensure that the appropriate individual within the Department of the Interior is meeting with you on a given matter and because the Office of the Deputy Secretary is committed to maintaining the highest ethical standards, we request that you answer the following questions before we will agree to schedule a meeting.¹ Therefore, please provide your request in writing and answer the following questions either on this sheet or a separate one.

Describe the action you are seeking by the Office of the Deputy Secretary:

IADC members are in town for a Washington, DC fly-in and seek an audience with the Deputy Secretary to discuss matters of importance to the drilling contractor members. Issues include: BSEE Well Control Rule; BLM permitting of APDs; BOEM 5-year-plan. There is no specific “ask” just the opportunity to discuss generally the members’ business, how it contributes to the upstream oil and natural gas industry and economy at large, and our members’ focus on safety and environmental stewardship.

Meeting date: June 14th – any time before 11:30 a.m.

Meeting location: Dept of Interior

Contact information (Name, Email, Phone): Elizabeth Craddock, VP-IADC, Elizabeth.craddock@iadc.org; 202-615-6816

With which Bureau or Agency does your agenda most align? (Please list all, if more than one.)

BLM
BSEE

Please indicate whether the matter related to the request involves:

- a) Specific parties, such as a particular litigation matter, a specific permit decision, or a contract;
- b) A discrete and identifiable class of persons, such as a regulation or legislation that applies to a specific industry; or
- c) A broad and diverse range of persons, such as a resource management plan or broad legislation?

If you answered “a)” above:

- Please identify the specific parties if possible:
- If the specific parties are identified, are you aware that any party is represented by Brownstein Hyatt Farber Schreck, LLP in this particular matter?

Yes No

¹In order to avoid even the potential appearance of a lack of impartiality, the Deputy Secretary agreed that, for one year after his withdrawal from his former firm, he would not participate personally and substantially in any particular matter involving specific parties in which he knows his former firm is or represents a party, unless authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). He also agreed not to participate personally and substantially in any particular matter involving specific parties in which he knows a former client of his is or represents a party for a period of one year after he last provided service to that client, unless he is first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, per the Administration Ethics Pledge, the Deputy Secretary agreed that he will not for a period of two years from the date of his appointment participate in any particular matter involving specific parties in which a former employer or client of his is or represents a party, if he served that former employer or client during the two years prior to his appointment, absent a waiver under Section 3 of Executive Order No. 13770. This includes recusal from any meeting or other communication with such a former employer or client unless (1) there are five or more different stakeholders present and (2) no particular matters involving specific parties are discussed.

- **If yes, please identify any such specific party:**

Please explain the time sensitivity of the request, if any, including what is driving the timing of the request, such as court-ordered or statutory deadline:

IADC members are in town for a fly-in and are otherwise not in Washington, DC on a regular basis.

If the requested action involves the interpretation or application of a particular policy, regulation, or statute, please provide the underlying text along with any briefing material sufficiently in advance of any meeting so that it can be reviewed before the meeting.

Expected meeting participants (name, title, and organization):

Jason McFarland, President, IADC
Steve Brady, Senior Vice President – Ensco plc
Mike Garvin, Senior Vice President –Patterson UTI Drilling Company
Christopher Menefee, Vice President – Independence Contract Drilling
Anthony Gallegos, President and CFO – Sidewinder Drilling
James Sanislow, Vice President and CCO – Noble Drilling Services
Michael Lawson, Vice President Health, Safety, Environment and Training/Competency – Rowan Companies
Mike Bowie, Director, Oilfield Equipment – BHGE
Scott McKee, Vice President – Cactus Drilling
Terry Bonno, Senior Vice President – Transocean Ltd.
Bob Warren, VP – IADC
Elizabeth Craddock, VP –IADC

If the Deputy Secretary is unable to meet, is a surrogate desired? If yes, who specifically?

Assistant Secretary Joe Balash

To: vincent_devito@ios.doi.gov[vincent_devito@ios.doi.gov]
Cc: gisella_ojeda-dodds@ios.doi.gov[gisella_ojeda-dodds@ios.doi.gov]
From: Jim.Pierce@jltus.com
Sent: 2018-06-05T16:43:25-04:00
Importance: Normal
Subject: RE: [EXTERNAL] FW: Meeting with Sec Zinke
Received: 2018-06-05T16:44:09-04:00

Thank you-

From: Vincent Devito
Sent: Tuesday, June 05, 2018 4:41:16 PM
To: Pierce, Jim USA3257619
Cc: gisella_ojeda_dodds@ios.doi.gov
Subject: Re: [EXTERNAL] FW: Meeting with Sec Zinke

Thanks. We'll check.

On Jun 5, 2018, at 1:06 PM, <Jim.Pierce@jltus.com> <Jim.Pierce@jltus.com> wrote:

Hi-

Just circling around to see if we are making any progress toward a get together in DC?

Thanks

Jim P

James R. Pierce, Jr. | Deputy Co-Chair, Global Specialty | Head of Energy, Power & Mining
JLT Specialty
5847 San Felipe, Suite 2800 | Houston, Texas 77057
Direct Dial: 713-325-7619 | Mobile: 832-491-5670
jim.pierce@jltus.com | www.jltus.com
<image001.png><image002.png>

From: Pierce, Jim - USA3257619
Sent: Tuesday, April 10, 2018 2:02 PM
To: Roger Jenkins (roger_jenkins@murphyoilcorp.com); Julie Robertson (JRobertson@noblecorp.com); rclark@deepgulfenergy.com
Cc: tyoung@deepgulfenergy.com
Subject: Meeting with Sec Zinke

Julie, Roger, and Richard-

I wanted to update you on the prospects of a small (and hopefully impactful) meeting

on the horizon with Secretary Zinke. If you scroll down and read from the bottom up, you will see how this is taking shape, and where we stand.

As soon as I hear more, I will let you know.

Jim P

James R. Pierce, Jr. | Deputy Co-Chair, Global Specialty | Head of Energy, Power & Mining

JLT Specialty

5847 San Felipe, Suite 2800 | Houston, Texas 77057

Direct Dial: 713-325-7619 | Mobile: 832-491-5670

jim.pierce@jltus.com | www.jltus.com

<image001.png><image002.png>

From: Devito, Vincent [mailto:vincent_devito@ios.doi.gov]
Sent: Tuesday, April 10, 2018 1:55 PM
To: Pierce, Jim - USA3257619; Getto, Leila
Cc: Ojeda-dodds, Gisella
Subject: Re: [EXTERNAL] Connecting

Thank you. This is helpful. I am adding Leila to start the process of identifying a time that works for a meeting with myself and the Secretary.

Best,
Vincent

On Tue, Apr 10, 2018 at 2:23 PM, <Jim.Pierce@jltus.com> wrote:
Vincent-

Thanks for reaching out... the genesis of this meeting was a lunch with Secretary Perry in his office. I suggested to him that there has been a lot of talk about deregulation in offshore US waters, but work being done by committees and PAC's notwithstanding, it doesn't seem like much is actually getting done to take down the Obama era barriers to entry and create a clearer pathway to increased exploration and production (E&P) activity. Secretary Perry was very quick to say "The President has been very clear. If industry can come to us with viable plans to deregulate, and where a compelling case is made for economic growth, our job is to help. But in this case, you should meet with Secretary Zinke"

So I suggested I put together a small group of E&P execs who could come together and meet with Secretary Zinke. In advance of the meeting, they would provide a "list" of a handful or less of regulatory issues, which, if resolved, could create more jobs and activity in the offshore sector. It was at that juncture that Secretary Perry asked his Chief of Staff to connect me with Scott.

My last email to Scott read as follows:

(begin quote) "Scott-

Apologies for the 30 days of silence. Things got pretty busy.

I have 3 C-Suite officers who are interested in a session with you and the Secretary. They are:

Roger Jenkins President and CEO of Murphy Oil Corporation

Richard Clark President of Deep Gulf Energy

Julie Robertson Chairman of the Board, President, and CEO of Noble Corporation

I am thinking I will convene them and ask them to work together to develop a very short list (3-5 issues) of regulatory barriers that are slowing down/impeding any return to (or semblance of) normalcy in respect of exploration and production activity in US waters.

I know there are other lobbying efforts in DC, but sometimes a small meeting can achieve a lot more than what happens as and when the wheels of the bureaucracy turn and churn along at a turtle's pace.

This is a good panel, as two of the execs represent exploration companies, and one represents the offshore drilling sector.

Perhaps it would help if you could give me a few dates in May or June that would work for a meeting in DC? That way, when I reach out to Roger, Julie, and Richard, we can get a meeting date nailed down, and they can begin to work on the short list of issues for discussion.

Hopefully this makes sense. I look forward to hearing from you." (end quote)

Vincent, is this good background, and does this answer your question re my providing "details"?

Thanks

Jim P

James R. Pierce, Jr. | Deputy Co-Chair, Global Specialty | Head of Energy, Power & Mining

JLT Specialty

5847 San Felipe, Suite 2800 | Houston, Texas 77057

Direct Dial: 713-325-7619 | Mobile: 832-491-5670

jim.pierce@jltus.com | www.jltus.com

<image001.png><image002.png>

From: Devito, Vincent [mailto:vincent_devito@ios.doi.gov]
Sent: Tuesday, April 10, 2018 11:52 AM
To: Pierce, Jim - USA3257619
Subject: Connecting

Jim,

Scott Hommel asked me to follow up on regarding a potential meeting with three executives. If you have additional details, please let me know. Happy to discuss on the phone, as well. Thanks.

Best,
Vincent

--

Vincent DeVito, Esq.
Counselor to the Secretary of Interior for Energy Policy
Immediate Office of the Secretary
+1.202.208.2884
vincent_devito@ios.doi.gov

--

Vincent DeVito, Esq.
Counselor to the Secretary of Interior for Energy Policy
Immediate Office of the Secretary
+1.202.208.2884
vincent_devito@ios.doi.gov

To: Rees, Gareth[gareth_rees@ios.doi.gov]
Cc: Wynn, Todd[todd_wynn@ios.doi.gov]
From: Elizabeth Craddock
Sent: 2018-06-07T10:07:46-04:00
Importance: Normal
Subject: Re: [EXTERNAL] Meeting request for next Thursday, June 14
Received: 2018-06-07T10:09:48-04:00

Thanks Gareth for your reply. Yes, please feel free to forward to Mr. Balash's office.
Thank you.

Liz Craddock

Sent from my iPhone

On Jun 7, 2018, at 9:05 AM, Rees, Gareth <gareth_rees@ios.doi.gov> wrote:

Good Morning Liz,
Thank you for your request. Unfortunately Deputy Secretary Bernhardt is unable to accommodate the request on June 14th. I would be happy to forward your request to the office of Joe Balash as an appropriate surrogate, please let me know if you would like me to proceed.

Thanks

Gareth

On Mon, Jun 4, 2018 at 8:21 PM, Elizabeth Craddock <Elizabeth.Craddock@iadc.org> wrote:

Hi Gareth,

Please see this meeting request for next Thursday, June 14th for members of the International Association of Drilling Contractors (IADC). IADC is a trade association based in Houston, TX. We have over 1,100 members, but we will have about 12 senior management members from a variety of offshore and onshore companies in town next week. They would really love an audience to discuss their business with the Deputy Secretary.

Many thanks for your consideration of my meeting request._

Liz Craddock

Elizabeth Leoty Craddock

Vice President, Government & Industry Affairs

International Association of Drilling Contractors (IADC)

1667 K Street, NW Suite 420

Washington, DC 20006

202-293-0670 (office)

202-615-6816 (cell)

www.iadc.org

<image001.png>

*IADC's Houston office will be relocating to the following location in July 2018:

3657 Briarpark Drive, Suite 200

Houston, TX 77042

--

Gareth C. Rees

Office to the Deputy Secretary

U.S. Department of the Interior

Tel: 202-208-6291

Fax: 202-208-1873

Cell: 202-957-8299

To: gareth_rees@ios.doi.gov[gareth_rees@ios.doi.gov]
Cc: Smith, Jennifer[jennifer.smith@squirepb.com]; Burch, Linda[linda.burch@squirepb.com]
From: Smith, Lem O.
Sent: 2018-08-01T09:24:35-04:00
Importance: Normal
Subject: [EXTERNAL] Meeting Request with Deputy Secretary Bernhardt
Received: 2018-08-01T09:24:55-04:00
[Meeting Proposal Information Form Deputy Secretary.docx](#)

Hi, Gareth.

Attached is the form you requested. Many thanks for your quick follow up (b) (6)

Kind regards,
Lem



Lem O. Smith, IV
Principal
Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037
D +1 202 457 6132
O +1 202 457 6000
F +1 202 457 6315
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lem.smith@squirepb.com | squirepattonboggs.com

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#US

Meeting Proposal Information Form

*Please complete this form and send to gareth_rees@ios.doi.gov

To ensure that the appropriate individual within the Department of the Interior is meeting with you on a given matter and because the Office of the Deputy Secretary is committed to maintaining the highest ethical standards, we request that you answer the following questions before we will agree to schedule a meeting.¹ Therefore, please provide your request in writing and answer the following questions either on this sheet or a separate one.

Describe the action you are seeking by the Office of the Deputy Secretary:

This meeting request is for information purposes (ie: no action requested) and relates to an update on the Gulf of Mexico OCS (“the shelf” = shallow and intermediate water-depths) on general investment climate, challenges and opportunities. Arena Energy is most active investor and largest royalty producers on “the shelf” and their CEO Mike Minarovic founded the company 19 years ago.

Meeting date:

Soon as schedules align for Dep Secretary with Mr. Minarovic

Meeting location:

Washington DC, DOI HQ

Contact information (Name, Email, Phone):

Lem O. Smith IV

Lem.Smith@squirepb.com

703-407-9789

With which Bureau or Agency does your agenda most align? (Please list all, if more than one.)

BOEM and BSEE

Please indicate whether the matter related to the request involves:

- a) Specific parties, such as a particular litigation matter, a specific permit decision, or a contract;
- b) A discrete and identifiable class of persons, such as a regulation or legislation that applies to a specific industry; or
- c) A broad and diverse range of persons, such as a resource management plan or broad legislation?

If you answered “a)” above:

- Please identify the specific parties if possible:

¹In order to avoid even the potential appearance of a lack of impartiality, the Deputy Secretary agreed that, for one year after his withdrawal from his former firm, he would not participate personally and substantially in any particular matter involving specific parties in which he knows his former firm is or represents a party, unless authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). He also agreed not to participate personally and substantially in any particular matter involving specific parties in which he knows a former client of his is or represents a party for a period of one year after he last provided service to that client, unless he is first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, per the Administration Ethics Pledge, the Deputy Secretary agreed that he will not for a period of two years from the date of his appointment participate in any particular matter involving specific parties in which a former employer or client of his is or represents a party, if he served that former employer or client during the two years prior to his appointment, absent a waiver under Section 3 of Executive Order No. 13770. This includes recusal from any meeting or other communication with such a former employer or client unless (1) there are five or more different stakeholders present and (2) no particular matters involving specific parties are discussed.

- **If the specific parties are identified, are you aware that any party is represented by Brownstein Hyatt Farber Schreck, LLP in this particular matter?**

Yes No

- **If yes, please identify any such specific party:**

Please explain the time sensitivity of the request, if any, including what is driving the timing of the request, such as court-ordered or statutory deadline:

N/A

If the requested action involves the interpretation or application of a particular policy, regulation, or statute, please provide the underlying text along with any briefing material sufficiently in advance of any meeting so that it can be reviewed before the meeting.

N/A

Expected meeting participants (name, title, and organization):

Mike Minarovic CEO Arena Energy

Mike Vallejo CFO Arena Energy

Lem Smith, Principal SPB

If the Deputy Secretary is unable to meet, is a surrogate desired? If yes, who specifically?

N/A

Mr. Minarovic respectfully requests time with the Deputy Secretary not to exceed 30 minutes.

To: Rees, Gareth[gareth_rees@ios.doi.gov]
Cc: Kathryn May[kathryn.may@capalphadc.com]; Kemps, David[David.Kemps@morganstanley.com]
From: James Lucier
Sent: 2018-12-21T11:23:22-05:00
Importance: Normal
Subject: [EXTERNAL] Morgan Stanley--Meeting Request--January 15
Received: 2018-12-21T11:25:07-05:00
[Meeting Proposal Information Form Deputy Secretary.docx](#)

Hi Gareth.

We would like to request a meeting with Deputy Secretary Bernhardt on January 15. If he is not available, we would like to meet with someone like Kate McGregor or Joe Balash who could discuss the administration's policy for oil and gas development from an authoritative perspective.

The visit is for informational purposes only, and is intended to help the Wall Street analyst community better understand the administration's thinking on domestic oil and gas development, including offshore in the Gulf of Mexico, offshore generally, and onshore in Alaska. We ask in advance that only public information be discussed at the meeting.

The group would consist of Morgan Stanley's US oil and gas industry analysts and comparable professionals from other firms. The exact number varies from year to year but is usually between 15 and 20.

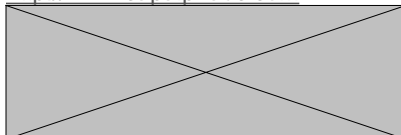
Assistant Secretary for Insular Affairs Doug Domenech is familiar with the work that Capital Alpha Partners does on behalf of institutional investors and could provide a reference for us. One of our industry consultants is Mike McKenna, who I think is well known to Mr. Bernhardt.

We have filled out your meeting request form. Please find it attached. Kathryn May of Capital Alpha Partners is listed on the form as your principal point of contact and will play that role going forward. David Kemps of Morgan Stanley Government Affairs is the liaison with Morgan Stanley.

Jim

--

James Lucier
Managing Director
+1.202.548.0072
james.lucier@capalphadc.com
<http://www.capalphadc.com>



Capital Alpha Partners LLC is an independent research firm providing public policy research to institutional investors and analysis to public and private companies. Our research products are based on public information only, relying on our analysts' deep subject matter expertise and combining data from a variety of sources including information routinely available to the public on request. The integrity of our research process requires that analysts have no exposure whatsoever to confidential or material non public information concerning the subject matter of a research product. Capital Alpha analysts will not discuss, disclose, or solicit confidential or material non public information as part of the

research process. This communication should not be construed as a request for confidential or material non public information. Capital Alpha makes no specific investment recommendations, does not advise on trading strategies, and is fully committed to ensuring compliance with all laws and legal obligations, including insider trading laws and confidentiality obligations.

Meeting Proposal Information Form

*Please complete this form and send to gareth_rees@ios.doi.gov

To ensure that the appropriate individual within the Department of the Interior is meeting with you on a given matter and because the Office of the Deputy Secretary is committed to maintaining the highest ethical standards, we request that you answer the following questions before we will agree to schedule a meeting.¹ Therefore, please provide your request in writing and answer the following questions either on this sheet or a separate one.

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Meeting date: January 15, 10 am or noon, but flexible on time. We would request 30 to 45 minutes with Secretary Bernhardt or 45 minutes to one hour with senior staff.

Meeting location: Interior Department Offices

Contact information (Name, Email, Phone):

Kathryn May, Capital Alpha Partners, Kathryn.May@capalphadc.com, 202-548-0085.
James Lucier, Capital Alpha Partners, James.Lucier@capalphadc.com, 202-548-0073
David Kemps, Morgan Stanley Government Affairs, 202-624-2050

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With which Bureau or Agency does your agenda most align? (Please list all, if more than one.)

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Yes No xx

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Our meeting would be informational only. We do not seek a particular decision or outcome on any matter before the Department of the Interior. All discussion would be strictly limited to matters of public record or decisions with the Department of Interior has already publicly announced.

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To: Rees, Gareth[gareth_rees@ios.doi.gov]
Cc: Kathryn May[kathryn.may@capalphadc.com]; Kemps, David[David.Kemps@morganstanley.com]
From: James Lucier
Sent: 2018-12-21T11:23:22-05:00
Importance: Normal
Subject: Morgan Stanley--Meeting Request--January 15
Received: 2018-12-21T11:23:43-05:00
[Meeting Proposal Information Form Deputy Secretary.docx](#)

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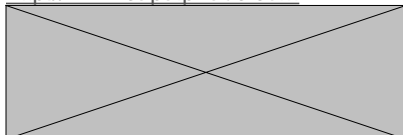
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From: James Lucier
Sent: 2019-02-01T13:27:35-05:00
Importance: Normal
Subject: [EXTERNAL] Re: Morgan Stanley--Meeting Request--January 15
Received: 2019-02-01T13:28:19-05:00

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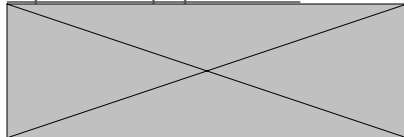
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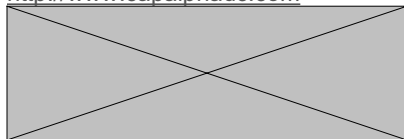
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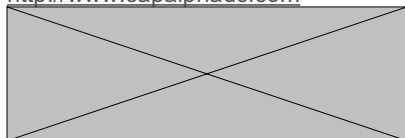
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From: James Lucier
Sent: 2019-02-01T13:27:35-05:00
Importance: Normal
Subject: Re: Morgan Stanley--Meeting Request--January 15
Received: 2019-02-01T13:27:53-05:00

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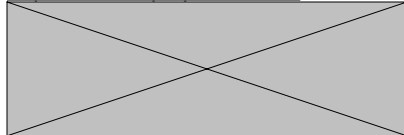
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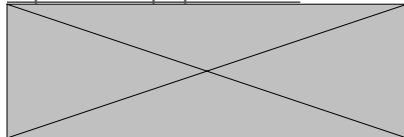
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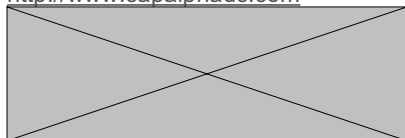
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To: Rees, Gareth[gareth_rees@ios.doi.gov]
Cc: SIO, Scheduling[scheduling_sio@ios.doi.gov]
From: James Lucier
Sent: 2019-02-01T13:46:11-05:00
Importance: Normal
Subject: Re: [EXTERNAL] Re: Morgan Stanley--Meeting Request--January 15
Received: 2019-02-01T13:46:29-05:00

Thank you, Rees. I will resubmit a revised version of the form I submitted from December. Because we don't have a group already scheduled to come to Washington a particular time, as Morgan Stanley was for January 15, we are flexible as to any date that doesn't conflict with Major Wall street conference or corporate event.

On Fri, Feb 1, 2019 at 1:38 PM Rees, Gareth <gareth_rees@ios.doi.gov> wrote:

Jim

Thank you for the follow-up. I have copied the Acting Secretary's scheduling office on this email and they would be happy to assist you.

Thanks

Gareth

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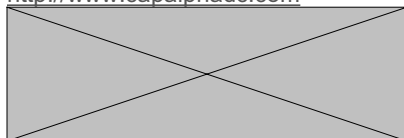
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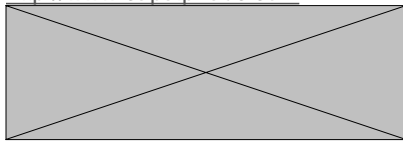
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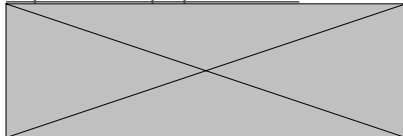
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Gareth C. Rees

Office to the Deputy Secretary
U.S. Department of the Interior

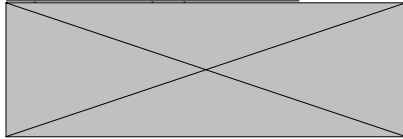
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