



IDLE IRON

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District Operations Support
Section Chief



CURRENT REGULATIONS

§ 250.1703 What are the general requirements for decommissioning?

When your facilities are no longer useful for operations, you must:

- (a) Remove all platforms and other facilities;

§ 250.1711 - When will BSEE order me to permanently plug a well?

BSEE will order you to permanently plug a well if that well:

- (a) Poses a hazard to safety or the environment; or
- (b) Is not useful for lease operations and is not capable of oil, gas, or sulphur production in paying quantities.



The NTL Defines “No longer useful for operations”
which is used in the regulations for:

- Wells
 - No production 5 years
 - No plans for future operations
- Platforms
 - Toppled
 - Has not been used in past 5 years for operations associated with exploration, development or production of oil/gas



- Idle Wells must perform one of the following within 3 years:
 - PA the well in accordance 250.1712 - .1717; or
 - TA the well in accordance 250.1721; or
 - Provide the well with downhole isolation. Within 2 years of setting downhole plugs, they must either PA/TA the well
- Idle platforms must be removed as soon as possible, but not longer than 5 years after it became no longer useful.

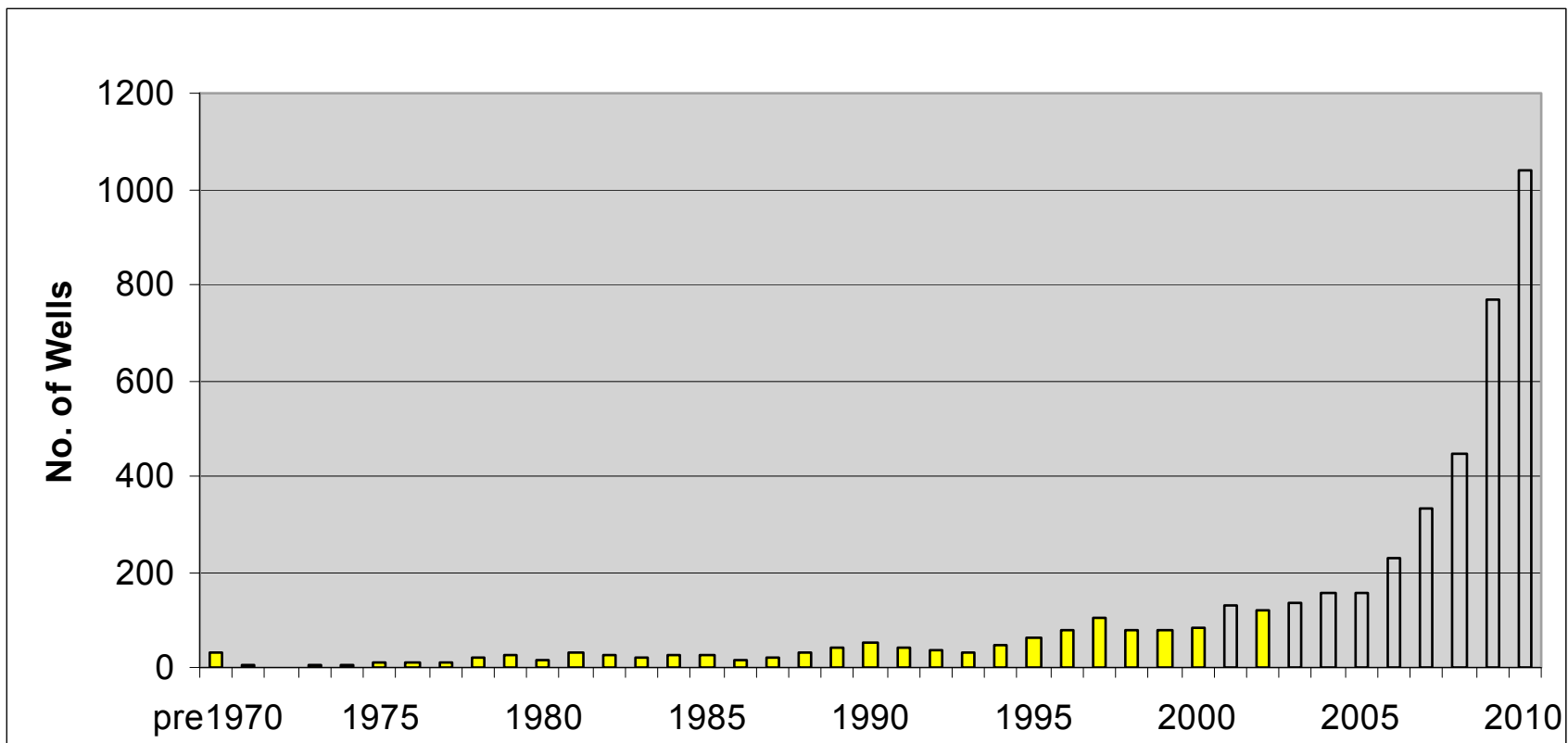


IMPLEMENTATION

- A total of 156 letters went out to operators
- BSEE received a total of 97 idle iron plans in response to October 2010 idle iron letters
- These 97 plans cover
 - 3092 idle wells (96 %) of 3233 total idle wells
 - 1056 expired wells (85 %) of 1246 total expired wells
 - 600 idle platforms (97 %) of 617 total idle platforms
 - 259 expired platforms (89 %) of 292 total expired platforms
- 37 of these plans request future use.
 - All future use plans have been sent to our Production and Development section for review

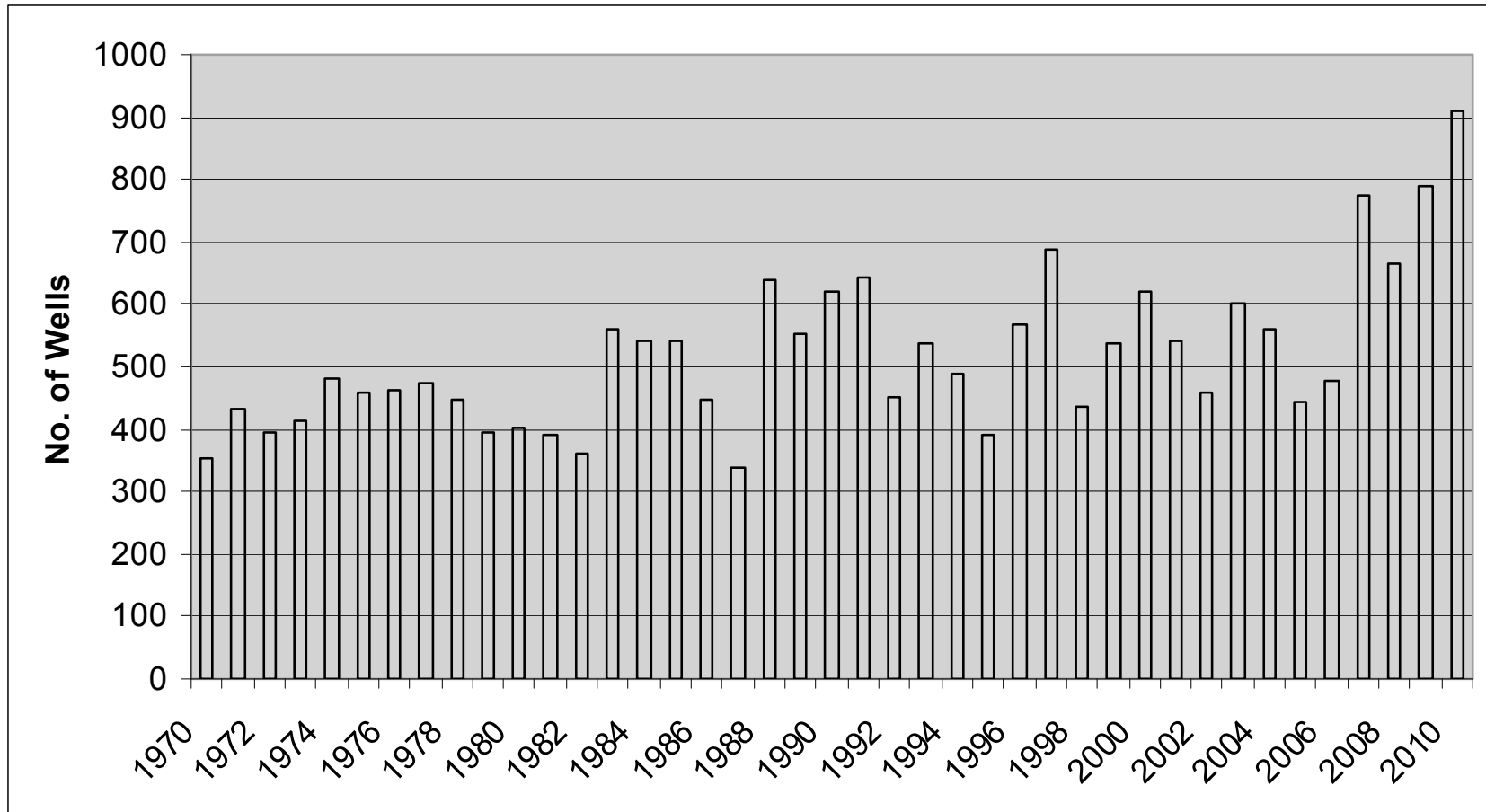


Total Wells TA'd



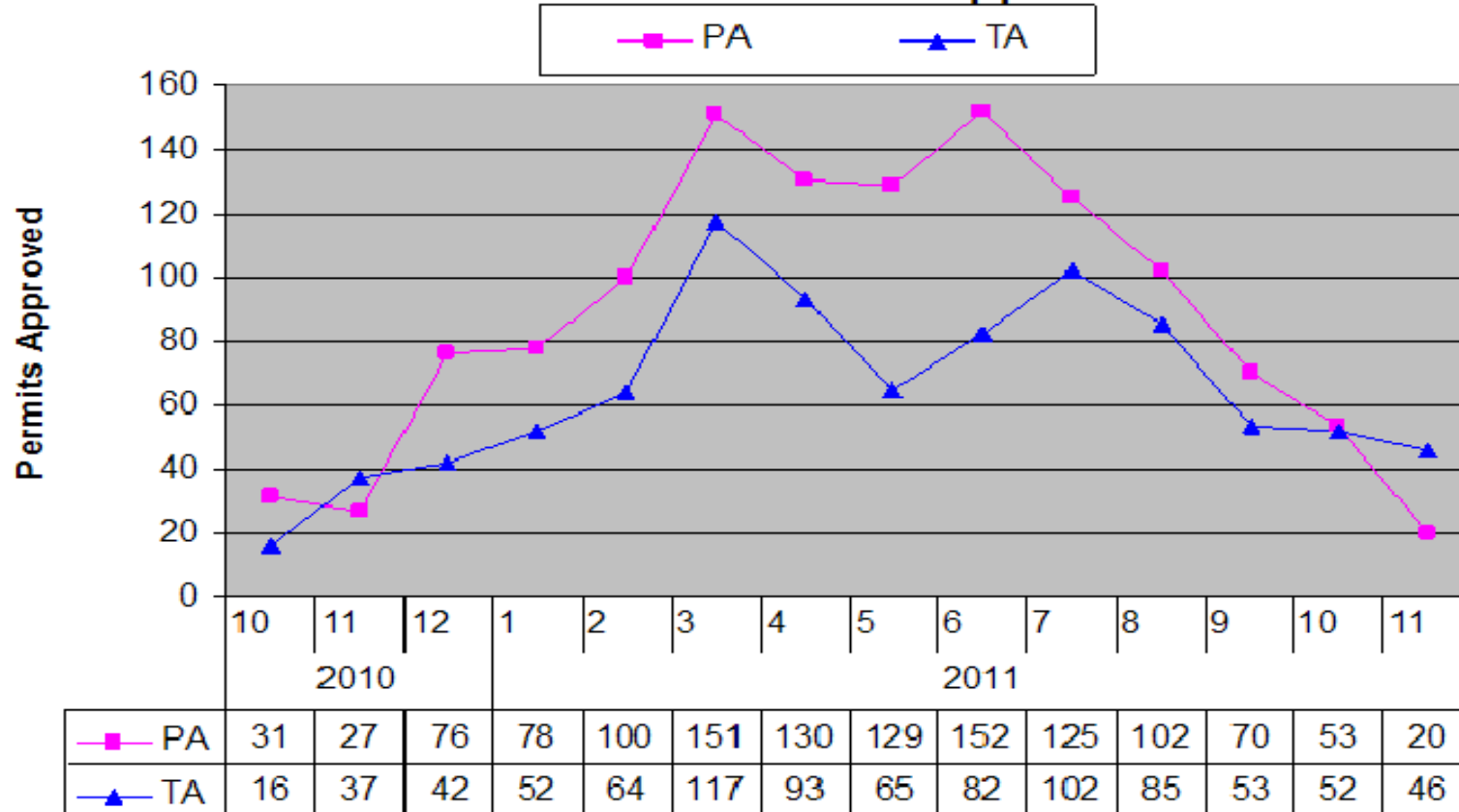


Total Wells PA'd





Abandonment APMs Approved

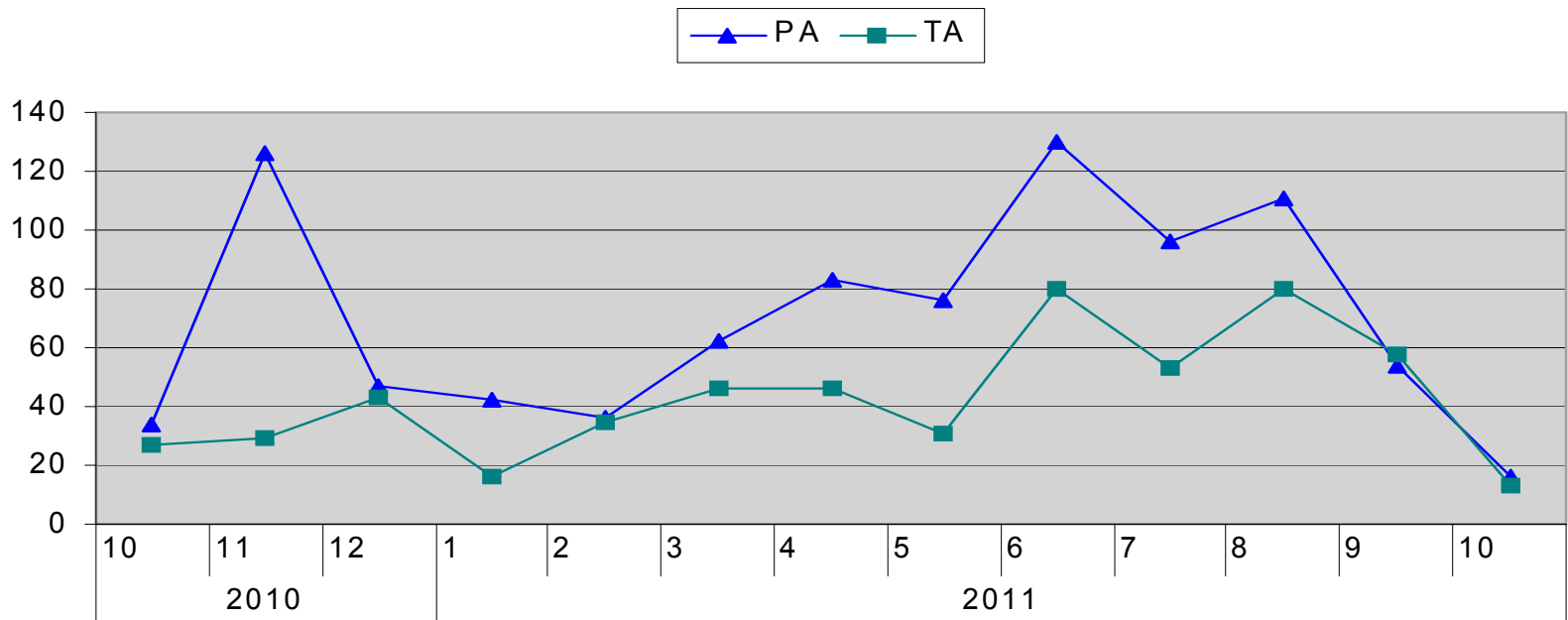


TOTAL PA - 1244
TA - 906



Actual Wells Abandoned

Number of Wells Abandoned



▲ PA	34	126	47	42	36	62	83	76	130	96	111	54	16
■ TA	27	29	43	16	35	46	46	31	80	53	80	58	13

**TOTAL PA - 913
TA - 557**



List of idle wells

COMPANY	IDLE WELLS
APACHE CORPORATION	385
CHEVRON USA INC	372
ENERGY PARTNERS LTD	166
ENERGY RESOURCE TECHNOLOGY GOM INC	142
BLACK ELK ENERGY OFFSHORE OPERATIONS LLC	140
DYNAMIC OFFSHORE RESOURCES LLC	140
W & T OFFSHORE INC	139
ENERGY XXI GOM LLC	134
MARINER ENERGY RESOURCES INC	128
HILCORP ENERGY GOM LLC	96
NEXEN PETROLEUM USA INC	94
STONE ENERGY CORPORATION	84
GOM SHELF LLC	55
ANKOR ENERGY LLC	45
MCMORAN OIL & GAS LLC	41
UNION OIL COMPANY OF CALIFORNIA	35
SHELL OFFSHORE INC	34
MERIT ENERGY COMPANY LLC	29
ANGLO-SUISSE OFFSHORE PARTNERS LLC	23
ENIUS OPERATING CO INC	22
PISCES ENERGY LLC	21
MARITECH RESOURCES INC	20
JX NIPPON OIL EXPLORATION USA LIMITED	19
ATP OIL & GAS CORPORATION	18
TAYLOR ENERGY COMPANY LLC	16
PETRO VENTURES INC	14
MEDCO ENERGIUS LLC	13
CONN ENERGY INC	11
EL PASO E&P COMPANY LP	11
SANDRIDGE OFFSHORE LLC	11
EXXON MOBIL CORPORATION	9
FOREST OIL CORPORATION	9
MARINER ENERGY INC	9
MOBIL OIL EXPLORATION & PRODUC	9
ARENA OFFSHORE LP	8
BP EXPLORATION & PRODUCTION INC	8
MATAGORDA ISLAND GAS OPERATIONS LLC	8
BANDON OIL AND GAS LP	7
NORTHSTAR OFFSHORE ENERGY PARTNERS LLC	7
WESTPORT RESOURCES CORPORATION	7
CENTURY EXPLORATION NEW ORLEANS INC	6
DYNAMIC OFFSHORE RESOURCES NS LLC	6
DEVON ENERGY PRODUCTION COMPANY LP	5
ENERGY RESOURCE TECHNOLOGY INC	5
MC OFFSHORE PETROLEUM LLC	5
PETROQUEST ENERGY LLC	5

ANADARKO PETROLEUM CORPORATION	4
HESS CORPORATION	4
MONFORTE EXPLORATION L.L.C.	4
BHP BILLITON PETROLEUM (AMERICAS) INC	3
CASTEX OFFSHORE INC	3
EAST CAMERON PARTNERS LP	3
HUNT OIL COMPANY	3
BHP BILLITON PETROLEUM (GOM) INC	2
EL PASO EXPLORATION & PRODUCTION MANAGEMENT INC	2
GULFSTAR ENERGY INC	2
HOUSTON EXPLORATION COMPANY	2
MARATHON OIL COMPANY	2
MATRIX OIL & GAS INC	2
PALM ENERGY OFFSHORE LLC	2
PENNZENERGY COMPANY	2
PEREGRINE OIL & GAS II LLC	2
TEXACO EXPLORATION AND PROD	2
VIRGIN OFFSHORE USA INC	2
XTO OFFSHORE INC	2
APACHE DEEPWATER LLC	1
APEX OIL & GAS INC	1
AQUILA ENERGY RESOURCES CORPORATION	1
BADGER OIL CORPORATION	1
BOIS D'ARC OFFSHORE LTD	1
CONOCOPHILLIPS COMPANY	1
ENERGY DEVELOPMENT CORPORATION	1
FAIRWAYS OFFSHORE EXPLORATION INC	1
FLEXTREND DEVELOPMENT COMPANY LLC	1
FREEPORT MCMORAN ENERGY LLC	1
KERR-MCGEE CORPORATION	1
KERR-MCGEE OIL & GAS CORPORATION	1
LINDER OIL COMPANY, A PARTNERSHIP	1
LLOG EXPLORATION OFFSHORE LLC	1
MANTI OPERATING COMPANY	1
MARLIN COASTAL, LLC	1
MARUBENI OIL & GAS USA INC	1
MURPHY EXPLORATION & PRODUCTIO	1
NEWFIELD EXPLORATION COMPANY	1
NOBLE ENERGY INC	1
OFFSHORE ENERGY II LLC	1
ROOSTER PETROLEUM LLC	1
SHELL GULF OF MEXICO INC	1
SHELL OIL COMPANY	1
SIGNAL OIL & GAS COMPANY	1
TANA EXPLORATION COMPANY LLC	1
TENGASCO INC	1
VINTAGE PETROLEUM INC	1
WALTER OIL & GAS CORPORATION	1
TOTAL	2,648



New Idle Wells

New Idle Wells

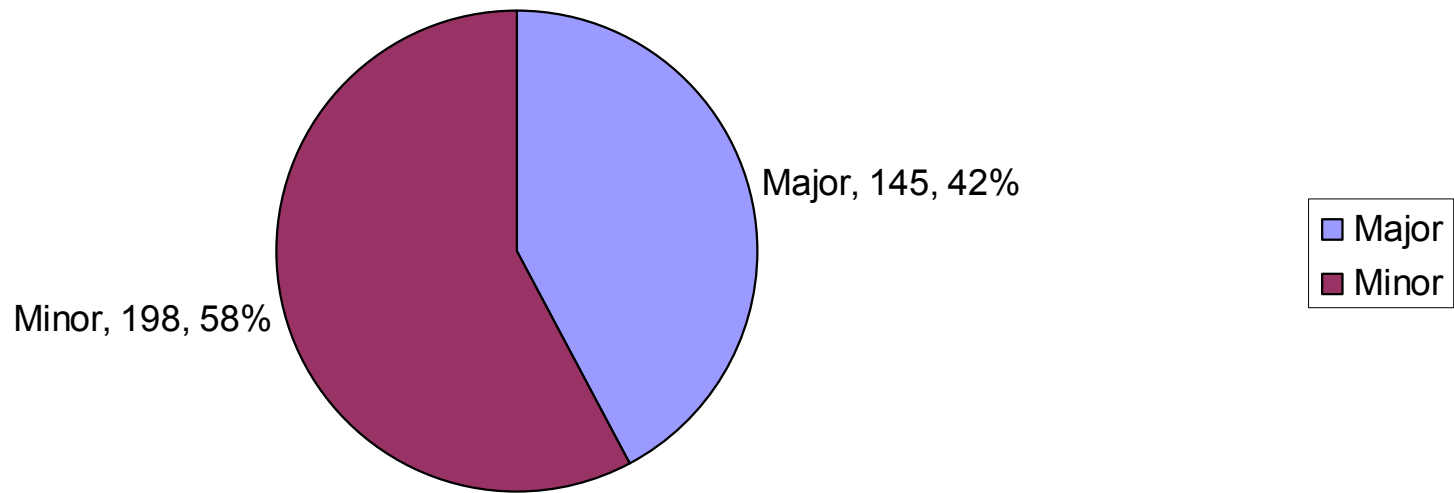
(last production > 10/15/2006)

COMPANY	Grand Total
ANKOR ENERGY LLC	4
APACHE CORPORATION	28
ARENA OFFSHORE LP	2
ATP OIL & GAS CORPORATION	4
BLACK ELK ENERGY OFFSHORE OPERATIONS LLC	5
BOIS D'ARC OFFSHORE LTD	1
BP EXPLORATION & PRODUCTION INC	1
CHEVRON USA INC	15
CONN ENERGY INC	1
DYNAMIC OFFSHORE RESOURCES LLC	11
EAST CAMERON PARTNERS LP	1
ENERGY PARTNERS LTD	5
ENERGY RESOURCE TECHNOLOGY GOM INC	11
ENERGY XXI GOM LLC	8
ENI US OPERATING CO INC	1
EXXON MOBIL CORPORATION	1
GOM SHELF LLC	1
HESS CORPORATION	1
HILCORP ENERGY GOM LLC	7
LINDER OIL COMPANY, A PARTNERSHIP	1
LLOG EXPLORATION OFFSHORE LLC	1
MANTI OPERATING COMPANY	1
MARINER ENERGY RESOURCES INC	7
MARUBENI OIL & GAS USA INC	1
MATAGORDA ISLAND GAS OPERATIONS LLC	1
MATRIX OIL & GAS INC	1
MCMORAN OIL & GAS LLC	5
MEDCO ENERGI US LLC	1
MERIT ENERGY COMPANY LLC	3
NEXEN PETROLEUM USA INC	8
PISCES ENERGY LLC	3
SHELL OFFSHORE INC	4
STONE ENERGY CORPORATION	6
TANA EXPLORATION COMPANY LLC	1
UNION OIL COMPANY OF CALIFORNIA	1
VIRGIN OFFSHORE USA INC	1
W & T OFFSHORE INC	4
WALTER OIL & GAS CORPORATION	1
XTO OFFSHORE INC	2
Grand Total	161



Platform Removal Permits

Platform Removal Permits Approved Since 10/15/2010 (effective date of NTL)



* 343 total platform removal permits approved



Actual Platforms Removed since 10/15/10

Operator	Minor	Major	Grand Total
Chevron U.S.A. Inc.	19	6	25
Apache Corporation	14	4	18
Energy XXI GOM, LLC	14	2	16
Mariner Energy, Inc.	6	8	14
McMoRan Oil & Gas LLC	8	5	13
JX Nippon Oil Exploration (U.S.A.) Limited	5	7	12
Maritech Resources, Inc.	7	4	11
Energy Resource Technology GOM, Inc.	7	3	10
Merit Energy Company, LLC	5	5	10
ATP Oil & Gas Corporation	3	5	8
Nexen Petroleum U.S.A. Inc.	6	1	7
Rosetta Resources Offshore, LLC	6	1	7
Royal Production Company, Inc.	6	1	7
Stone Energy Corporation	7		7
Forest Oil Corporation		6	6
Mariner Gulf of Mexico LLC	3	3	6
Northstar Offshore Energy Partners, LLC	6		6
Dynamic Offshore Resources, LLC	3	2	5
Pisces Energy LLC	5		5
Energy Partners, Ltd.	4		4
EOG Resources, Inc.	2	2	4
GOM Shelf LLC		4	4

Bandon Oil and Gas, LP	1	2	3
Callon Petroleum Operating Company	3		3
LLOG Exploration Offshore, L.L.C.	2	1	3
Millennium Offshore Group, Inc.	1	2	3
Petsec Energy Inc.	3		3
Walter Oil & Gas Corporation	1	2	3
Century Exploration New Orleans, Inc.		2	2
Mariner Energy Resources, Inc.		2	2
Northstar Interests, L.C.	2		2
Union Oil Company of California	2		2
W & T Offshore, Inc.	1	1	2
XTO Offshore Inc.	2		2
Anglo-Suisse Offshore Partners, LLC		1	1
Apex Oil & Gas, Inc.	1		1
Arena Offshore, LP		1	1
El Paso E&P Company, L.P.		1	1
Exxon Mobil Corporation		1	1
Fairways Offshore Exploration, Inc.	1		1
Gryphon Exploration Company		1	1
HC Resources, LLC	1		1
Helis Oil & Gas Company, L.L.C.	1		1
Hunt Oil Company	1		1
Legacy Resources Co., L.P.	1		1
Noble Energy, Inc.		1	1
Palm Energy Offshore, L.L.C.	1		1
Remington Oil and Gas Corporation		1	1
Ridgelake Energy, Inc.		1	1
Samson Contour Energy E&P, LLC		1	1
Sojitz Energy Venture, Inc.		1	1
Tana Exploration Company LLC		1	1
The Houston Exploration Company		1	1
TOTAL	161	93	254

* 254 total platforms removed

A horizontal banner with a background of blue, wavy water. The words "PATH FORWARD" are written in a bold, italicized, white sans-serif font with a black outline, centered on the banner.

PATH FORWARD

- Idle Iron plans have been entered into Access tracking database
- Abandonment Plan acceptance letters are being sent to companies that submitted abandonment plans
- Weekly reviews will be conducted to ensure compliance with activity schedule in abandonment plan
- Updates to plans will be submitted annually or on an as needed basis



QUESTIONS?

THANK YOU!

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