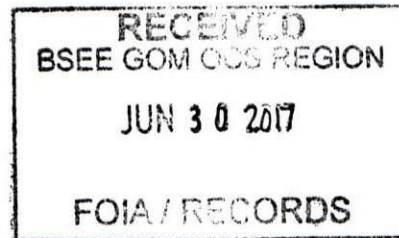


In Reply Refer To: GE 973E

APR 14 2017

Mr. Rian S. Riche
Shell Offshore Inc.
Post Office Box 61933
New Orleans, Louisiana 70161-1933



Dear Mr. Riche:

By letter dated January 25, 2017, Shell Offshore Inc. (Shell) requests approval of a Suspension of Production (SOP) for the Mississippi Canyon (MC) Block 940 Unit, Agreement No. 754312007. The unit consists of Leases OCS-G 16661, 22919, 22920, and 31534, from depths below 18,000 feet SS TVD down to 50,000 feet SS TVD, and was held by an SOP through January 31, 2017.

Shell states that development planning and construction scheduling is continuing and they have begun certification and scheduling of early long lead items for the host facility.

In accordance with Articles IX, XVI, and XVII of the Unit Agreement and 30 CFR 250.174(a), an SOP is hereby approved for the Mississippi Canyon Block 940 Unit, from February 1 through July 31, 2017. Leases OCS-G 22919 and 22920 will be included in the unit SOP from February 1 through July 31, 2017, since the unit was held by an SOP through January 31, 2017. Lease OCS-G 16661 will be included in the unit SOP from May 13 through July 31, 2017, since this lease is held through May 12, 2017, by production on the non-unitized portion of the lease. The unit SOP excludes Lease OCS-G 31534 since the primary term of that lease extends beyond the expiration of the SOP. Shell is expected to follow the enclosed SOP activity schedule and must notify this office in writing (progress report) by the end of each month in which a deadline is scheduled. If you have any questions, contact Mr. Mike Nixdorff at (504) 736-2660 or michael.nixdorff@bsee.gov.

Sincerely,

(Org. Signed) **Richie D. Baud**

Richie D. Baud
Regional Supervisor
Production and Development

Enclosure
✓ bc: GE 250i

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