

In Reply Refer To: GE 973E

OCT 30 2017

Mr. J. Keith Couvillion
Chevron U.S.A. Inc.
1500 Louisiana Street
Houston, Texas 77002



Dear Mr. Couvillion:

By letter dated September 26, 2016, and supplemental information received December 14, 2016, through October 10, 2017, Chevron U.S.A. Inc. (Chevron) requests approval of a Suspension of Production (SOP) and an activity schedule for the Keathley Canyon (KC) Block 102 Unit, Agreement No. 754315003. The unit consists of Leases OCS-G 25777, 25781, 25782, 30910, 30911, 30917, 30926, 30927, and 33006, and was held by operations through October 10, 2016.

Chevron has determined that a centrally-located regional host would be the most efficient and effective method for developing unit resources. Chevron is requesting an SOP to allow sufficient time for design, fabrication, installation, and commissioning of subsea systems and the host facility.

In accordance with Articles IX, XVI, and XVII of the Unit Agreement and 30 CFR 250.174(a), an SOP and activity schedule for the KC Block 102 Unit are hereby approved from October 11, 2016, through August 31, 2018. This unit suspension excludes Lease OCS-G 33006 since the primary term extends beyond the expiration of the SOP. Chevron 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. The SOP activity schedule and any approved revisions made thereto will satisfy the Unit Agreement requirements of Article 9.3 for a plan of operations. Once production commences, an approved unit plan of operations pursuant to the Unit Agreement shall be required. If you have any questions, contact Mr. Imran Vahora at (504) 736-2664 or imran.vahora@bsee.gov.

Sincerely,

(Orig. Sgd.) **Richie D. Baud**

Richie D. Baud
Regional Supervisor
Production and Development

Enclosure

✓bc: GE 555A