

In Reply Refer To: GE 973E

JUL 12 2018

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

Dear Mr. Couvillion:

By letter dated December 11, 2017, and supplemental email dated January 30 through June 11, 2018, Chevron U.S.A. Inc. (Chevron) requests approval of a Suspension of Production (SOP) and an activity schedule for the Keathley Canyon (KC) Block 10 Unit, Agreement No. 754317002. The unit consists of Lease OCS-G 27698, and a portion of Lease OCS-G 27697, and was held by operations through January 14, 2018.

Chevron has determined that a centrally-located regional host would be the most efficient and effective method for developing unit resources. Chevron requests an SOP for the design, fabrication, installation, and commissioning of the subsea systems and 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 10 Unit are hereby approved from January 15 through December 31, 2018. 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 Ms. Kimberly Ward at (504) 736-2677 or Kimberly.Ward@bsee.gov.

Sincerely,

(Org. Signed) Richie D. Baud

Richie D. Baud
Regional Supervisor
Production and Development

Enclosure

bc: Leases OCS-G 27697 and 27698-Public (GE 555A)