

SEP 18 2019

In Reply Refer To: GE 973E



SEP 17 2019

Ms. Brenda Montalvo
Fieldwood Energy LLC
2000 West Sam Houston Parkway South, Suite 1200
Houston, Texas 77042

Dear Ms. Montalvo:

By letter dated August 21, 2019, Fieldwood Energy LLC (Fieldwood) requests a Suspension of Production (SOP) for Lease OCS-G 15445, Viosca Knoll Block 962. Production ceased from Lease OCS-G 15445 (the Lease) on August 4, 2018. Since the Lease was beyond its primary term, and there was no drilling, well-reworking, or production in paying quantities from the Lease after August 4, 2018, the Lease expired by operation of law on August 4, 2019, pursuant to 30 CFR 250.180.

Fieldwood submitted the SOP request subsequent to the expiration of the Lease. The Bureau of Safety and Environmental Enforcement (BSEE) must receive a request for suspension prior to the expiration of a lease in order to have the authority to consider it. *See*, 30 CFR 250.171 (“BSEE must receive the request before the end of the lease term (*i.e.*, end of primary term, end of the 1-year period following the last leaseholding operation, and end of a current suspension).”); Notice to Lessees and Operators No. 2019-G01 (“In all cases, pursuant to 30 CFR 250.171, we must receive your complete suspension request (including the service fee listed under 30 CFR 250.125) before the date the lease would otherwise expire. If received after the expiration date, BSEE does not have authority to grant your suspension request.”). BSEE is bound by regulations promulgated under the Outer Continental Shelf (OCS) Lands Act. Further, BSEE does not have authority to revive or reinstate leases after they have expired. *See, e.g.*, Dept. of the Interior Office of the Solicitor Op. M-37019 (Jan. 15, 2009) (“it is impermissible to grant a request for suspension filed after a lease expired...If a lease has already expired, then there is no lease term to suspend...lease reinstatements are not authorized...Nothing in the OCS Lands Act authorizes [BSEE] to revive expired leases, thereby granting rights to property that has, by operation of law, reverted to the United States.”). For these reasons, BSEE cannot grant your request since it was received after the Lease had automatically terminated by operation of law.

This decision may be appealed pursuant to 30 CFR Part 290. If you elect to appeal, a Notice of Appeal must be filed with this office and served on the Associate Solicitor, Division of Mineral Resources, within 60 days of receipt of this letter. If you have any questions regarding this matter, contact Mr. Brian Russo at (504) 731-1469 or Brian.Russo@bsee.gov.

Sincerely,

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

Richie D. Baud
Regional Supervisor
Production and Development

bc:

[Redacted]

✓ Lease OCS-G 15445 – Public, (GE 555A)

[Redacted]

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