



United States Department of the Interior  
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT  
Gulf of Mexico OCS Region  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394

In Reply Refer To: GE 973E

June 3, 2020

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

Dear Mr. Riche:

By letter dated April 14, 2020, Shell Offshore Inc. (Shell) requests approval of a Suspension of Production (SOP) and an activity schedule for the Expanded Unit Area (EUA) portion of the Alaminos Canyon (AC) Block 859 Unit, Agreement No. 754307006. The unit consists of Leases OCS-G 31195, 32988, 35153, and portions of Leases OCS-G 19409, 20871, and 31194, and the EUA portion was held by operations through April 15, 2020.

Shell has commenced fabrication of the host facility. Shell requests an SOP to continue the fabrication, installation, and commissioning of the subsea systems and host facility.

In accordance with Articles IX, XVI, and XVII of the Unit Agreement, as amended effective October 1, 2017, and 30 CFR 250.174(a), an SOP and activity schedule for the EUA portion of the AC Block 859 Unit are hereby approved from April 16, 2020, through April 30, 2021. Leases OCS-G 31194, 31195, and 32988 will be included in the unit SOP from April 16, 2020, through April 30, 2021. This unit suspension excludes Leases OCS-G 19409 and 20871, since they are producing unit leases. This unit suspension also excludes Lease OCS-G 35153, since the primary term 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. This SOP activity schedule and any approved revisions made thereto will satisfy the Unit Agreement requirements of Article 9.4 for a plan of operation on the EUA portion of the AC Block 859 Unit. Once production commences from the EUA, an approved unit plan of operation pursuant to the Unit Agreement shall be required on the EUA portion of the AC Block 859 Unit.

If you have any questions, contact Ms. Kimberly Ward at (504) 736-2677 or [kimberly.ward@bsee.gov](mailto:kimberly.ward@bsee.gov).

Sincerely,

**RICHIE BAUD**

Digitally signed by  
RICHIE BAUD  
Date: 2020.06.03  
11:04:16 -05'00'

Richie D. Baud  
Regional Supervisor  
Production and Development

Enclosure