



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

In Reply Refer To: GE 973E

May 20, 2025

FEDERAL EXPRESS

EPL Oil & Gas, LLC c/o
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

To Whom It May Concern:

By letter dated February 23, 2023, and additional information received March 7 through May 11, 2023, Cox Operating, L.L.C. (Cox) requests approval of a Suspension of Production (SOP) for Lease OCS-G 24954 (the Lease), South Timbalier (ST) Block 41. The Lease was held by a prior SOP, pursuant to 30 CFR 250.180, through February 28, 2023.

Background

Production from the Lease ceased on August 27, 2021, when Cox shut in the ST 41 field due to the approach of Hurricane Ida. On August 29, 2021, Hurricane Ida caused significant damage to both the surface facilities and the pipeline infrastructure in the ST 41 field. By letter dated August 22, 2022, Cox requested an SOP for the Lease, committing to complete repairs to the facilities and resume production from the Lease by the end of February 2023. The Bureau of Safety and Environmental Enforcement (BSEE) granted an SOP for the Lease on November 28, 2022, based on Cox's commitment to recommence production by February 28, 2023. However, Cox failed to restore production from the Lease by February 28, 2023.

By letter dated February 23, 2023, Cox requested a subsequent SOP for the Lease, claiming that it would restore Lease production by the end of August 2023. However, Cox did not meet any of the milestones listed on the previously approved activity schedule.

In a Request for Information (RFI) response received on March 7, 2023, Cox stated that "since November [2022], Cox has suspended restoration work due to inclement weather and sea conditions." In an RFI response received on May 11, 2023, BSEE learned that "the subsea dive work crew was released on 10/17/2022 and topside repair crew was released on 10/18/2022," over a month before BSEE granted the initial SOP request on November 28, 2022. Cox also stated in a RFI response received April 7, 2023, that they were "waiting until June 2023 for safe and consistent weather and sea conditions [and also needs] this lead up time to gather personnel,

materials, and resources needed to resume repair work.” Furthermore, Cox states in their May 11, 2023, RFI response that they “made the decision to suspend repairs in anticipation of inclement weather during the winter months based on historical context and observations.” During BSEE’s review of the prior SOP request, Cox did not notify this office that the work crews were released in October 2022, but instead submitted an RFI response on October 20, 2022, stating that “Cox anticipates completing these [I&E and Topsides Piping] repairs in November 2022,” and that “repairs to PSN 20934 are anticipated to be completed in December 2022.” Cox then submitted a revised SOP activity schedule consistent with these statements on November 1, 2022. This schedule was approved along with the initial Lease SOP request on November 28, 2022, stating that Lease production would be restored by February 28, 2023.

BSEE was not aware of the lack of crews to perform restoration work on the Lease until May 11, 2023. Cox stated that “the decision to suspend work was made by Cox personnel” and did not demonstrate that the specific contractors necessary to complete repairs would be unable to perform the necessary actions.

Analysis

In accordance with 30 CFR 250.171(b), your SOP request must include a reasonable schedule of work leading to the restoration of production. Cox proposed a schedule under which it claimed that it would perform topside, subsea, and I&E repairs, install a pipeline pump, and restore Lease production. However, Cox states it “does not have a contract specifically designed for Hurricane Ida repair work and will not require one [, but] Cox currently has master service agreements with several contractors capable of providing the services needed.” Additionally, “Cox will utilize the master service agreements previously in place to resume repair work.” According to Cox’s May 11, 2023, RFI response, their “most up-to-date scope of remaining work along with an updated schedule, is included in the SOP request submitted February 27, 2023.” Cox’s failure to materially adhere to the previously approved activity schedule has led us to conclude that Cox has not demonstrated that it can and would adhere to the work schedule provided. Therefore, we find that Cox has not provided a reasonable work schedule leading to the restoration of production in light of Cox’s actions to date.

Further, under 30 CFR 250.171(d), you must demonstrate a commitment to production to be eligible for a granted SOP. Additional guidance in Notice to Lessees and Operators (NTL) No. 2019-G01 states, “You must demonstrate a firm commitment to produce the hydrocarbons that have been discovered by wellbore penetration.” (emphasis in original). BSEE granted Cox’s previous SOP request based on Cox’s representations that it had a firm commitment to restoring production and would demonstrate that commitment by adhering to the approved activity schedule. Cox instead repeatedly failed to complete the milestones that it said it was committed to completing pursuant to the schedule of work used to justify its previously approved SOP request. Not only did Cox fail to follow through on those representations, but Cox also misled BSEE into believing they were committed to restoring production by supplying a revised activity

schedule that portrayed them as prudently working to restore production, knowing that they would not meet the milestones since they had released all work crews indefinitely prior to submitting the activity schedule to BSEE. To date, Cox has failed to accomplish any of its proposed milestones leading towards restoring production from the Lease. Cox's repeated failure to accomplish the work necessary to restore Lease production, as it claimed it was committed to under its previously approved SOP, has led us to conclude that Cox has not demonstrated the required commitment to production.

Decision

The decision as to whether or not to grant an SOP is at the discretion of the Regional Supervisor. See 30 CFR 250.174; *Statoil Gulf of Mexico LLC*, 42 OHA 261, 267 (2011) ("The authority of the Secretary to grant a suspension at the request of a lessee is discretionary."); *Conn Energy, Inc.*, 189 IBLA 51, 67, 71 (2016) (affirming BSEE determination that "it was reasonable for BSEE to conclude that a company that did not adhere to numerous prior activity schedules would not adhere to a subsequent activity schedule reflecting many of the same milestones that previously had been missed repeatedly"). Since Cox has not provided a reasonable schedule of work that would lead to the restoration of production (30 CFR 250.171(b)) or demonstrated a commitment to production (30 CFR 250.171(d)), we hereby deny your request for an SOP for the Lease OCS-G 24954.

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 (see NTL No. 2009-N12). If a Notice of Appeal is filed, please send a courtesy copy via e-mail to the contact e-mail address provided below. Pursuant to 30 CFR 290.6, you may seek informal resolution with the issuing officer's next level supervisor during the 60-day period established in 30 CFR 290.3. If you are adversely affected by the outcome of informal resolution, you will have 60 days from that decision to appeal pursuant to 30 CFR 290.4. If you have any questions, contact Ms. Lauren Woitha at (504) 736-2855 or Lauren.Woitha@bsee.gov.

Sincerely,

**NATASHA
BLAND**

Natasha Bland
Regional Supervisor
Office of Production and Development

 Digitally signed by NATASHA
BLAND
Date: 2025.05.20 13:50:54
-05'00'