



# INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

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February 8, 2002

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Mr. John Mirabella  
Engineering and Operations Division  
Minerals Management Service (MS-4024)  
Attn: Rules Processing Team  
381 Elden Street  
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Dear Mr. Mirabella:

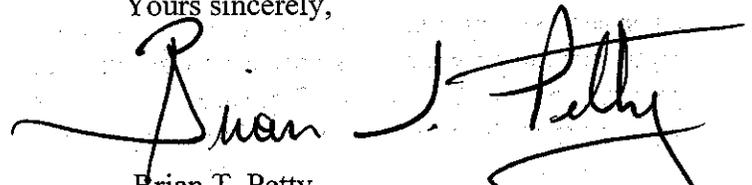
## Suspension of Operations for Exploration Under Salt Sheets (30 CFR Part 250)

The International Association of Drilling Contractors (IADC) represents the entire U.S. offshore contract drilling industry. We welcome the opportunity to comment on the proposed rule to grant, under very limited, case-by-case circumstances, lease suspensions where subsalt sheets are encountered in the western planning area of the Gulf of Mexico.

MMS expressed a desire in its draft proposed 5-Year OCS Program (2002-2007) to provide a reasonable level of certainty for lessees, and by inference the contractors who support their activities. For drilling contractors, the most critical element of that objective lies in assuring that leases are drilled as agreed under the terms of lease sales, and if lessees fail to do so, those fallow leases be returned to the federal inventory for offering again in a later sale. The offshore drilling industry has embarked on a vast and expensive program to improve and expand the drilling fleet available to explore for new sources of oil and gas vital to this nation's security. That financial commitment in the most substantial way depends on the resolve of MMS to insist that lessees abide by the terms of their lease obligations to the federal government. Waivers and extensions of drilling commitments operate to unsettle the drilling market and its sources of financing.

IADC accepts the intention of MMS to insist that applicants for subsalt lease suspensions meet various rigorous tests before consideration is given to any request for lease suspension. We ask that MMS dedicate resources to vigorously scrutinize such requests, and that every element set forth under the proposed rule for justifying such suspensions be fully satisfied. Moreover, we ask that MMS regard this as a unique circumstance requiring a unique response, and not a precedent for other lease suspension requests that are essentially motivated by the financial or strategic priorities of a given lessee.

Yours sincerely,

  
Brian T. Petty  
Senior Vice President-Government Affairs