

- I. Who am I? Why are you and I here?
 - A. Why care about Hydrocarbons?
 - B. What's at stake?
 - C. Why the passion?
 - D. Key stakeholders in the Gulf of Mexico ("GoM")
 - 1. Hydrocarbon Industry
 - 2. Shipping Industry
 - 3. US Military
 - 4. Environmental groups
 - 5. Recreational users
 - 6. Those whose livelihood is dependent on the GoM (tourist industry, commercial fishing, etc.)
 - 7. Alternative Energy Firms
 - 8. Research Institutes, and
 - 9. Historical preservation societies
- II. Federal Lands Act (1953) and the Department of the Interior ("DOI")
 - A. Powers of, and Limitations on, the Executive Branch
 - B. Other agencies
- III. Federal Regulations and Notices to Lessees
 - A. 30 Code of Federal Regulations ("CFR") 250
 - B. Notices to Lessees ("NTLs")
- IV. What is so different about deepwater GoM and the rest of the US and other parts of the world?
 - A. Size of tracts

- B. Size of reservoirs
- C. Size of investment
- D. Cycle Time
- E. Ease of entry and Competition
- F. Fiscal Regime
- G. Stability (?)

V. Leasing

- A. DOI's 5-year Plan
- B. OCS Lease Sales
 - 1. Who can bid? 30 CFR 556.35
 - 2. Bonding; NTLs 2000-G16 and 2008-N09 and 30 CFR 556.52-53
 - 3. Seismic (See Sale Package)
 - 4. Prospect generation
 - 5. Economic evaluation
 - 6. Internal funding
- C. Joint Bidding Agreements
 - 1. Anti-Trust issues
 - a) Restricted Bidders list
 - b) Collusion and Bid meetings
 - 2. Confidentiality
 - 3. Process
- D. Mechanics of submitting a bid
- E. The Lease

1. What is it?
2. How does it vary from an onshore lease or a concession license?
3. Terms
4. Stipulations
5. Royalty Relief
6. New Lease Form
7. Is the term too long? Are inventories too large?

F. Maintenance of the Lease beyond its Primary Term

1. Operations and Suspensions of Operations (“SOOs”); 30 CFR 250.175 and NTL 2000-G17
 - a) Circumstances beyond one’s control
 - b) Additional Seismic: Presence of a salt sheet or drilling below 25,000 feet true vertical depth (“TVD”); NTL 2007-G22
2. Production and Suspension of Production (“SOPs”); 30 CFR 250.174 and NTL 2000-G17
 - a) Firm commitment to produce
 - b) Julia decision

G. Assignments

1. Government Form and Approval
2. Accompanying documents
 - a) Designation of Operator (“DOO”) forms; BOEM-1123 and NTL 2008-G19
 - b) Oil Spill Financial Responsibility for Offshore Facilities (“OSFR”); 30 CFR 253, subpart D; and BOEM-1017
3. Overriding Royalty Interests (“ORRIs”)

VI. Units

- A. Voluntary or involuntary or Compulsory
- B. Purpose
- C. Size
- D. Approval Process
 - 1. Julia
 - 2. Candy Bars
 - 3. Mad Dog
 - 4. Kakuna
- E. Participating Areas and Contraction

VII. Agreements

- A. The Joint Operating Agreement (“JOA”) and its Exhibits
 - 1. Control and Pace
 - 2. Contract Area and Uniform Interests
 - 3. Drilling a Well
 - a) Prospect Maturation
 - b) Rig Contract
 - c) Internal approval
 - d) Co-owner approval and the original Authority for Expenditure (“AFE”)
 - e) Cost overrun AFEs
 - f) Supplemental AFEs
 - g) Exploration Plan (“EP”) and NTL 2010-N06, Application for Permit to Drill (“APD”), and Containment NTL 2010-N10

4. Project Team
5. Stages for Development
6. Accounting Procedure
- B. Farm-Out or Participation Agreement
 1. One-off
 2. Multi-prospect
 3. Portfolio Management
 - a) Maturation
 - b) Expiries
 4. Risk
 5. Sunk Cost versus Promote
 6. Business Model
- C. Seismic Option Agreement
- D. Options to Participate
- E. Like-kind Exchange (“LKE”)
 1. Cross-Assignments: Bioko, Logan, Sandy Hook
 2. Swaps: Innsbruck and Kilchurn; Deep Blue and Palomino
 3. US Tax Code Section 1031: Non-simultaneous LKE
- F. Production Test Agreements
- G. Bottom Hole Contributions
- H. Purchase and Sale Agreements
- I. Well Data Trades

VIII. Development

- A. Stand-alone
 - B. Tie-backs and Production Handling Agreements
 - C. Co-Development versus Phased Development
 - 1. Jack-St. Malo-Julia
 - 2. Knotty Head
 - D. Third Party Ownership of the Development System
 - E. Sanctioning a Development Project
 - F. Julia Decision and Settlement
 - 1. Channeling Chavez
 - 2. Effect on tie-backs
 - a) Requirements
 - b) Power given the Host
 - 3. Effect on stand-alones
- IX. Appeals
- A. Interior Board of Land Appeals (“IBLA”) and Office of Hearings and Appeal (“OHA”)
 - B. Federal Courts
- X. Deepwater Horizon and the Moratorium
- A. Liability of co-owners
 - B. Effect on DOI
 - 1. Bureau of Ocean Energy Management (“BOEM”)
 - 2. Bureau of Safety and Environmental Enforcement (“BSEE”)
 - C. Effect on other Lessees
 - 1. Scope of moratorium: Area-wide or lease specific?

2. One-year extension under NTL 2011-N05

XI. Audits

XII. Mid-stream Issues