

MMS hints at Gulf sale changes

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The US Minerals Management Service will issue its Final Notice of Sale for Central Gulf of Mexico Sale 213 later this week with changes to the lease term rules.

Deputy Director of the MMS Walter Cruickshank confirmed to attendees at the International Association of Drilling Contractors annual meeting in Miami today that the agency has done some 'tinkering' with the rules as it relates to diligence, but he would not confirm the specific changes ahead of their publication in the Federal Register.

Cruickshank said that MMS had reviewed the lease term language in their current rules and compared that to recent time cycles for offshore drilling and development projects.

"It clearly is not taking as long as it used to," he said, referring to drilling and bringing new projects on stream.

The Obama Administration and Interior Secretary Ken Salazar had been pushing for industry to act faster on developing their lease holdings across the US.

The so-called 'Use It Or Lose It' policy had been forwarded in previous months by some on Capitol Hill in an attempt to spur oil and gas companies to either develop their acreage or make it available to someone who will.

Sale 213 is slated to occur in March next year in New Orleans.