

**From:** [Tilton, Edward L](#)  
**To:** [Cruikshank, Walter](#)  
**Subject:** Fw: (b) (5)  
**Date:** Thursday, March 12, 2020 1:34:07 PM  
**Attachments:** [2006-10-09 Leasing History.doc](#)

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FWIW, Thomas's comments (b) (5)

Lee Tilton  
Chief Office of Congressional Affairs  
Bureau of Ocean Energy Management  
(202) 208-6098

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**From:** Liu, Thomas J  
**Sent:** Tuesday, March 10, 2020 6:14 PM  
**To:** Tilton, Edward L  
**Cc:** Santini, Kylie E  
**Subject:** (b) (5)

Hi Lee, (b) (5)  
[Redacted]  
[Redacted]  
[Redacted] See attached for a brief summary.

(b) (5)  
[Redacted]  
[Redacted]  
[Redacted]

[Redacted]  
[Redacted] Let me know if you need anything else.

Thomas Liu  
W: 805-384-6317  
C: 805-603-5506

**Updated 10/09/06**

LEASE SALES LITIGATION AND DEFERRAL HISTORY OF THE PACIFIC OCS REGION

The earliest offshore oil production in the United States was in 1896 off Summerland, California (near Santa Barbara), an extension of an onshore discovery made before 1894. The Submerged Lands Act of May 22, 1953, granted the coastal states a belt of submerged lands seaward of their coastlines to a distance of three geographical miles, or more, if there were evidence that the State had been given jurisdiction over a larger area before becoming a State.

The Outer Continental Shelf Lands Act of August 7, 1953, reaffirmed that, in general, those lands beyond the three geographical mile limit are subject to the jurisdiction of the Federal Government for the benefit of the entire Nation. It further authorized the Secretary of the Interior to prescribe necessary regulations and to grant mineral leases for the OCS lands.

The Pacific OCS Region had been the subject of twelve OCS sales, which will be briefly described below.

Phosphate Lease Sale – December 15, 1961

In January 1961, Collier Carbon & Chemical Corporation requested that phosphate leases be offered offshore San Clemente Island off California. The Navy told the Department of the Interior that the proposed area was only 10 miles from an explosive dumping area; however, they would consent to the leasing with reservations. The Call for Nominations was issued on July 17, 1961, offering portions of 16 blocks in 600 feet of water, 40 miles off the coast of California between San Diego and San Clemente Island. Collier was the only company that submitted nominations, and the only company that bid at the sale held on December 15, 1961, in Los Angeles.

Collier was awarded leases on the six tracts upon which they bid, and began exploration immediately. Officials from the Gulf of Mexico Office and Bureau of Land Management (BLM) Headquarters conducted the sale; the lease files were then sent to Washington, D.C. In March 1962, Collier discovered live ammunition from Navy target practice on their leases. They asked the Navy if mining operations could safely be conducted. The Navy responded that unexploded projectiles probably did exist on the ocean floor, but they could not survey the area or remove the ammunition. (About this time, in January 1963, the Los Angeles Office of the BLM opened, and William E. Grant was named Manager.) Collier suspended exploration, and requested they be reimbursed by the Government for the bonuses, lease rentals, and exploration expenses they had incurred. The U.S. Geological Survey stated that Collier should have been aware of the target practice area, and recommended the claim be rejected. BLM then recommended the same to the DOI Solicitor and to the Secretary of the Interior. Collier relinquished the leases in October 1963, but did not waive their claim.

The General Accounting Office disallowed Collier's claim in December 1963, but Collier appealed, and in April, 1965, the U.S. Comptroller General authorized payment to Collier of \$137,120, which covered all bonuses and rentals paid, but no reimbursement for exploration.

Later in 1965 and in 1969 two companies expressed interest in phosphorite leasing in Southern California, but the Bureau of Mines stated that it was not economically viable at the time.

Sale P-1 – May 14, 1963

The Call for Nominations for this 1963 Sale, the first offshore California, was issued from BLM

Headquarters in January 1962, and included approximately 4 million acres offshore Central and Northern California. One hundred seventy-four blocks (approximately 900,000 acres) were nominated.

The sale was postponed three times to work out technical details, but was finally held on May 14, 1963. To avoid conflict with San Francisco Bay shipping, no blocks were offered between San Francisco and the Farallon Islands. Also deleted, at the request of the Department of Defense and to avoid conflict with shipping were blocks off Vandenberg Air Force Base and Point Arguello and blocks opposite Arcata and Humboldt Bays. Stipulations were applied to some blocks: a Defense Department Suspension of Operations, one prohibiting pipelines in the Point Reyes National Seashore area, and one disallowing drilling or production activities above the ocean bed in the San Francisco Bay Area.

A total of 129 tracts were offered, and 57 (312,945 acres) were leased. Seventeen blocks were leased in the Eureka area, 10 in Point Arena, and 24 in the San Francisco area and 6 in the Santa Maria Basin. Twenty exploratory wells were drilled on 17 leases, but the high production and transportation costs determined that Monterey Formation oil would not be economic in the offshore environment. All of the leases from the sale were relinquished prior to the expiration of their five year terms.

One well was drilled on a portion of the acreage of an old lease (OCS-P 0060), now numbered OCS-P 0396. The new lease has been deemed producible, and is now incorporated within the Lion Rock Unit.

#### Sale P-2 – October 1, 1964

The Call for Nominations for the first OCS sale in the Pacific Northwest, published August 14, 1963, covered 1,676 blocks (9.5 million acres) offshore Oregon and Washington. There were 650 blocks (3.5 million acres) nominated by six companies. Some blocks nominated in the Cape Flattery, Copalis Beach, and Coos Bay areas were deleted because they fell within Department of Defense concerns, and tracts off northern Washington were not offered because of the disputed international boundary. One hundred ninety-six blocks (1.1 million acres) were offered in the sale; all with the Department of Defense stipulation that lessees agree to suspend operations at the request of the U.S. Navy.

One hundred and one blocks were leased. Thirteen were leased offshore Oregon in the Tillamook Area, 31 in the Newport Area, and 30 in the Coos Bay Area. Offshore Washington, 9 were leased in the Cape Flattery Area, and 18 in the Copalis Beach Area.

Eight exploratory wells were drilled offshore Oregon, and 4 offshore Washington, on a total of ten leases, but none was deemed to be economically producible. All leases were relinquished between 1966 and 1969.

#### Sale P-3 – December 15, 1966

One block in the Santa Barbara Channel was offered in this Drainage Sale, when it was determined that probable drainage of oil and gas was imminent because of production on an adjacent State of California lease. Seven bids were received; the lease was issued effective January 1, 1967, and first production from Platform Hogan was reported June 10, 1968. A second platform, Houchin, reported first production April 28, 1969; the lease, OCS-P 0166, is still producing.

Six exploration and 114 development wells have been drilled.

#### Sale P-4 – February 6, 1968

The Call for Nominations was issued on December 29, 1966, covering 144 blocks (approximately 0.8 million acres) in the Santa Barbara Channel. All acreage nominated was offered with the following exceptions: a special two-mile "buffer zone" along an eighteen mile stretch paralleling the boundary of the State of California's Santa Barbara Sanctuary to protect the sanctuary from drainage; 14 blocks located in waters deeper than 1,200 feet that received only single nominations; and two blocks and portions of two other blocks that might be involved in future jurisdictional questions with the State of California.

Of the 110 blocks offered in the Sale, 75 received bids, and 71 leases were awarded. One hundred forty-one exploratory wells and 624 development wells have been drilled on these leases, and there are thirteen producing platforms.

There was extensive litigation and suspensions on these leases as a result of the February 1969 oil spill from Lease OCS-P 0241. The lease terms of the five leases that were drilling at the time of the oil spill were extended by the number of days their actions had been suspended.

As of October 2006, 26 leases from this sale remain active: 13 are in the producing Santa Ynez Unit, 7 in the producing Santa Clara Unit, 1 in the producing Pitas Point Unit, 2 in the producing Point Hueneme Unit, 1 in the non-producing Cavern Point Unit, and 2 not in units but producing. Twenty-three of the active leases have had wells drilled on them.

#### Sale 35 – December 11, 1975

The Call for Nominations, issued in January, 1974, covered 424 blocks, approximately 7.7 million acres. The Call area excluded Santa Barbara Channel, but included areas in the San Pedro Channel southward and eastward from Ventura and southward and westward from the Channel Islands. The area extended as much as 110 miles seaward, and included substantial areas of deep water. Seventeen companies nominated 1,350 blocks; however, only 297 blocks, covering approximately 1.6 million acres were studied in the Environmental Impact Statement (EIS), the first prepared by the Pacific OCS Region, after enactment of the National Environment Policy Act of 1969 (NEPA).

All blocks in the Santa Monica Bay were deferred from consideration, as were blocks south of San Miguel Island. A three-quarter mile buffer zone was established adjacent to State waters. The State of California, the Southern California Association of Governments, the County of Los Angeles, and the California Coastal Zone Conservation Commission filed two suits contending that the Department of the Interior failed to comply with NEPA in the preparation of the Sale 35 EIS's and that Sale 35 will have direct and significant impact upon environmental quality of the coastal zone of Southern California. On December 5, 1975, Judge Williams determined sufficiency of the EIS's challenged, and that it was inappropriate to stop Sale 35; Judge Robinson, ruling on the latter issues, stated that his case was bound by Judge Williams' decision.

Of the 231 blocks (1,257,593 acres) offered, 70 were bid on, 14 were rejected, and 56 (310,049 acres) were leased. Four leases, on which there are four platforms, remain active within the Beta Unit. Forty-one exploratory wells and 149 development wells have been drilled. One platform is used for processing only, the other three are producing; the first, Ellen, since January, 1981.

#### Sale 48 – June 29, 1979

The Call for Nominations, covering 2,505 blocks (14.1 million acres) in the Southern California Bight Area, extending 190 miles seaward from Point Conception to the Mexican border, was issued

on July 16, 1976. Seventeen companies nominated 970 blocks; however, only 217 blocks were studied in the EIS.

Three months before the June sale, Secretary of the Interior Andrus deleted 69 blocks: 26 offshore Dana Point and San Diego; 3 off Santa Barbara Island; 21 off northern Channel Islands; and 19 because of conflicts with shipping lines, geologic hazards, and Department of Defense.

After the Final Notice of Sale was published, Energy Action Educational Foundation and 13 other individuals and organizations, including the City of Long Beach and the California State Lands Commission, filed suit to prohibit all future OCS lease sales until the Department of the Interior (DOI) has promulgated regulations implementing alternative bidding systems authorized by the OCSLA Amendments. In a separate action, the group sought a preliminary injunction blocking Sale 48 for the above same reasons.

On June 27, 1979 (two days before the sale), District Judge Robinson, Jr. denied the group's motion for a preliminary injunction. The next day the appellants filed a motion to restrain the DOI from awarding cash bonus fixed royalty leases under Sale 48; this motion was also denied by the District Court. After the lease sale, the appellants again appealed stating that the Secretary of the DOI had failed to experiment with the bidding systems that do not use the size of a cash bonus as the bidding variable. The Court of Appeals ruled in their favor, but the United States Supreme Court reversed the judgment of the Court of Appeals on December 1, 1981.

Fifty-five of the 148 blocks offered at Sale 48 were bid on; only one of those was rejected. Thirty-three exploratory and 54 development wells were drilled. As of October 2006, nine leases remain active; 2 are in the producing Santa Ynez Unit; 2 in the producing Point Arguello Unit; and 4 in the non-producing Sword Unit and the remaining 1 lease not in a unit.

#### Sale 53 – May 28, 1981

The Call for Nominations and Comments for Proposed Sale 53 offshore Central and Northern California was issued November 29, 1977. The Call area included 2,036 blocks (10.7 million acres), from Eureka in Northern California to Point Conception, seaward to 70 miles in water depths to over 12,000 feet.

Of the 1,743 blocks (8.4 million acres) nominated by 27 companies, 242 blocks comprising 1.3 million acres were selected for environmental study. The tracts were in five geologic basins: Eel River Basin offshore Eureka; Point Arena Basin offshore Mendocino County; Bodega Basin offshore Sonoma and Marin Counties north of the Point Reyes National Seashore; Santa Cruz Basin north of Monterey Bay; and the Santa Maria Basin offshore northern Santa Barbara County and San Luis Obispo County.

In October 1980, Secretary of the Interior Andrus released the Proposed Notice of Sale for Sale 53, offering only 115 tracts in the Santa Maria Basin. However, in February, 1981, the new Secretary of the Interior Watt reissued a Proposed Notice of Sale with all five basins again included for consideration.

When the Final Notice of Sale was published only 111 tracts in the Santa Maria Basin were offered. Secretary Watt said that a decision regarding the other four basins would be made later. A suit was filed by the State of California and the following California agencies: Coastal Commission, Air Resources Board, Resources Agency, Department of Fish and Game, and Department of Conservation. A similar suit was also filed by the Natural Resources Defense Council, Inc., Friends

of the Sea Otter, and the Environmental Coalition on Lease Sale 53.

The suits sought to prevent 34 of the 115 tracts from being offered in the Sale on the grounds that the leasing of those tracts was inconsistent with California's federally approved Coastal Management Plan, and requested that a consistency determination be conducted by DOI. Other grounds cited in the suits were deletion of 34 southern tracts to protect the Southern sea otter, and other marine life such as the gray whale, seabirds and fisheries; 31 tracts to protect recreation and tourism; 11 tracts to protect against geological dangers; and 14 tracts based on considerations of marine safety and the potential impacts of tanker accidents.

A preliminary injunction was issued May 28, 1981, by the U.S. District Court fourth Central District of California, enjoining BLM from accepting or rejecting any bids or issuing any leases on 32 tracts in the Santa Maria Basin. BLM was allowed to receive, open, and conduct internal administrative review of bids on those tracts, as well as on all others.

Forty-three companies participated in the sale, submitting a total of 301 bids on 81 tracts. The highest bid on a single tract, \$333.6 million, is still a National OCS sale record. BLM was enjoined from awarding leases on bids received on 21 tracts in the northern part of the basin pending determination of a Federal Court's Temporary Injunction. Of the 81 tracts receiving bids, 60 were outside the area of litigation, and 54 of those were leased.

In July 1981, the Preliminary Injunction was modified; 2 tracts were withdrawn from the litigation. One of the bids was rejected, the other was leased. A month later, Secretary Watt announced that because of the appeals pending on Sale 53 litigation, the other four basins would not be offered.

In January 1984, the U.S. Supreme Court dissolved the injunction, ruling in favor of DOI by determining that lease sales are not subject to consistency determinations. By that time, the price of oil had fallen, and the majority of the companies who bid on the litigated tracts decided to forfeit their one-fifth bonuses, rather than pay the four-fifth balances due. The bonuses on twelve leases, amounting to \$41,081,734.40, were forfeited by ten companies. Two bids were rejected, and five leases, on the northern edge of the Santa Maria Basin, were issued in 1984, but all five expired at the end of their primary terms in 1989 without any drilling. Twenty-one discoveries have been announced on the other Sale 53 leases. One of the first, in October 1982, announced a giant offshore oil field 7 miles west of Point Conception, holding at least 100 million recoverable barrels of oil. Of the 38 remaining active leases, 37 are in approved units, two of which are producing; four platforms have been installed, and two others are proposed. Fifty four exploration and 63 development wells have been drilled.

As of October 2006, 36 leases remain active; eight which are in the non-producing Santa Maria Unit in which (3) are under an IBLA appeal; 6 in the non-producing Lion Rock Unit; 4 in the non-producing Point Sal Unit; 4 in the non-producing Purisma Point Unit; 3 in the producing Point Pedernales unit and 1 in Point Pedernales/Tranquillo Ridge Units; 1 in the producing Tranquillo Ridge unit; 4 in the non-producing Bonito Unit; 2 in the non-producing Rocky Point unit; 2 in the producing Point Arguello unit and 1 lease not within a unit.

#### Sale 68 – June 29, 1982

The Call for Nominations and Comments for this proposed Southern California sale was issued December 28, 1979, covering 2,900 blocks (16.3 million acres) seaward 135 miles from Point Conception to the Mexican border. Two areas were specifically deleted from the Call: blocks from 3

to 30 miles offshore Dana Point and San Diego to the Mexican Border, and blocks in the Santa Barbara Channel immediately north of the Channel Islands.

Of the 609 blocks nominated, 218 (1.1 million acres) were selected for inclusion in the EIS, and 164 were offered in the Final Notice of Sale. Suits were filed by the State of California, which was joined by the cities of Los Angeles, Santa Monica, Beverly Hills, Manhattan Beach, Torrance, San Clemente, Newport Beach, and Laguna Beach, and the Sierra Club, and by a coalition of independent oil and gas companies, known as the "Pauley Group," made up of Pauley Petroleum, Inc., Derby Refining Co., Mesa Petroleum Co., and Husky Oil Co.

Twenty-four blocks were deleted just prior to the sale, after the U.S. District Court and the Appellate Court ruled in favor of the State of California and other plaintiffs that certain portions of the sale area were not in accord with "consistency requirements" of the California Coastal Zone Management Plan, and that "full and careful consideration" was not given to the Governor's comments on the Proposed Notice of Sale. This case was pending until the Sale 53 litigation was resolved. That decision, in 1984, by the U.S. Supreme Court, ruled that lease sales are not subject to consistency determinations.

Thirty-five of the 140 blocks offered were bid on, 29 were leased, and 14 remain active. Two of these 14 had 10-year lease terms (with expiration dates in 1992), one has been incorporated into the producing Santa Ynez Unit, and the other eleven have been included in four units. Seventeen exploration wells have been drilled.

As of October 2006, 4 leases remain active; 3 in the non-producing Gato Canyon Unit in which 1 is under an IBLA appeal, and 1 in the non-producing Santa Ynez Unit.

#### RS-2 (Reoffering Sale) – August 5, 1982

No Call for Nominations and Comments or EIS was required for this second reoffering of OCS tracts not leased in the previous year. Thirty-seven tracts from the Pacific OCS Region's Central California Sale 53 were included in the Proposed Notice of Sale; however, since ten of those tracts were the subject of Sale 53 litigation still unresolved, only 27 blocks were actually offered at the August sale held in Washington, D.C.

On July 19, 1982, the State of California and the California Coastal Commission filed suit against DOI seeking to enjoin the offering of two tracts. They alleged that the Secretary of the Interior violated 1) Section 19 of the OCSLA by not adopting all of the Governor's recommendations; and 2) the NEPA and CEQ regulations by failing to discuss and assess new information in the environmental assessment. The court dismissed the suit as moot.

Bids were received on twelve of the 27 blocks; two bids were rejected. On the ten blocks leased, only one well has been drilled. That was on one of the two leases that have since been relinquished; six have expired by their own terms; and two others within an existing unit remain active. One exploration well was drilled.

As of October 2006, 2 leases in the non-producing Bonito unit remain active.

#### Sale 73 – November 30, 1983

When the Call for Nominations and Comments was issued November 28, 1980, the Call area stretched from the California-Oregon border on the north to the United States-Mexico border on the south, approximately 4,500 blocks (24.1 million acres). The following areas were excluded from the

Call: the Dana Point-San Diego tracts omitted from Sale 68; the Santa Monica Bay and Federal Ecological Preserve tracts; the recently designated Channel Islands National Marine Sanctuary; tracts in the Bodega, Santa Cruz, Point Arena, and Eel River Basins deleted from Sale 53; tracts within three geographical miles of state waters from the town of Big Sur north to the Santa Cruz basin tracts also excluded from Sale 53; and tracts in the vicinity of the Point Reyes Wilderness Area removed from oil and gas activity by the OCS Lands Act Amendments of 1978.

Approximately 2,800 blocks (15.1 million acres) were nominated offshore California; however, in July 1981, Interior Secretary Watt announced a new proposed five-year oil and gas leasing program at which time Sale 73 was designated as a Central and Northern California sale.

In May 1982, BLM Director Robert Burford said that the Sale 73 EIS would cover areas from 3 to 75 miles off the California coast, from Point Conception north to the Oregon border, excluding the four Northern California Basins. In December 1982, however, the Appropriations Bill for Fiscal Year 1983 was approved. This restricted the Department of the Interior from any leasing north of the vicinity of Morro Bay, which was the northern border of the Region's active leases.

Prior to the Final Notice of Sale, 121 tracts were deferred as a result of consultation with the Department of the Navy, and 22 as a result of the Memorandum of Agreement with the State of California. One hundred thirty-seven tracts covering about 770,000 acres were offered at the Sale; however, a preliminary injunction had been issued preventing the opening of the bids, pending disposition of the State of California's lawsuit regarding "consistency determination." This injunction was stayed on December 20, 1983, and the bids were opened and announced. Eight tracts were bid on, none were rejected. On January 11, 1984, the Supreme Court of the United States held that "Interior's sale of OCS oil and gas leases is not an activity 'directly affecting' the coastal zone within the meaning of Sec. 307(c)(1), and thus a consistency review is not required under that section before such sales are made."

The Sale 73 leases were then issued. Four have been relinquished, and four remain active. A portion of one lease is within the producing Point Pedernales Unit. No wells have been drilled on any of the leases.

#### Sale 80 – October 17, 1984

The Call for Information and Nominations was issued November 23, 1982, covering 4,100 blocks (22.4 million acres) seaward 130 miles offshore Southern California, between Point Conception and the U.S.-Mexico Border. The only areas deleted from the Call were the Santa Barbara Channel Ecological Preserve and Buffer Zone and the Channel Islands National Marine Sanctuary. Over 2,300 blocks (11.6 million acres) were studied in the EIS.

The Appropriations Bill for FY 84, approved November 4, 1983, included a Congressional moratorium that covered an area extending from the State's three mile line to 20 miles offshore both San Diego and Orange Counties, and from 3 to 27 miles offshore Los Angeles County, including Santa Monica Bay. In addition, some 1,295 whole and partial blocks were excluded because of Department of Defense concerns, and 18 others were excluded at the request of the State of California, near the border of Ventura and Los Angeles Counties and surrounding the southern portion of Santa Catalina Island.

Of the 657 blocks (3.1 million acres) offered in Sale 80, 25 blocks were bid on, and 23 were leased. Of the nine remaining active leases, three have ten-year terms, five have been incorporated into



units, and one has a Suspension of Operation. As of October 2006, one lease in the non-producing Cavern point unit remains active.

**From:** [Cruickshank, Walter](#)  
**To:** [Barminski, Joan R.](#)  
**Cc:** [Boren, Douglas](#); [Liu, Thomas J](#)  
**Subject:** Re: Urgent question  
**Date:** Friday, October 2, 2020 2:55:25 PM

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Thank you. (b) (5)

[REDACTED]

[REDACTED]

[REDACTED]

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**From:** Barminski, Joan R.  
**Sent:** Friday, October 2, 2020 2:46 PM  
**To:** Cruickshank, Walter  
**Cc:** Boren, Douglas ; Liu, Thomas J  
**Subject:** RE: Urgent question

Walter

Just confirmed Pacific does not have any other agreements like the Signal Hill agreement. We did have the Beta account where at the request of the company, bonds replaced cash, which was done with the full knowledge and agreement from BOEM..

Also attached is the information we were able to gather on the royalties question for OCS-P 0166; available data was provided by ONRR. Please note the unavailability of royalty payment data from the years 1967-1980; ONRR's database does not include information prior to 1981. And for rental payments, database information starts in 1983. If a complete total is needed, additional research by ONRR would need to be requested which would take more time.

Let us know of further questions. We are meeting with BSEE Oct 7 to discuss next steps, and the letter to Signal was sent yesterday regarding compliance with the funding of the escrow account per the agreement.

Joan

Joan R. Barminski  
Regional Director | Pacific Regional Office | Bureau of Ocean Energy Management  
Department of Interior Regions 8, 9, 10 and 12  
760 Paseo Camarillo | Suite 102 | Mail Stop CM 102 | Camarillo | CA 93010-6002  
805-384-6318 | [joan.barminski@boem.gov](mailto:joan.barminski@boem.gov)

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**From:** Cruickshank, Walter  
**Sent:** Friday, October 02, 2020 10:54 AM  
**To:** Liu, Thomas J ; Barminski, Joan R.  
**Subject:** Re: Urgent question

What's the status of confirming this?

Thanks,

Walter

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**From:** Liu, Thomas J <[Thomas.Liu@boem.gov](mailto:Thomas.Liu@boem.gov)>  
**Sent:** Thursday, October 1, 2020 12:15 PM  
**To:** Cruickshank, Walter <[Walter.Cruickshank@boem.gov](mailto:Walter.Cruickshank@boem.gov)>; Barminski, Joan R. <[Joan.Barminski@boem.gov](mailto:Joan.Barminski@boem.gov)>; Celata, Michael <[Michael.Celata@boem.gov](mailto:Michael.Celata@boem.gov)>; Kendall, James J.

<[James.Kendall@boem.gov](mailto:James.Kendall@boem.gov)>

**Subject:** Re: Urgent question

Preliminarily the Pacific doesn't have any other accounts that fall into this category, but we're going to double check and make sure.

Thomas Liu

W: 805-384-6317

C: 805-603-5506

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**From:** Cruickshank, Walter <[Walter.Cruickshank@boem.gov](mailto:Walter.Cruickshank@boem.gov)>

**Sent:** Thursday, October 1, 2020 8:30 AM

**To:** Barminski, Joan R. <[Joan.Barminski@boem.gov](mailto:Joan.Barminski@boem.gov)>; Celata, Michael <[Michael.Celata@boem.gov](mailto:Michael.Celata@boem.gov)>; Kendall, James J. <[James.Kendall@boem.gov](mailto:James.Kendall@boem.gov)>

**Cc:** Liu, Thomas J <[Thomas.Liu@boem.gov](mailto:Thomas.Liu@boem.gov)>

**Subject:** Urgent question

The OIG has just completed a review of the Signal Hill decommissioning situation in the Pacific Region. The report will be made public in 30 days. One of the issues centers around the agreement that set up the Abandonment Escrow Account when the lease was assigned to Signal Hill in 1991. Of note, the account was not consistent with our current regulatory requirement that funds may not be withdrawn from lease specific abandonment accounts without the written approval of the Regional Director (30 CFR 556.904(a)).

I need to know if there are any other abandonment accounts out there with similar terms, or if this was the only one. Please let me know as soon as possible.

Thanks,

Walter

**From:** [Cruickshank, Walter](#)  
**To:** [MacGregor, Katharine S](#); [Hammond, Casey B](#); [Angelle, Scott A](#)  
**Subject:** Re: Signal Hill -- Additional follow-up  
**Date:** Monday, October 5, 2020 2:19:13 PM  
**Attachments:** [Royalties Paid OCS-P 0166 05 Oct 2020.docx](#)

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The revenue information for the correct lease is attached.

ONRR's digital records only go back to 1983 for this lease. If you want the royalty payments by predecessor lessees between 1967 and 1983, please let me know and I will ask ONRR to pull that information from paper records.

Walter

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**From:** Cruickshank, Walter  
**Sent:** Monday, October 5, 2020 1:24 PM  
**To:** MacGregor, Katharine S ; Hammond, Casey B ; Angelle, Scott A  
**Subject:** Re: Signal Hill -- Additional follow-up  
Please disregard the revenue information below. Apparently ONRR ran it for the wrong lease. I will provide updated numbers when I receive them.

Walter

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**From:** Cruickshank, Walter  
**Sent:** Friday, October 2, 2020 3:14 PM  
**To:** MacGregor, Katharine S ; Hammond, Casey B ; Angelle, Scott A  
**Subject:** Re: Signal Hill -- Additional follow-up  
I have confirmed with each of our regions that there are no other abandonment accounts like this one, i.e., they all require the Regional Director's written approval before funds can be distributed.

I have partial information on lease payments. Note that ONRR's database only goes back to 1981, so royalty payments prior to 1981 would require ONRR staff to dig through paper records. Please let me know if you want me to ask them to do so.

Bonus payments (1967): \$21,189,000

Royalty payments

- 1967-1990: Not available at this time
- 1981-1990 (predecessors): \$11,550,004.95
- 1991-2019 (Signal Hill): \$44,642,130.60

We sent the letter to Signal Hill yesterday informing them that had materially breached the agreement by not bringing the account's funding level to \$24.3 million by Sept 30.

Walter

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**From:** MacGregor, Katharine S

**Sent:** Thursday, October 1, 2020 12:24 PM

**To:** Cruickshank, Walter ; Hammond, Casey B ; Angelle, Scott A

**Subject:** Re: Signal Hill

Thank you

Deputy Secretary

U.S. Department of the Interior

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**From:** Cruickshank, Walter

**Sent:** Thursday, October 1, 2020 10:57:25 AM

**To:** MacGregor, Katharine S ; Hammond, Casey B ; Angelle, Scott A

**Subject:** Signal Hill

Two quick answers:

- The Settlement Agreement was signed in March 2015.
- The ability to pay for abandonment expenses out of the escrow account was established in the original 1991 agreement.

Walter

**Royalties Paid  
OCS-P 0166  
October 05, 2020**

Entity	Timeframe	Royalties Paid	Bonus Bid Paid
Prior Owners	1967		21,189,000.00
	1983-1990	17,175,077.60	
Signal Hill Service, Inc.	1991-2019	65,394,872.21	

The ONRR data base for royalties paid starts in 1983. There is currently no data available to BOEM for royalties paid prior to 1983.

From 1983 to present, royalties paid totaled **\$82,569,950**.

The bonus bid of **\$21,189,000** was paid for the lease in 1967.

**From:** [Barminski, Joan R.](#)  
**To:** [Cruikshank, Walter](#); [Schindler, James R](#)  
**Cc:** [Boren, Douglas](#); [Liu, Thomas J](#)  
**Subject:** Pending Relinquishment of Lease OCS-P 0166 in the Pacific Region  
**Date:** Thursday, October 8, 2020 4:28:25 PM  
**Attachments:** [2020-09-29 Signal Hill letter to BOEM - Lease OCS-P 0166 Relinquishment.pdf](#)

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Walter and James

Attached please find the Sep 29, 2020, letter BOEM Pacific received from Signal Hill Service, Inc., lessee for Lease OCS-P 0166, regarding relinquishment of the lease.

*Note that the lease is not yet relinquished.*

The form attached to the letter contains errors, and also needs to be submitted in triplicate; these deficiencies are being addressed with the company now. In addition, the Qualification Card was updated by Signal Hill this week, naming Mr. Richard Carone as the authorized official, replacing Mr. Charles Cappel. We anticipate receiving the corrected form signed by Mr. Carone within the next several days, and will inform you as soon as the relinquishment is adjudicated and effective.

If there are questions, we are available any time.

Joan

Joan R. Barminski  
Regional Director | Pacific Regional Office | Bureau of Ocean Energy Management  
Department of Interior Regions 8, 9, 10 and 12  
760 Paseo Camarillo | Suite 102 | Mail Stop CM 102 | Camarillo | CA 93010-6002  
805-384-6318 | [joan.barminski@boem.gov](mailto:joan.barminski@boem.gov)

SIGNAL HILL SERVICE, INC  
Post Office Box 5565  
Oxnard CA 93031

September 29, 2020



Ms. Joan Barminski,  
Regional Director, Pacific Region  
Bureau of Ocean Energy Management  
760 Paseo Camarillo, Suite #102  
Camarillo, California 93010-6064

Re: Oil & Gas Federal Lease OCS P-0166  
Carpinteria Field  
Platforms HOGAN and HOUCHIN

Ms. Barminski:

As you know, approximately one year ago the State of California, acting through their State Lands Commission, exercised their statutory right of eminent domain to cancel their sea floor easement used by the oil and gas production pipelines which connect our two captioned platforms to our onshore processing facility at La Conchita, California. Over the past thirty years our operations have experienced many crises in the form of world oil price collapses, forest fires, landslides (threatened and actual) and equipment failures. Each time we have relied upon many and varied management tools to overcome each such crisis and continue our operations. However, as we have repeatedly advised BSEE/BOEM over the past twelve months, this present crisis visited upon us by the state is a different matter altogether: there simply are no management tools available to us that would have allowed us to continue in business. Accordingly, we hereby notify you that we have taken the following steps:

First, we finally have expended all of our remaining funds to leave all of our facilities in the best posture possible for the party who will perform final decommissioning.

Next, we have reviewed our extensive array of in-house documents accumulated over the past forty years to segregate all those which will be needed to engineer the final platform and facilities decommissioning. We have tendered possession of those documents to BSEE for safe keeping and were more than a little surprised by their unexplained refusal to accept them. We had thought that their concern for the need to protect taxpayers' interests would have compelled accepting our tender. It appears that we were wrong. Alternatively, we have had no choice but to rely upon the good offices of another offshore oil & gas producer by transferring ownership of all such documents to Messrs. DCOR.

Next, because we have been involuntarily forced to cease oil & gas production operations and shut in the subject platforms, pipelines and onshore facilities, all of our associated local, state and federal permits have lapsed; but for our Federal OCS lease effectively condemned when the state



severed their section of our pipeline ROW. However, within 90 days our Federal OCS Lease will also lapse for lack of production operations.

Next, we had to surrender the lease for our onshore facility at La Conchita back to its landowners and understand that they are presently engaged in discussions with appropriate personnel at CONOCO/PHILLIPS regarding decommissioning the onshore facility.

Therefore, for the reasons stated above, we must now tender back to you our captioned federal oil & gas lease OCS P-0166. To that end, please find attached the fully executed Relinquishment of Federal Oil & Gas Lease (OMB Control Number: 1010-0006).

Finally, BSEE's April 28, 2020 letter to our Me. Charles W. Cappel demanded that we appoint an "agent" to fulfill all of our remaining regulatory obligations to your office. BSEE went on to suggest that CONOCO/PHILLIPS may well be best positioned to perform that agency function. However, during our several discussions with them, we became satisfied that they are unwilling to serve as our agent. Accordingly, if it is of any help to you going forward, please know that we are ready to consent and/or appoint Mr. Steven F. Coombs, PE to fill that agency role. Mr. Coombs, as a past employee of Pacific from 1990 to 2006, has extensive experience with our facilities and is well known to some of your staff. We believe strongly in his competence and capabilities to protect and preserve all our facilities through custodianship and even beyond.

Since leaving the company 15 years ago Mr. Coombs has specialized in onshore/offshore well and facilities decommissioning. Unfortunately, because all our funds already have been spent, we cannot fund Mr. Coombs to do this work. As a result, his service as "agent" will have to be subject to arrangements he makes with your office, the Sellers and/or the state.

Thank you for your past courtesy and cooperation throughout these trying times.

Very truly yours,



Richard L. Carone, CEO  
Signal Hill Service, Inc.

cc. Mark E. Fesmire, PE, JD (BSEE)

Encl.

SIGNAL HILL SERVICE, INC  
Post Office Box 5565  
Oxnard CA 93031

September 29, 2020

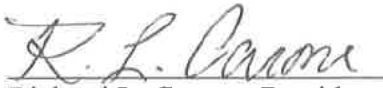
U.S. Department of the Interior  
Regional Director  
Bureau of Ocean Energy Management  
770 Paseo Camarillo, Suite 102  
Camarillo CA 93010

Re: **RELINQUISHMENT OF FEDERAL OCS OIL & GAS LEASE OCS-P-0166**  
**Hand Delivered**

Dear Gentilepersons,

This letterhead transmittal serves to formally accompany the subject Attached BOEM-0152 form as required.

Sincerely,

  
Richard L. Carone, President

Date: 9/29/2020

**RELINQUISHMENT OF FEDERAL OCS OIL AND GAS LEASE**

**Legal description of the lease/officially designated subdivision being relinquished:**

OCS-P-0166

Lease Number

All those portions of Block 52N 63W and of the N½ of Block 51N 63W lying seaward of a line three geographical miles distant from the coastline of California (as said coastline is defined in the Submerged Lands Act of 1953) containing 1995.48 acres, more or less, as shown on the official leasing map, California Map No. 6B, Channel Islands Area

The owner(s) of one hundred percent (100%) of the record title interest does (do) hereby release, relinquish and forever quitclaim all of its (their) right, title and interest in and to the oil and gas lease, or subdivision thereof, described above.

This relinquishment is effective as of the date it is filed with the appropriate OCS office of the Bureau of Ocean Energy Management, subject to the provisions of 30 CFR 556, Subpart K, Termination of Leases.

This instrument may be executed in any number of counterparts, each of which must be deemed an original instrument, but all of which together must constitute but one and the same instrument provided. However, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Insert name and Company number of each Lessee**

LESSEE: Signal Hill Service, Inc.  
L.A. 6710, L.A. 6660, L.A. 6711

LESSEE:

By: Richard L. Carone

By: \_\_\_\_\_

Name: Richard L Carone

Name: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

9/29/2020  
Execution Date

\_\_\_\_\_  
Execution Date

Attach Notary Acknowledgment (not mandatory)

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are mandatory (43 U.S.C. 1334). Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10 and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

**From:** [Cruickshank, Walter](#)  
**To:** [Barminski, Joan R.](#)  
**Subject:** Re: Pending Relinquishment of Lease OCS-P 0166 in the Pacific Region  
**Date:** Thursday, October 8, 2020 4:54:00 PM

---

Thanks Joan.

---

**From:** Barminski, Joan R.  
**Sent:** Thursday, October 8, 2020 4:28 PM  
**To:** Cruickshank, Walter ; Schindler, James R  
**Cc:** Boren, Douglas ; Liu, Thomas J  
**Subject:** Pending Relinquishment of Lease OCS-P 0166 in the Pacific Region  
Walter and James

Attached please find the Sep 29, 2020, letter BOEM Pacific received from Signal Hill Service, Inc., lessee for Lease OCS-P 0166, regarding relinquishment of the lease.

*Note that the lease is not yet relinquished.*

The form attached to the letter contains errors, and also needs to be submitted in triplicate; these deficiencies are being addressed with the company now. In addition, the Qualification Card was updated by Signal Hill this week, naming Mr. Richard Carone as the authorized official, replacing Mr. Charles Cappel. We anticipate receiving the corrected form signed by Mr. Carone within the next several days, and will inform you as soon as the relinquishment is adjudicated and effective.

If there are questions, we are available any time.

Joan

Joan R. Barminski  
Regional Director | Pacific Regional Office | Bureau of Ocean Energy Management  
Department of Interior Regions 8, 9, 10 and 12  
760 Paseo Camarillo | Suite 102 | Mail Stop CM 102 | Camarillo | CA 93010-6002  
805-384-6318 | [joan.barminski@boem.gov](mailto:joan.barminski@boem.gov)

**From:** [Barminski, Joan R.](#)  
**To:** [Cruickshank, Walter](#); [Schindler, James R](#)  
**Cc:** [Boren, Douglas](#); [Liu, Thomas J](#)  
**Subject:** Relinquishment of Lease OCS-P 0166 by Signal Hill Service, Inc.  
**Date:** Wednesday, October 14, 2020 7:47:38 PM  
**Attachments:** [Relinquishment Lease OCS-P 0166.pdf](#)  
[2020-10-8 Richard Carone Response - Lease Relinquishment 3.pdf](#)  
[2020-10-08 DOI cert form cover letter.pdf](#)  
[LA 1559 Signal Hill Qualification Data Card 10082020.doc](#)

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Walter and James

Attached please find the October 8, 2020, letter BOEM Pacific received from Signal Hill Service, Inc., lessee for Lease OCS-P 0166, regarding relinquishment of the lease. The relinquishment form BOEM-0152 is also attached, having been submitted with corrections and signed by an authorized official.

The lease is relinquished effective October 14, 2020, the date BOEM received and processed the form.

For completeness sake, the Qualification Card updated October 8, 2020 and its transmittal letter are included for your reference. Both Russ Howard, CFO, and Richard Carone, CEO, are qualified to sign documents for the company.

We are available if there are questions.

Joan

Joan R. Barminski  
Regional Director | Pacific Regional Office | Bureau of Ocean Energy Management  
Department of Interior Regions 8, 9, 10 and 12  
760 Paseo Camarillo | Suite 102 | Mail Stop CM 102 | Camarillo | CA 93010-6002  
805-384-6318 | [joan.barminski@boem.gov](mailto:joan.barminski@boem.gov)

RECEIVED

U.S. Department of the Interior  
Bureau of Ocean Energy Management

OCT 14 2020

OMB Control No.: 1010-0006  
Expiration Date 1/31/2023

BUREAU OF OCEAN ENERGY MANAGEMENT

RELINQUISHMENT OF FEDERAL OCS OIL AND GAS LEASE

Legal description of the lease/officially designated subdivision being relinquished:

OCS-P 0166  
Lease Number

All those portions of block 52N 63W and of the N1/2 of Block 51N 63W lying seaward of a line three geographical miles distance from the coastline of California (as said coastline is defined in the Submerged Lands Act of 1953) containing 1995.48 acres, more or less, as shown on the official leasing map, California Map No. 6B Channel Islands Area

The owner(s) of one hundred percent (100%) of the record title interest does (do) hereby release, relinquish and forever quitclaim all of its (their) right, title and interest in and to the oil and gas lease, or subdivision thereof, described above.

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Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Insert name and Company number of each Lessee

LESSEE: Signal Hill Service, Inc.  
L.A. 01559

LESSEE:

By: 

By: \_\_\_\_\_

Name: Russ Howard

Name: \_\_\_\_\_

Title: Chief Financial Officer

Title: \_\_\_\_\_

10-8-2020

Execution Date

\_\_\_\_\_ Execution Date

Attach Notary Acknowledgment (not mandatory)

**Paperwork Reduction Act of 1995 (PRA) Statement:** The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are mandatory (43 U.S.C. 1334). Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10 and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments regarding the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

SIGNAL HILL SERVICE, INC  
Post Office Box 5565  
Oxnard CA 93031

October 8, 2020

Ms. Joan Barminski,  
Regional Director, Pacific Region  
Bureau of Ocean Energy Management  
760 Paseo Camarillo, Suite #102  
Camarillo, California 93010-6064

Re: Oil & Gas Federal Lease OCS P-0166  
Carpinteria Field  
Platforms HOGAN and HOUCHIN

Ms. Barminski:

As you know, approximately one year ago the State of California, acting through their State Lands Commission, exercised their statutory right of eminent domain to cancel their sea floor easement used by the oil and gas production pipelines which connect our two captioned platforms to our onshore processing facility at La Conchita, California. Over the past thirty years our operations have experienced many crises in the form of world oil price collapses, forest fires, landslides (threatened and actual) and equipment failures. Each time we have relied upon many and varied management tools to overcome each such crisis and continue our operations. However, as we have repeatedly advised BSEE/BOEM over the past twelve months, this present crisis visited upon us by the state is a different matter altogether: there simply are no management tools available to us that would have allowed us to continue in business. Accordingly, we hereby notify you that we have taken the following steps:

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Next, we have reviewed our extensive array of in-house documents accumulated over the past forty years to segregate all those which will be needed to engineer the final platform and facilities decommissioning. We have tendered possession of those documents to BSEE for safe keeping and were more than a little surprised by their unexplained refusal to accept them. We had thought that their concern for the need to protect taxpayers' interests would have compelled accepting our tender. It appears that we were wrong. Alternatively, we have had no choice but to rely upon the good offices of another offshore oil & gas producer by transferring ownership of all such documents to Messrs. DCOR.

Next, because we have been involuntarily forced to cease oil & gas production operations and shut in the subject platforms, pipelines and onshore facilities, all of our associated local, state and federal permits have lapsed; but for our Federal OCS lease effectively condemned when the state

severed their section of our pipeline ROW. However, within 90 days our Federal OCS Lease will lapse for lack of production operations.

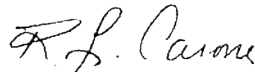
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Therefore, for the reasons stated above, we must now tender back to you our captioned federal oil & gas lease OCS P-0166. To that end, please find attached the fully executed Relinquishment of Federal Oil & Gas Lease (OMB Control Number: 1010-0006). Hopefully, this will expedite your discussions with the Sellers.

Finally, BSEE's April 28, 2020 letter to our Me. Charles W. Cappel demanded that we appoint an "agent" to fulfill all of our remaining regulatory obligations to your office. You went on to suggest that CONOCO/PHILLIPS may well be best positioned to perform that agency function. However, during our several discussions with them, we became satisfied that they are unwilling to serve as our agent. Accordingly, if it is of any help to you going forward, please know that we are ready to consent and/or appoint Mr. Steven F. Coombs, PE to fill that agency role. Mr. Coombs is well known to some of your staff and we believe strongly in his competence and capabilities to protect and preserve all of our facilities through custodianship and even beyond. Unfortunately, because all our funds already have been spent, we cannot fund Mr. Coombs to do this work. As a result, his service as "agent" will have to be subject to arrangements he makes with your office, the Sellers or the state.

Thank you for your past courtesy and cooperation throughout these trying times.

Very truly yours,



Richard L. Carone, CEO  
Signal Hill Service, Inc.

cc: Mark E. Fesmire, PE, JD (BSEE)

Encl.



# Signal Hill Service, Inc.

PO Box 5565  
Oxnard CA 93031



October 8, 2010

I Russ Howard certify that the attached qualification card is true and correct.

A handwritten signature in black ink, appearing to read "Russ Howard".

Russ Howard  
Chief Financial Officer

Received by: Elverlene Williams  
Leasing Specialist  
Bureau of Ocean Energy Management

Date: October 8, 2020

Signal Hill Service, Inc.  
P.O. Box 5565  
Oxnard, CA 93031

L.A. 1559  
California Corporation

Certificates filed and Company qualified in Pacific OCS Region 9/10/90.

**Updated 10/08/2020**

The Chief Executive officer, and the Chief Financial Officer are, and any one of them acting singly hereby is, authorized and empowered to act on behalf of the corporation in matters relating to Federal gas and mineral leases on the Outer Continental Shelf.

**Chief Executive Officer**

**Richard L. Carone**

**Chief Financial Officer**

**Russ Howard**

**From:** [Cruickshank, Walter](#)  
**To:** [Barminski, Joan R.](#)  
**Subject:** Re: Relinquishment of Lease OCS-P 0166 by Signal Hill Service, Inc.  
**Date:** Wednesday, October 14, 2020 9:26:12 PM

---

Thanks Joan.

Get [Outlook for iOS](#)

---

**From:** Barminski, Joan R.  
**Sent:** Wednesday, October 14, 2020 7:47:38 PM  
**To:** Cruickshank, Walter ; Schindler, James R  
**Cc:** Boren, Douglas ; Liu, Thomas J  
**Subject:** Relinquishment of Lease OCS-P 0166 by Signal Hill Service, Inc.

Walter and James

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805-384-6318 | [joan.barminski@boem.gov](mailto:joan.barminski@boem.gov)

**From:** [Boren, Douglas](#)  
**To:** [Barminski, Joan R.](#); [Cruickshank, Walter](#); [Lindow, Emily R](#); [Cluck, Rodney](#); [Anderson, James G](#); [Jackson, Karen](#)  
**Cc:** [Liu, Thomas J](#)  
**Subject:** Re: Trust Account Forfeiture Letter  
**Date:** Monday, December 21, 2020 9:49:51 AM

---

Walter,

As an update to the previous email from Joan. I wanted to let everyone know that BSEE Finance has confirmed that US Bank transferred the money from the trust account to the account set up by BSEE Finance. They did take out a processing fee so the transfer was for 498.6k.

Thanks,

Douglas Boren  
Regional Supervisor  
Office of Strategic Resources  
Bureau of Ocean Energy Management  
(805)384-6384

---

**From:** Barminski, Joan R.  
**Sent:** Tuesday, November 24, 2020 2:19 PM  
**To:** Cruickshank, Walter ; Lindow, Emily R ; Cluck, Rodney ; Anderson, James G ; Jackson, Karen  
**Cc:** Liu, Thomas J ; Boren, Douglas  
**Subject:** Fw: Trust Account Forfeiture Letter

Walter, and all,

Today. BOEM sent this letter to call the funds held in trust by US Bank for Lease OCS-P 0166 lease obligations. Sharing this with you for awareness. BSEE Finance, Brenda Dickerson, has been informed and will be interfacing with the Bank to complete the transfer of the funds.

Joan

---

**From:** Boren, Douglas  
**Sent:** Tuesday, November 24, 2020 2:00 PM  
**To:** Barminski, Joan R. ; Fesmire, Mark E  
**Cc:** Mitchell, Michael ; Liu, Thomas J ; Hesson, Bruce H ; Bell, Theresa P.  
**Subject:** Trust Account Forfeiture Letter

The letter has been sent to US Bank for the 500k in the trust account for the Signal Hill

liabilities. Electronic copy attached.

Thanks,

Douglas Boren  
Regional Supervisor  
Office of Strategic Resources  
Bureau of Ocean Energy Management  
(805)384-6384

**From:** [Cruikshank, Walter](#)  
**To:** [Boren, Douglas](#)  
**Subject:** Re: Trust Account Forfeiture Letter  
**Date:** Monday, December 21, 2020 12:06:12 PM

---

Thanks Doug.

---

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**Sent:** Monday, December 21, 2020 9:49 AM  
**To:** Barminski, Joan R. ; Cruickshank, Walter ; Lindow, Emily R ; Cluck, Rodney ; Anderson, James G ; Jackson, Karen  
**Cc:** Liu, Thomas J  
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Regional Supervisor

Office of Strategic Resources

Bureau of Ocean Energy Management

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