

The purpose of this letter and attachments is to solicit your consideration of membership in the Offshore Operators Committee (OOC). You have been identified as a company servicing oil and gas exploration and production operations in the Gulf of Mexico. Our organization needs the participation and position of all sectors of the industry which collectively makes up the offshore (G.O.M.) oil and gas industry.

There has been a dramatic restructuring of our industry in recent years due to decreased U.S. domestic demand for oil and gas, the worldwide oversupply and the resulting price drop. Simultaneously, regulatory efforts by both state and federal agencies have increased steadily and appears to even be accelerating as a result of the Oil Pollution Act of 1990 (OPA '90). We believe the OOC's efforts (past and future) is critical in interacting with regulatory agencies to provide "practical" perspective and thereby achieve reasonable regulations.

The OOC was formed some 50 years ago shortly after the second World War and has evolved into the oil and gas industry's principal representative regarding regulation of offshore exploration, development and producing operations in the Gulf of Mexico. This effort has been accomplished principally through volunteer work by technical, supervisory and management personnel of many companies who staff various OOC standing and ad hoc subcommittees. Attachments on the web site show the major committees / current Subcommittee Chairmen and Subcommittee Purposes. When necessary, we occasionally supplement our work with commissioned studies by consultant or contract engineering firms or laboratories. Success in our effort has required close coordination with other industry organizations such as NOIA, OMSA, API, IADC and LMOGA, for example.

The major OOC Subcommittee work has involved direct participation in the rulemaking process which various governmental bodies follow in establishing regulations. Although these efforts are far too numerous to even summarize, our major work in recent years has been with new or revised MMS, EPA and USCG regulations. Of major importance to our industry, significant new regulations were mandated by OPA '90 and was drafted in 1992.

We invite your contact with any of our Subcommittee Chairmen, the other industry organizations or the regulatory agencies if you have any questions about our effort or accomplishments in behalf of the industry.

Historically, we have represented (in our membership) essentially all of the offshore GOM producers and/or lease owners and many of the associated service companies. In recent years, however, the number of smaller companies having GOM leases has increased substantially. Also, the service industry has gone through many changes and the OOC has not been very aggressive in pursuing new members necessitated by these changes. However, we do recognize the need to include the views of smaller producers and service

companies if we truly want to be "the offshore industry" representative for the Gulf of Mexico. Our Executive Subcommittee was expanded by four slots to be filled by member representatives from these groups. Expanding general membership and participation in the OOC is the next step in this effort.

We are convinced it is in the best interests of our industry to continue monitoring the pending regulations and provide input as appropriate. That input carries more weight with the regulatory agencies when they recognize we represent essentially all companies operating in the GOM. We are, therefore, asking you to consider joining the OOC. There is no membership fee, but each Member Company pays annual dues as follows:

OOC 2005 DUES BASED ON MMS ACTIVITY LEVEL (WITH OOC EXECUTIVE SUBCOMMITTEE MEMBERS AT HIGHER DUES LEVEL)		
LEVEL	# OF COMPANIES	2005 DUES AMOUNT
Executive Subcommittee Members	13	\$10,000.00
High Activity Members	4	\$5,000.00
Moderate Activity Members	25	\$3,000.00
Low Activity Members	15	\$2,000.00
Large Associate Members ("A")	25	\$2,000.00
Small Associate Members ("B")	30	\$1,000.00
Total Members	112	

These funds are principally used for administrative costs of stationery and mailings, and the periodic funding of research projects related directly to regulatory proposals. Remember, however, that the overwhelming majority of the various technical subcommittees' work is accomplished by volunteers and is, therefore, very cost effective.

You should be aware that an affirmative vote is required of OOC members for a service company to become an Associate Member of OOC. To date, no applicant has been refused; but, in the event that were to happen, your annual dues will be refunded.

Should you have further questions regarding the OOC, please call our Executive Director, Allen Verret, at (504) 934-2159.

Very truly yours,

Paul Landry
Secretary/Treasurer

(Introductory Letter – Associates.doc)