

## Robert Thibault in Oil & Gas 360: Experts Predict Trouble Ahead for Gulf of Mexico Oil & Gas Operators

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**PRACTICES** Energy, Power and Natural Resources

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On Sept. 12, 2016, the federal government initiated big changes to its bonding requirements for the financial liability for decommissioning oil and gas assets on the U.S. outer continental shelf (OCS).

The new requirements are game-changing, according to some experts who predict that the new requirements will drastically cut production from the OCS, send many OCS operators into bankruptcy and will cause a virtual end to the aftermarket for OCS leases.

The Department of Interior's Bureau of Ocean Energy Management (BOEM) is requiring cash, supplemental bonding and/or other collateral of all the operators and leaseholders on the OCS, with opportunities for companies who can pass a rigorous financial screen proving they have the financial wherewithal to self-insure...

To gain a perspective on the effects this new supplemental security requirement could have on the operators and lessees in the OCS, with a focus on the NTL's effect on operators and leaseholders in the Gulf of Mexico, *Oil & Gas 360* spoke with two long-time experts in the field of oil and gas leasing, drilling, production and the related regulations governing the industry.

Robert Thibault is an attorney with Haynes Boone who represents energy companies involved in technical energy disputes including work with the relevant administrative and regulatory environment...

**OAG 360:** When you look at the new supplemental bonding requirements required by the Bureau of Ocean Energy Management (BOEM) that the agency issued in NTL 2016-N01, who is going to be impacted by these changes?

Robert Thibault: The simple answer is everyone. The most immediate and obvious impact will be on mid-sized and small lessees and operators who will have to deal with the demand to post, in a very short time, security that covers vastly increased dollar amounts of liabilities. In the end though, everyone is going to face less-obvious, but extremely important and powerful impacts – including the largest industry players and the federal government and U.S. taxpayers.

**Excerpted from *Oil & Gas 360*. To read the full article, please [click here](#).**