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ExxonMobil
Exploration

Department of the Interior
Minerals Management Service
Attention: Regulation and Standards Branch (RSB)
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

Re: **Bonus or Royalty Credits for Relinquishing Certain Leases
Offshore Florida
1010-AD44**

Ladies and Gentlemen:

ExxonMobil Exploration Company ("ExxonMobil"), a division of Exxon Mobil Corporation, appreciates the opportunity to submit comments regarding the proposed Bonus or Royalty Credits for Relinquishing Certain Leases Offshore Florida Oil and Gas Leasing Program for 2002-2007 ("Relinquishment Credit Plan"), as requested by the Mineral Management Service's Call published February 1, 2008, in the Federal Register (pp.6074, et seq.).

The Gulf of Mexico Energy Security Act of 2006 directs that the MMS promulgate new rules providing a mechanism by which certain leases can be surrendered for credits. These leases are located (i) within 125 miles of the Florida coast and within the Eastern Gulf of Mexico Planning Area; and, (ii) within 100 miles of the Florida coast and within the Central Gulf of Mexico Planning Area.

We request that the MMS revise the regulations to acknowledge that a lessee could be prevented from using credits for royalty payment in the event the MMS decides to accept only royalty in kind from the leases of the lessee. In that event, the only avenue for use of the credits would be bonus payment and if the lessee chose not to bid on new leases, the credits conceivably could be lost. We suggest that the regulations be changed to reflect that, if the MMS elects to take royalty in kind, a lessee may notify the MMS of its intent to use credits for royalty payments in which case the MMS's election to take in kind for a particular lease will be postponed until the credits are completed. This change does not impact the current position of MMS that credits cannot be used in lieu of royalty in kind. Rather, the MMS election to take in kind will simply be postponed for a period and royalty in cash required that can be paid with the credits.

We also request that the regulations be changed with respect to use of the credits within a five year period. As proposed, after five years the MMS can apply a lessee's credits however the MMS chooses. This discretion should not be given to the MMS. If a lessee chooses to hold onto a credit for a longer period, that is a decision that the lessee should make. The lessee receives no interest on the credit and thus it is to the financial advantage of the government to delay the use of the credits into the future. The MMS may argue that this creates recordkeeping issues, but computerized record keeping should obviate this concern.

Finally, on a more general concern, it is unfortunate that we see increasing barriers to oil and gas development when accessing these resources would benefit the American economy and consumers by diversifying our nation's sources of energy supply and increasing energy security. Energy development and environmental protection can and should continue to co-exist.

ExxonMobil appreciates the opportunity to provide these comments. Please do not hesitate to contact us should you have any questions or require any assistance.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ray Charles", written in black ink. The signature is fluid and extends across the width of the text area.

Ray Charles