

Shell Exploration & Production Company



RULES PROCESSING TEAM

DEC 03 2003

One Shell Square
PO Box 61933
New Orleans LA 70161
(504) 728-6982

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Department of the Interior
Minerals Management Service
Mail Stop 4024
381 Elden Street
Herndon, Virginia 20170-4817
Attn: Rules Processing Team (Comments)

**RE: FR 40585 - 40615; July 8, 2003
Oil and Gas and Sulphur Operations in the Outer Continental Shelf –
Incident Reporting Requirements**

Gentlemen;

Shell Exploration & Production Company and other affiliates of Shell Oil Company (all referred to as "Shell") appreciate the opportunity to comment on the Notice of Proposed Rulemaking for Oil and Gas and Sulphur Operations in the Outer Continental Shelf — Incident Reporting Requirements. Being actively involved in oil and natural gas development projects, Shell is very interested in the proposed regulations.

Shell supports the comments submitted regarding this Notice of Proposed Rulemaking by the Offshore Operators Committee, with a different view on the issue of reporting gas releases.

Shell is concerned that this proposed rule, if implemented, would cause duplication and confusion between the required reporting of offshore incidents to the Minerals Management Service and the U.S. Coast Guard. Shell encourages MMS to withdraw this proposed rule, and work jointly with the U.S. Coast Guard regarding establishing a single reporting system that will serve the needs of both agencies. Shell does not see any valid purpose in requiring Operators to provide reports to both agencies. As MMS and USCG work on a common system, the comments submitted with this letter and others received should be incorporated.

We agree with the comments provided by the Offshore Operators Committee that the proposed rulemaking is prescriptive, complicated and burdensome. MMS proposes six different time frames for reporting, depending upon the specifics of the incident. In some cases the information that MMS proposes to be reported by the Operator will not be available. Shell recommends that MMS redraft the proposed regulations so that only required information for the most serious incidents need be reported immediately to either the MMS or USCG, and that there be one time frame for all written reports, such as 30 or 45 days following the incident.

Some information regarding non-OCS facility incidents should only need to be reported to the US Coast Guard. In most instances the information for vessels that are not under operational control of the OCS leasee will not be available to the Operator. Therefore, this information

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should be provided by the vessel owner or operator directly to the USCG. MMS should obtain any vessel incident information that is needed for statistical purposes directly from the USCG.

In their comments, the Offshore Operators Committee addressed the proposed definition of the term "gas release", and the associated proposed reporting requirements. Shell supports the reporting of only major gas releases to the MMS. Shell agrees with the OOC comment that it will be very difficult in most instances to determine if the LEL has been reached in an unintentional release of gas, unless an installed gas detector actually measures that this instance has occurred. Therefore, Shell proposes that the term "gas release" be changed to "major uncontrolled gas release"; and the term's definition be revised to state:

Major Uncontrolled Gas Release means any unintentional release of gas at an OCS facility that is measured by two or more gas detection devices to exceed the lower flammable (explosive) limit or that exceeds an estimated volume of 15,500 scf. Major Uncontrolled Gas Release does not include events where gas is successfully released through the vent or flare system.

If you have any questions or need further clarification, please do not hesitate to call me, or Rick Meyer at (504) 728-6393.

Very truly yours,



for Peter K. Velez
Manager, Regulatory Affairs and Incident Command