### FREQUENTLY ASKED QUESTIONS: SHALLOW WATER DRILLING

### Q1. Is there an actual or "de facto" moratorium on shallow water drilling?

No. There is no moratorium or suspension that applies to shallow water drilling. On July 12, 2010, Secretary Salazar ordered the suspensions of drilling and permitting for new wells using subsea blowout preventers (BOPs) or surface BOPs on a floating facility. This order does <u>not</u> apply to shallow water operations that use surface BOPs.

#### Q2. What are NTL-05 and NTL-06?

Notice to Lessees and Operators (NTL)-05 (the Safety NTL) implements certain safety measures recommended in the Department of the Interior's 30-Day Safety Report. For example, NTL-05 requires operators to submit a certification that they are conducting their operations in compliance with all applicable regulations. In addition, each operator must certify that it has conducted a number of specific reviews of its operations, such as examining all well control system equipment (both surface and subsea) to ensure that it has been properly maintained and is capable of shutting in the well during emergency operations.

Notice to Lessees and Operators (NTL)-06 (the Environmental NTL) provides national guidance to Lessees and Operators regarding the information required in each Exploration Plan and Development Operations Coordination Document. This NTL requires operators to submit additional information on blowout and worst-case discharge scenarios, as well as on measures adopted to prevent a blowout, reduce the likelihood of a blowout and to conduct timely and effective intervention in case of a blowout.

#### Q3. Do shallow water operators have to comply with NTL-05 and NTL-06?

Yes. The provisions of NTL-05 and NTL-06 apply to all activities in the Outer Continental Shelf, including shallow water operations.

## Q4. Has BOEM provided guidance to shallow water operators on how to satisfy the requirements of NTL-05 and NTL-06?

Yes. BOEM issued guidance, in the form of Frequently Asked Questions (FAQs) for NTL-05 on June 7, 2010. BOEM released updated FAQs for NTL-05 on July 9, 2010 (go to:

 $\frac{http://www.gomr.boemre.gov/homepg/regulate/regs/ntls/2010NTLs/10-n05-FAQs.pdf).}{$ 

FAQs for NTL-06 were issued on June 18, 2010. The FAQs were updated on July 15, 2010 and again on July 21, 2010 with guidance about the information

operators must provide to comply with the worst-case discharge reporting requirements under NTL-06. This guidance addressed a critical area of concern for industry (go to:

 $\frac{http://www.gomr.boemre.gov/homepg/regulate/regs/ntls/2010NTLs/10-n06-FAQs.pdf).}{}$ 

In addition to this formal guidance, BOEM has held regular discussions, including two in-person meetings in Washington, D.C., on July 16 and July 19, with Louisiana Lieutenant Governor Scott Angelle and representatives from the shallow water drilling coalition, regarding the measures and information necessary to comply with NTL-05 and NTL-06. Director Bromwich also has discussed these issues with Senators Mary Landrieu and David Vitter of Louisiana.

# Q5. How many Applications for Permit to Drill (APDs) in shallow water has BOEM approved?

BOEM is processing shallow water drilling permit applications as they are received. To date, BOEM has approved two APDs for the drilling of new gas wells in shallow water in the Gulf of Mexico, both of which BOEM found to comply with NTL-05 and NTL-06.

Go to: <a href="http://www.gomr.boemre.gov/homepg/offshore/safety/well\_permits.html">http://www.gomr.boemre.gov/homepg/offshore/safety/well\_permits.html</a> for BOEM's summary of shallow water drilling and well modification permit requests subject to NTL-05 and NTL-06. BOEM updates this information each business day.