

Louisiana Mid-Continent Oil & Gas Association Annual Meeting



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Overview

- Regulatory Priorities
- Offshore Activity
- Platform Decommissioning
- Safety at all levels – at all times
 - Safety Culture Policy
 - SEMS





Recent Regulations

- Enhanced Drilling Safety
 - Drilling Safety Rule
 - Subsea containment
 - New standards for well design, casing, & cementing
 - Enhanced Workplace Safety
 - Performance-based standards
 - Safety & Environmental Management Systems
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Regulatory Priorities

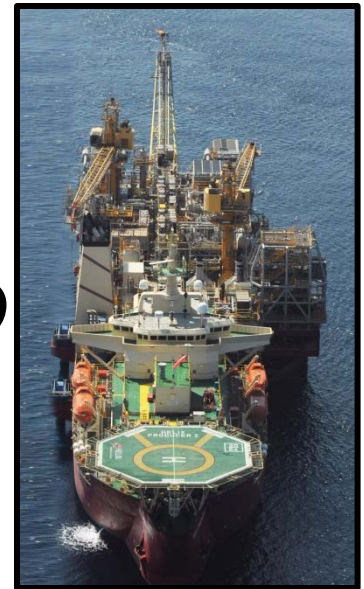
- SEMS II
- Next-generation blowout preventers
- Production safety systems/ lifecycle analysis





Offshore Activity

- Permitting has increased significantly in past two years.
- 112 Deepwater New Well Permits issued in 2012; most in over seven years.
- Over 2,000 permits issued since new safety standards implemented.
- 53 GOM rigs vs. 42 on average in 2009





Platform Decommissioning

- Companies are obligated to remove infrastructure:
 - Within one year after lease expires
 - When company determines there is no future use
 - Regulated by 30 CFR 250, Subpart Q
 - Notice to Lessees (Sept 2010) – clarified “no longer useful operations”
 - Removal required 5 years after determination
 - NTL did not change requirements
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Platform Decommissioning

- Departure from regulatory requirements
 - BSEE can grant a departure from removal requirements providing reefing criteria are met
 - Benefits the environment/economy
 - “Rigs to Reefs” policy allows for reefing of certain oil and gas platforms in state-designated reefing areas
 - Some platforms can be reefed in place
 - Since 2005, on average, 12% of platforms decommissioned annually have been reefed
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Platform Decommissioning

- Interagency Stakeholder Forum on Decommissioning/Rigs-To-Reef
 - BSEE, BOEM, NOAA, USCG, EPA, USACE
- Stakeholder Meetings
 - Part 1: November 16, 2012 in Houston, TX – informational meeting
 - Part 2: February 21, 2013 in New Orleans, LA – focus on BSEE policy & Rigs-To-Reef parameters





Safety Culture Policy

- Draft policy statement published in the Federal Register on December 20, 2012
- Comment period open until March 20, 2013
- Modeled after the Nuclear Regulatory Commission's safety culture policy statement





Safety Culture Policy

- Nine characteristics of a robust safety culture:
 - Leadership safety values and actions
 - Problem identification and resolution
 - Personal accountability
 - Work processes
 - Continuous learning
 - Environment for raising concerns
 - Effective safety communication
 - Respectful work environment
 - Inquiring attitude
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SEMS Implementation

- Moving beyond compliance
 - Goal: Improve industry safety culture
 - Only SIX potential incidents of non-compliance (pinc) on the pinc list
 - Focusing on implementation rather than enforcement
 - Operator-driven safety program with BSEE oversight
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The Way Ahead

