



Bureau of Safety and Environmental Enforcement

BSEE Decommissioning Support Section

Fung C. Hassenboehler

"To promote safety, protect the environment and conserve resources offshore through vigorous regulatory oversight and enforcement."

Primary Functions

- To perform decommissioning cost estimates of GOM infrastructures and maintain standardized methods for calculating decommissioning costs.
- Track and monitor GOM Idle Iron program.
- Supports GOMR ORD with decommissioning matters related to bankruptcies

Our Team

- 2 Senior Engineers
 - Leading the Decommissioning Liability Assessments – Mr. Mark Harbison
 - Managing the GOM Idle Iron Program – Mr. William Howell
- 3 Support Engineers
 - 2 supports the decommissioning liability assessments
 - 1 supports GOMR ORD with decommissioning matters related to bankruptcies
- 2 Vacant Positions

Idle Iron Status

From DOS to DSS

- NTL 2010-G05
- Transition from BSEE DOS to DSS.
- Mr. William Howell
- Annual Idle Iron reminding letters
- February 20, 2016
- BSEIdleIron@BSEE.gov

Statistics

as of January, 2016

- 570 platforms eligible for decommissioning
 - 243 Idle Irons
 - 327 on expired/terminated leases
- 2401 Wells eligible for decommissioning
 - 1089 Idle Irons
 - 1312 on expired/terminated leases.

BSEE Decom Liability Assessment Process

Triggers for Routine Assessments:

- Lease Assignments
- Plans (DOCD and EP)
- Bond Cancellations
- ROW Assignments
- Industry Requests

Triggers for Companywide Assessments:

- Requested by both:
 - BOEM's Risk Management Operation Group
 - BSEE's ORD

BSEE Decom Liability Assessment Process

- Routine Requests
 - BSEEDecommLiability@BSEE.gov
- The estimated decommissioning liabilities are aggregated to the lease/rue/row level from estimates of:
 - Existing wells
 - Wells from Plans (DOCD and EPs)
 - Existing platforms
 - Existing pipeline segments

BSEE Decom Liability Assessment Process

- The estimated decommissioning liabilities for each lease/rue/row are recorded by the following categories:
 - Site Clearance – includes both platform site clearance cost and pipeline decommissioning cost
 - Platform Removal Cost
 - Borehole Plug Cost
- The system default “Platform Removal Count” and “Borehole Plug Count” recorded in our website are generally **not** representative of the number of platforms and wells assessed.

Decommissioning Cost Algorithm Discussions

- We are exploring support information to adjust the following decommissioning cost estimations:
 - Shallow Water Pipelines
 - Shallow Water Platforms
 - Shallow Water Wells

Note: We welcome companies to meet with us to discuss our decommissioning cost estimates

New Decommissioning Cost Requirement Rules

30 CFR 250.1704(h): Decommissioning applications and reports – A certified summary of expenditures for permanently plugging any well, removal of any platform or other facility, and clearance of any site after wells have been plugged or platforms or facilities removed.

30 CFR 250.1704(i): If requested by the Regional Supervisor, additional information in support of any decommissioning activity expenditures included in a summary submitted under paragraph (h) of this section .

- Published on December 4, 2015
- Became effective on January 4, 2016
- Submit the cost information within 120 days after completion of each decommissioning activity specified above.

New Decommissioning Cost Requirement Rules

- Background - BSEE needs actual decommissioning data in order to provide improved estimates of decommissioning costs to BOEM for bonding purposes.
- Objectives – To make decommissioning liability estimates reasonably reflective of what an operator would have to pay a third party in an arm's length transaction.

Implementation of Decom Cost Requirement Rules

Clarify guidance via NTL. Below is the proposed outline for the NTL:

- Purpose
- Authority
- Background
- Suggested Reporting Basis and Characterization of Costs
- Suggested Format for Submission

- Submittal of Additional Information
- Paperwork Reduction Act of 1995 Statement
- Contact
- Enclosed Example of Suggested Reporting Format

Questions

BSEE Website: www.bsee.gov



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