



Gulf of Mexico Update

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Agenda



- **Regulatory Update**
- **Gulf of Mexico Activity**
- **Looking to the Future**
- **Questions?**

Regulatory Update



- Published proposed rulemaking
 - *Oil and Gas Production Safety Systems – Subpart H*
 - Published August 22, 2013, comment period was extended and closed December 5, 2013
 - Includes: safety and pollution prevention equipment lifecycle analysis, production safety systems, subsurface safety devices, and safety device testing
- In preparation, due out mid-2014
 - *Blowout Prevention Systems*
 - *Arctic (joint with BOEM)*

Upcoming Proposed Rules



- Suspensions of Production and Operations
- Natural Gas Fluids Measurement
- Oil Spill Mechanical Recovery

Drilling Permits

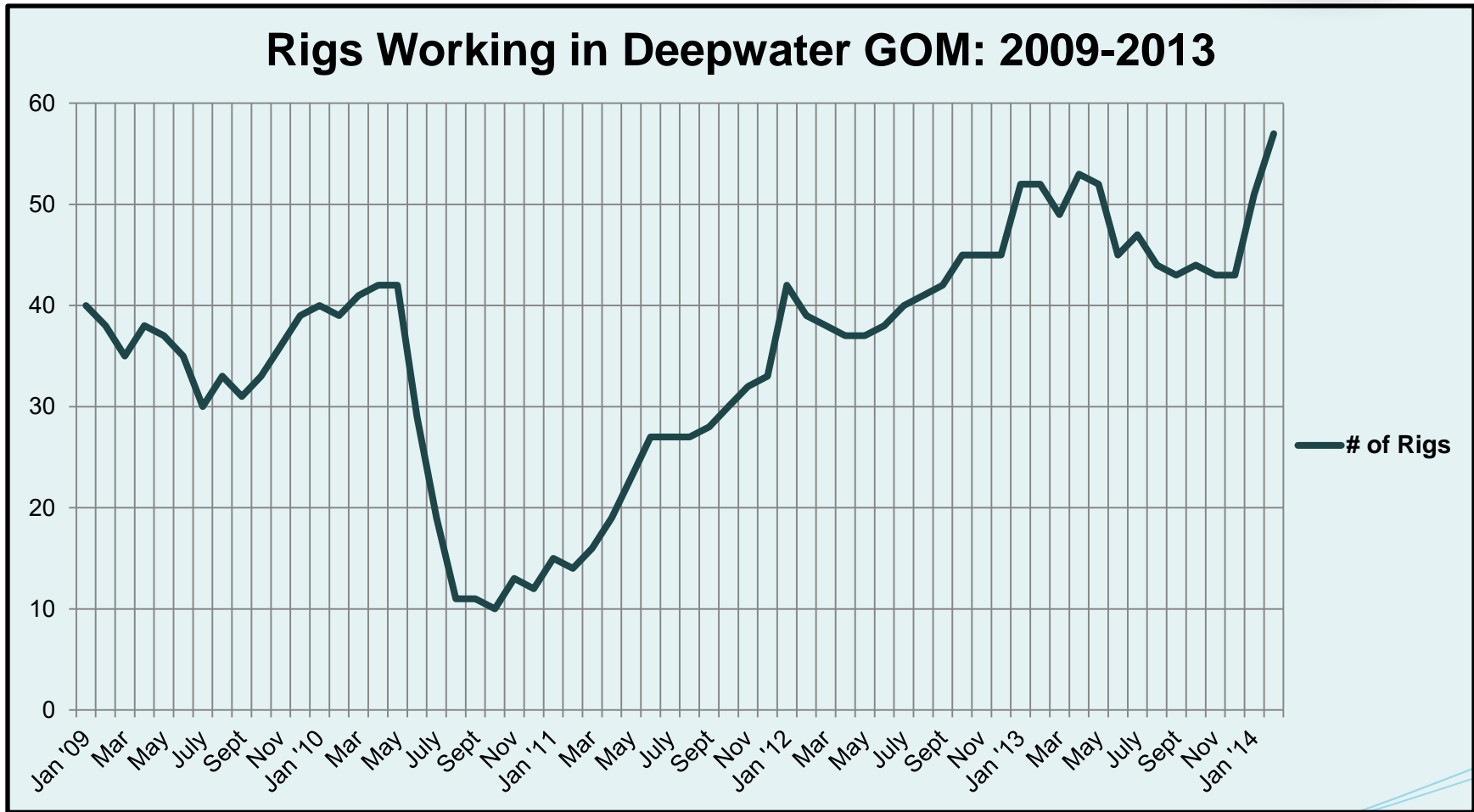


Year	Shallow Water < 500 ft.			Deepwater > 500 ft.			Total Approved
	New Well	Bypass	Sidetrack	New Well	Bypass	Sidetrack	
2013	72	51	120	57	34	23	357
2012	67	42	108	112	25	23	377
2011	71	40	87	38	19	22	277
2010	72	32	92	32	19	23	270
2009	95	28	70	76	26	46	341

Rig Activity Deepwater GOM



Rigs Working in Deepwater GOM: 2009-2013



Drilling Rigs Working in U.S. Gulf of Mexico



Platform Rig = 24



Semi-submersible = 20



Drillship = 19



Jack-up rig = 25

U.S. Gulf of Mexico New Deepwater Rigs



Deepwater Rig & Type	Operator	Quarter Expected
Sadrill West Auriga drillship	BP	3rd Qtr. 2013
Noble Don Taylor drillship	Shell	
Sadrill West Vela – drillship	BP	4th Qtr. 2013
Stena IceMAX – drillship	Shell	1st Qtr. 2014
Diamond Offshore Ocean Onyx – rebuilt semi	Apache	
Atwood Advantage - drillship	Noble Energy	
Maersk Viking – drillship	ExxonMobil	
Sevan Louisiana – cylinder hull	LLOG Exploration	
Diamond Offshore Ocean Blackhawk - drillship	Anadarko	2nd Qtr 2014
Noble Bob Douglas - drillship	Anadarko	
Maersk Valiant - drillship	ConocoPhillips	
Pacific Sharav – drillship	Chevron	3rd Qtr. 2014
Diamond Offshore Ocean BlackHornet – drillship	Anadarko	
Transocean Deepwater Invictus – drillship	BHP Billiton	
Noble Sam Croft – drill ship	Freeport McMoran	
Rowan Resolute – drillship	Anadarko	
Sadrill West Neptune – drillship	LLOG Exploration	4th Qtr 2014
Rowan Reliance - drillship	Cobalt Intl. Energy	1st Qtr 2015
Noble Tom Madden - drillship	Freeport McMoran	

Deepwater Appraisal Activity



Deepwater Prospect	Operator	Map Area
North Platte	Cobalt Intl. Energy	Garden Banks 959
Stampede(Pony)*Sanction '14, 1 st prod.–'16	Hess Corp	Green Canyon 468
Stampede(Knotty Head)*Sanction '14, 1 st prod.–'16	Hess Corp	Green Canyon 512
Big Dog (Mad Dog B)	BP	Green Canyon 825
Appomattox	Shell	Mississippi Canyon 806
Vito	Shell	Mississippi Canyon 984
Gunflint	Noble Energy	Mississippi Canyon 948
Hadrian North	ExxonMobil	Keathley Canyon 918
Buckskin/Moccasin	Chevron	Keathley Canyon 872/736
Kaskida/Tiber/Gila	BP	Keathley Canyon 292/102/93
Shenandoah	Anadarko	Walker Ridge 52
Coronada	Chevron	Walker Ridge 98

Production Facilities



**Shallow Water
Production Facilities**
(less than 500 ft)

2647



**Deepwater
Production Facilities**
(greater than 500 ft)

73



New Gulf of Mexico Deepwater Projects

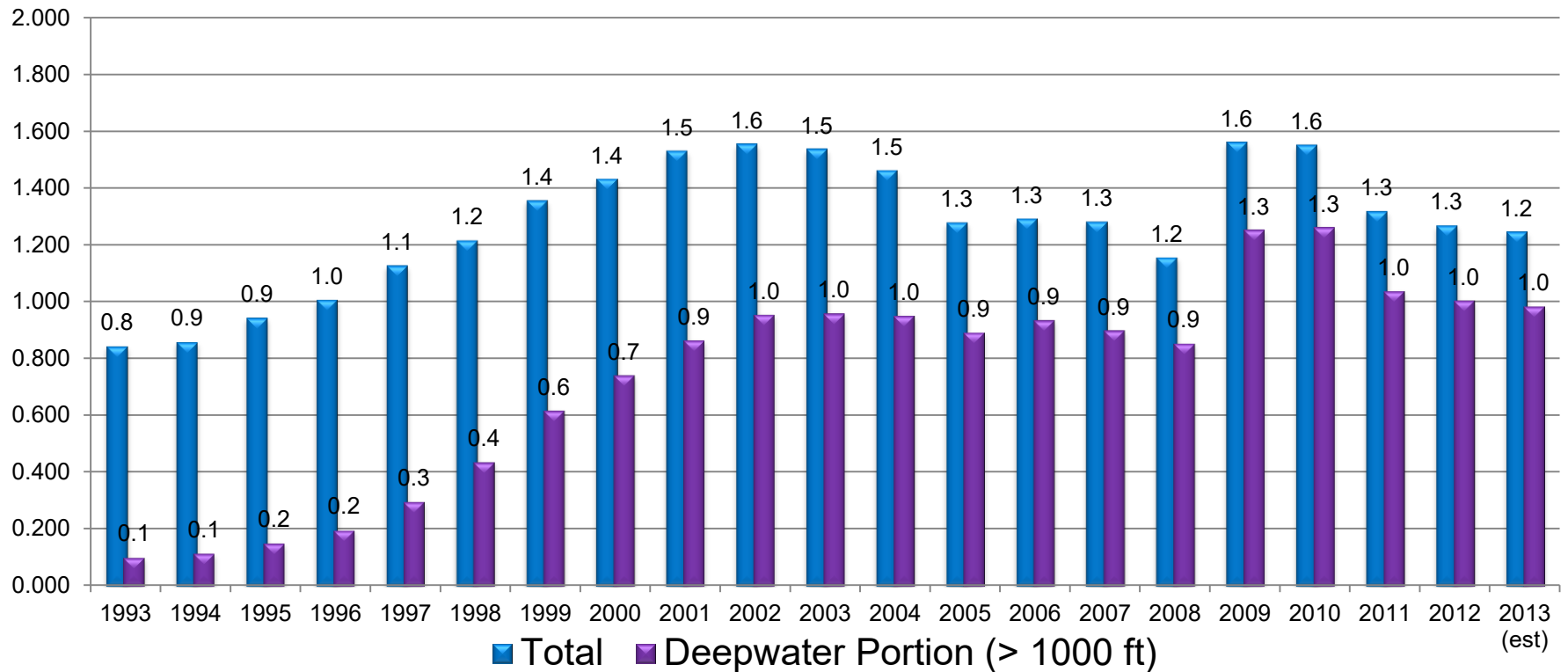


Deepwater Project	Operator	1 st Production Expected
Olympus TLP (Mars B) {**subsea} Mississippi Canyon 806	Shell	Started production 1st Qtr. 2014
Jack – St. Malo Walker Ridge 718	Chevron	2014
Big Foot Walker Ridge 29	Chevron	2014
Lucius (oil/gas)/S. Hadrian (gas) Keathley Canyon 875	Anadarko/ ExxonMobil	2014
Tubular Bells Mississippi Canyon 725	Hess	2014
Delta House Mississippi Canyon 254	LLOG Exploration	2015
Olympus TLP (Mars B) {**platform} Mississippi Canyon 806	Shell	2015
Heidelberg Green Canyon 860	Anadarko	2016
Stones (**2 nd FPSO in GOM) Walker Ridge 508	Shell	2016

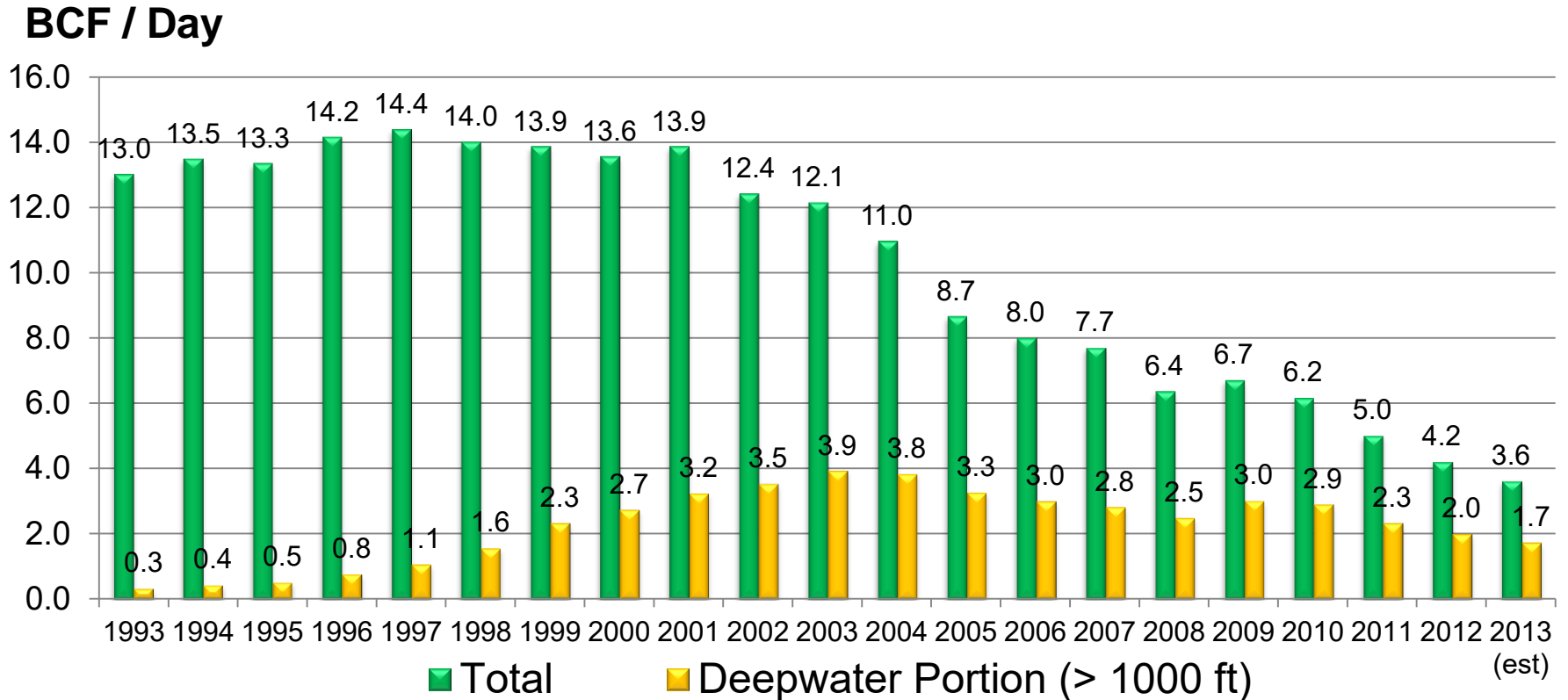
Gulf of Mexico OCS Oil Production Total vs. Deepwater



MM Bbls /Day



Gulf of Mexico OCS Gas Production Total vs. Deepwater



Looking to the Future



- Increased drilling activity
 - Industry mastering enhanced information requirements for APDs
 - Inspections and Enforcement efforts
 - BOP test witnessing
 - Increased inspection force and helicopter fleet
 - eInspections
 - Increased coordination with USCG

Looking to the Future



- Production Projects Start-ups
 - Pre-production Inspections
 - Inspections and Enforcement efforts
 - Increased inspection force and helicopter fleet
 - eInspections
 - New and emerging technologies
 - Review of Deepwater Operation Plans (DWOPs)
 - Decommissioning of subsea and deepwater structures, i.e. Spars & TLPs

Total Inspections Performed by Type



Inspection Type	2009	2010	2011	2012	2013
Well Operations	619	586	640	942	960
Production	3,267	2,737	2,266	2,420	2,690

Recent Response to Incidents



- July 8, 2013 – Energy Resource Technology, LLC (ERT)
 - Loss of well control @ Ship Shoal 225, 146 feet water depth
 - BSEE oversees response through Houma District
- July 23, 2013 – Walter Oil and Gas
 - Loss of well control @ South Timbalier 220, 154 feet water depth
 - BSEE participates in Unified Command with US Coast Guard, Joint Information Center is stood up
- January 30, 2014 - EnVen
 - Loss of well control @ Vermilion 356, 262 feet water depth
 - BSEE leads coordinated response with US Coast Guard



**Thank you for your
attention.**

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