



# Gulf of Mexico OCS Region Update

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# Agenda



- **Regulatory Update**
- **Gulf of Mexico Activity**
- **A Closer Look at Offshore Safety**
- **Questions?**

# Regulatory Update



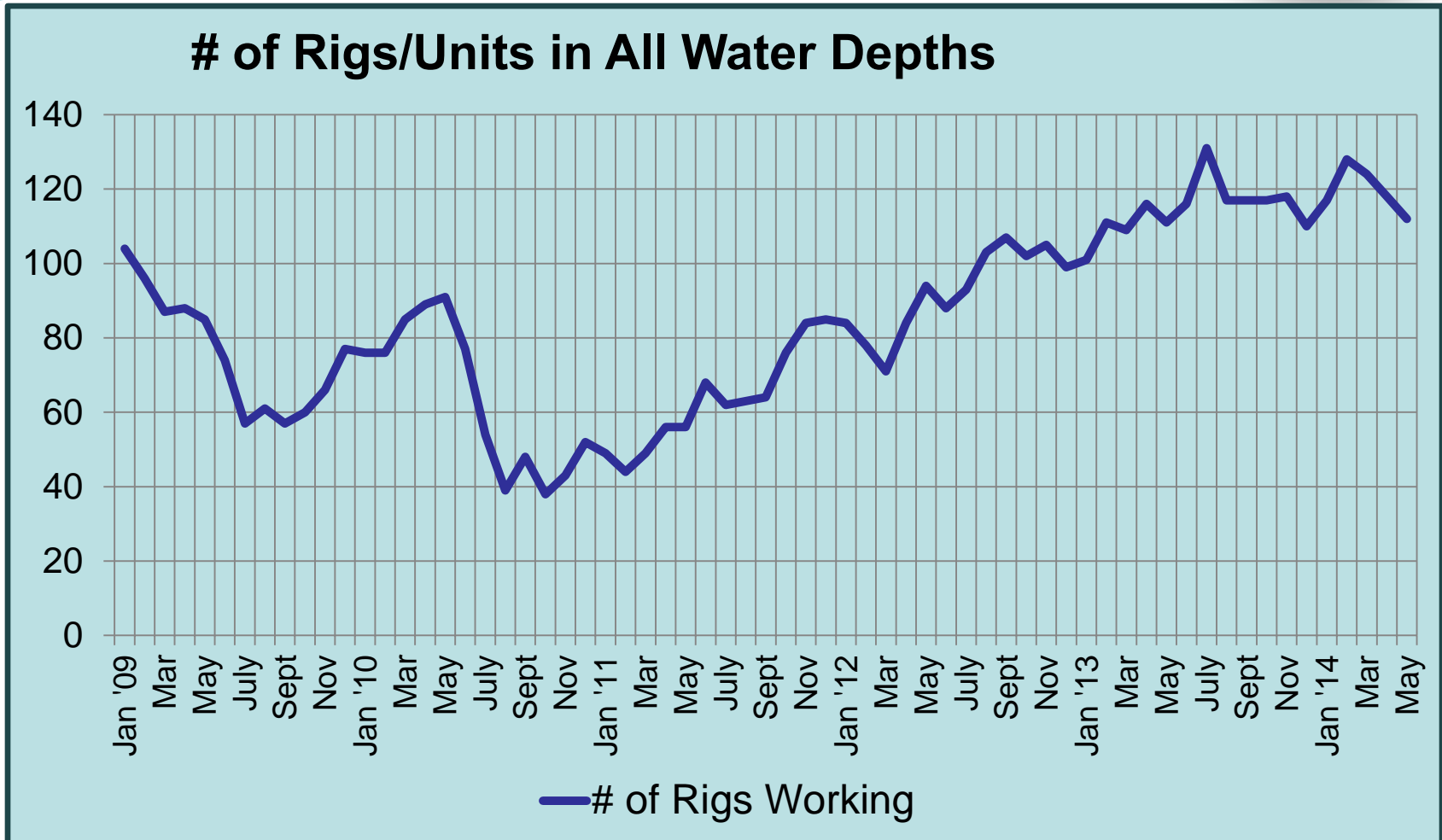
- Published proposed rulemaking
  - *Oil and Gas Production Safety Systems – Subpart H*
    - Published August 22, 2013, comment period was extended and closed December 5, 2013
    - Includes: safety and pollution prevention equipment lifecycle analysis, production safety systems, subsurface safety devices,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

# Upcoming Proposed Rules



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

# Gulf of Mexico OCS Rig Activity



# Drilling Permits



Year	Shallow Water < 500 ft.				Deepwater > 500 ft.				Total Approved
	New Well	Bypass	Sidetrack	Total Shallow	New Well	Bypass	Sidetrack	Total Deep	
2013	72	51	120	<b>243</b>	57	34	23	<b>114</b>	<b>357</b>
2012	67	42	108	<b>217</b>	112	25	23	<b>160</b>	<b>377</b>
2011	71	40	87	<b>198</b>	38	19	22	<b>79</b>	<b>277</b>
2010	72	32	92	<b>196</b>	32	19	23	<b>74</b>	<b>270</b>
2009	95	28	70	<b>193</b>	76	26	46	<b>148</b>	<b>341</b>

# Production Facilities



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

2513



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

73



# New Gulf of Mexico Deepwater Projects



Deepwater Project	Operator	1 <sup>st</sup> 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 <sup>nd</sup> FPSO in GOM) Walker Ridge 508	Shell	2016

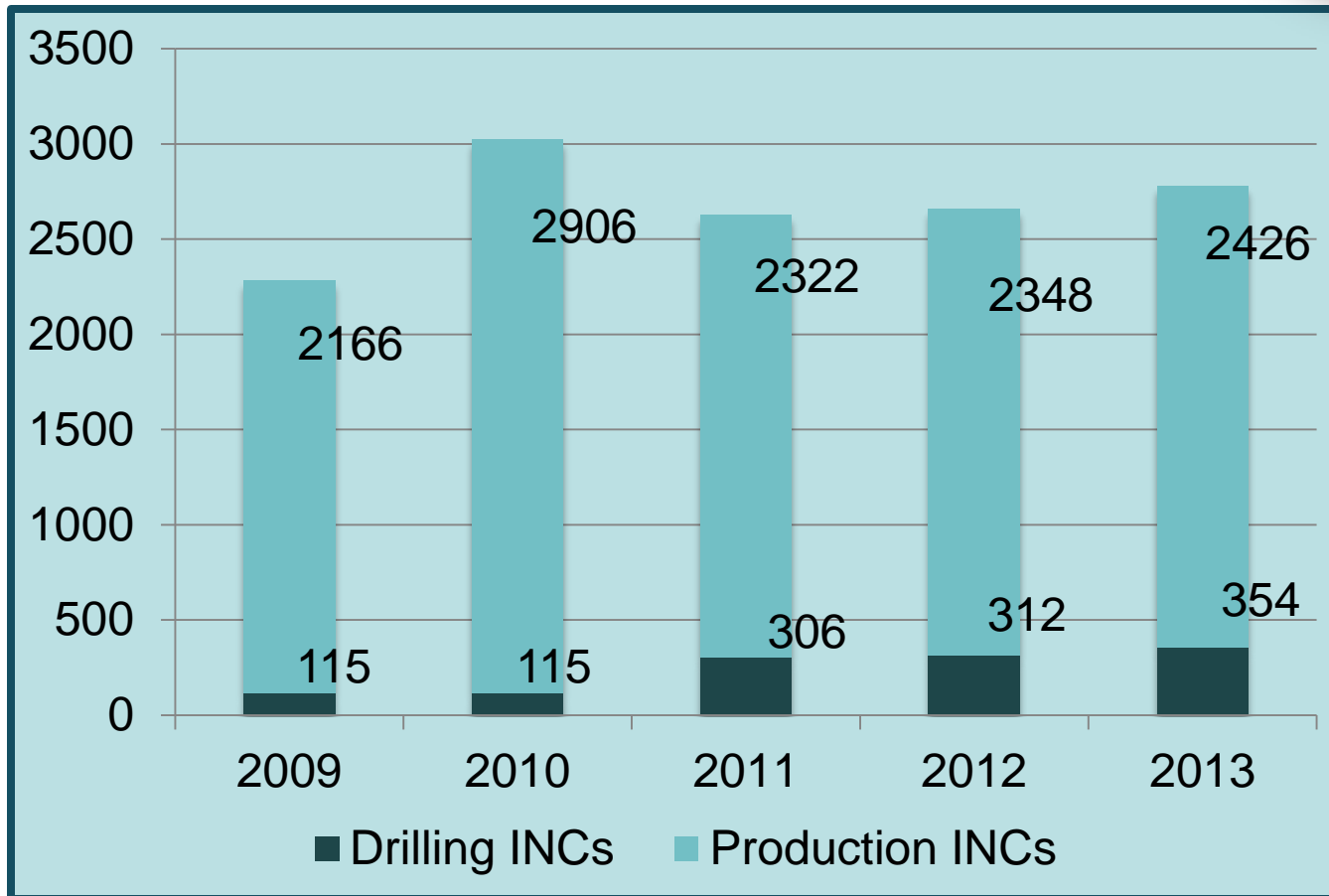


# Industry Activity – Gulf of Mexico



	2009	2010	2011	2012	2013
Drilling Rigs Working (average weekly)	76	64	63	92	115
Total Wells Drilled	332	260	268	358	350
Production Platforms	3,558	3,366	3,091	2,814	2,609
Oil Production (million barrels)	570.2	566.4	481.5	464.7	458.4
Natural Gas Production (trillion cubic feet)	2.45	2.25	1.83	1.54	1.32

# INCs Issued (Drilling & Production) 2009-2013



# Reported Incidents

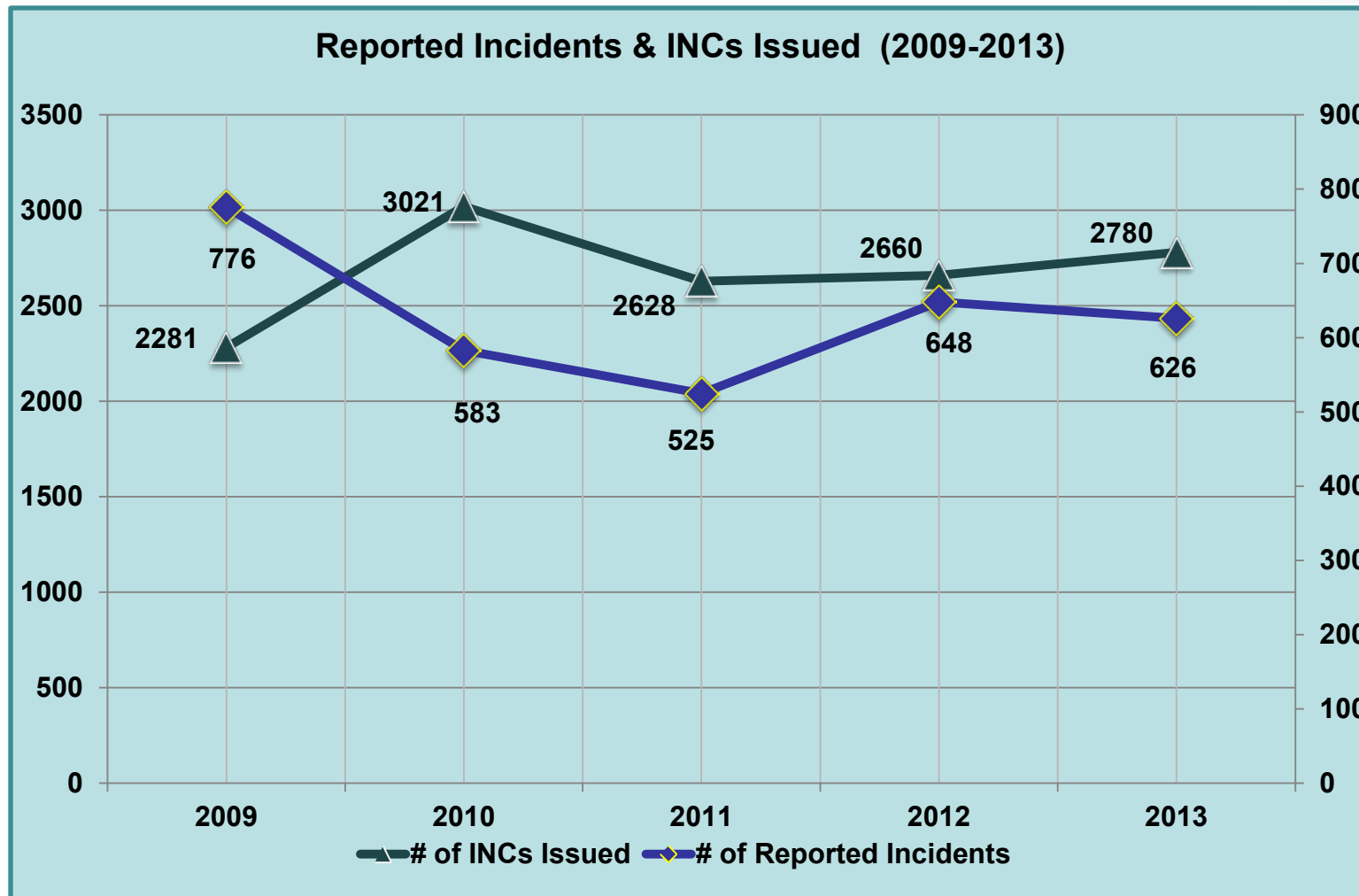


OCS Incidents/Spills by Category: CY 2007 – 2013

TYPE	2007	2008	2009	2010	2011	2012	2013
	GOM	GOM	GOM	GOM	GOM	GOM	GOM
<u>FATALITIES</u>	5	11	4	12	3	4	3
<u>INJURIES *** #</u>	423	318	285	273	213	253	226
<u>LOSS OF WELL CONTROL ***</u>	7	8	6	4	3	4	9
<u>FIRES/EXPLOSIONS</u>	110	139	133	126	103	134	97
<u>COLLISIONS ***</u>	20	22	29	8	14	9	19
<u>SPILLS ≥ 50 bbls</u>	4	33	11	5	3	8	^
<u>OTHER ***</u>	268	278	308	155	186	236	272
<b>INCIDENT TOTAL FOR THE YEAR</b>	<b>837</b>	<b>809</b>	<b>776</b>	<b>583</b>	<b>525</b>	<b>648</b>	<b>626</b>

Note: Taken from [bsee.gov](http://bsee.gov) website – See explanations for each legend (\*\*\*#, \*\*\*, etc.) on website.

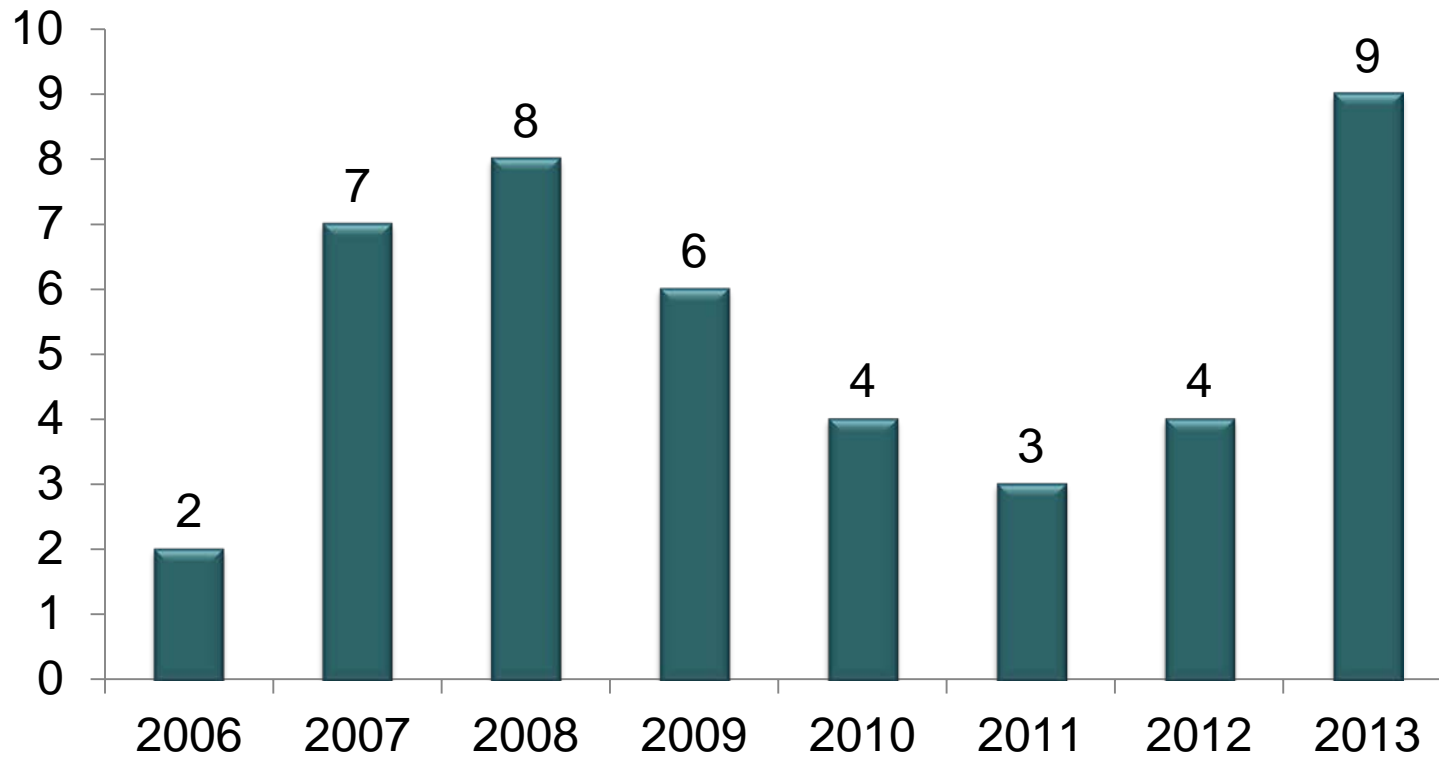
# Comparing Reported Incidents with INCs Issued 2009-2013



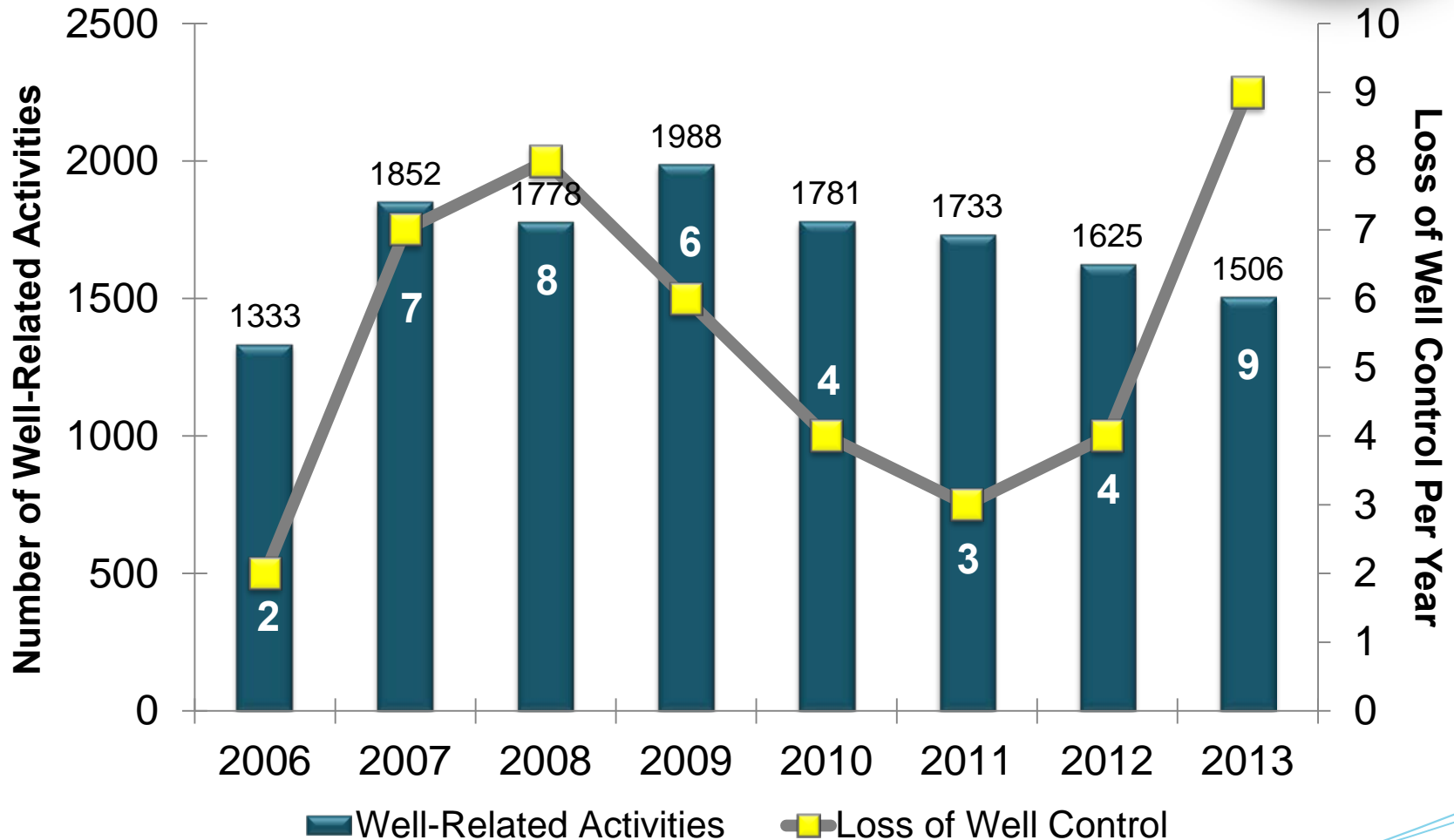
# Loss of Well Control



## OCS LWC Incidents (2006-2013)

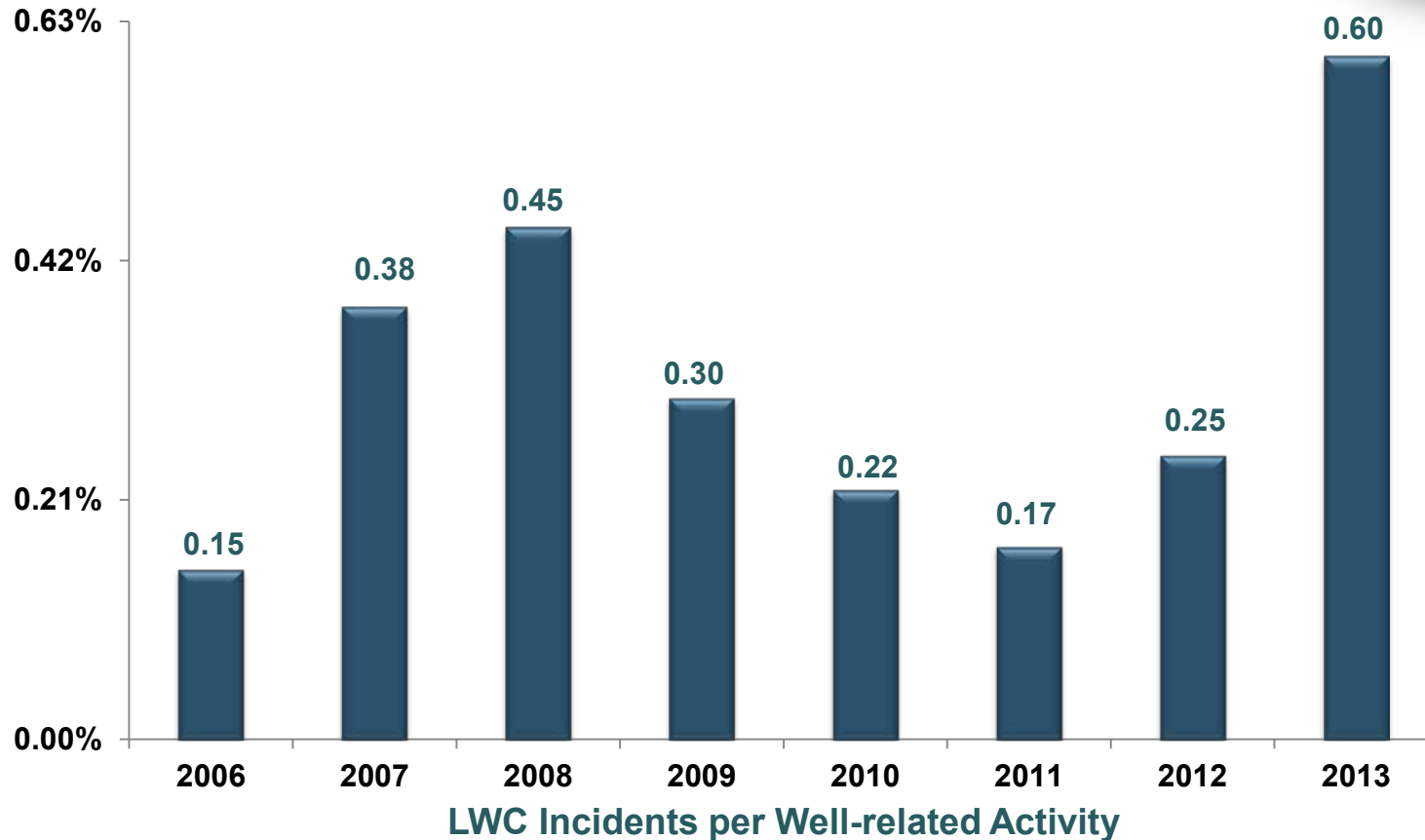


# Loss of Well Control in GOM 2006-2013



Well-Related Activity: Total of (1) the number of new wells spud plus (2) the number of wells reentered for the purpose of reworking or abandonment during a calendar year

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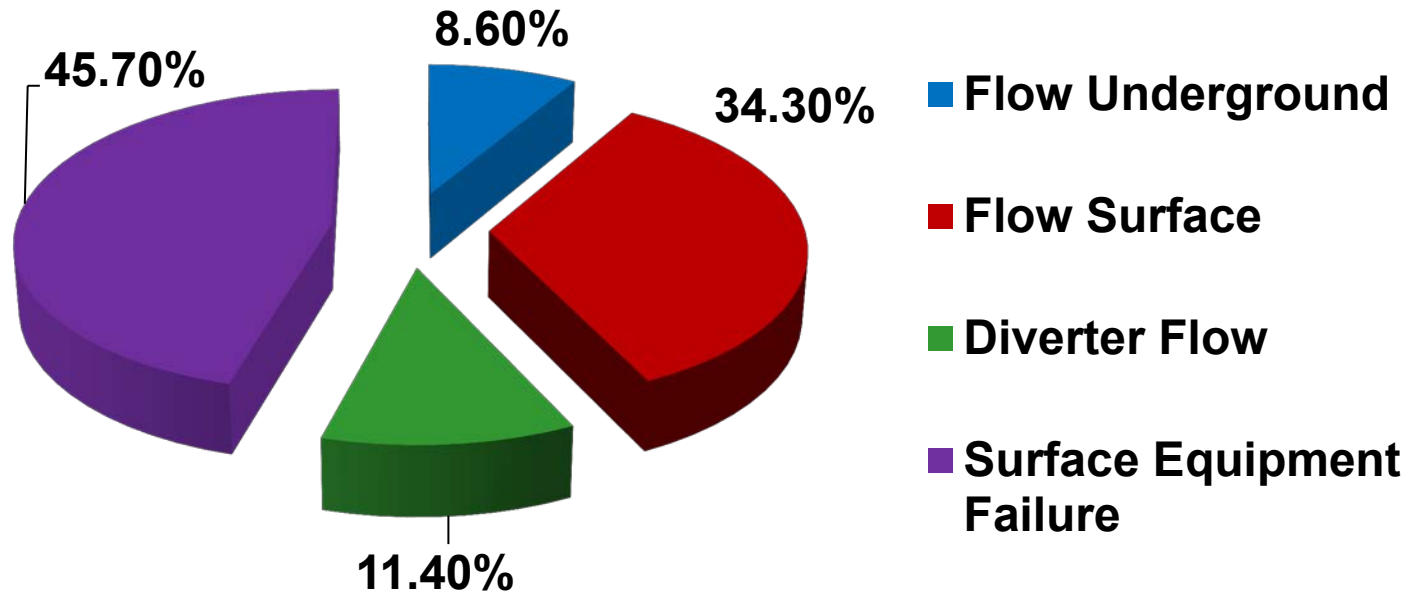
# Well Control Incidents in 2013 (by type)



- **Flow Underground**
  - **2-05-13 Apache @ Main Pass 295**
- **Flow Surface**
  - 2-11-13 BP @ Mississippi Canyon 777
  - 4-25-13 Petrobras America @ Walker Ridge 206
  - **7-23-13 Walter Oil and Gas @ South Timbalier 220**
- **Diverter Flow**
  - 4-10-13 Pisces Energy @ Vermilion 356
  - 12-20-13 Walter Oil & Gas @ South Timbalier 285
- **Surface Equipment Failure**
  - 2-28-13 Cobalt @ Green Canyon 896
  - **7-07-13 ERT/Talos @ Ship Shoal 225**
  - 9-17-13 Shell Offshore @ Viosca Knoll 956



# Loss of Well Control Incidents by Type (2006 -2013)



# MP 295 #1 / ENSCO 87

Apache 5 February 2013. LWC, Underground



- Water Depth – 218 feet
- Distance to Shore – 20 miles
- Product - Gas
- Exploratory Well
- LWC Occurred- Kick from inclusion in salt

# ST 220 A / Hercules 265

Walter Oil & Gas - 23 July 2013, LWC, Surface



- Water Depth – 154 feet
- Distance to Shore – 55 miles
- Days to complete relief well – 74
- Product – Gas
- Development Well
- LWC Occurred – POOH with TCP gun

# SS 225 B

ERT/ Talos - 7 July 2013, LWC, Surface



- Water Depth – 146 feet
- Distance to Shore – 65 miles
- Product – Gas and condensate
- Development Well
- LWC Occurred-  
Abandonment procedure

# Synopsis of Data



BSEE has 288 unique loss of well control incidents captured in our database from 1956 – 2010. Additionally, BSEE has 18 additional cases in TIMS from 2010-2013 which are not accounted for in this synopsis:

- 69 of 288 Incidents had a duration of  $\geq 5$  days (24%)
  - 55 of 69 occurred in water depth  $< 300$  feet (80%)
  - 42 of 69 occurred within 50 miles of shore (61%)
  - 31 fatalities in 5 of the 69 incidents
  - 84 injuries in 7 of the 69 incident
  - 8 incidents were oil blowouts (12%)
    - Max duration of the oil blowout – 141 days, 10 relief wells drilled

# BSEE Efforts



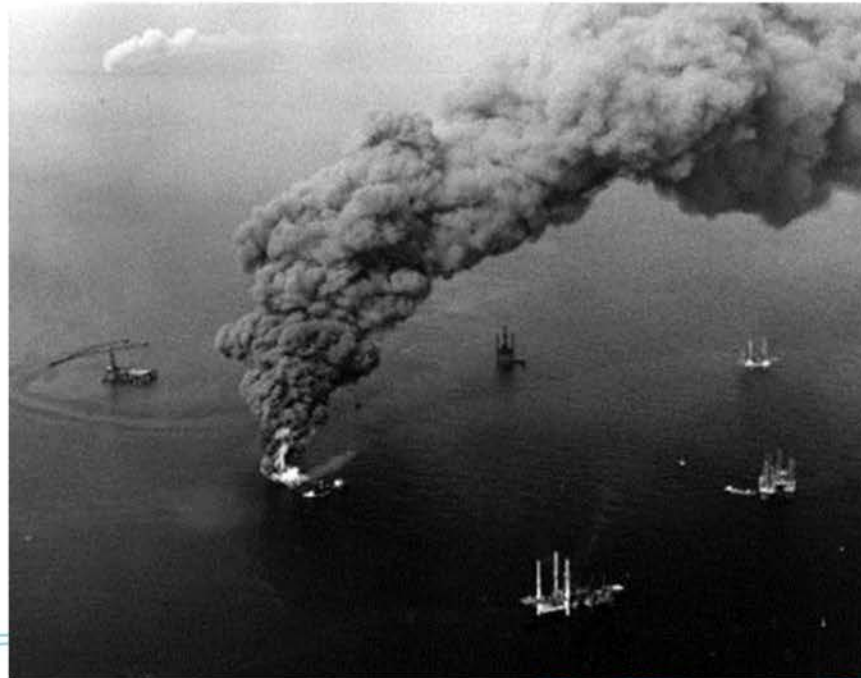
- Met with shallow water industry August 2013
- Renewed emphasis on hot work permits
- Source control for shallow water blowouts
- Work with IADC on competency issues
- Developing awareness within industry

# 12/1/70 – ST 26 B – Bay Marchand



Four fatalities, thirty six injuries, lost platform and 2 drilling rigs, minor amounts of oil on beaches. 53,000 bbls estimated to be spilled.

10<sup>th</sup> and final relief well killed blowout on April 7<sup>th</sup>, 1971.





**Thank you for your  
attention.**

**Website: [www.bsee.gov](http://www.bsee.gov)**