



Susan Green, Gulf of Mexico OCS Region

Offshore Trivia #1



What year was the Outer Continental Shelf Lands Act passed?

a) 1947

b) 1953

c) 2000

Answer



OCSLA was passed in 1953. The answer is b) 1953.

- provided for federal jurisdiction over submerged lands on the OCS**
- authorized the Secretary of the Interior to lease those lands for mineral development**

Offshore Trivia #2



What year was the first lease issued in the Gulf of Mexico?

a) 1954

b) 1955

c) 1956

Answer



Lease OCS 0405 was issued for a 5-year term effective December 1, 1954. The answer is a) 1954.

Section 22.



The obligation to decommission exists from the effective date of a lease.

Sec. 22. Removal of Property on Termination of Lease. Within a period of 1 year after termination of this lease in whole or in part, the Lessee shall remove all devices, works, and structures from the premises no longer subject to the lease in accordance with applicable regulations and Orders of the Director. However, the Lessee may, with the approval of the Director, continue to maintain devices, works, and structures on the leased area for drilling or producing on other leases.

Section 6.

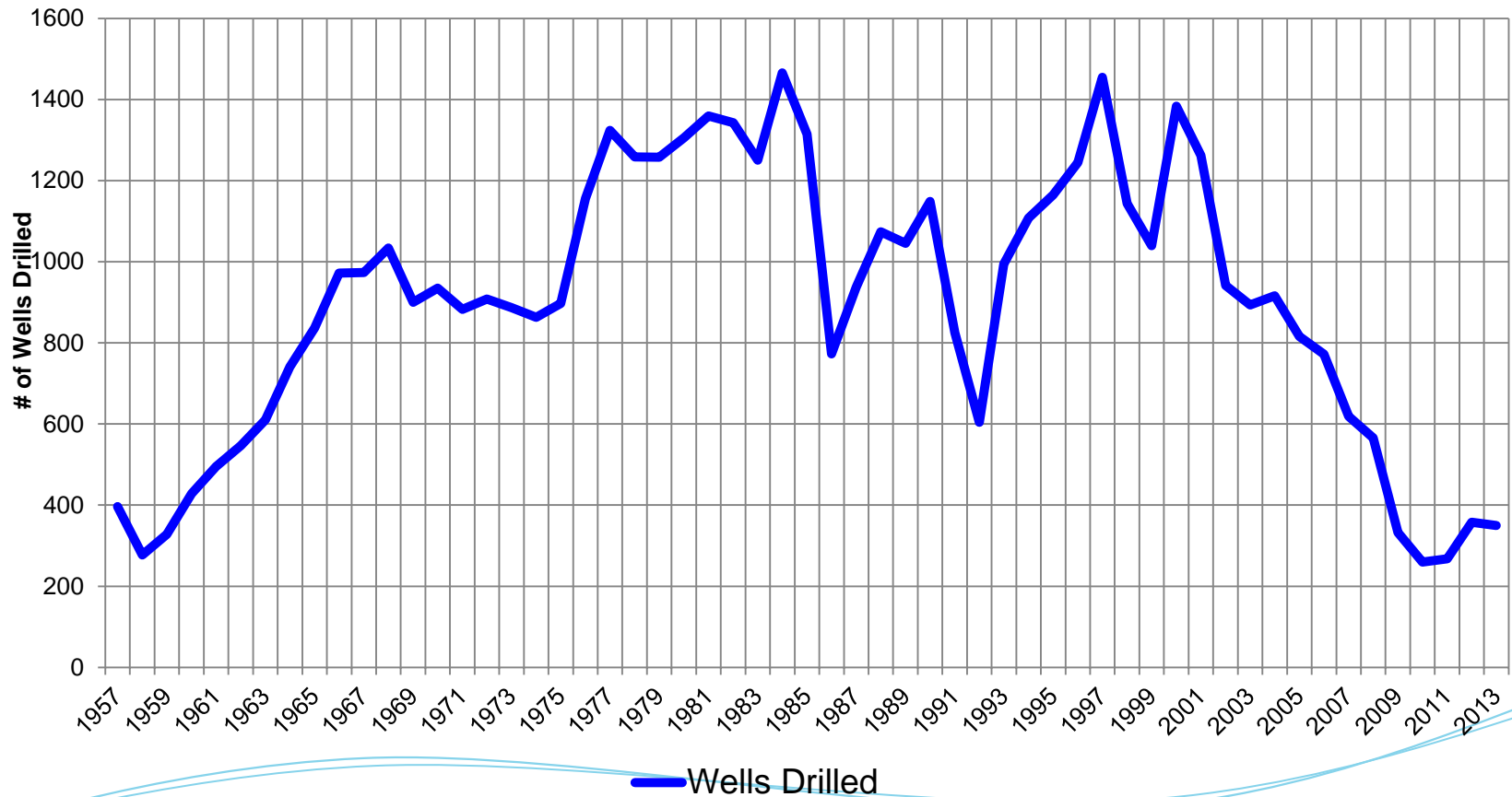


SEC. 6. *Removal of property on termination of lease.*—Upon the expiration of this lease, or the earlier termination thereof as herein provided, the lessee shall within a period of 1 year thereafter remove from the premises all structures, machinery, equipment, tools, and materials other than improvements needed for producing wells or for drilling or producing on other leases and other property permitted by the lessor to be maintained on the area.

GOM Wells



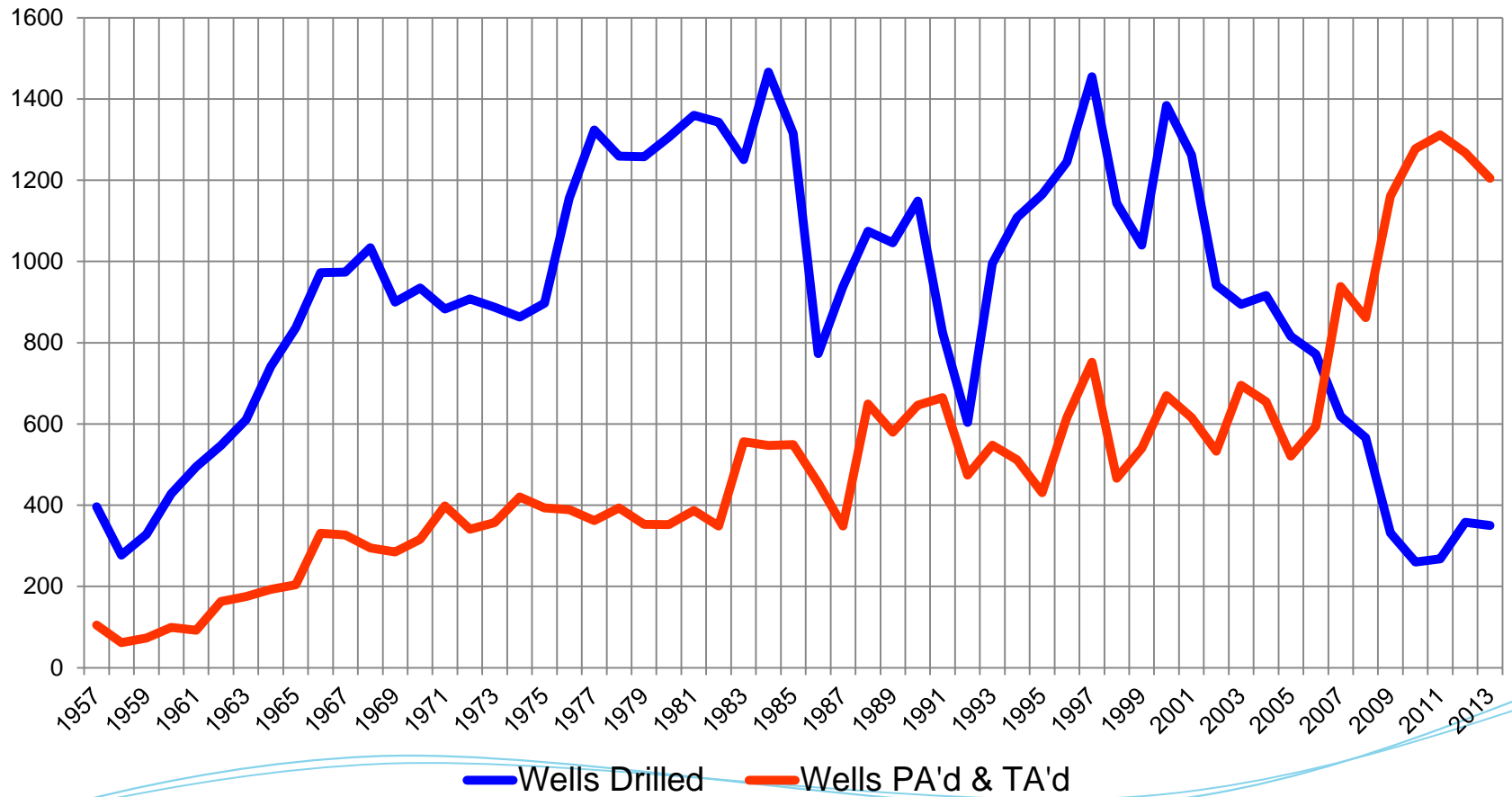
Gulf of Mexico OCS Region Total Wells Drilled by Year



GOM Wells



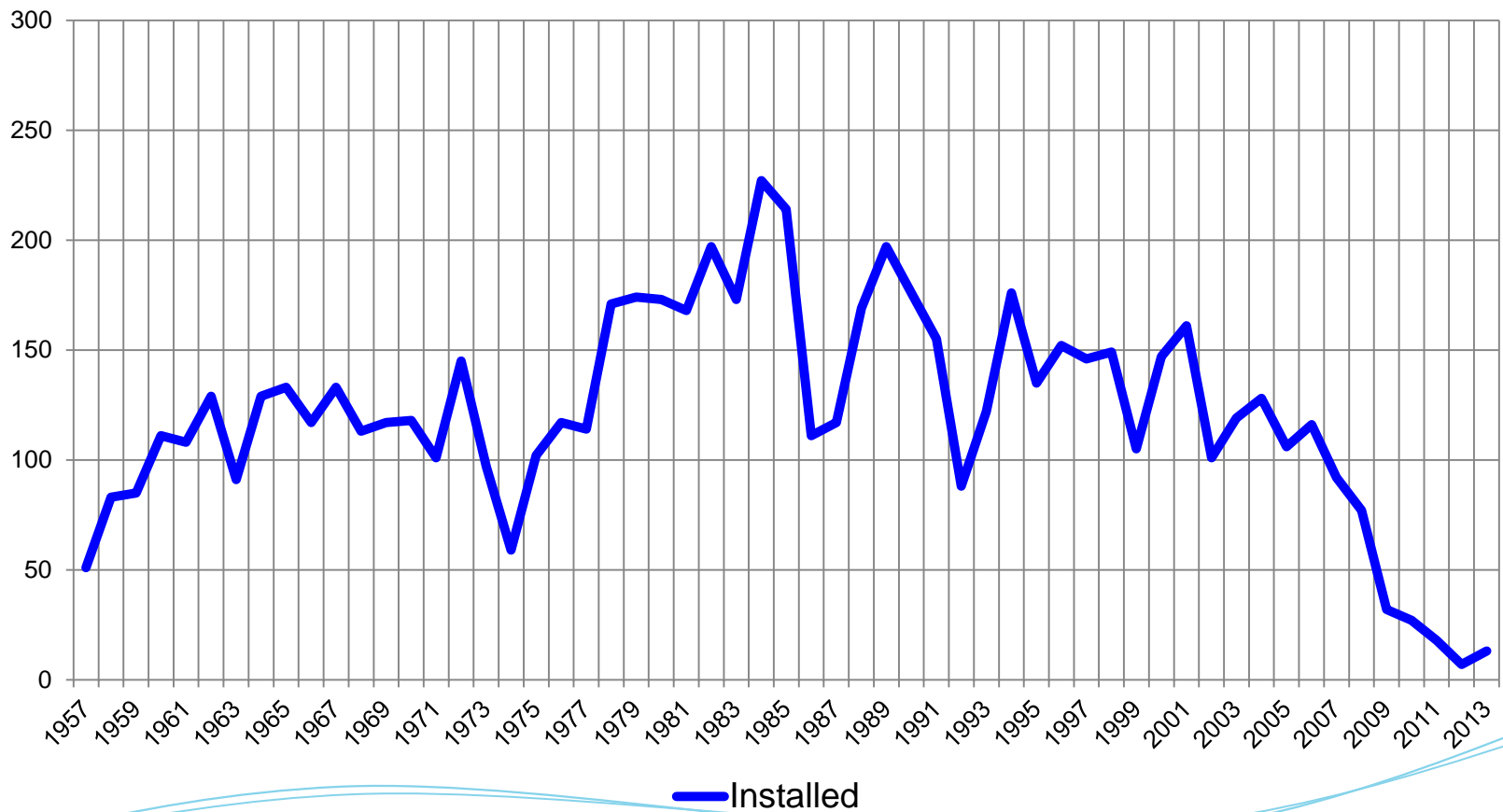
Gulf of Mexico OCS Region Total Well Drilled and PA'd & TA'd by Year



GOM Structures



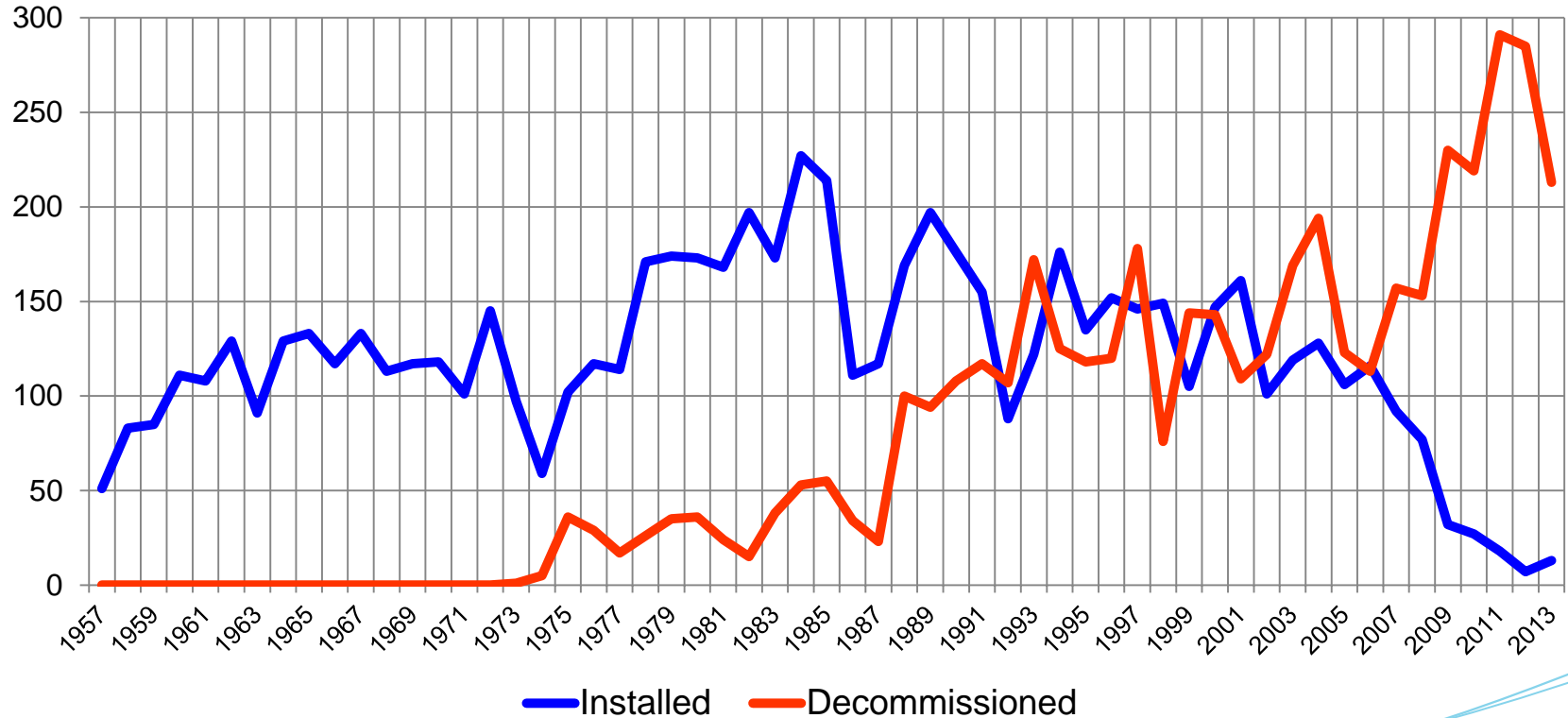
**Gulf of Mexico OCS Platforms
Installed 1957 -- 2013**



GOM Structures



Gulf of Mexico OCS Platforms Installed and Decommissioned 1957 -- 2013



BSEE Decommissioning Roles



- **Permitting**
- **Monitoring and Enforcement of Decommissioning Timing Requirements**
- **Assessment of Decommissioning Liability**

Changes to Regulations



- 30 CFR 250.1709 which addresses requirements if your P&A involves the displacement of kill weight fluid.
- 30 CFR 250.1712(g) and 1721(h) requiring PE certifications.
- 30 CFR 250.1705(a) requiring control system and pod drawings even for coil tubing and snubbing operations.
- 30 CFR 250.1705(c) requiring third party shearing verification even for coil tubing and snubbing operations.
- 30 CFR 250.1705(d) requiring third party compatibility certification for subsea operations only.
- 30 CFR 250.1707(h) describing stump test requirements
- 30 CFR 250.1705(h) describing on-bottom test requirements

Offshore Trivia #3



How many wells and structures were classified as “Idle Iron” in October 2010?

- a) 2,352 wells and 153 structures**
- b) 7,352 wells and 532 structures**
- c) 3,233 wells and 617 structures**

Answer



The original “Idle Iron List” classified 3,233 wells and 617 structures as idle. The answer is c) 3,233 wells and 617 structures.

Idle Iron Statistics



- BSEE is tracking companies' compliance with their submitted idle iron abandonment plans
- Inventory of idle iron at time of NTL
 - 3,233 total idle wells
 - 617 total idle platforms
- Current Inventory of idle iron (as of 1/07/2014)
 - 1,583 total idle wells (374 Newly idle since NTL)
 - 333 total idle platforms (87 Newly idle since NTL)

Report Deadlines



All reports for Well P&A, Structure Removal, SC&V, and Pipeline Decommissioning are due within 30 days of completion of the operation.

(See table at 30 CFR 250.1704)

SC&V must be completed within 60 days of removing a structure.

Extension requests will be considered on a case by case basis.

Liability Assessments



- **Estimates for wells and structures on the shelf**
- **New costs for subsea wells in >1000'**
- **New costs for dry tree wells on floaters**
- **Completion of floater assessments**
- **Pipeline decommissioning assessments**

GOM Pipelines



Pipeline Status	# of Miles
Active	23,056
Abandoned	13,910
Proposed to be Installed	2,117
Proposed to be Abandoned	2,130
Out-of-Service	2,904

The Path Forward



- Build out the Decommissioning Support Section
- Update Liability Assessments
- Maintain the Focus on Decommissioning Wells and Facilities on Terminated/Expired Leases and Idle Iron
- Consider Safety and the Environment First



**Thank you for your
attention.**

Website: www.bsee.gov