

## Key Industry Concerns Surrounding BSEE’s Proposed Well Control Rule and Potential Fixes

Requirements of the proposed rule and preamble raise complex issues of offshore drilling technology and safety that could not have been addressed sufficiently in the 90-day comment period. The proposed requirements also do not build on the significant progress made since Macondo that was achieved jointly by BSEE and Industry. BSEE is improperly substituting unique government standards for consensus API standards and inappropriately applying such standards without the required formal explanation and opportunity to comment. (OMB Circular A-119.) These important issues need to be addressed collaboratively between Industry and BSEE, so that the outcome is aligned with the intent of the proposed Well Control Rule which is to enhance offshore drilling safety.

Issue	Impact	Recommended Fix	Rationale
<p><b>Drilling Margin:</b> Proposed requirements introduce arbitrary “rule of thumb” number and strict enforcement of drilling margin/lost circulation Requirements.</p>	<p>May render many wells un-drillable. For example, of a sample of the 175 Gulf of Mexico wells that were drilled safely by industry after July 2010, 63 percent could not be drilled as designed under this requirement.</p> <p>May prevent industry from developing known reserves.</p>	<p>Formally adopt API Bulletin 92L into the regulations in place of the proposed regulations on drilling margins and loss circulation. 92L was developed by industry’s technical experts in concert with the Agency. The substance of 92L has been the basis for the Agency’s reviews and approvals and has proven effective.</p>	<p>Industry has consistently demonstrated its ability to safely drill at lower drilling margins using recognized practices and procedures approved by BSEE.</p> <p>Technologies have been developed to help operators safely drill wells with currently recognized drilling margins. The proposed rule would make this new technology obsolete.</p>
<p><b>Casing &amp; Cementing:</b> Industry seeks clarity on the requirement for weighted fluids to be used to maintain hydrostatic overbalance during the cement setting process.</p>	<p>As it is written, it would make most current cement designs technically impossible to achieve. Compliance with this requirement may also increase the risk of compromised cement jobs.</p>	<p>Align with API Standard 65-2.</p>	<p>This standard comprehensively and effectively addresses cementing.</p>
<p><b>Real-time Monitoring:</b> Proposed requirements are premature as BSEE has not articulated what data has to be monitored and how that data is to be used.</p>	<p>Would unnecessarily require shut down of operations when communication is lost resulting in significant non-productive time.</p> <p>Introduces potential cybersecurity threats that could put at risk failure of critical safety systems.</p>	<p>Remove any regulatory requirements for RTM until studies are complete.</p>	<p>Numerous studies are still underway which were requested and funded by the Agency to better understand the value of RTM, including what data is useful in understanding integrity of operations and how it can be used effectively to improve safety of offshore operations.</p> <p>Remote onshore monitoring is not a substitute for the expertise and situational awareness of onsite personnel and could introduce uncertainty into the decision making process. Wellsite operations are continuously monitored at the wellsite.</p>

**BOP Equipment:**

Proposed requirements are inconsistent with API Standard 53 and lack engineering basis. It is not clear how these new regulations would improve BOP safety.

Some of the proposed requirements would have negative impact on existing equipment.

Standard 53 was written for BOPs in well drilling operations. By applying this standard to non-drilling BOPs, all workover, abandonment or intervention work may be precluded until equipment that meets these requirements can be developed and implemented.

BSEE should bring the proposed BOP requirements into alignment with API Standard 53 for all references to BOP pressure and function testing.

API Standard 53 has been in use for more than two years and represents nearly three years of informed, deliberate thinking on how to improve this equipment.

**BSEE Approved Verification Organization (BAVO):**

Proposed requirements to use a BAVO to verify any inspections, maintenance, certifications or changes related to BOP systems and other equipment are unclear and unnecessary and at present no such entity exists.

Some requirements direct the BAVO to make recommendations on how to improve the fabrication, installation, operation, maintenance, inspection, and repair of equipment. No engineering basis or data would support such recommendations, which could potentially lead to inconsistencies among verification organizations.

Eliminate the requirements for a BAVO.

A significant level of 3<sup>rd</sup> party certification is already required by the regulations. This additional reporting and verification requirement is redundant and will not increase the reliability, safety, or integrity of the BOP equipment or processes.

The rule establishes requirements without adequate consideration of implementation. As BAVOs currently do not exist, compliance within six months—is unrealistic and would be problematic.