

Unintended Consequences of the Proposed BSEE Well Control Rule



In the last five years, government and industry have made a continuous effort to enhance safety offshore. Together, we have improved regulations and consensus standards on safety and environmental management systems and offshore equipment and operations, including well design and well control, to protect workers and the environment and ensure designs are robust and equipment operates as expected. In addition, **the Center for Offshore Safety was established to foster safety culture and share lessons learned across industry.** Industry's goal is zero accidents and zero spills. We are working every day to improve standards, research technologies and tools, and learn lessons from incidents that do occur.

In April 2015, the **Bureau of Safety and Environmental Enforcement (BSEE)** proposed the **Well Control rule**, a set of regulations that would impose expansive new requirements on offshore oil and gas drilling.

Industry shares the government's desire for safe offshore operations. As has been demonstrated over the last five years, we are aligned on the objective and industry has made the investments necessary to ensure the safest operations in the world. However, there are a number of reasons why the currently proposed **Well Control Rule** does not achieve this goal and ultimately could increase risk and decrease safety.

With the extensive measures government and industry have put in place since 2010, the better approach for this proposed rule would be for BSEE to rigorously examine the safety improvements made since 2010, identify any gaps that may exist and focus on risk-based actions to address those gaps identified.

The following outlines some of the shortcomings of the proposed rule:

UNINTENDED CONSEQUENCES MAY INCREASE RISK AND DECREASE SAFETY

A number of the prescriptive requirements included in the proposed rule could increase risk of harm to personnel and negatively impact the environment.

- A one-size-fits-all approach does not recognize the variability of operations and engineering specific to each well. Industry currently uses a risk management process and designs and operates wells according to the needs of the particular well, all in consultation with BSEE.
- The proposal has strict requirements on the “drilling margin” used for all wells regardless of any specific well characteristics.
 - » The “drilling margin” is the difference between the weight of drilling mud present in the well to keep fluids and hydrocarbons from flowing into the well and reaching the surface and the weight that would cause the rock formations being drilled through to break down. In short, this strict, prescriptive requirement denies the driller the ability to make risk-based decisions, in consultation with BSEE, and may create wellbore stability problems that add unnecessary risk to personnel, the environment and facilities.
- A number of the proposal’s prescriptive requirements will only serve to stifle innovation and delay implementation of new technologies that could improve safety and operations.
- Under the proposed rule, BSEE staff who are not on the drilling rig are given an increased role in day-to-day operations and critical decision making processes. Their role supplants that of the offshore rig personnel who have the most complete picture of the current operation and the key risks and critical considerations needed to take appropriate actions. The use of real-time monitoring must not supplant the ability of the rig personnel to make effective real-time decisions using their experience in active operations which is critical to maintaining safe operations and responding to emergency operations.

UNACHIEVABLE AND UNREALISTIC IMPLEMENTATION PERIOD

In cases where provisions in the proposed rule could realistically be implemented, the timeframe provided is unrealistic, effectively creating a drilling moratorium in the interim. This is because the proposed compliance timeframe of three months after publication of the final rule includes requirements for new equipment that cannot feasibly be manufactured, procured and installed in so short a time. In addition, operators and contractors may need to re-engineer drilling rigs to accommodate new equipment.

ADDITIONAL ADMINISTRATIVE BURDEN FOR BSEE

The proposed regulation would place additional administrative burdens on BSEE while the agency is already struggling with tight budgets and limited resources resulting in a “just-in-time” permitting environment.

Conclusion

The proposed rule is flawed and a number of provisions must be revised prior to the finalization of the rule. Industry shares the government’s goal of enhancing offshore safety while producing more oil and natural gas here at home.

BSEE should engage industry in workshops to have meaningful dialogue to ensure the intent of the rule is achieved, and that ambiguities and unintended consequences are addressed and mitigated. Industry stands ready to engage with the agency to work for a truly safer offshore operating environment.