

4310-VH

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE-2022-0009; EEEE500000 223E1700D2 ET1SF0000.EAQ000]

RIN 1014-AA52

Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout

Preventer Systems and Well Control Revisions

AGENCY: Bureau of Safety and Environmental Enforcement, Interior.

ACTION: Proposed rule.

SUMMARY: The Department of the Interior (DOI or Department), through the Bureau of Safety and Environmental Enforcement (BSEE), is proposing to revise certain regulatory provisions published in the 2019 final well control rule for drilling, workover, completion, and decommissioning operations. BSEE is proposing these revisions to clarify blowout preventer (BOP) system requirements and to modify certain specific BOP equipment capability requirements. This proposed rule would provide consistency and clarity to industry regarding the BOP equipment and associated operational requirements necessary for BSEE review and approval and would further ensure operations are conducted safely and in an environmentally responsible manner.

DATES: Send your comments on this proposed rule to BSEE on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. BSEE may not consider or include in the Administrative Record for the final rule comments that we receive after the close of the comment period (see DATES) or comments delivered to an address other than those listed below (see ADDRESSES).

Information Collection Requirements: If you wish to comment on the information collection requirements in this proposed rule, please note that the Office of Management and Budget

(OMB) is required to make a decision concerning the collection of information contained in this proposed rule between 30 and 60 days after publication of this proposed rule in the *Federal Register*. Therefore, comments should be submitted to OMB by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. The deadline for comments on the information collection burden does not affect the deadline for the public to comment to BSEE on the proposed regulations.

ADDRESSES: You may submit comments on the rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1014-AA52 as an identifier in your message.

- Federal eRulemaking Portal: <http://www.regulations.gov>. In the entry entitled, “Enter Keyword or ID,” enter BSEE-2022-0009 then click search. Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking. BSEE may post all submitted comments.

- Mail or hand-carry comments to BSEE: Attention: Regulations and Standards Branch, 45600 Woodland Road, VAE-ORP, Sterling, VA 20166. Please reference RIN 1014-AA52, “Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control Revisions,” in your comments, and include your name and return address.

- Send comments on the information collection in this rule to: Interior Desk Officer 1014-0028, Office of Management and Budget; 202-395-5806 (fax); email: oir_submission@omb.eop.gov. Please send a copy to BSEE at regs@bsee.gov.

Public Availability of Comments: Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal identifying information – may be made publicly available at any time. For BSEE to withhold from disclosure your personal identifying information, you must identify any information contained in your comment submittal that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must

also briefly describe any possible harmful consequence(s) of the disclosure of information, such as embarrassment, injury, or other harm. While you may request that we withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

FOR FURTHER INFORMATION CONTACT: For questions, contact Kirk Malstrom, Regulations and Standards Branch, (202) 258-1518, or by email: regs@bsee.gov.

SUPPLEMENTARY INFORMATION:

Executive Summary:

This rulemaking would revise certain regulatory provisions that were published in the 2019 final rule entitled “Oil and Gas and Sulfur Operations in the Outer Continental Shelf–Blowout Preventer Systems and Well Control Revisions,” 84 FR 21908 (May 15, 2019) (2019 WCR). On January 20, 2021, the President issued Executive Order (E.O.) 13990 (Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis) and the accompanying “President’s Fact Sheet: List of Agency Actions for Review.” Within the President’s Fact Sheet, DOI was specifically instructed to review the 2019 WCR to evaluate potential revisions to promote and protect public health and the environment, among other identified policy goals. This review confirmed that the 2019 WCR contains many provisions that help ensure that federally regulated outer Continental Shelf (OCS) oil and gas operations are conducted safely and in an environmentally responsible manner. Therefore, this proposed rule would address only select provisions that would further promote the President’s policies and environmental objectives. At this time, BSEE is proposing a narrowly focused rulemaking to address the identified regulatory requirements to help improve operations that use a BOP, certain BOP capabilities and functionalities, and BSEE oversight of such operations. The proposed rule would:

- Clarify BOP system requirements,
- Remove the option for operators to submit failure data to designated third parties,
- Require accreditation of independent third party qualifications,

- Establish dual shear ram requirements for surface BOPs on existing floating production facilities when an operator replaces an entire surface BOP stack,
- Require ROV open functions as originally required in the 2016 WCR, and
- Require submittal of certain BOP test results if BSEE is unable to witness the testing.

BSEE will continue to evaluate the effectiveness of the 2019 WCR and all BSEE regulations for necessary and appropriate rulemakings in the future.

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I. Background

A. BSEE Statutory and Regulatory Authority and Responsibilities

BSEE's authority for this rule flows from the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331-1356a. OCSLA, enacted in 1953 and substantially revised in 1978, authorizes the Secretary of the Interior (Secretary) to lease the OCS for mineral development and to regulate oil and gas exploration, development, and production operations on the OCS. The Secretary has delegated authority to perform certain of these functions to BSEE.

To carry out its responsibilities, BSEE regulates offshore oil and gas operations to: enhance the safety of exploration for and development of oil and gas on the OCS, ensure that those operations protect the environment, and implement advancements in technology. BSEE also conducts onsite inspections to assure compliance with regulations, lease terms, and approved plans and permits. Detailed information concerning BSEE's regulations and guidance to the offshore oil and gas industry may be found on BSEE's website at:

<https://www.bsee.gov/guidance-and-regulations>.

BSEE's regulatory program covers a wide range of OCS facilities and activities, including drilling, completion, workover, production, pipeline, and decommissioning operations. Drilling, completion, workover, and decommissioning operations are types of well operations that offshore operators¹ perform throughout the OCS. This rulemaking is applicable to these listed operational activities that involve certain BOP operations, capabilities, or functionalities.

B. Purpose and Summary of the Rulemaking

After the *Deepwater Horizon* incident in 2010, BSEE adopted several recommendations from multiple investigation teams to improve the safety of offshore operations. Subsequently, BSEE published the 2016 Blowout Preventer Systems and Well Control Final Rule on April 29, 2016 (81 FR 25888) (2016 WCR). The 2016 WCR consolidated the equipment and operational requirements for well control into one part of BSEE's regulations; enhanced BOP and well design requirements; modified well-control requirements; and incorporated certain industry technical standards. Most of the 2016 WCR provisions became effective on July 28, 2016.

Although the 2016 WCR addressed a significant number of issues that were identified during the analyses of the *Deepwater Horizon* incident, BSEE recognized that BOP equipment and systems continue to improve and that well control processes also evolve. Therefore, after the 2016 WCR took effect, BSEE continued to engage with the offshore oil and gas industry, Standards Development Organizations (SDOs), and other stakeholders. During these engagements, BSEE identified issues, and stakeholders expressed a variety of concerns regarding the implementation of the 2016 WCR. BSEE completed a review of the 2016 WCR and, on May 15, 2019, published the 2019 WCR in the *Federal Register* (84 FR 21908). The 2019 WCR left most of the 2016 WCR unchanged.

¹ BSEE's regulations at 30 CFR part 250 generally apply to "a lessee, the owner or holder of operating rights, a designated operator or agent of the lessee(s)" (30 CFR 250.105 (definition of "you")) and "the person actually performing the activity to which the requirement applies" (30 CFR 250.146(c)). For convenience, this preamble will refer to these regulated entities as "operators" unless otherwise indicated.

Following publication of the 2019 WCR, BSEE continued to engage with stakeholders to gather information to ensure an effective implementation of the governing regulatory requirements. The Department also identified areas for improvement to specific 2019 WCR provisions. Furthermore, on January 20, 2021, the President issued E.O. 13990 (Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis) and the accompanying “President’s Fact Sheet: List of Agency Actions for Review.” Within the President’s Fact Sheet, DOI was specifically instructed to review the 2019 WCR to evaluate potential revisions to promote and protect public health and the environment, among other identified policy priorities. The Department is proposing a narrowly focused rulemaking to address the identified regulatory requirements to help improve operations that use a BOP, certain BOP capabilities and functionalities, and BSEE oversight of such operations.

II. Section-by-Section Discussion of Proposed Changes

BSEE is proposing to revise the following regulations:

Subpart G—Well Operations and Equipment

What are the general requirements for BOP systems and system components? (§ 250.730)

Proposed revisions to paragraph (a):

BSEE proposes to revise the paragraph (a) by modifying the current requirement that the “BOP system must be capable of closing and sealing the wellbore in the event of flow due to a kick, including under anticipated flowing conditions for the specific well conditions,” to a requirement that the “BOP system must be capable of closing and sealing the wellbore at all times to the well’s maximum kick tolerance design limits.” Additional minor, non-substantive wording and grammatical changes are proposed for readability to accommodate this proposed revision.

- Summary of applicable 2016 WCR provisions:

In the 2016 WCR, BSEE promulgated a revised final version of § 250.730(a) requiring the BOP system to be capable of closing and sealing the wellbore “at all times” under “anticipated flowing conditions for the specific well conditions.”

- Summary of applicable 2019 WCR provisions:

In the 2019 WCR, BSEE modified these requirements to codify BSEE guidance developed in July 2016 based on experience implementing the 2016 WCR. In that posted guidance, BSEE clarified that the language of the 2016 WCR required that “the BOP system . . . be designed to shut-in a well that is flowing due to a kick.” A kick is defined as an influx of formation fluids or gas unexpectedly entering the wellbore. Flow from a kick represents the most critical and challenging circumstances a BOP must address. Accordingly, BSEE considers the capacity to close and seal under such conditions to correspond to the capacity to close and seal under any conditions. Further, other regulations contain requirements to ensure BOP functionality during non-kick conditions. For example, the operator must verify the ability of the BOP to function during a non-kick event through the regular function and pressure testing required by § 250.737. The operator also is required to obtain independent third party certification that the BOP is designed, tested, and maintained to perform under the maximum environmental and operational conditions anticipated to occur at the well under § 250.731. In modifying the regulatory language in 2019 to more clearly reflect BSEE’s original 2016 intent, BSEE did not view the revisions as weakening or altering the existing requirement that the BOP system must function during all operations.

Explanation of proposed revisions to paragraph (a):

Based on BSEE’s experience with the implementation of these regulations, BSEE is proposing revisions to the general introductory language to provide additional clarity. Since the 2019 WCR, BSEE continues to receive questions and requests for clarity on this current provision. Therefore, BSEE determined that further clarification is necessary to help reduce any misconceptions or ambiguity. The proposed revisions would restore language referencing the

BOP system's capacity to close and seal the wellbore at all times, while clarifying the necessary context of that requirement within the well's maximum kick tolerance design. Kick tolerance is defined as the maximum volume of gas kick influx that can be safely taken into the well bore and circulated out of the well without breaking down the surrounding formation. It is used in well design to plan the position of the casing shoes and ensures that protecting the formation integrity is an integral part of the well barrier design.

The volume of influx can be directly converted to a loss of hydrostatic pressure on the well prior to shut in. This loss of pressure in the wellbore is a mechanism for well flow. Simply stated, the larger the pressure change the greater the flow rate. The impact of the change in pressure is unique to each well condition, *e.g.*, a well with prolific exposed formations will have a higher flow rate with the same pressure change than a well with a lower permeability. The methodology for calculating this flow rate follows similar logic to that used in calculating worst case discharge rates, as well as in well testing and production change estimations.

A BOP functions as a mitigation device, designed to backstop other prevention mechanisms to keep a well from progressing to a full blowout; its purpose is not to halt a full blowout once it has commenced. Operators must ensure ram closure time and sealing integrity within the operational and mechanical design limits of the well and equipment. The anticipated flowrate is used to validate that the BOP will function under flowing conditions while maintaining well integrity, as clarified in the proposed text. The proposed clarifications to paragraph (a) further support and reflect the totality of the improved BOP equipment, procedures, and testing, while acknowledging the safe and appropriate purpose and function of the BOP, to clarify these requirements from the 2016 and 2019 WCRs.

Proposed revisions to paragraph (c):

BSEE proposes to revise paragraph (c) by removing, throughout the paragraph, the option for submission of failure reporting to a designated third party. BSEE also would revise paragraph

(c)(2) to ensure that the operator starts a failure investigation and analysis within 90 days of the failure instead of within 120 days.

- Summary of applicable 2016 WCR provisions:

The 2016 WCR first established the process for failure analysis and reporting. It required that an investigation and a failure analysis be performed within 120 days of the failure to determine the cause of the failure. BSEE also required that certain failure reports be sent to BSEE headquarters to ensure that emerging trends occurring across various Districts and Regions are recognized early and that potentially serious issues can be addressed in a coordinated and uniform way nationwide.

BSEE also noted in the 2016 WCR, however, that the U.S. Bureau of Transportation Statistics (BTS) had developed (with BSEE's assistance) a voluntary near-miss reporting system for OCS facilities and operations at www.SafeOCS.gov (SafeOCS). As a result of the publication of the 2016 WCR, BSEE started using the BTS system for collecting information similar to that collected through failure reporting.

- Summary of applicable 2019 WCR provisions:

BSEE reevaluated the timeframes set forth in the 2016 WCR for performing the investigation and the failure analysis and determined that certain operations would not be able to meet the original deadlines. For example, investigations of certain failures cannot be commenced safely until active operations progress to the point where necessary actions – like retrieving a subsea BOP to the surface – can be performed safely. Further, BSEE determined that shifting immediately to investigation is not essential when the failure relates to a redundant component that does not affect required BOP functionality. BSEE also recognized that many investigations take a long time and require contracting with specialty engineering firms, who are often located overseas and whose workload may prohibit immediate analysis, as well as transporting components to those firms. Therefore, BSEE revised the timeframes to require that operators

start their investigation and their failure analysis within 120 days of the failure and complete the investigation and the failure analysis within 120 days of starting the process.

The 2019 WCR also added provisions allowing BSEE to designate a third party to collect failure data and reports on behalf of BSEE and to require that failure data and reports be sent to the designated third party. These changes in the 2019 WCR codified BSEE guidance on the 2016 WCR posted on the BSEE website at <https://www.bsee.gov/guidance-and-regulations/regulations/well-control-rule>. Based on the 2019 WCR, BSEE currently is working through BTS, using SafeOCS₂ as the designated third party for receipt of failure reports and data. Reports submitted through SafeOCS are collected and analyzed by BTS and protected from release under the Confidential Information Protection and Statistical Efficiency Act (CIPSEA), which permits BTS to handle and store reported information confidentially.² Information submitted under this statute also is protected from release to other government agencies, Freedom of Information Act (FOIA) requests, and certain records requests.

Explanation of proposed revisions to paragraph (c):

BSEE has continued to evaluate and analyze the data collected by the BTS system and is actively looking for trends in the failure data. BSEE also conducts investigations into certain incidents to verify/monitor BOP component root cause analysis. Upon further evaluation of the use of a designated third party to collect and analyze failure data and based in part on experience since the implementation of the 2019 WCR, this proposed rule would remove the option to send failure reports and data to a designated third party. BSEE has found value in using BTS for monitoring failure analysis and trend data. However, such a reporting arrangement limits BSEE's ability to efficiently and effectively address all of the issues associated with certain failures. For example, if BSEE does not become aware of certain failure reports and trend data until it receives an annual report from BTS, it limits BSEE's ability to address failures and trends

² OMB identifies BTS as one of 14 CIPSEA statistical agencies; BSEE is not a CIPSEA statistical agency. "Implementation Guidance for [CIPSEA]", 72 FR 33362 at 33368 (June 15, 2007).

in a timely and meaningful manner. Receiving failure reports directly would facilitate BSEE's timely review of the failure data to help more quickly identify trends and respond to systematic issues falling within BSEE's regulatory authority. Reviewing failure reports could also highlight companies that have a higher-than-average number of failures, which could be evidence of poor maintenance practices.

The proposed revisions to paragraph (c)(2) also would help ensure the operator starts a failure investigation and analysis in a timely manner. Based in part on experience gathered through implementation of the 2019 WCR, BSEE reevaluated the timeframes set forth in the 2019 WCR for performing the investigation and the failure analysis. BSEE determined that most operators can initiate the failure investigation and analysis more quickly without unnecessarily interrupting operations and jeopardizing safety and environmental protection. Accordingly, BSEE proposes to require that operators start the investigation and the failure analysis within 90 days of the failure. This proposed revision also would help limit the potential for evidence to dissipate over time, *e.g.*, through degradation of equipment or components, accessibility of certain records, and availability or memory of personnel.

What are the independent third party requirements for BOP systems and system components? (§ 250.732)

Proposed revisions to paragraph (b):

BSEE proposes to revise paragraph (b) by adding that an independent third party must be accredited by a qualified standards development organization and that BSEE may review the independent third party accreditation and qualifications to ensure that it has sufficient capabilities to perform the required functions.

- Summary of applicable 2016 WCR provisions:

BSEE introduced for the first time in the 2016 WCR the concept of using BSEE Approved Verification Organizations (BAVOs) to provide certain verifications, certifications, and inspections of BOP systems. BSEE explained that the objective of the use of BAVOs was to

help ensure certain BOP equipment was monitored during its entire lifecycle by an independent third party to verify compliance with BSEE requirements, original equipment manufacturer recommendations, and recognized engineering practices. Previously, the independent third parties that performed such functions did not undergo a BSEE approval process. BSEE introduced such a process based on a perception that increased BSEE screening of the third parties would provide greater assurances surrounding the performance of these functions. BSEE stated that it would develop, and make available on its public website, a list of BAVOs—consisting of qualified third party organizations that BSEE determined were capable of performing the functions specified in the regulations—to help BSEE ensure that BOP systems are designed and maintained during their service life to minimize risk. BSEE never published a list of BAVOs, however. In the absence of that action, the 2016 WCR required industry to continue using qualified independent third parties to perform the identified functions to ensure that there was no diminution of the safety and environmental protection under the existing regulations.

- Summary of applicable 2019 WCR provisions:

In the 2019 WCR, BSEE removed all references to BAVOs and, where appropriate, replaced them with references to independent third parties. BSEE based these revisions on information from the Bureau's increased interactions with independent third parties following publication of the 2016 WCR and the successful use of such third parties in lieu of BAVOs in the absence of a published BAVO list. BSEE expected the majority of BAVOs would be drawn from the existing independent third parties, who would continue to conduct the same verifications, certifications, and inspections, yielding little actual change in the implementation of the program. BSEE also clarified the qualifications for independent third parties (*i.e.*, the third parties must be a technical classification society, a licensed professional engineering firm, or a registered professional engineer capable of performing the required actions), which aligned with the standards BSEE had anticipated applying to the approval of BAVOs.

Explanation of proposed revisions to paragraph (b):

The proposed changes to paragraph (b) would provide an additional layer of assurance that independent third parties are capable of providing the required verifications and certifications and that BSEE may review the independent third party accreditation and qualifications to ensure that capability. These proposed revisions are derived in part from BSEE's increased interaction and experience with independent third party certification and verifications since the 2019 WCR, as well as BSEE's awareness of certain stakeholder concerns about independent third party qualifications. These revisions also would help increase accountability of independent third parties. It is BSEE's continued goal to ensure that independent third parties are properly qualified and have proven competencies to perform all required actions.

What are the requirements for a surface BOP stack? (§ 250.733)

Proposed revisions to paragraph (b)(1):

BSEE proposes to revise paragraph (b)(1) by adding that an operator also must follow the BOP requirements of § 250.734(a)(1) when replacing an entire surface BOP stack on an existing floating production facility.

- Summary of applicable 2016 WCR provisions:

The 2016 WCR added the requirement that surface BOPs installed on a floating production facility after 2019 must satisfy the dual shear ram requirements in § 250.734(a)(1). BSEE expected industry to be moving toward eventual use of dual shear rams in surface BOPs on new floating production facilities already. However, BSEE explained several practical concerns related to applying the dual shear ram requirement to existing facilities. For example, the dual shear ram requirement, if applied to existing floating production facilities, or facilities under construction or in advanced stages of development, potentially could have negative personnel safety and structural impacts due to the added weight of the dual shear ram equipment and due to the height and structural limits of those facilities. Accordingly, BSEE clarified in the final rule that existing floating production facilities did not need to retrofit or replace their BOPs to meet

the dual shear ram requirement. In effect, this meant that – under the 2016 WCR – surface BOPs on existing floating production facilities, or facilities installed on the OCS before 2019, were not required to meet the dual shear ram requirement unless those BOPs were removed or replaced after 2019.

BSEE further explained that these provisions reasonably balanced the practical concerns related to requiring dual shear rams on BOPs at existing floating facilities or those to be constructed in the near term, with the importance of improving the capabilities of surface BOPs on such facilities in the longer term. BSEE also explained that existing floating production facilities generally are less likely to have an event requiring a dual shear ram BOP (than, *e.g.*, exploratory drilling rigs), given that the majority of such facilities are located in depleted fields, with lower pressures due to ongoing production from those fields. In addition, there are large amounts of offset well data for those existing facilities in depleted fields (due to the multiple wells previously drilled into the same geologic formations and reservoirs), which allows for better prediction of drilling parameters and concomitant reduced risk of well control losses. Similarly, because of the previous production of the reservoirs at such facilities, the reservoir parameters and characteristics are generally well established.

- Summary of applicable 2019 WCR provisions:

The 2019 WCR revised § 250.733(b)(1) to require that, after April 29, 2021, operators must follow the dual shear ram requirements in § 250.734(a)(1) for new floating production facilities installed with a surface BOP. These revisions were based on comments seeking clarity.

Following publication of the 2016 WCR, stakeholders expressed confusion about the requirements in this section that cross-reference the § 250.734 requirements regarding dual shear rams for subsea BOPs, which did not take effect until 2021. BSEE made the compliance dates the same for §§ 250.733(b)(1) and 250.734(a)(1) (*i.e.*, April 29, 2021) to avoid confusion. It also modified this provision to apply only to new floating production facilities (installed after April 2021) with a surface BOP. BSEE justified the exemption of existing facilities from these

requirements, even if they are redeployed at another location or the BOP is removed or replaced, for various reasons, including, but not limited to, clearance and weight issues associated with facility and BOP design limitations.

Explanation of proposed revisions to paragraph (b)(1):

Since the implementation of the 2019 WCR, BSEE has reviewed all existing surface BOP stacks on floating production facilities and evaluated facility limitations for expanding BOP systems to include dual shear rams. Dual shear ram BOPs have one blind shear ram that is able to cut certain equipment in the well (*e.g.*, drill pipe and wireline) and then seal the well, as well as a shear ram that is also used for cutting similar equipment in the well. BSEE is aware that certain existing floating production facilities cannot accommodate additional BOP components without significant facility modifications, which may present challenges due to facility design limitations. However, BSEE also recognizes that dual shear rams provide additional and redundant well control capabilities that ensure BOP function and effectiveness during a well control event. In short, dual shear rams increase safety. BSEE has determined that the few facilities with facility design limitations should meet the safety requirements of § 250.734(a)(1) at an appropriate time. Therefore, BSEE is proposing to require existing floating production facilities to satisfy the dual shear ram requirements when the operator replaces an entire surface BOP stack. Irrespective of such requirements, replacement of an entire BOP stack would entail rig downtime and require such facilities to consider facility modifications to accommodate the new BOP stack, making it an appropriate time to accommodate the dual shear rams. In addition, making any necessary facility modifications for the dual shear rams during BOP stack replacement will enable efficient implementation of the BOP requirements of § 250.734(a)(1) while operations are already paused. As noted in connection with the 2016 WCR, BSEE believes such provisions reasonably balance the practical concerns related to modifications of surface BOPs at existing floating facilities with the importance of improving the capabilities of such BOPs in the longer term.

What are the requirements for a subsea BOP system? (§ 250.734)

Proposed revisions to paragraph (a)(4):

BSEE proposes to revise paragraph (a)(4) by adding that the operator must have the Remotely Operated Vehicle (ROV) intervention capability to both open and close each shear ram, ram locks, and one pipe ram.

- Summary of applicable 2016 WCR provisions:

The 2016 WCR included requirements that the ROV must be capable of opening and closing each shear ram, ram locks, and one pipe ram, in addition to disconnecting the lower marine riser package (LMRP) under maximum anticipated surface pressure (MASP) conditions. Rams are components on a blowout preventer designed to close and seal the wellbore. There are generally three types of rams: blind, pipe, or shear. A blind shear ram is able to cut certain equipment in the well (*e.g.*, drill pipe and wireline) and then seal the well; a pipe ram can seal around pipe; and a shear ram is used for cutting certain equipment in the well (*e.g.*, drill pipe, tubing, and wireline). A ram lock is used to hold a ram closed. This provision was meant to help ensure consistency with the critical function terms in American Petroleum Institute (API) Standard 53, which is incorporated by reference in relevant regulations.

- Summary of applicable 2019 WCR provisions:

The 2019 WCR retained the requirements for ROVs to have full ram closure functions, but removed the requirement for the ROV to be capable of opening the rams. After publication of the 2016 WCR, the API Standard 53 committee clarified the definition of ROV “operate” critical functions to include “close” only and not to include “open.” For the purposes of well control, BSEE primarily focuses on closure of critical components. BSEE took the position that BOP ram closure is more important during a well-control event than ram opening for the purposes of well control. Removal of the open function reduced the required number of equipment alterations to the subsea ROV panel and associated control systems and made the regulatory requirements more consistent with updated provisions of API Standard 53. BSEE acknowledged

that removing the ROV open function may limit certain options for well intervention after the well has already been secured; however, it believed technological advancements in well intervention capabilities could eliminate this issue.

Explanation of proposed revisions to paragraph (a)(4):

Since implementation of the 2019 WCR, BSEE has gained an increased awareness of the importance of intervention capabilities and of alternative technologies. Immediate responses to losses of well control that are designed to seal the well and prevent releases of formation fluids (e.g., dual shear rams) are critical, and the previous rulemakings emphasized those aspects of well control capabilities. However, BSEE has determined that more comprehensive and longer-term solutions to well control issues often require additional BOP functionality to support subsequent intervention operations, for which closed rams can present operational complications. For example, having an open function makes it easier for operators to conduct remedial operations following the loss of well control that may be necessary to maintain the security of the well, such as zonal isolation and equipment repair. Also, BSEE is not aware of technological advancements in well intervention capabilities that have eliminated the need for the ROV open function to facilitate these important well maintenance operations. Accordingly, this revision would require that the ROV open function be in place to allow for easier access to open a closed BOP component for well intervention purposes, including operations necessary to maintain the security of the well. BSEE also has reviewed existing subsea BOP capabilities and determined that most subsea BOPs currently incorporate the capability to open the shear rams from the ROV panel. BSEE therefore anticipates that only a minor number of equipment modifications would be necessary by reintroducing this requirement.

What are the BOP system testing requirements? (§ 250.737)

Proposed revisions to paragraphs (d)(2)(ii) and (d)(3)(iii):

BSEE proposes to revise paragraphs (d)(2)(ii) and (d)(3)(iii) by adding the requirement that, if BSEE is unable to witness the testing, the operator must provide the initial test results to the appropriate District Manager within 72 hours after completion of the tests.

- Summary of applicable 2016 WCR provisions:

The 2016 WCR required the operator to contact the District Manager at least 72 hours prior to beginning the initial test for a surface BOP, or the stump test for a subsea BOP, to allow BSEE representative(s) the option to witness the testing. If BSEE representative(s) were unable to witness the testing, the operator was required to provide the test results to the appropriate District Manager within 72 hours after completion of the tests.

- Summary of applicable 2019 WCR provisions:

The 2019 WCR removed the requirement for operators to submit the relevant test results to BSEE when BSEE cannot witness the testing. BSEE stated that the revisions would significantly reduce the number of submittals to BSEE and minimize the associated burden for BSEE to review those submittals, without reducing safety. If BSEE cannot witness the testing, BSEE still has access to the BOP testing documentation upon request pursuant to § 250.746, *What are the recordkeeping requirements for casing, liner, and BOP tests, and inspections of BOP systems and marine riser?* BSEE also reviews the test results during routine inspections of facilities and retained the option to witness the testing.

Explanation of proposed revisions to paragraphs (d)(2)(ii) and (d)(3)(iii):

Based upon BSEE experience with implementing the 2019 WCR, BSEE has determined that consistent access to this data is necessary for BSEE to ensure BOP safety. Since implementation, BSEE has found it necessary to request this data from operators to verify that the necessary tests were conducted and passed. While the 2019 WCR cited the burden to BSEE from reviewing this data, BSEE has been reviewing the data even without the submission requirement, and its reintroduction will reduce the burden on BSEE from having to request the data. BSEE's experience has led it to determine that any additional burden is necessary to ensure

compliance with BOP testing requirements. The burdens on operators from submission of the data are minimal. These revisions also would help BSEE ensure it has continued access to certain BOP testing data necessary to conduct its routine review. In the past, BSEE has utilized the BOP information for further review and investigations and has taken enforcement action as a result of the data review. BSEE retains the requirements for operators to produce certain records upon request and to provide advanced notice at least 72 hours before the testing to allow BSEE the option of sending representatives to witness the testing.

III. Procedural Matters

Regulatory Planning and Review (Executive Orders (E.O.) 12866 and 13563).

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the OMB will review all significant rules. To determine if this proposed rulemaking is a significant rule, BSEE had an outside contractor prepare an economic analysis to assess the anticipated costs and potential benefits of the proposed rulemaking. The following discussion summarizes the economic analysis; a complete copy of the economic analysis can be viewed at www.Regulations.gov (use the keyword/ID “BSEE-2022-0009”).

Changes to Federal regulations must undergo several types of economic analyses. First, E.O.s 12866 and 13563 direct agencies to assess the costs and benefits of regulatory alternatives and, if regulation is necessary, to select a regulatory approach that maximizes net benefits (including potential economic, environmental, public health, and safety effects; distributive impacts; and equity). Under E.O. 12866, an agency must determine whether a regulatory action is significant and, therefore, subject to the requirements of the E.O. and review by OMB. Section 3(f) of E.O. 12866 defines a “significant regulatory action” as any regulatory action that is likely to result in a rule that:

—Has an annual effect on the economy of \$100 million or more, or adversely affects in a material way the economy, a sector of the economy, productivity, competition, jobs, the

environment, public health or safety, or state, local, or tribal governments or communities (also referred to as “economically significant”);

—Creates serious inconsistency or otherwise interferes with an action taken or planned by another agency;

—Materially alters the budgetary impacts of entitlement grants, user fees, loan programs, or the rights and obligations of recipients thereof; or

—Raises novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in E.O. 12866.

BSEE has determined that this proposed rule is not significant within the definition of E.O.

12866 because the estimated annual costs or benefits would not exceed \$100 million in any year of the 10-year analysis period and the rule will not meet any of the other significance triggers.

Accordingly, OMB has not reviewed this proposed regulation.

1. Need for Regulatory Action

BSEE has identified a need to amend the existing well control regulations to ensure that oil and gas operations on the OCS are conducted in a safe and environmentally responsible manner. In particular, BSEE considers the proposed rule necessary to reduce the likelihood of an oil or gas blowout, which can lead to the loss of life, serious injuries, and harm to the environment. As was evidenced by the *Deepwater Horizon* incident (which began with a blowout at the Macondo well on April 20, 2010), blowouts can result in catastrophic consequences.

After the *Deepwater Horizon* incident in 2010, BSEE adopted several recommendations from multiple investigation teams to improve the safety of offshore operations. Subsequently, BSEE published the 2016 WCR on April 29, 2016 (81 FR 25888; RIN 2014-AA11). The 2016 WCR consolidated the equipment and operational requirements for well control into one part of

BSEE's regulations; enhanced BOP and well design requirements, modified well-control requirements; and incorporated certain industry technical standards. Most of the 2016 WCR provisions became effective on July 28, 2016.

Although the 2016 WCR addressed a significant number of issues that were identified during the analyses of the *Deepwater Horizon* incident, BSEE recognized that BOP equipment and systems continue to improve technologically and well control processes evolve. Therefore, after the 2016 WCR became effective, BSEE continued to engage with the offshore oil and gas industry, SDOs, and other stakeholders. During the course of these engagements, BSEE identified issues and stakeholders expressed a variety of concerns regarding implementation of the 2016 WCR. On May 15, 2019, BSEE addressed these issues and concerns by publishing the final 2019 WCR in the *Federal Register* (84 FR 21908; RIN 2014-AA39), which finalized the current regulatory requirements for BOP systems and operations. The 2019 WCR also incorporated by reference API Standard 53 (including the 2016 addendum) and the Second Edition of API RP 17H into the applicable sections of the regulatory text included in this proposed rule.

Since the publication of the 2019 WCR, BSEE has continued engaging with stakeholders to gather information to ensure effective implementation of the regulations. The Department subsequently identified areas for improvements to specific 2019 WCR provisions. Furthermore, on January 20, 2021, the President issued E.O. 13990 (Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis) and the E.O.'s accompanying "President's Fact Sheet: List of Agency Actions for Review." Within the President's Fact Sheet, DOI was specifically instructed to review the 2019 WCR to evaluate potential revisions to promote and protect public health, safety, and the environment, among other identified policy goals.

BSEE is proposing a narrowly focused rulemaking to address the identified regulatory requirements to help improve operations that use a BOP, certain BOP capabilities and functionalities, and BSEE oversight of such operations. The proposed rule would:

- (A) Clarify BOP system requirements,
- (B) Remove the option for operators to submit failure data to designated third parties,
- (C) Require accreditation of independent third party qualifications,
- (D) Establish dual shear ram requirements for surface BOPs on existing floating production facilities when an operator replaces an entire surface BOP stack,
- (E) Require ROV open functions as originally required in the 2016 WCR, and
- (F) Require submittal of certain BOP test results if BSEE is unable to witness the testing.

2. Alternatives

BSEE has considered two regulatory alternatives:

- (A) Promulgate the requirements contained within the proposed rule.
- (B) Take no regulatory action and continue to rely on existing well control regulations in combination with permit conditions, deepwater operations plans (DWOPs), operator prudence, and industry standards.

Alternative 1—the proposed rule—would incorporate recommendations provided by government, industry, academia, and other stakeholders. In addition to addressing concerns and aligning with industry standards, this proposed rule would prudently improve efficiency and consistency of the regulations.

3. Economic Analysis

BSEE's economic analysis evaluated the expected impacts of the proposed rule compared with the baseline. The baseline refers to current industry practice in accordance with existing regulations, industry permits, DWOPs, and industry standards with which operators already comply. Impacts that exist as part of the baseline were not considered costs or benefits of the proposed rule. Thus, the cost analysis evaluates only activities, expenditures, and capital investments representing a change from the baseline that would result if the provisions of the proposed rule were finalized. BSEE quantified and monetized the costs, using 2022 data, of all the provisions in the proposed rule determined to result in a change compared to the baseline. These estimated compliance costs are discussed more specifically in the associated full initial regulatory impact analysis, which can be viewed at www.regulations.gov (use the keyword/ID "BSEE-2022-0009").

BSEE qualitatively assessed the benefits of the proposed rule. The rulemaking would allow BSEE to address stakeholder concerns related to the BOP and well control provisions in 30 CFR part 250 and would provide clarification about regulations in this section. The proposed amendments would have a positive net impact on worker safety and the environment. The benefits include clarification, more timely review of data to facilitate faster response to systemic risks, increased accountability of verification entities to ensure that risks are accurately assessed and verified, improved protection from a blowout, improved ability to manage a blowout, and the assurance that BSEE receives and is able to review BOP testing data to help identify risks.

The analysis assumes an effective date of January 1, 2023, and covers 10 years (2023 through 2032) to ensure it encompasses the significant costs and benefits likely to result from this proposed rule. A 10-year period was used for this analysis because of the uncertainty associated with predicting industry's activities and the advancement of technical capabilities beyond 10 years. It is very difficult to predict, plan, or project costs associated with technological

innovation due to unknown technological or business constraints that could drive a product into mainstream adoption or into obsolescence. The regulated community itself has difficulty conducting business modeling beyond a 10-year time frame. Over time, the costs associated with a particular new technology may drop because of various supply and demand factors, causing the technology to be more broadly adopted. In other cases, an existing technology may be replaced by a lower-cost alternative as business needs may drive technological innovation. Extrapolating costs and benefits beyond this 10-year time frame would produce more ambiguous results and therefore be disadvantageous in determining actual costs and benefits likely to result from this proposed rule. BSEE concluded that this 10-year analysis period provides the best overall ability to forecast reliable costs and benefits likely to result from this proposed rule. When summarizing the costs and benefits, we present the estimated annual effects, as well as the 10-year discounted totals using discount rates of 3 and 7 percent, per OMB Circular A-4, “Regulatory Analysis.”

Table 1 presents the total costs per year of the proposed rule. As can be seen in the table, the estimated costs over the ten-year period are \$2.4 million undiscounted, \$2.3 million discounted at 3%, and \$2.2 million discounted at 7%.

Table 1: Total Costs Associated with Proposed Amendments to BOP and well control Regulations (2022\$)

Year	Undiscounted	Discounted at 3%	Discounted at 7%
2023	\$1,801,301	\$1,801,301	\$1,801,301
2024	\$1,357	\$1,317	\$1,268
2025	\$1,357	\$1,279	\$1,185
2026	\$1,357	\$1,242	\$1,108
2027	\$557,653	\$495,467	\$425,431
2028	\$1,357	\$1,171	\$967
2029	\$1,357	\$1,136	\$904
2030	\$1,357	\$1,103	\$845

2031	\$1,357	\$1,071	\$790
2032	\$1,357	\$1,040	\$738
Total	\$2,369,809	\$2,306,128	\$2,234,537
Annualized	\$236,981	\$270,349	\$318,148

Note: Annualized costs are calculated by the annuity method

BSEE welcomes comments on this analysis, including potential sources of data or information on the costs and benefits of this proposed rule.

Regulatory Flexibility Act and the Congressional Review Act

DOI certifies that this proposed rule is unlikely to have a significant economic effect on a substantial number of small entities as defined under the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (RFA).

The RFA, at 5 U.S.C. 603, requires agencies to prepare a regulatory flexibility analysis to determine whether a regulation would have a significant economic impact on a substantial number of small entities. Further, under the Congressional Review Act, 5 U.S.C. 801 *et seq.*, an agency is required to produce compliance guidance for small entities if the rule would have a significant economic impact. For the reasons explained in this section, BSEE believes that this proposed rule likely would not have a significant economic impact on a substantial number of small entities. Although a regulatory flexibility analysis is not required by the RFA, BSEE provides this Initial Regulatory Flexibility Analysis to demonstrate the relatively minor impact of this proposed rule on small entities.

1. Description of the Reasons That Action by the Agency Is Being Considered

Since publication of the 2019 WCR, BSEE has continued to confer with stakeholders to ensure effective implementation of the regulations. BSEE also identified potential improvements to specific aspects of these provisions. Furthermore, on January 20, 2021, the President issued E.O. 13990 (Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis) and the E.O.'s accompanying "President's Fact Sheet: List of Agency Actions

for Review.” Within the President’s Fact Sheet, DOI was specifically instructed to review the 2019 WCR to evaluate potential revisions to promote and protect public health, safety, and the environment, among other identified policy goals.

2. Description and Estimated Number of Small Entities Regulated

Small entities, as defined by the RFA, consist of small businesses, small organizations, and small governmental jurisdictions. We have not identified any small organizations or small government jurisdictions that the rule would impact, so this analysis focuses on impacts to small businesses (hereafter referred to as “small entities”). A small entity is one that is independently owned and operated and that is not dominant in its field of operation. The definition of small business varies from industry to industry to properly reflect industry size differences.

One of the changes in the proposed rule would have an impact on a substantial number of small entities. The proposed rule would affect all well drilling operators and Federal oil and gas lease holders on the OCS, primarily those working in the Gulf of Mexico. BSEE’s analysis also shows that this would include 48 companies that drilled at least one offshore well during the period 2015 to 2021. Of these drilling operators, approximately 20 would be active in each given year. Entities that would operate under the proposed rule are classified primarily under North American Industry Classification System (NAICS) codes 211120 (Crude Petroleum Extraction), 211130 (Natural Gas Extraction), and 213111 (Drilling Oil and Gas Wells). For NAICS classifications 211120 and 211130, the Small Business Administration defines a small business as one with fewer than 1,251 employees; the rest are considered large businesses. BSEE considers that a rule has an impact on a “substantial number of small entities” when the total number of small entities impacted by the rule is equal to or exceeds 10 percent of the relevant universe of small entities in a given industry. BSEE estimates that approximately 83 percent of offshore operators drilling on the OCS are small and that the small entities impacted each year would comprise 34 percent of that universe.

3. Description and Estimate of Compliance Requirements

BSEE has estimated the incremental costs for small operators and lease holders in the offshore oil and natural gas production industry. Costs already incurred as a result of current industry practice in accordance with existing regulations, industry permits, DWOPs, and API industry standards with which operators already comply were not considered as costs of this rule because they are part of the baseline.

Only 1 of the proposed provisions would have cost impacts on small entities.

For proposed § 250.737(d)(2)(ii) and (d)(3)(iii), it is estimated that the annual cost per company would be \$78.30, which is not a significant impact.

4. Identification of All Relevant Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rule

The proposed rule would not conflict with any relevant Federal rules or duplicate or overlap with any Federal rules in any way that would unnecessarily add cumulative regulatory burdens on small entities without any gain in regulatory benefits. However, BSEE requests comments identifying any Federal rules that may duplicate, overlap, or conflict with the proposed rule.

5. Description of Significant Alternatives to the Proposed Rule

BSEE has considered two regulatory alternatives:

(1) Promulgate the requirements contained within the proposed rule.

(2) Take no regulatory action and continue to rely on existing well control regulations in combination with permit conditions, DWOPs, operator prudence, and industry standards.

Alternative 1—the proposed rule—would incorporate recommendations provided by government, industry, academia, and other stakeholders. In addition to addressing concerns and aligning with industry standards, this proposed rule would prudently improve efficiency and consistency of the regulations.

The potential costs to small entities are believed to be small; however, the risk of safety or environmental accidents for small companies would not necessarily be lower than it would be for larger companies. Offshore operations are highly technical and can be hazardous. Adverse consequences in the event of incidents are similar regardless of the operator's size. The proposed rule would reduce risk for entities of all sizes. Nonetheless, BSEE is requesting comment on the costs of these proposed policies to small entities, with the goal of ensuring thorough consideration and discussion at the final rule stage. BSEE specifically requests comments on the burden estimates discussed above as well as information on regulatory alternatives that would reduce the burden on small entities (*e.g.*, different compliance requirements for small entities, alternative testing requirements and periods, and exemption from regulatory requirements).

Unfunded Mandates Reform Act of 1995

This proposed rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The proposed rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this proposed rule would not have significant takings implications. The rule is not a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment is not required.

Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this proposed rule would not have federalism implications. This proposed rule would not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this proposed rule would not affect that role. A federalism assessment is not required.

Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. Specifically, this rule:

- (1) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
- (2) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

Consultation with Indian Tribes (E.O. 13175)

BSEE is committed to regular and meaningful consultation and collaboration with Tribes on policy decisions that have Tribal implications. Under the criteria in E.O. 13175 and DOI's Policy on Consultation with Indian Tribes (Secretarial Order 3317, Amendment 2, dated December 31, 2013), we have evaluated this proposed rule and determined that it has no substantial direct effects on federally recognized Indian Tribes.

Paperwork Reduction Act (PRA) of 1995

This proposed rule contains existing and new information collection (IC) requirements for regulations at 30 CFR part 250, Subpart G, and submission to the OMB for review under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) is required. Therefore, BSEE will submit an IC request to OMB for review and approval and will request a new OMB control number. Once the 1014-AA52 final rule is effective, we will transfer the new hour burden and non-hour costs burden from 1014-NEW to 1014-0028 (160,842 hours, \$867,500 non-hour cost burden, expiration January 31, 2023) 30 CFR part 250, Subpart G, *Well Operations and Equipment*, then discontinue the new number associated with this rulemaking. We may not

conduct or sponsor, and you are not required to respond to, a collection of information, unless it displays a currently valid OMB control number.

The proposed regulations would establish new and/or revise current requirements in Subpart G, *Well Operations and Equipment*, by revising regulatory provisions published in the 2019 WCR for drilling, workover, completion, and decommissioning operations. BSEE is providing clarity to BOP system requirements and revising a few specific BOP equipment capabilities.

The following provides a breakdown of the paperwork hour burdens and non-hour cost burdens for this proposed rule.

As discussed in the Section-by-Section analysis above, and in the supporting statement available at RegInfo.gov, this rule proposes to add/revise:

§ 250.730 – This section would eliminate text allowing BSEE to designate a third party to receive notices and reports. No burden changes are being proposed.

§ 250.732(b) – This section would add to the current paragraph that BSEE may review independent third party accreditations and qualifications. This would add +10 hours.

§ 250.737(d)(2) and (3) – This section would add the requirement that if BSEE is unable to witness the testing, the operator must provide the initial test results to the appropriate District Manager within 72 hours after completion of the tests. The 2019 WCR provisions *removed* the requirement that operators submit testing results within 72 hours when a BSEE representative cannot witness the testing. BSEE inadvertently never removed the IC burden associated with this requirement; therefore, no burden changes are being proposed.

Title of Collection: 30 CFR part 250, Subpart G, *Well Operations and Equipment*.

OMB Control Number: 1014-NEW.

Form Number: None.

Type of Review: New.

Respondents/Affected Public: Potential respondents comprise Federal OCS oil, gas, and sulfur lessees/operators and holders of pipeline rights-of-way.

Total Estimated Number of Annual Respondents: Currently there are approximately 550 Federal OCS oil, gas, and sulfur lessees and holders of pipeline rights-of-way. Not all the potential respondents will submit information in any given year, and some may submit multiple times.

Total Estimated Number of NEW Annual Responses: 5.

Estimated Completion Time per Response for NEW requirement: 2 hours.

Total Estimated Number of NEW Annual Burden Hours: 10.

Respondent's Obligation: Responses are mandatory.

Frequency of Collection: Generally, on occasion and as required in the regulations.

Total Estimated Annual Nonhour Burden Cost: none.

In addition, the PRA requires agencies to estimate the total annual reporting and recordkeeping non-hour cost burden resulting from the collection of information, and we solicit your comments on this item. For reporting and recordkeeping only, your response should split the cost estimate into two components: (1) total capital and startup cost component and (2) annual operation, maintenance, and purchase of service component. Your estimates should consider the cost to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Generally, your estimates should not include equipment or services purchased: (1) before October 1, 1995; (2) to comply with requirements not associated with the information collection; (3) for reasons other than to provide information or keep records for the Government; or (4) as part of customary and usual business or private practices.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on any aspect of this information collection, including:

- (1) Whether the collection of information is necessary, including whether the information will have practical utility;
- (2) The accuracy of our estimate of the burden for this collection of information;
- (3) Ways to enhance the quality, utility, and clarity of the information to be collected; and
- (4) Ways to minimize the burden of the collection of information on respondents.

Send your comments and suggestions on this information collection by the date indicated in the DATES section to the Desk Officer for the Department of the Interior at OMB–OIRA at (202) 395–5806 (fax) or via the RegInfo.gov portal (online). You may view the information collection request(s) at <http://www.reginfo.gov/public/do/PRAMain>. Please provide a copy of your comments to the BSEE Information Collection Clearance Officer (see the ADDRESSES section). You may contact Kye Mason, BSEE Information Collection Clearance Officer at (703) 787-1607 with any questions. Please reference Proposed Rule 1014-AA52, *Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control Revisions—30 CFR part 250, Subpart G, Well Operations and Equipment* (OMB Control No. 1014-NEW), in your comments.

National Environmental Policy Act of 1969 (NEPA)

BSEE is analyzing the provisions of the proposed rule in compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*) to determine whether they could have a significant impact on the quality of the human environment. Environmental Assessments were prepared for both the 2016 WCR and the 2019 WCR. Those prior NEPA analyses informed the drafting process for this proposed rule, and the proposed rule primarily proposes to restore provisions whose potential environmental impacts were analyzed in connection with those prior rulemakings (or which are purely administrative in nature with no potential for environmental impacts). Accordingly, at this time, we anticipate that the Environmental Assessments associated with the 2016 WCR and 2019 WCR will substantially

inform the NEPA process and compliance for this rulemaking. We invite comments on this subject.

Data Quality Act

In developing this rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. No. 106-554, app. C, sec. 515, 114 Stat. 2763, 2763A-153-154).

Effects on the Nation's Energy Supply (E.O. 13211)

This proposed rule is not a significant energy action under the definition in E.O. 13211. The rule is not a significant regulatory action under E.O. 12866, and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. A Statement of Energy Effects is not required.

Clarity of this Regulation

We are required by E.O. 12866, E.O. 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

- (1) Be logically organized;
- (2) Use the active voice to address readers directly;
- (3) Use clear language rather than jargon;
- (4) Be divided into short sections and sentences; and
- (5) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the ADDRESSES section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, or the sections where you feel lists or tables would be useful.

List of Subjects in 30 CFR part 250

Administrative practice and procedure, Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Oil and gas exploration, Outer Continental Shelf--mineral resources, Outer Continental Shelf--rights-of-way, Penalties, Pipelines, Reporting and recordkeeping requirements, Sulfur.

Laura Daniel-Davis
Principal Deputy Assistant Secretary,
Land and Minerals Management

For the reasons stated in the preamble, the Department of the Interior proposes to amend 30 CFR part 250 as follows:

**PART 250—OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER
CONTINENTAL SHELF**

1. The authority citation for part 250 continues to read as follows:

Authority: 30 U.S.C. 1751, 31 U.S.C. 9701, 33 U.S.C. 1321(j)(1)(C), 43 U.S.C. 1334.

2. Amend § 250.730 by revising paragraphs (a) and (c) to read as follows:

§ 250.730 What are the general requirements for BOP systems and system components?

(a) You must ensure that the BOP system and system components are designed, installed, maintained, inspected, tested, and used properly to ensure well control. The working-pressure rating of each BOP component (excluding annular(s)) must exceed MASP as defined for the operation. For a subsea BOP, the MASP must be determined at the mudline. The BOP system includes the BOP stack, control system, and any other associated system(s) and equipment. The BOP system and individual components must be able to perform their expected functions and be compatible with each other. Your BOP system must be capable of closing and sealing the wellbore at all times to the well's maximum kick tolerance design limits. The BOP system must

be capable of closing and sealing without losing ram closure time and sealing integrity due to the corrosiveness, volume, and abrasiveness of any fluids in the wellbore that the BOP system may encounter. Your BOP system must meet the following requirements:

* * * * *

(c) You must follow the failure reporting procedures contained in API Standard 53, (incorporated by reference in § 250.198), and:

(1) You must provide a written notice of equipment failure to both the Chief, Office of Offshore Regulatory Programs (OORP), and the manufacturer of such equipment within 30 days after the discovery and identification of the failure. A failure is any condition that prevents the equipment from meeting the functional specification.

(2) You must start an investigation and a failure analysis within 90 days of the failure to determine the cause of the failure and complete the investigation and the failure analysis within 120 days after initiation. You also must document the results and any corrective action. You must submit the analysis report to both the Chief, OORP and the manufacturer. If you cannot complete the investigation and analysis within the specified time, you must submit an extension request detailing when and how you will complete the investigation and analysis to BSEE for approval. You must submit the extension request to the Chief, OORP.

(3) If the equipment manufacturer notifies you that it has changed the design of the equipment that failed or if you have changed operating or repair procedures as a result of a failure, then you must, within 30 days of such changes, report the design change or modified procedures in writing to the Chief, OORP.

(4) Submit notices and reports to the Chief, Office of Offshore Regulatory Programs; Bureau of Safety and Environmental Enforcement; 45600 Woodland Road, Sterling, Virginia 20166.

* * * * *

3. Amend § 250.732 by revising paragraph (b) to read as follows:

§ 250.732 What are the independent third party requirements for BOP systems and system components?

* * * * *

(b) The independent third party must be accredited by a qualified standards development organization and must be a technical classification society, a licensed professional engineering firm, or a registered professional engineer capable of providing the required certifications and verifications. BSEE may review the independent third party accreditation and qualifications to ensure that the independent third party has sufficient capabilities to perform the required functions.

* * * * *

4. Amend § 250.733 by revising paragraph (b)(1) to read as follows:

§ 250.733 What are the requirements for a surface BOP stack?

* * * * *

(b) * * *

(1) On new floating production facilities installed after April 29, 2021, that include a surface BOP, or when you replace an entire surface BOP stack on an existing floating production facility, follow the BOP requirements in § 250.734(a)(1).

* * * * *

5. Amend § 250.734 by revising paragraph (a)(4) to read as follows:

§ 250.734 What are the requirements for a subsea BOP system?

(a) * * *

When operating with a subsea BOP system, you must:	Additional requirements
(4) * * *	You must have the ROV intervention capability to open and close each shear ram, ram locks, one pipe ram, and disconnect the LMRP under MASP conditions as defined for the operation. You must be capable of performing these functions in the response times outlined in API Standard 53 (as incorporated by reference in § 250.198). The ROV panels on the BOP and LMRP must be compliant with API RP 17H (as incorporated by reference in § 250.198).

* * * * *

6. Amend § 250.737 by revising paragraphs (d)(2)(ii) and (3)(iii), to read as follows:

§ 250.737 What are the BOP system testing requirements?

* * * * *

(d) * * *

You must...	Additional requirements...
(2) * * *	* * * (ii) Contact the District Manager at least 72 hours prior to beginning the initial test to allow BSEE representative(s) to witness the testing. If BSEE representative(s) are unable to witness the testing, you must provide the initial test results to the appropriate District Manager within 72 hours after completion of the tests.

(3) * * *	* * * (iii) Contact the District Manager at least 72 hours prior to beginning the stump test to allow BSEE representative(s) to witness the testing. If BSEE representative(s) are unable to witness the testing, you must provide the test results to the appropriate District Manager within 72 hours after completion of the tests.

* * * * *