

TECHNICAL FACT SHEET

Blowout Preventer Systems and Well Control Rule Final Revisions

BSEE works to advance safe and environmentally sustainable offshore energy production for America, as authorized by the Outer Continental Shelf Lands Act of 1953. In April and May 2017, Executive and Secretarial Orders directed BSEE to review specific regulations and appropriately suspend, revise, or rescind those that unduly burdened the development of domestic energy resources beyond the degree necessary to protect the public interest or otherwise comply with the law. In response, BSEE has finalized the revisions to existing regulations for well control and blowout preventer systems.

After thoroughly reviewing the original Blowout Preventer Systems and Well Control rule (WCR) and its subsequent implementation, BSEE identified provisions that could be revised to reduce unnecessary regulatory burdens while ensuring that any operations remain safe and environmentally responsible.

This rulemaking revises current regulations addressing offshore oil and gas drilling, completions, workovers, and decommissioning activities. The revisions also address issues identified during the implementation of new well control regulations finalized in 2016, as well as issues that required substantial informal guidance from BSEE to industry.

Highlights

What does the final rule **not do**?

- Eliminate the BOP requirements or the BOP itself.
- Remove real-time monitoring requirements.
- Remove drilling margin requirements.
- Remove third party requirements for BOP testing.
- Remove failure reporting to BSEE.
- Eliminate the BOP dual shear ram requirement.
- Remove the requirements of the Remotely Operated Vehicle (ROV).
- Eliminate the containment requirements for a fast response if a blowout were to occur.

What does this final rule **accomplish**?

- Allows operators to use real-time monitoring data in a more performance-based way, increasing adaptivity and effectiveness by basing decisions on specific well operating conditions.
- Reduces the need for operators to request alternate compliance or departure for provisions of the rule.
- Requires improved technologies and equipment design to help optimize shearing capabilities of rams.

BSEE carefully analyzed all 342 provisions of the 2016 WCR and determined that 68 of those provisions – approximately 20 percent -- were appropriate for revision. The final rule includes, but is not limited to, the following revisions:

- **Clarify the rig movement reporting requirements.**
 These revisions will address notifications of rig movements to and from the safe zone during permitted operations and any additional rig movements if a rig unit is already on a well. The original WCR did not address these provisions, however based upon BSEE experience, BSEE determined that these clarifications will minimize the number of duplicative rig movement notifications submitted to BSEE.
- **Clarify and revise the requirements for certain submittals to BSEE**
 There are several redundant reporting requirements in the current regulations. These revisions will clarify and streamline certain submittals to BSEE and eliminate redundant and unnecessary reporting. Many of these revisions were not associated with the original WCR and reflect current BSEE policy, practice, and experience.
- **Revise section 250.723 to remove lift boats from the types of vessels that require a shut-in of producing wells when they approach within 500 feet of a platform.**
 Removing the references to lift boats from these requirements minimizes the number of unnecessary well shut-ins and delayed production. Since the original WCR implementation, BSEE reevaluated lift boat activities and determined that the vast majority of lift boats used on the OCS are relatively small in comparison to a mobile offshore drilling unit and do not pose an operational risk.
- **Remove certain prescriptive requirements for real time monitoring.**
 Based upon BSEE's evaluation of real time monitoring since the publication of the original WCR, BSEE determined that the prescriptive requirements for how the data is handled may be revised to allow company-specific approaches to handling the data while still receiving the benefits of real- time monitoring.
- **Replace the use of a BSEE approved verification organization (BAVO) with the use of an independent third party for certain certifications and verifications of BOP systems and components, and remove the requirement to have a BAVO submit a Mechanical Integrity Assessment report for the BOP stack and system.**
 Use of independent third parties is a long-standing industry practice for certifications and verifications similar to those a BAVO would provide. BSEE expected most companies or individuals currently operating as independent third parties to apply to become a BAVO. Since the publication of the original WCR, BSEE has increased its interaction with these independent third parties to better understand how they operate and carry out certifications and verifications. BSEE has determined that if, as expected, the majority of BAVOs would be drawn from the existing independent third parties who would continue to conduct the same verifications, additional BSEE oversight and submittal to become a BAVO is unnecessary. The BAVO system created by the WCR increases procedural burdens and costs without delivering meaningful improvements to safety or environmental protection.
- **Revise the accumulator system requirements and accumulator bottle requirements to better align with API Standard 53.**
 These revisions will increase operator flexibility to utilize the appropriate accumulator capacity to perform the necessary emergency functions and by closing each required shear ram, ram locks, one pipe ram, and disconnect the lower marine riser package. Through the implementation of the original WCR, BSEE was able to better evaluate the effects of the original WCR accumulator requirements impacting subsea BOP space and weight limitations. This revision will help ensure that the regulatory requirements do not exceed the operational or mechanical design limits of the wellhead and BOP systems, and help minimize risks associated with approaching those design limits.

- Incorporate the latest edition of an incorporated industry standard, API 17H, on remotely operated tools and interfaces on subsea production systems.**

There is a conflict between the API RP 17H first edition referenced in the original WCR, and the API Standard 53 ROV requirements. The second edition of API RP 17H eliminates the conflict between the first edition and API Standard 53. BSEE will incorporate by reference API RP 17H second edition to ensure the appropriate methods are utilized to comply with the API Standard 53 ROV closure timeframes of 45 seconds.
- Revise the control station and pod testing schedules to ensure component functionality without inadvertently requiring duplicative testing.**

These revisions will ensure that operators develop a testing schedule that allows for alternating testing between the control stations, and also between the pods for subsea BOPs. The intended result of alternating the testing is to ensure that each control station, and each pod for subsea, can properly function all required BOP components. Based on BSEE experience during the implementation of the original WCR, BSEE has concluded that these revisions will help ensure BOP functionality while not inadvertently requiring unnecessarily duplicative testing.
- Include coiled tubing and snubbing requirements in Subpart G.**

These additions will codify current BSEE policy regarding the coiled tubing testing and recording requirements, and will also reintroduce similar provisions that were inadvertently removed in the original WCR.

This proposed rule does **not** affect 274 provisions of the original WCR including, but not limited to, the subject areas summarized below:

- Controls over the maintenance and repair of BOPs.**

Existing regulations contain requirements related to the maintenance and repair of this equipment and a performance requirement that the equipment be maintained pursuant to Original Equipment Manufacturer (OEM) requirements, good engineering practices, and industry standards. The existing regulations still include personnel training requirements for repairs and maintenance.
- Safe drilling margins.**

Existing regulations require a 0.5 pound per gallon (ppg) drilling margin. The regulations allow for a deviation from the default 0.5 ppg drilling margin, for which a request and justification may be submitted with the Application for Permit to Drill (APD). BSEE is currently approving margins other than 0.5 ppg based on specific well conditions.
- The use of BOPs with double shear rams, which is now a baseline industry standard (API Standard 53).**

The use of double shear rams in the BOP stack increases the likelihood that the ranges of drill pipe can be sheared in an emergency. The regulation still does not include the opt-out provision that the industry standard contains related to double shear rams for surface BOP installed on new floating facilities.
- Rigorous third-party certification of the shearing capability of BOPs.**

Existing regulations require independent third-party verification of shearing capability of BOPs and still require controls over the shearing certification process and criteria used to establish shearing performance.

- **Reporting of failure data of BOP to OEMs by operators and drilling contractors.**
The current regulations still adopt the voluntary industry reporting protocols for reporting equipment issues. OEMs and drilling contractors have stated that reporting of failure data is necessary to address key safety issues.
- **Use of remotely operated vehicles (ROV) to assist in closing the BOP stack.**
ROVs continue to be a critical component for functioning BOP components subsea. The regulations include industry standards on ROV intervention capabilities to help standardize this equipment.
- **Source control and containment.**
BSSE still requires operators to have access to, and the ability to deploy, source control and containment equipment (SCCE) necessary to regain control of the well
- **Guidelines for cementing.**
The regulations provide a general performance obligation to ensure that the operator provides the centralization needed to ensure proper cementing of the well.