



RULES PROCESSING TEAM

MAR 08 2002

March 7, 2002

Attn: Rules Processing Team (RPT)
Department of the Interior, Minerals Management Service; MS 4024
381 Elden Street
Herndon, Virginia 20170-4817

Re: Notice of Proposed Rulemaking
Procedures for Dealing with Sustained Casing Pressure

Gentlemen:

Newfield Exploration Company appreciates the opportunity to comment on the proposed rulemaking. We support the comments on the proposed rulemaking submitted by the Offshore Operators Committee (OOC). These comments have been collected through numerous Industry efforts. Further, we believe that the three-prong approach as outlined in the OOC comments is a more effective method for reducing risk and improving safety in a cost effective manner than a continued prescriptive regulatory approach to sustained casing pressure. We would hope that the MMS agree and adopt the proposed approach by the OOC.

In addition to supporting the OOC comments, we would like to highlight the following areas in the proposed rulemaking that we believe will have serious impacts on Newfield's operations in the Gulf of Mexico.

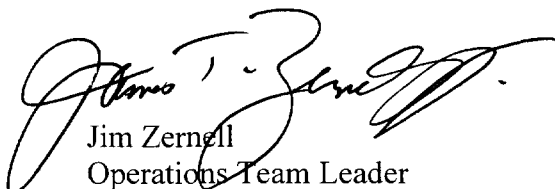
- 250.517: We feel that imposing rules across the board for various types of completion systems is problematic since the technologies for each type are different, i.e. surface, subsea, and hybrid. If MMS proceeds with rulemaking, we feel that the different types of completion systems should be addressed individually with rules that recognize these differences.
- 250.518: Structural pipe casing strings should not be addressed in the rulemaking since they are not designed to be pressure containing casing strings and the source of pressure on these strings is usually different from the source on pressure containing casing strings and are usually much lower risk.
- 250.520.a: For fixed platform wells with SCP, or un-sustained CP, daily monitoring for manned, and weekly for unmanned is excessive. This would increase manpower requirements and take Operator personnel away from other duties that are more critical to the safety of the platform. Since casing pressure seldom changes rapidly, monthly monitoring would be more practical.
- 250.521.a: It was our understanding that there was intent by the MMS to continue with "self approvals" for certain types of SCP wells. This part indicates that "self approvals" have been dropped. This will greatly increase the burden on both the MMS and Operators. "Self Approvals" should be reinstated as in the previous NTLs.
- 250.522.b: This section gives a very restrictive method of determining whether a well has thermally induced SCP. Alternative methods should also be considered.
- 250.524.a: The 30 days time limit for providing a detailed procedure for repairing SCP can be very restrictive. Depending on the circumstances, it should be left to the discretion of the District Supervisor, after consultations with the Company, to determine a suitable timeframe

for submitting a repair procedure taking into account risks involved with the SCP. In certain circumstances, this will allow additional investigation to determine the safest, most efficient and cost effective way to proceed with remediation.

- 250.525.b: Conducting diagnostic tests can sometimes exacerbate the existing condition. Requiring the diagnostic tests arbitrarily on an annual basis is not necessary if there has been little or no change to the SCP. We feel that diagnostic tests should only be conducted when the pressure changes more than 200 psig, which has historically been the triggering point of additional diagnostic tests.
- 250.527.e: Replacing fluid that has been collected during a diagnostic would be problematic on many of Newfield's structures which are unmanned, and in many cases single well caissons. Replacement of the fluid is not always warranted and in some cases could be detrimental. Decisions to replace the fluid should be left to the discretion of the MMS District Engineer following discussions with the operator.
- 250.529: We believe that casing pressure monitoring requirements should be submitted in the Operator's DWOP plan. This will allow innovation and not stifle creativity in this ever-evolving segment of activities.
- 250.529.b: There are serious technical pitfalls with the requirement to modify subsea wellheads to provide a means to monitor and bleed annular fluids in subsea systems. Newfield supports the OOC comments regarding these issues.
- 250.531: Requiring Industry to fix and repair all temporarily abandoned wells will result in many of these wells being plugged and abandoned. Newfield considers all of its temporarily abandoned wells as future sidetrack candidates. Enforcing this policy will result in the loss of possible reserves. We respectfully request that the MMS consider alternative rules that would allow monitoring of these wells, and repair only in those cases where there is a high risk of loss of containment.

We appreciate your careful consideration of all of the comments concerning this rulemaking.

Sincerely,



Jim Zernell
Operations Team Leader
Newfield Exploration