



RULES PROCESSING TEAM

MAR 11 2002

March 8, 2002

NATIONAL  
OCEAN  
INDUSTRIES  
ASSOCIATION

U.S. Department of the Interior  
Minerals Management Service  
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RE: Notice of Proposed Rulemaking: Oil and Gas and Sulphur Operations  
in the Outer Continental Shelf – Procedures for Dealing with Sustained  
Casing Pressure (66 Fed. Reg. 56620, November 9, 2001).

Dear Sir or Madam:

The National Ocean Industries Association (NOIA) is pleased to respond to your request for comments on the proposed rule to amend regulations in Subpart E regarding sustained casing pressure in oil and gas wells on the outer continental shelf. NOIA is the only national trade association representing all segments of the offshore energy industry. The NOIA membership comprises more than 300 companies engaged in activities ranging from producing to drilling, engineering to marine and air transport, offshore construction to equipment manufacture and supply, geophysical surveying to diving operations, and telecommunications to finance and insurance. Our Association is therefore sharply focused on regulations affecting outer continental shelf operations.

NOIA supports the comments on the proposed rulemaking submitted by the Offshore Operators Committee (OOC). We believe that the highly prescriptive regulatory approach to casing pressure will fail to reduce risk or improve safety, and will be ineffective from a cost or value-added basis. We also concur with the OOC that the MMS has underestimated the cost of implementing the proposed rule, and request that the rulemaking be reclassified as significant under Executive Order 12866 and as a major rule under the Small Business Regulatory Enforcement Fairness Act.

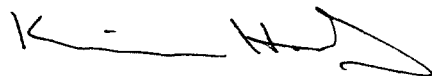
NOIA requests that the MMS adopt the risk-based approach outlined by the OOC. Under this proposal, you would determine when the pressure on casing is an unacceptable risk by providing funding to a third party mutually acceptable to both MMS and Industry to perform a risk-based study of casing pressure. Based on the findings of the study, an API Recommended Practice (RP) on casing pressure would be

developed. After the RP was completed and adopted by API, it could then be incorporated into the MMS regulations.

NOIA joins the OOC in requesting that MMS either withdraw the proposed rulemaking or hold it in abeyance until the study and RP can be completed and the RP adopted into regulation.

NOIA appreciates the opportunity to provide comments on the proposed rule. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kim Harb', with a stylized flourish at the end.

Kim Harb  
Director of Government Affairs