UNITED STATES DEPARTMENT OF THE INTERIOR MINERALS MANAGEMENT SERVICE GULF OF MEXICO OCS REGION

NTL No. 2007-G19 Effective Date: May 25, 2007

Expiration Date: November 30, 2007

NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL, AND GAS LEASES IN THE OUTER CONTINENTAL SHELF (OCS), GULF OF MEXICO OCS REGION

Interim Guidelines for Moored Drilling Rig Fitness Requirements for the 2007 Hurricane Season

This Notice to Lessees and Operators (NTL) is issued pursuant to 30 CFR 250.103 and provides guidance on the information you must submit with your Form MMS-123, Application for Permit to Drill (APD), to demonstrate the fitness of any moored drilling rig you will use to conduct operations in the Gulf of Mexico (GOM) OCS during the 2007 hurricane season. As required by 30 CFR 250.417(a), this information must demonstrate that the associated moored drilling rig is capable of performing at the proposed drilling location. The Minerals Management Service (MMS) Gulf of Mexico OCS Region (GOMR) will use the recommendations in the American Petroleum Institute's (API) newly developed Recommended Practice 95F, 2nd Edition, Interim Guidance for Gulf of Mexico MODU Mooring Practices – 2007 Hurricane Season (API RP 95F, 2^{nd} Edition), to guide our review and evaluation of the information and data that demonstrate the moored rig's capability to perform at the proposed location. The MMS GOMR highly recommends that you follow the recommendations in API RP 95F, 2nd Edition as you prepare APD's to conduct drilling operations during the 2007 hurricane season. Failure to follow the recommendations in API RP 95F, 2nd Edition, may delay the approval of an APD or result in disapproval. This guidance also applies to moored drilling rig operations you conduct under Form MMS-124, Application for Permit to Modify (APM).

Background

The effects of Hurricanes Ivan, Katrina, and Rita during the 2004 and 2005 hurricane seasons were detrimental to oil and gas operations on the OCS. These effects included structural damage to fixed production facilities, semi-submersibles, and jack-up rigs. During Hurricanes Ivan, Katrina, and Rita, there were 19 moored rigs that experienced a total failure of station-keeping ability. Additionally, there were several jack-up rigs that were unable to keep station through these storms. Interim guidelines for improved jack-up rig station-keeping are addressed under NTL No. 2007-G13, effective April 15, 2007.

Fortunately, these hurricanes did not cause any loss of life or significant pollution because of industry's ability to secure wells and evacuate personnel successfully. However, the MMS

GOMR is concerned about the loss of these facilities and rigs, as well as the potential for catastrophic damage to key infrastructure and the resultant pollution from future storms. In an effort to reduce these effects, real and potential, the MMS GOMR has set forth guidance to ensure compliance with 30 CFR 250.417 and to improve performance in the area of moored rig station-keeping during the environmental loading that may be experienced during hurricanes.

Industry, the U.S. Coast Guard (USCG), and MMS have worked together to develop *interim* recommended practices for the use of moored drilling rigs during the 2007 hurricane season to ensure that consistent proper site assessments are performed and minimum design return periods are provided across the GOM in an effort to decrease the amount of moored rig failures during hurricanes. These *interim* guidelines are set forth in API RP 95F, 2nd Edition.

Scope

This guidance covers drilling, workover, or completion operations conducted by moored rigs during the 2007 hurricane season. All moored rigs that will be used to drill, complete, or workover a well under an APD or APM after the effective date of this NTL are covered by the requirements set forth below. The moored rig information required for permitting a well during the 2007 hurricane season relates primarily to mooring design issues and the performance of risk assessments and mitigations.

If you already have an approved APD or APM and you plan to use a moored rig to drill or conduct other well operations between June 1 and November 30, 2007, you must revise the APD or APM and submit it to the appropriate MMS GOMR District Supervisor for approval. In the revised APD or APM, address items Nos. 1 through 6 as outlined below under "Moored Drilling Rig Fitness." In accordance with 30 CFR 250.125(a), you do not need to pay a service fee to MMS for processing a revision to an APD or APM.

Moored Drilling Rig Fitness

The MMS GOMR has determined that the level of detail and recommendations set forth in the newly developed API RP 95F, 2nd Edition, will help to bring about the sought after improvement in performance for the 2007 hurricane season. Therefore, the MMS GOMR will use API RP95F, 2nd Edition, to review and evaluate the information submitted with each APD or APM. The MMS GOMR highly recommends that you follow these same recommendations as you prepare APD's and APM's for operations you will conduct during the 2007 hurricane season.

Provide the following minimum information in your APD's or APM's to demonstrate compliance with the requirements of 30 CFR 250.417(a):

- 1. A statement documenting that you have provided or will provide appropriate site-specific data (potential installation hazards, and surrounding surface and subsea infrastructure) to the rig contractor to allow the best location for the rig and mooring system to be established prior to moving on location.
- 2. A completed Risk Assessment Checklist (see Appendix I of API RP 95F, 2nd Edition), conducted in accordance with Section 5 of API RP 95 F, 2nd Edition.

- 3. A statement that documents that you have provided or will provide site-specific metocean data (using the criteria outlined in Section 10 of API RP 95F, 2nd Edition or available in API Bulletin 2INT-MET), including winds, waves, currents, storm surge, and tides, to the rig contractor prior to moving the rig on location to facilitate proper mooring of the rig on location. In lieu of site-specific data, you may use the generic data depicted in Table 10.1 of API RP 95F, 2nd Edition.
- 4. Specifics on the type of anchors being used within the mooring system (see Section 7 of API RP 95F, 2nd Edition) and their holding capacities calculated in accordance with Section 7.4 of API RP 95F, 2nd Edition, and a mooring diagram with a description of the subsea infrastructure within a 10-mile radius, including pipelines, fixed facility mooring lines, other rig mooring lines, subsea equipment (templates, PLETs, subsea tie-ins, etc.), and any other infrastructure.
- 5. Information from the rig contractor that documents the results of the last mooring inspection completed. Inspection of steel mooring components shall be conducted in accordance with the procedure and schedule in Appendix III of API RP 95F, 2nd Edition, or per similar criteria specified by the moored rig owner.
- 6. Any additional information that would possibly further mitigate identified risks or otherwise alter these moored rig fitness requirements for the 2007 hurricane season.

The MMS GOMR encourages you to:

- 1. Provide the United States Coast Guard with read-only access to the Emergency Position Indication Radio beacon (EPIRB) data for your moored drilling rig fleet before the 2007 hurricane season begins;
- 2. Review and update your Coast Guard Marine Operations Manual to minimize the possibility of adverse consequences of any tropical system; and,
- 3. Review the hurricane preparedness information in Section 8 of API RP 95F, 2nd Edition, before you conduct any moored rig activity during the 2007 hurricane season.

Paperwork Reduction Act of 1995 Statement

The information collection referred to in this NTL is intended to provide clarification, description, or interpretation of requirements contained in 30 CFR 250, subpart D, Oil and Gas Drilling Operations. The Office of Management and Budget (OMB) has approved the information collection requirements in these regulations under OMB Control Number 1010-0141. This NTL does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contacts

Please direct any questions you may have regarding this NTL to the Drilling Engineer in the respective MMS GOMR District Office, as listed below:

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Lars T. Herbst Acting Regional Director