



Sandi M. Fury
Mgr. Legislative and
Regulatory Advocacy
Gulf of Mexico

Gulf of Mexico SBU
100 Northpark Blvd
Covington, LA 70433-5069
(985) 773-6095
sfury@chevron.com

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

Re: RIN 1010-AD 15; SEMS
FR Vol. 74, No. 115 6-17-09

Ladies and Gentlemen:

Chevron appreciates this opportunity to provide written comments on the subject proposed rule to amend regulations associated with Outer Continental Shelf oil and gas and other mineral operations as published in the June 17, 2009 Federal Register. We recognize that MMS wrote the proposed rule with the desire to further improve safety and environmental performance on the OCS. Chevron shares MMS's concern about safety and environmental protection and is committed to enhancing its performance on the OCS as well as throughout its world wide operations.

Critical to enhancing performance, Chevron has long realized the value of a successful management system. Chevron has worked for years on the development and evolution of an Operational Excellence Management System (OEMS) that provides for the systematic management of safety, health, environment, reliability and efficiency to achieve world-class performance as an integral part of ongoing business operations. Our program has evolved and matured over time and has proven effective in driving continuous improvement. We strongly believe that while our OEMS has provided an effective framework to promote continuous improvement, it is the management commitment and worker involvement and ownership that are paramount to successful implementation and actually achieving stellar results.

It was this recognition of the added value of management systems that compelled Chevron to partner with MMS and the other members of Industry in the early development of API RP 75. Industry and MMS worked together to craft a document that could serve as a template for all companies to use in developing a first generation management system or improving an existing one. API RP 75 represents the culmination of a tremendous amount of man hours and effort and provides the fundamental elements of a successful safety and environmental management

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program. A key feature of the RP is the flexibility and versatility that was incorporated into the design of the document. This flexibility was a very deliberate feature that the original authors deemed critical to its success. API RP 75 as drafted provided the framework while affording companies flexibility to tailor the document to meet individual organizational and operational needs. It is believed that this flexibility encouraged many operators to embrace early adoption and incorporate the document into their operations. Chevron like other operators incorporated these fundamentals elements into a management system which has continuously evolved and improved over time.

Chevron's concern with the proposed rule lies not with the intent but rather with the prescriptive language contained in the proposed rule. Applying prescriptive requirements to the implementation of some or all of the elements of API RP 75 undermines the intended flexibility of the document and will necessitate significant changes to existing programs. The following excerpt is pulled from the Offshore Energy & Minerals Management SEMP Website:

Detailed Background

"The SEMP was developed in response to the 1990 finding of the National Research Council's Marine Board that MMS's prescriptive approach to regulating offshore operations had forced industry into a compliance mentality. The Marine Board found further that this compliance mentality was not conducive to effectively identifying all the potential operational risks or developing comprehensive accident mitigation. As a result, the Marine Board recommended and MMS concurred that a more systematic approach to managing offshore operations was needed.

In response to the Marine Board findings, the API, in cooperation with MMS, developed Recommended Practice 75 - Development of a Safety and Environmental Management Program for Outer Continental Shelf Operations and Facilities. The API also produced a companion document, RP-14J, for identifying safety hazards on offshore production facilities. The API RP-75 was published in May 1993. In 1994, MMS published a Notice in the Federal Register that recognized implementation of RP-75 as meeting the spirit and intent of SEMP. The RP-75 was updated in July 1998 to focus more on contract operations, including operations on mobile offshore drilling units.

Since API RP-75 was first published, MMS has used public meetings, seminars, letters, research, and Federal Register notices to promote SEMP and to encourage voluntary implementation. Four OCS-wide, SEMP implementation surveys have been done by the API. The MMS has co-sponsored five widely-attended SEMP performance measures workshops, and we meet regularly with the principal industry trade associations to promote SEMP.

The SEMP is a process for coordinating OCS oil and gas operations that recognizes worker safety and pollution control are largely dependent on proper human behavior. The MMS has asked OCS operators to voluntarily make SEMP the way they do their business."

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The proposed rule as written not only represents an abrupt change from past direction of the MMS and directives to Industry, but also penalizes those operators that took the initiative and developed programs patterned after the API RP 75 model. For operators that implemented API RP 75 based programs and have continued to evolve the systems to keep abreast of changing operations, they would be required to go back and modify or change those systems in place to comply with new prescriptive requirements. These types of changes to programs that are working effectively we believe will add minimal if any added value; are contrary to the direction that MMS has given industry over the past twenty years; and will likely not impact performance.

Chevron recommends that MMS not abandon the framework established in API RP 75. If MMS should decide to require operators on the OCS to have management systems or programs in place, we recommend MMS incorporate API RP 75 into the regulations and require compliance with the existing recommended practice. Further, in keeping with the spirit that this API document was developed, we would also encourage that MMS afford operators the flexibility in implementation to adapt and adjust in accordance with individual company needs. Likewise, should MMS move forward mandating only certain sections of a management system, we would recommend incorporating those sections of API RP 75 without any additional modifications or requirements.

We appreciate the opportunity for Chevron to provide comments on this very important and significant proposed agency action. Further, we look forward to continued collaboration between Industry and the Agency on the development of Industry guidance documents such as API RP 75 that have and continue to demonstrate their effectiveness in helping both the regulated community as well as the Agency to achieve mutually desired performance objectives.

Regards,

Sandi M Fury
Mgr., Legislative and Regulatory Advocacy
Gulf of Mexico Business Units