

# BSEE Permits, Approvals, and Process Alternatives The Netherlands

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## 1. Overview of Offshore Oil and Gas Regulation in the Netherlands

Oil and gas operators under the jurisdiction of the Netherlands are administered by the State Supervision of Mines (SSM), an executive agency of the Ministry of Economic Affairs. The legislative framework is established under:

- The Mining Act of the Netherlands (Mijnbouwwet)  
<http://www.nlog.nl/resources/Legislation/Engelse%20vertaling%20Mijnbouwwet1.pdf>
- The Mining Decree of the Netherlands  
<http://www.nlog.nl/resources/Legislation/MBBvertaling19Feb08.pdf>
- The Mining Regulation of the Netherlands  
<http://www.nlog.nl/resources/Legislation/MBREnglishAug%2009.pdf>

### 1.1. Alternatives to BSEE Permits, Approvals, and Processes

#### 1.1.1 Time Bound Application Review Process

One potential alternative was identified relative to the current process used by BSEE to regulate offshore oil and gas exploration and development. The Dutch framework includes time-bounded processes for several components of the Dutch program, wherein an operator is required to submit an application for approval at a specific time in advance of the desired activity. The Ministry then has a specific time period to render the approval – or raise an objection – else the approval is considered automatically granted. Several of the SSM permit application or approval processes have a bounded timeframe. These could potentially apply to permitting activities involving installation of equipment or receipt of an approval for operation. Alternatively, their use could be restricted to BSEE’s administrative-related permit approval activities.

A comparison of the Dutch programs analogous to those in the BSEE Scope for this project is presented in Table 1.

### 1.2. Points for Further Research

#### 1.2.1 Time Bound Application Review Process

If a time-limited submittal review process is considered as a potential alternative approach, further investigation on how time-limited processes are being applied in the Netherlands would be conducted to assess the impact on efficiency, effectiveness, and suitability for purpose of the state permitting programs. This would include assessing the administrative structures in place to support timely reviews; what content is required in the approval application; and what restrictions exist in the underlying regulatory structure.

### **1.3. Implications for BSEE**

#### **1.3.1. Time Bound Application Review Process**

##### ***Efficiency***

Application of a bounded timeframe to the permitting process could potentially increase efficiency. BSEE would need to develop processes which might include standardized forms, upfront permit completeness review, issuance of standard terms and conditions, and a step-by-step permit evaluation process. This could potentially result in BSEE having to devote fewer labor-hours to review each permit application.

##### ***Effectiveness***

It is difficult to determine whether a time-bound review process would improve effectiveness. There is a risk that BSEE staffing and resource shortages would render the Agency unable to routinely complete reviews within the allotted timeframe. On the other hand, a more “mechanized” approach to permit review could result in more precise and accurate permit review.

##### ***Suitability for Purpose***

Further evaluation is required to determine whether the application of time-bound processes would result in improved safety and environmental performance.

##### ***Implementation***

Applying time-bound processes would require a fundamental change in how BSEE conducts reviews of permit applications and other decision documents. BSEE would need to provide for a fixed schedule for decision making as to whether to approve or disapprove an application, or request further information from the applicant. BSEE would need to develop the ability to deploy staff quickly and efficiently to meet the demand for permits or secure contract assistance to ensure that permits are not automatically granted without sufficient consideration. In addition, BSEE might want to incorporate “fail safe” methods to ensure that if the decision making clock runs out, there is a system in place to prevent permits from being automatically issued.

**Table 1. Comparison of the Netherlands' Offshore Oil and Gas Program to BSEE Permits and Plan Requirements Covered in the Scope of this Analysis**

Type	BSEE Permit/Plan Requirement	What is it? Who is required to have it?	When is it required?	How does the Netherlands Compare to BSEE Scope?
Admin	Royalty Relief application	Operators may apply for royalty relief for leases or projects that meet criteria specified in 30 CFR 203	Optional	Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Admin	Compensation Royalty Determination Request	Operators may either: (1) Drill and produce the wells that the Regional Supervisor determines are necessary to protect the Federal government from loss due to production on other leases or units or from adjacent lands under the jurisdiction of other entities (e.g., State and foreign governments); or (2) Pay a sum that the Regional Supervisor determines as adequate to compensate the Federal government for your failure to drill and produce any well.	Optional	Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Explor	Application for Permit to Drill (APD)	Lessees, operating rights owners, operators, and their contractors and subcontractors	Before drilling any well or before sidetracking, bypassing, or deepening a well	Similar. A drilling license is required.
Explor	Application for Permit to Modify (APM)	Lessees, operating rights owners, operators, and their contractors and subcontractors	An APM is required for operators that: <ul style="list-style-type: none"> <li>• intend to revise a drilling plan, change major drilling equipment, or plugback;</li> <li>• determine a well's final surface location, water depth, and the rotary kelly bushing elevation; or</li> <li>• move a drilling unit from a wellbore before completing a well.</li> </ul>	Similar. A drilling license is required.

Type	BSEE Permit/Plan Requirement	What is it? Who is required to have it?	When is it required?	How does the Netherlands Compare to BSEE Scope?
Devel	Deep Water Operations Plan (DWOP)	Required for operators with: <ul style="list-style-type: none"> <li>• deepwater development projects; or</li> <li>• any development projects which will use non-conventional production or completion technology, regardless of water depth.</li> </ul>	The DWOP consists of two parts: a Conceptual Plan and the DWOP: <ul style="list-style-type: none"> <li>• The Conceptual Plan is required before completing any production well or installing the subsea wellhead and well safety control system.</li> <li>• The DWOP is required before production.</li> </ul>	Work Plans for all activities covering a 5 year period must be submitted; content not evaluated for similarity.
Leasing	Lease Suspension Request	Operators may request a suspension, which will either take the form of Suspensions of Operations (SOO) or Suspensions of Production (SOP).	Before the end of the lease term (i.e., end of primary term, end of the 180-day period following the last leaseholding operation, and end of a current suspension)	Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Leasing	Competitive Reservoir Determination Request	Optional request for preliminary determination by the Regional Supervisor as to whether a reservoir is competitive		Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Leasing	Voluntary Unitization Proposal or Unit Expansion	Optional request for voluntary unitization or expansion of a previously approved voluntary unit to include additional acres		Different. Unit expansion to amend a license for a larger area is NOT allowed.
Drill?	Temporary Storage Request	Operators must obtain approval of the method of disposal of drill cuttings, sand, and other well solids		Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Prod	Surface Commingling Application		Before commencing the commingling of production or making any changes to previously approved commingling procedures	Have not found comparable provisions to BSEE Scope in Netherlands regulations.
Prod	Production Approvals (Special Cases)		The following production activities require approval: <ul style="list-style-type: none"> <li>• production within 500 feet of a unit or lease line;</li> <li>• production of gas-cap gas from an oil</li> </ul>	Have not found comparable provisions to BSEE Scope in Netherlands regulations.

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			reservoir with an associated gas cap; • downhole commingling hydrocarbons; • flaring and venting gas; and • enhanced oil and gas recovery operations.	
Prod	Facility Safety System Application (i.e. Production Safety System Application)	Required for surface production-safety systems	Prior to installation	Similar; time bound. A Disaster Control Plan must be submitted at least 4 weeks prior to operating facility; if Ministry does not respond within 4 weeks permission is deemed granted
Platform	Platform Approval Program Application		Before the following circumstances: • installation of a platform; • major modification to any platform; • major repair of damage to any platform; • converting an existing platform at the current location for a new purpose; and • converting an existing mobile offshore drilling unit (MODU) for a new purpose.	Similar. A permit is required.
Platform	Platform Verification Program Plans/Documentation	The following kinds of platforms are subject to the Platform Verification Program: • floating platforms; • platforms of a new or unique design; • platforms in seismic areas; and • platforms located in deepwater or frontier areas.	For any platform subject to the Platform Verification Program, the following are also subject to the program: the conversion of that platform at that same site for a new purpose, or making a major modification of, or major repair to, that platform.	Similar; time bound. A Disaster Control Plan must be submitted at least 4 weeks prior to operating facility; if Ministry does not respond within 4 weeks permission is deemed granted
Pipeline	Pipeline Application		Before: • Installation, modification, or abandonment of a lease term pipeline; • Installation or modification of a right-of-way (other than lease term) pipeline; or • Modification or relinquishment of a pipeline right-of way. (250.1000)	Similar. A permit is required.

Type	BSEE Permit/Plan Requirement	What is it? Who is required to have it?	When is it required?	How does the Netherlands Compare to BSEE Scope?
Pipeline	Right-of-way (ROW) Assignment	Application for approval of an assignment of a ROW or of a lineal segment thereof		Have not found comparable provisions to BSEE Scope in Netherland regulations.
Pipeline	Pipeline Repair Application/Plan	Lessees or ROW holders must notify BSEE about repairs of pipelines or pipeline components and submit a detailed report after the completion of repairs	Before the repair of any pipeline or as soon as practicable. Report must be submitted within 30 days after completion of the repairs.	Time Bound. Lessees must notify immediately upon need for repairs and take pipeline out of service to conduct them. Must notify Ministry at least 2 weeks prior to return to service; if Ministry does not respond within 2 weeks, permission is deemed granted.
Pipeline	Pipeline Right-Of-Way Grant Application		Before installation of a right-of-way pipeline (250.1000, 250.1009)	Time Bound. Lessees must apply at least 8 weeks prior to beginning construction; if Ministry does not respond within 8 weeks, permission is deemed granted.
Spill	Oil Spill Response Plan (OSRP)	<ul style="list-style-type: none"> <li>• Describes plans for responding to an oil spill, as well as training, equipment testing, and periodic drills</li> <li>• Required for owners or operators of: <ul style="list-style-type: none"> <li>o oil handling, storage, or transportation facilities located seaward of the coast line;</li> <li>o abandoned facilities until they are physically removed or dismantled, or the Regional Supervisor provides notification that the plan is no longer required; or</li> <li>o offshore pipelines carrying oil, condensate that has been injected into the pipeline, or gas and naturally occurring condensate (not required for operators with essentially dry gas).</li> </ul> </li> </ul>	Before operating a facility (or while BSEE reviews the plan, if there are appropriate certifications)	Similar; time bound. A Disaster Control Plan must be submitted at least 4 weeks prior to operating facility; if Ministry does not respond within 4 weeks permission is deemed granted.

Type	BSEE Permit/Plan Requirement	What is it? Who is required to have it?	When is it required?	How does the Netherlands Compare to BSEE Scope?
Decom mis	Site Clearance Waiver	For well sites, platforms, and other facility sites, operators must submit an APM to BSEE with specified information about site clearance	30 days after the completion of verification activities	Time Bound. Lessees must apply at least 8 weeks prior to beginning removal; if Ministry does not respond within 8 weeks, permission is deemed granted.
Decom mis	Structure Removal Application	For leases and pipeline ROWs in the Pacific OCS Region and Alaska OCS Region, operators must submit an initial platform removal application		Time Bound. Lessees must apply at least 8 weeks prior to beginning removal; if Ministry does not respond within 8 weeks, permission is deemed granted.

References:

- <http://www.irffshoresafety.com/country/Netherlands.aspx>
- <http://www.sodm.nl/english/legislation-and-regulations>