OCS Workshop
February 2, 2012

Lars Herbst, Gulf of Mexico Regional Director
Agenda

- Reorganization
- Regulations and NTLs
- Well Permitting
- Preparing for the future of offshore oil and gas
Reorganization

- October 2010 – Office of Natural Resources Revenue
- October 2011 – Bureau of Ocean Energy Management
- October 2011 – Bureau of Safety and Environmental Enforcement
BSEE is responsible for regulatory, safety, environmental and conservation compliance for the development of the nation’s offshore oil and gas and renewable energy resources.

Functions:
- regulations
- inspection and enforcement program
- permitting
- safety management
- environmental compliance and enforcement
- oil spill response planning
Bureau of Safety and Environmental Enforcement

BSEE Director

- Offshore Regulatory Programs
- Oil Spill Response
- Environmental Enforcement
  - Alaska OCS Region
  - Gulf of Mexico OCS Region
  - Pacific OCS Region
District Offices Organization

- With establishment of BSEE, District Offices have separate sections
  - Well Operations
  - Production

- District Offices report to District Field Operations Office in the Region, separate from Regional Field Operations

- District Field Operations Office in the Region will have District Operations Unit to assist in permitting functions
Regulations and NTLs

- **Interim Final Rule**, also called *Drilling Safety Rule*
  - well bore integrity and well control equipment (BOPs)

- **NTL-N10, Subsea Containment**
  - *Statement of Compliance with Applicable Regulations and Evaluation of Information Demonstrating Adequate Spill Response and Well Containment Resources*, effective 11-8-10.
  - Regional staff have worked with containment companies.
  - Well containment screening tool has been developed.

- **Safety & Environmental Management System (SEMS)**
  - All operators must be in compliance by November 15, 2011.
  - Operators’ upper management held accountable for success of SEMS Program

- **SEMS II**
  - Supplements operators’ SEMS programs with employee training, safety management and audit procedures.
All future regulations will be developed using the Proposed Rulemaking procedures.
<table>
<thead>
<tr>
<th></th>
<th>All water depths</th>
<th>Water Depth Less 500ft. since 6/2010</th>
<th>Water Depth equal to or greater than 500 ft. since 10/2010</th>
<th>Deepwater permits that meet NTL-N10 req.</th>
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<tbody>
<tr>
<td>Permits Submitted</td>
<td>1139</td>
<td>743</td>
<td>396</td>
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<td>Permits Approved</td>
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<td>680</td>
<td>315</td>
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<td>Pending</td>
<td>77</td>
<td>25</td>
<td>52</td>
<td>50</td>
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Rigs & Non-Rig Units: Deepwater

Comparison: # of rigs & non-rig units operating in deepwater

- 2009
- 2010
- 2011
Preparing for the Future

Utilizing knowledge & lessons learned from:

- Deepwater Operations Plans
- Accident Investigations
- Advisory committees (Ocean Energy Safety Advisory Committee)
- Other efforts addressing recommendations from Deepwater Horizon investigations and reviews
Preparing for Future Activity

New Deepwater Development Projects:
- Jack- St. Malo
- Mars B
- Big Foot
- Lucius/Hadrian
- Stones
- Who Dat
- Tubular Bells
- Kaskida (appraisal)
- Tiber (appraisal)

Shelf Deep Gas Development

Davy Jones +
Meeting the Enforcement Challenges

- Specialization of inspectors
  - Witnessing BOP and secondary control systems
- Environmental enforcement
- Enhanced aircraft capability
- Potential regulatory changes from accident investigations
Thank you for your attention.