Louisiana Mid-Continent
Oil & Gas Association
Annual Meeting

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February 21, 2013
Overview

• Regulatory Priorities
• Offshore Activity
• Platform Decommissioning
• Safety at all levels – at all times
  – Safety Culture Policy
  – SEMS
Recent Regulations

• Enhanced Drilling Safety
  – Drilling Safety Rule
  – Subsea containment
  – New standards for well design, casing, & cementing

• Enhanced Workplace Safety
  – Performance-based standards
  – Safety & Environmental Management Systems
Regulatory Priorities

- SEMS II
- Next-generation blowout preventers
- Production safety systems/lifecycle analysis
Offshore Activity

• Permitting has increased significantly in past two years.
• 112 Deepwater New Well Permits issued in 2012; most in over seven years.
• Over 2,000 permits issued since new safety standards implemented.
• 53 GOM rigs vs. 42 on average in 2009
• Companies are obligated to remove infrastructure:
  - Within one year after lease expires
  - When company determines there is no future use
• Regulated by 30 CFR 250, Subpart Q
• Notice to Lessees (Sept 2010) – clarified “no longer useful operations”
  - Removal required 5 years after determination
  - NTL did not change requirements
Platform Decommissioning

• Departure from regulatory requirements
  – BSEE can grant a departure from removal requirements providing reefing criteria are met
    • Benefits the environment/economy
  – “Rigs to Reefs” policy allows for reefing of certain oil and gas platforms in state-designated reefing areas
    • Some platforms can be reefed in place
  – Since 2005, on average, 12% of platforms decommissioned annually have been reefed
Platform Decommissioning

• Interagency Stakeholder Forum on Decommissioning/Rigs-To-Reef
  - BSEE, BOEM, NOAA, USCG, EPA, USACE

• Stakeholder Meetings
  - Part 1: November 16, 2012 in Houston, TX – informational meeting
  - Part 2: February 21, 2013 in New Orleans, LA – focus on BSEE policy & Rigs-To-Reef parameters
Safety Culture Policy

• Draft policy statement published in the Federal Register on December 20, 2012
• Comment period open until March 20, 2013
• Modeled after the Nuclear Regulatory Commission’s safety culture policy statement
Nine characteristics of a robust safety culture:

- Leadership safety values and actions
- Problem identification and resolution
- Personal accountability
- Work processes
- Continuous learning
- Environment for raising concerns
- Effective safety communication
- Respectful work environment
- Inquiring attitude
• Moving beyond compliance
  - Goal: Improve industry safety culture
  - Only SIX potential incidents of non-compliance (pinc) on the pinc list
  - Focusing on implementation rather than enforcement
  - Operator-driven safety program with BSEE oversight
The Way Ahead