

# MMS Regulatory Update and Current Directions

Gulf Coast Safety & Training Group  
Lafayette, LA  
May 9, 2008

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# Agenda

- Statistics
- Civil Penalties
- Subpart O
- Incident Reporting
- Idle Iron
- NTLs



# GOM Safety Statistics

	2002	2003	2004	2005	2006	2007	2008
Fatalities	6	10	3	5	10	4	10
Injuries	55	39	41	54	111	333	67
Blowouts	6	4	4	4	1	7	4
Collisions	12	14	19	19	21	14	9
Fires	93	104	64	78	133	103	27
Significant Pollution	12	11	22	4	11	2	0

TIMS data as of 04/30/08

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# GOM Region Production

	2004	2005	2006	2007	2008
Warning INCs	1648	1268	1126	1149	261
Component SI INCs	1356	1030	1155	1040	209
Facility SI INCs	81	81	95	91	22
Total INCs	3085	2379	2376	2280	492
Components Inspected	58694	54926	47144	46323	12437
INC/Component Ratio	.05	.04	.05	.05	.04

TIMS data as of 04/30/08

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# GOM Region Drilling

	2004	2005	2006	2007	2008
Warning INCs	79	93	124	94	20
Component SI INCs	15	26	80	31	4
Facility SI INCs	25	33	40	30	1
Total INCs	119	152	244	155	25
Rig Inspections	1278	1292	1183	999	255
INC/Inspection Ratio	.09	.12	.21	.16	.10

TIMS data as of 04/30/08

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# Top Ten INCs

2001	2002	2003	2004	2005	2006	2007
G111	G111	G111	G111	G111	G111	G111
G112	G112	G112	G112	G112	G112	G112
G110	G110	G110	G115	G110	G110	G110
G231	G231	G231	P240	P412	F108	F108
G115	P240	P240	P412	F108	G115	G115
P451	P412	G115	F108	G115	E100	E100
P406	P103	P406	G110	E100	P412	P412
P412	G115	P241	E100	Z185	P102	P280
P240	P411	P422	Z120	E102	P470	P470
P283	P431	P103	Z125	P240	E102	Z100

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# Civil Penalty Program

	2004	2005	2006	2007*
Total Cases	32	28	41	45
Paid	27	20	38	35
Dismissed	5	8	3	5
Total INCs	35	25	88	94
Total Collected	\$953,750	\$548,000	\$2.45MM	\$2.8MM
Assessment Amount (Avg \$/INC/day)	\$11,190	\$11,460	\$10,710	\$15,618 <sup>^</sup>

\* Five cases pending

<sup>^</sup> CPI adjustment 3/2007

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# Top Five INCs for Civil Penalty

2004	2005	2006	2007
P103 - 15	P103 - 11	P103 - 21	P103 - 24
G110 - 3	G110 - 5	G110 - 10	G112 - 13
G111- 2	G112 - 1	P307 - 10	G110 - 10
P130 - 2	G111 - 1	P308 - 10	E103 - 4
P283 - 2	E102 - 1	P301 - 6	E100 - 3



# Civil Penalty INCs

- P130 – Operable Firefighting System
- P283 – Tubing Plug Inspection & Test
- P307 – SSV Inspection & Test
- P308 – FSV Test
- P301 – PSH Test
- E103 – Automatic Sump System
- E100 – Pollution Prevention & Reporting
- E102 – Curbs, Gutters, & Drip Pans

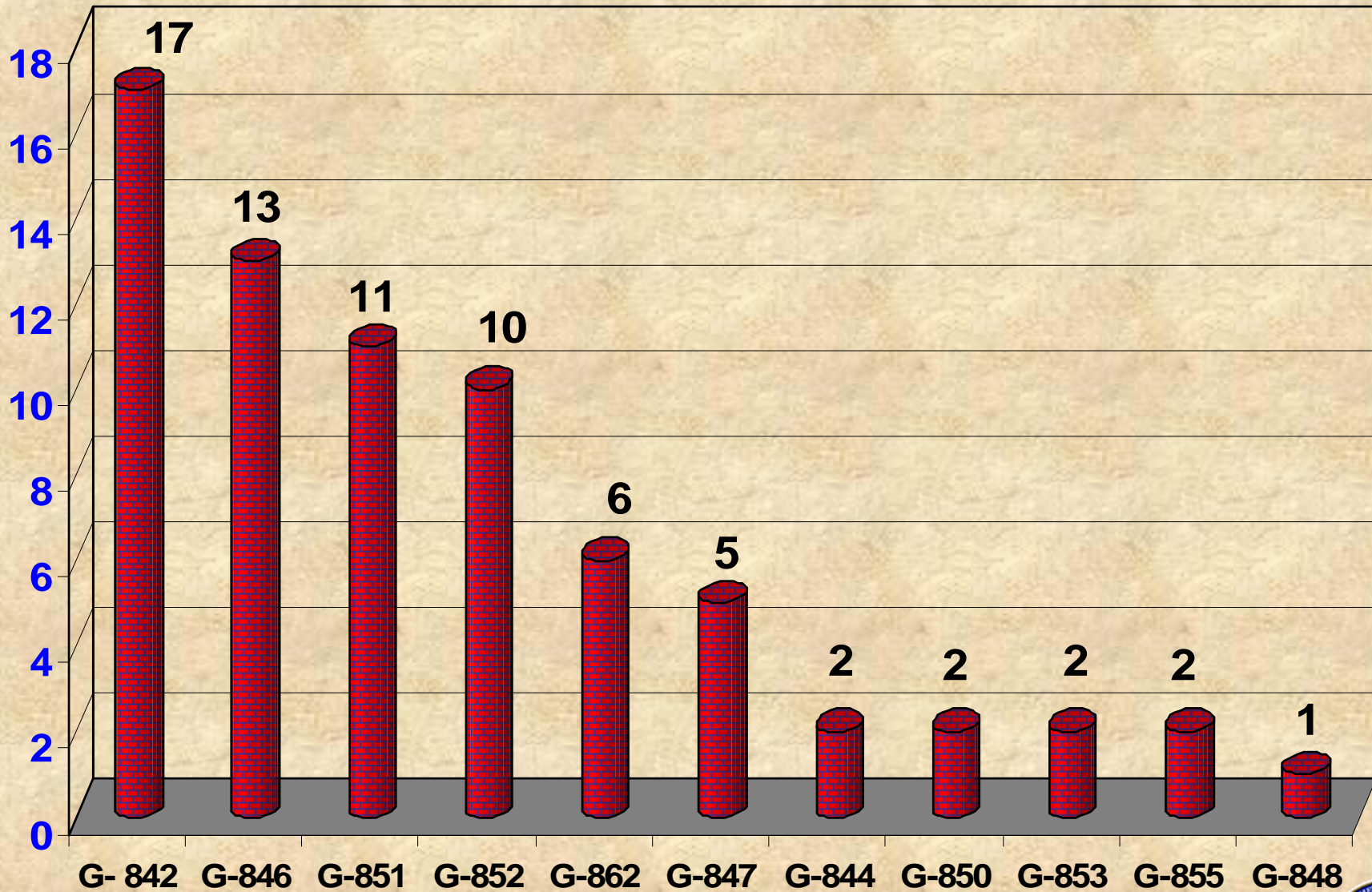


# Subpart O

- Rule in effect since 10/15/2002
- Performance based regulation
- Audits, interviews, testing used to gauge industry compliance
- 118 Audits (OCS wide)
- 71 INCs
- 10 Written tests
- 36 Oral tests



# Subpart O INCs



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# Subpart O

- NTL 2008-N03 clarifies –
  - Definitions
    - Internal audits
    - Production safety
    - Periodic
    - Contractor
  - Lessee responsibilities w/r/t contractors
  - Lessee evaluations of contractor training programs and verification of contractor employees
  - Lessee responsibilities w/r/t direct employees
  - Testing

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# Incident Reporting

- New Rule effective July 17, 2006
- NTL 2008-G02 attempts to clarify reporting requirements
  - Definitions
    - Crane or personnel/material handling incidents
    - Fire
    - Muster incident
    - Reportable injuries
    - Injuries that require evacuation “for the purpose of receiving medical treatment
  - Encourages the use of the E-well reporting system



# Idle Iron

- MMS is focused on facilities that are no longer useful for operations or wells that are not useful for lease operations and are not capable of oil, gas, or sulphur production in paying quantities.
- MMS has started enforcing the plugging and abandonment of wells that have been inactive for an amount of time that is considered no longer useful for lease operations.



# Idle Iron

- MMS is tracking platforms and facilities that have a surface location on expired or terminated leases.
- E-mails were sent out to notify operators of the obligation to remove these platforms within 1 year after the lease terminates.
- In order for MMS to consider for approval of a time extension on terminated leases:
  1. A RUE or ROW proving future utility.
  2. Time extensions will be approved providing that a signed contract has been entered into with an abandonment contractor to perform the work.
  3. The specific date (day, month, year) through which you are requesting the time extension to be granted.
  4. A schedule to ensure that the completion of the well and platform abandonment and site clearance



# Latest NTLs

- 2008-G05, Shallow Hazards Program, May 1, 2008
- 2008-G04, Information Requirements for Exploration Plans and Development Operations Coordination Documents, May 1, 2008
- 2008-G03, Pollution Inspection Intervals for Unmanned Facilities, April 14, 2008,



# Latest NTLs

- 2008-N03, Well Control and Production Safety Training, March 31, 2008,
- 2008-G02, Incident and Oil Spill Reports, March 31, 2008,
- 2008-N04, Performance Measures for OCS Operators and Form MMS-131 March 12, 2008
- 2008-N02, Outer Continental Shelf (OCS) Inspection Program, March 1, 2008



# Upcoming NTLs

- COOP operations during hurricane season
- Jack-up issues and 95J during hurricane season
- Moored rigs and 2SK for the 2008 hurricane season.





**Thank You**

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