



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

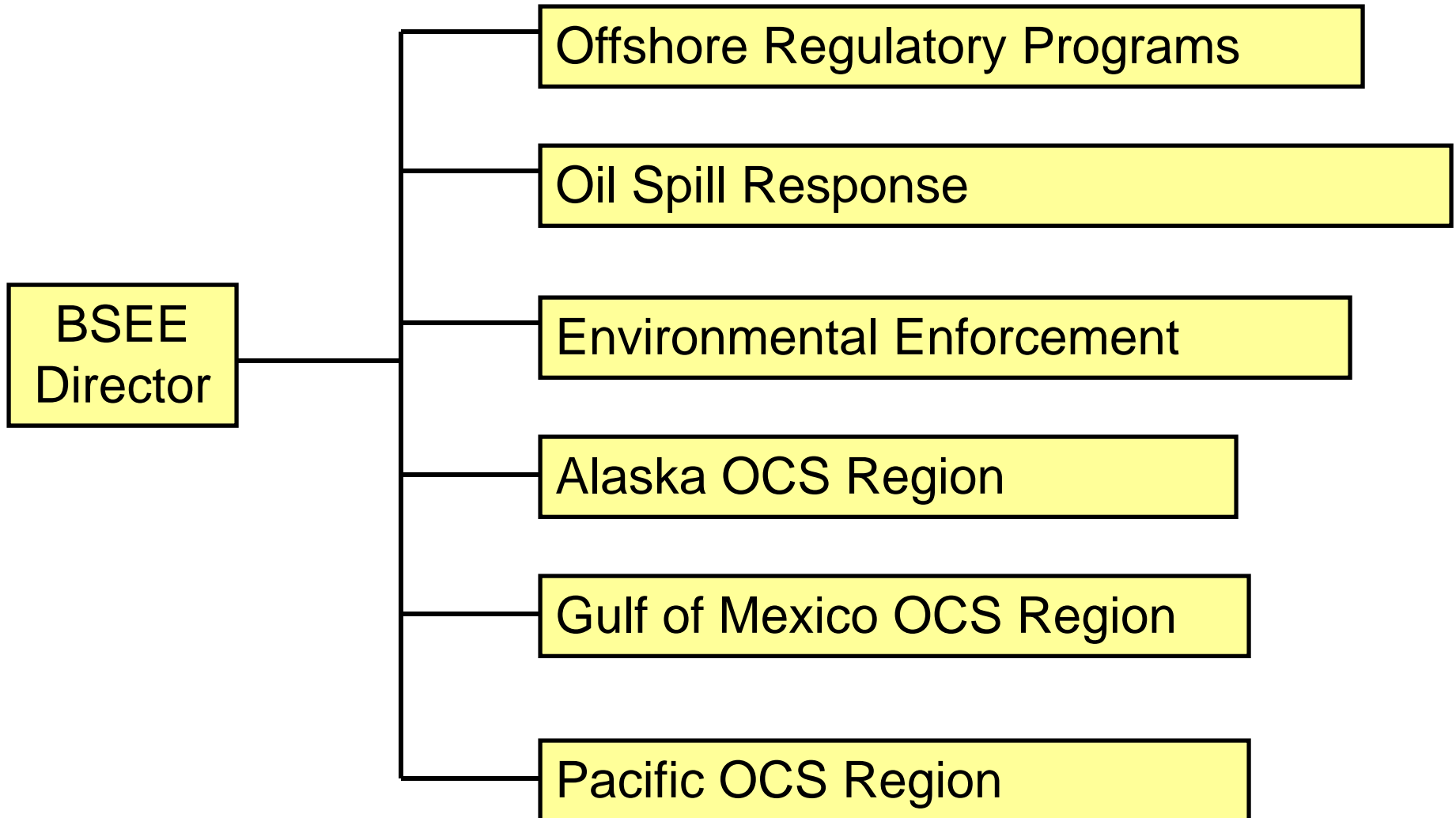


- June 2010 – Minerals Management Service renamed Bureau of Ocean Energy Management, Regulation and Enforcement
- October 2010 – Office of Natural Resources Revenue
- October 2011 – Bureau of Ocean Energy Management
- October 2011 – Bureau of Safety and Environmental Enforcement



- 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

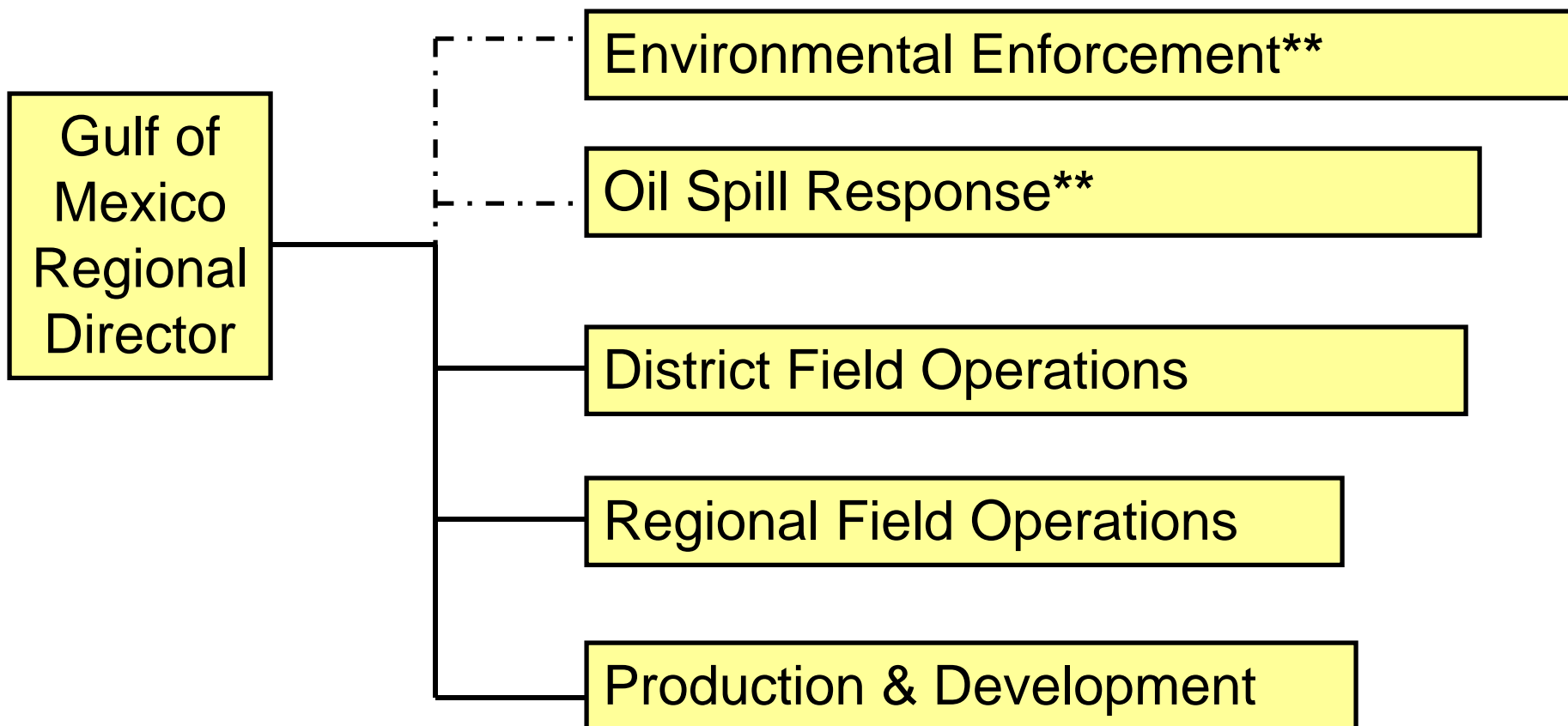
Bureau of Safety and Environmental Enforcement



Bureau of Safety and Environmental Enforcement



****** *reports to Headquarters Office*



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.

Future Regulations



- **All future regulations will be developed using the Proposed Rulemaking procedures.**

Drilling Permits Update (as of 2/1/2012)

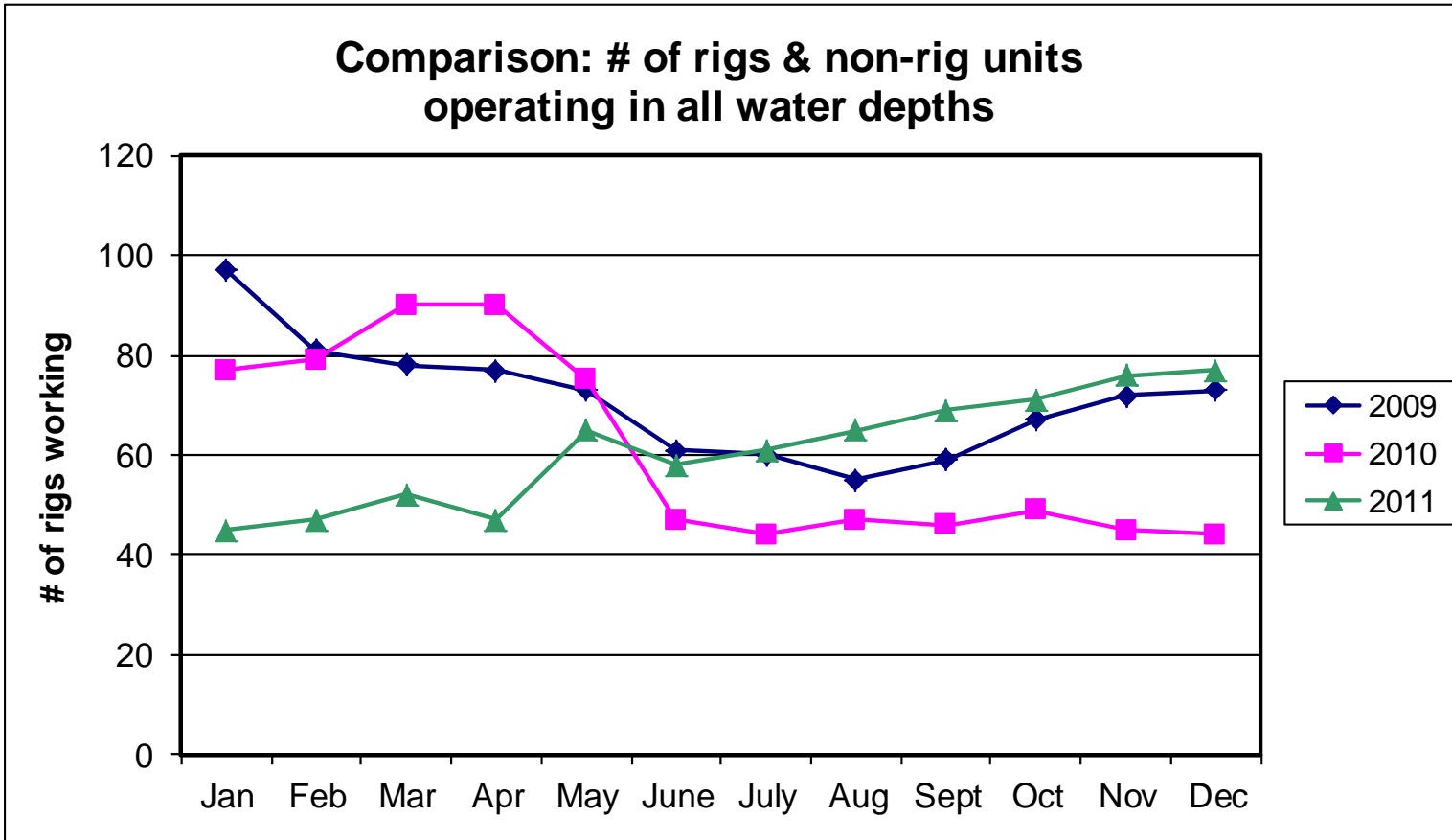


| | All water depths | Water Depth Less 500ft. since 6/2010 | Water Depth equal to or greater than 500 ft. since 10/2010 | Deepwater permits that meet NTL-N10 req. |
|--------------------------|-------------------------|---|---|---|
| Permits Submitted | 1139 | 743 | 396 | 329 |
| Permits Approved | 995 | 680 | 315 | 255 |
| Pending | 77 | 25 | 52 | 50 |

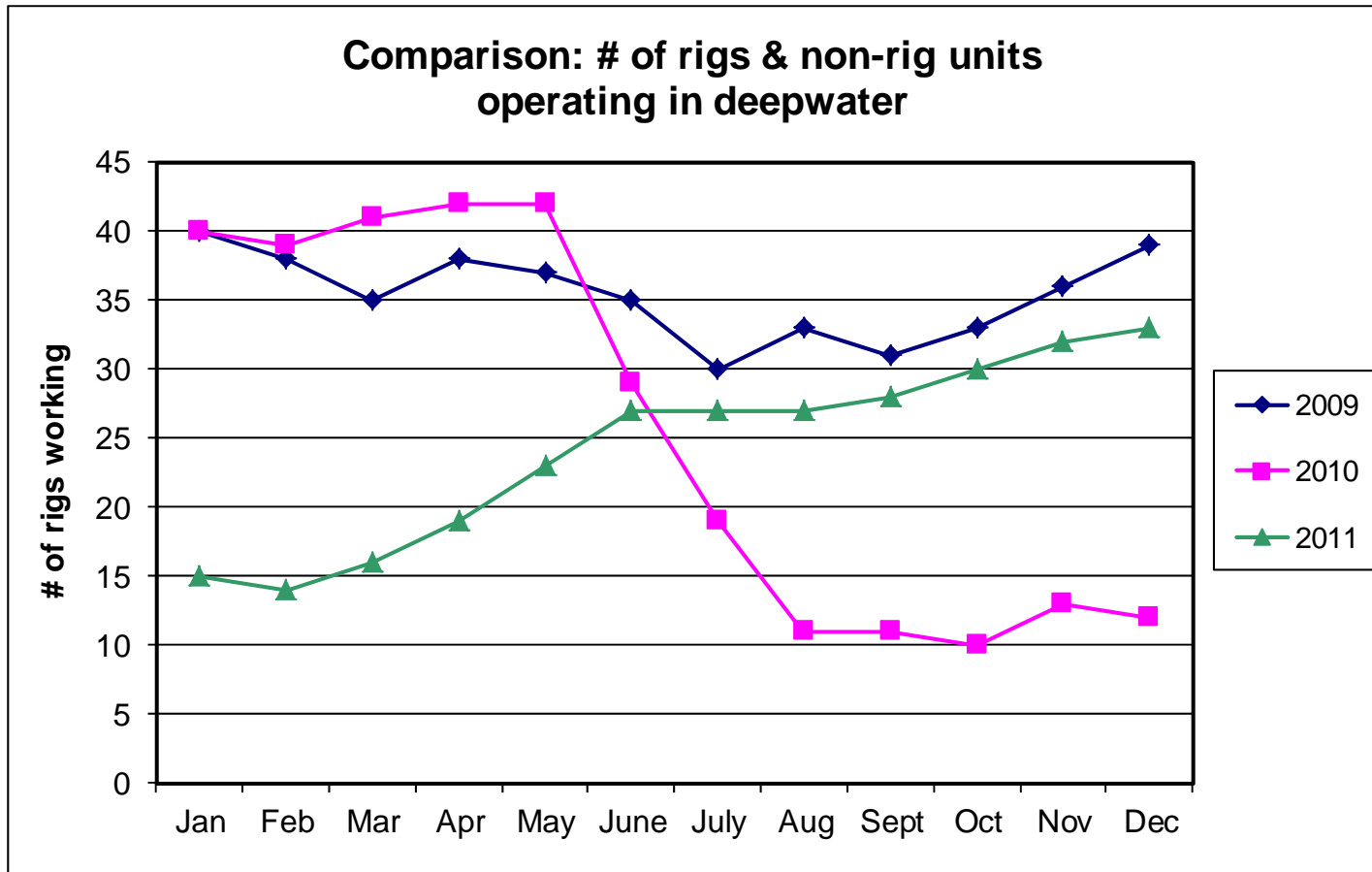
Rigs & Non-Rig Units: All Water Depths



Comparison: # of rigs & non-rig units operating in all water depths



Rigs & Non-Rig Units: Deepwater



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.