



Bureau of Safety and Environmental Enforcement

Offshore Regulatory Oversight on the U.S. Arctic Outer Continental Shelf

Michael Farber, Senior Advisor, Bureau of Safety and Environmental Enforcement (BSEE)

“To promote safety, protect the environment and conserve resources offshore through vigorous regulatory oversight and enforcement.”

1953

Stepping Into a Time Machine . . .



Outer Continental Shelf Lands Act

Authority to Develop Resources

- The Outer Continental Shelf (OCS) is a vital national resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs.



4

Outer Continental Shelf Lands Act

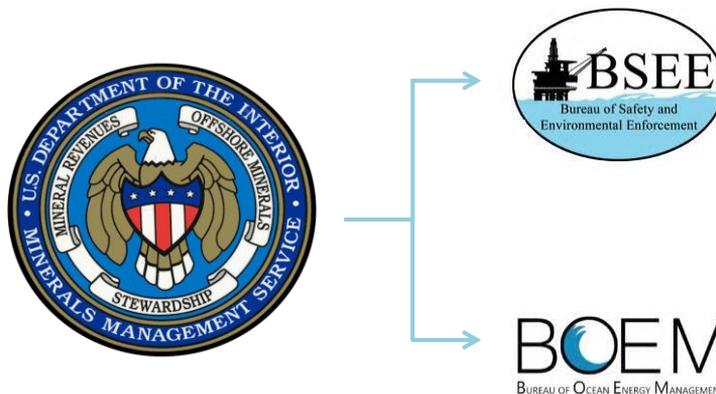
Authority to Ensure Safe and Environmentally Responsible Operations

- Operations in the OCS should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health.

5

Post-Macondo Reforms

Dividing Responsibilities – Mission Driven

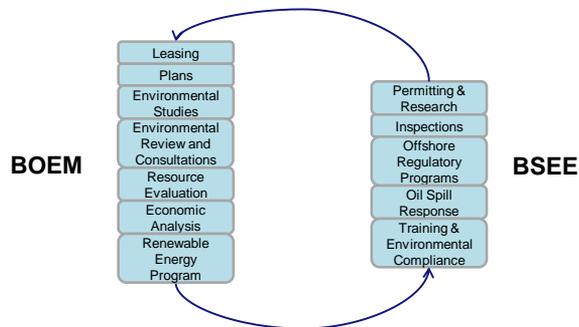


6

BOEM and BSEE

Interagency Partnership

- BOEM conducts offshore oil and gas planning, leasing, geological resource assessment, environmental reviews and studies, G&G permitting, exploration and development plan review, and fiscal/economic reviews.
- BSEE oversees safety regulation and enforcement, environmental enforcement, oil spill response preparedness, and decommissioning for offshore exploration and development.



7

BOEM and BSEE

Activities in the Arctic Council

- BOEM & BSEE have been involved in the work of the Council since its formation in 1996:
 - Arctic Offshore Oil and Gas Guidelines (1997, updated 2002, 2009)
 - Arctic Marine Shipping Assessment (2009)
 - Oil and Gas Activities in the Arctic—Effects and Potential Effects (2010)
 - Recommended Practices for Pollution Prevention (2013)
 - Identification of Arctic Marine Areas of Heightened Ecological and Cultural Significance (2013)
 - Arctic Marine Strategic Plan 2004–2014
 - Arctic Offshore Oil and Gas Guidelines: Systems Safety Management and Safety Culture, Avoiding Major Disasters in the Arctic Offshore Oil and Gas Operations (2014).



8

BSEE Regulatory Program

- Moving toward a hybrid regulatory system
 - Prescriptive
 - Performance-based
- Incorporation of industry standards
- Requirements for plans and permits



9

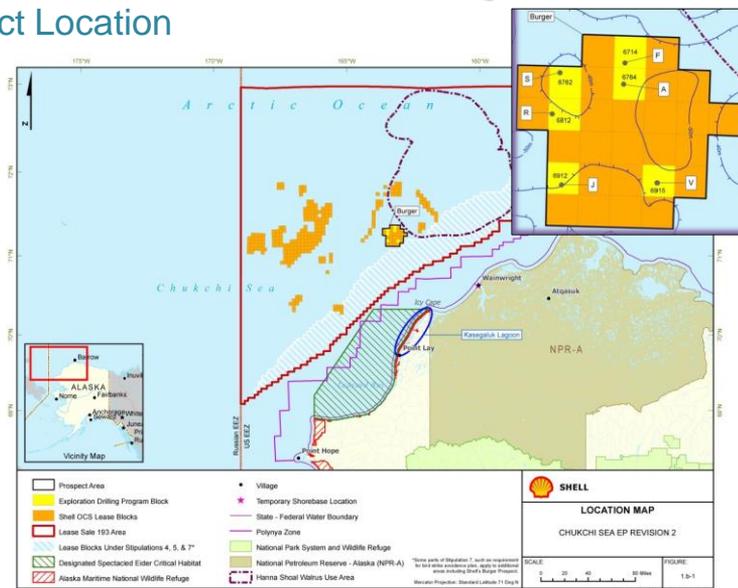
Development of Arctic Regulation

U.S. Regulatory Proposal for Alaskan Arctic OCS Exploratory Drilling

- Operations suitable for Arctic conditions
- Integrated operations plan
- Source control containment equipment
- Access to separate relief rig
- Ice management
- Contractor oversight
- Arctic Oil Spill Response Plan (OSRP)



Shell – 2015 Chukchi Sea Program Project Location



Source: Shell Gulf of Mexico, Revised Outer Continental Shelf Lease Exploration Plan Chukchi Sea, Alaska (Rev 2 March 2015)



Transocean Polar Pioneer on the
Heavy-lift Transport Blue Marlin
Port Angeles, WA, USA
April 17, 2015

11

Source: BSEE Files

Summary of Oversight of Shell Operations

2015 Drilling Season

- BSEE inspectors present on drilling rigs during all drilling operations (24/7).
- Requirement to have access to source control and containment equipment (capping stack and containment system).
- Dedicated rig to drill a relief well in unlikely event of a blowout.
- Allowing for enough time for a dedicated rig to drill a relief well and depart theater before ice season.
- Oil Spill Response Plan detailing equipment and personnel available and able to respond to a spill.
- Environmental mitigation measures detailed in BOEM approval of Exploration Plan.

12

Summary of Oversight of Shell Operations

(cont'd)

- For marine mammal protection, pursuant to U.S. Fish and Wildlife regulations, limitations on conducting drilling operations on one rig within 15 miles of a second rig.
- Audit of operations during the drilling season (including management and oversight of contractors).
- Weekly operations updates provided to BSEE/BOEM management.
- Limits on drilling operations during periods that capping stack was unavailable (Fennica vessel problems).
- Thorough review of drilling plan submitted by Shell, including assessment of well casing design, equipment design, testing procedures, and safety protocols.

13

Shell Operations

2015 Drilling Season

- Shell demonstrated improvements to oversight of contractors, improved infrastructure (Shell's offshore operations and its command center in Anchorage), monitoring improvements, and coordination with BOEM/BSEE.
- As we all heard late last month, Shell's drilling operations yielded disappointing results.
- The Company has announced that it will not conduct operations in the Chukchi "for the foreseeable future."

14

International Regulators' Forum

2015 Offshore Safety Conference

- BSEE is hosting an offshore safety conference, yesterday and today, on mitigating risks.
- The conference brings together subject matter experts on risk from a cross-sections of industries and professional disciplines.
- BSEE is leading the development of robust safety cultures within both government and industry.
- One of our primary goals is improving processes and empowering personnel to "speak up."



International Regulators' Forum
GLOBAL OFFSHORE SAFETY

15

Where to View BSEE Regulations

Links

- www.regulations.gov
 - View rulemaking documents
 - Input public comments
- Electronic Code of Federal Regulations (ecfr)
 - <http://ecfr.gpoaccess.gov>
 - Title 30 Part 250
- Federal Register
 - www.federalregister.gov

16

BSEE Website: www.bsee.gov

 @BSEEGov

 BSEEGov

 Bureau of Safety and
Environmental Enforcement

“To promote safety, protect the
environment and conserve
resources offshore through vigorous
regulatory oversight and
enforcement.”