September 14, 2009

Department of the Interior
Minerals Management Service (MS 4024)
Attn: Rules Processing Team (Comments)
381 Elden Street
Herndon, VA 20170-4879

Re: RIN 1010-AD 15; SEMS
FR Vol. 74, No. 115 6-17-09

Ladies and Gentlemen:

Badger Oil Corporation appreciates this opportunity to provide written comments on the subject proposed rule to amend regulations associated with Outer Continental Shelf oil and gas and other mineral operations as published in the June 17, 2009 Federal Register.

Badger fully endorses the comments that have been filed on behalf of industry by the Offshore Operators Committee (OOC) and the American Petroleum Institute (API).

Additionally, Badger has the following comments:

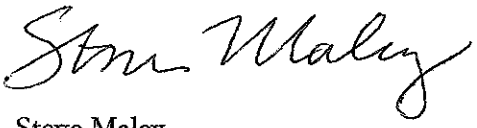
- Badger could support a more focused SEMS program for **production** facility management (excluding MODU operations), preferably one that is voluntary. Such a program, with elements of Hazard Analysis and Management of Change, probably could be helpful, especially for smaller operators.
- The MMS's incident analysis is fundamentally flawed. Of the 33 incidents studied, fourteen were well control events, seven were lift failures and four were falls. It is difficult to see how a comprehensive SEMS program will address behaviors in these areas that might be more effectively addressed in a more targeted manner.
- The SEMS approach is more applicable to production facilities. MODU, liftboat and coil tubing operations are inherently more hazardous than production facility operations, and lead to more well control incidents.
- MODU, coil tubing and liftboat operations are contracted. Subpart "O" already requires operators to verify well-control certification of contractor employees. Few operators possess specialized knowledge that would trump the certification of contractor employees.
- MODUs are not "facilities".
- MODUs are by definition *mobile,* and the OIM of the barge is responsible to the Coast Guard for safety during mobilization and demobilization. Decisions regarding rig moves are mostly out of the lessee's hands.

- The final rule must distinguish between "contractor employees" and "contracted employees".
- The job safety analysis/job hazard analysis is the only significant portion of the proposed rule that could affect the behavioral change that is more appropriately identified as the root cause of the incidents reviewed. The MMS Workshop spotlighted confusion among the regulators and the regulated community with respect to JHAs and JSAs.
- Small operators, many of whom are new to OCS operations and not OOC members, will disproportionately feel the burden of compliance, while being less adaptable to the more bureaucratic management style dictated by SEMS. Our company, for example, has 238 years aggregate experience among its seven key operations personnel (an average of 34 years each), a very low turnover rate, and good communication of safety and environmental expectations; therein lies our best shot at safe operations.
- MMS has downplayed the cost of compliance to the small operator. The NOPR suggests that a "$2,500 template" will provide the framework of compliance to the operator, but experience with Subpart "O" has shown that MMS regulators have disdain for a template approach to this aspect of safety management.

I was disappointed that the September 2 MMS Workshop was little more than an industry gripe session. The term "workshop" implies some chance at give-and-take. In an effort to "stay out of the weeds", MMS's participation offered little in the way of clarification of expectations. I was particularly dismayed to hear the opinion put forth that "industry has had a chance to have input since 2003, and it's a little late now" for operators to expect to have substantive input on the final rule. My company has been in business since 1959, but began offshore operations as an operator in late 2003. We joined OOC quite some time after that. There are plenty of companies in our peer group of relatively new, small OCS Shelf operators. This NOPR represents our first and last bite at the apple, and we expect our opinion to be given due consideration.

If you have any questions, please contact me at (337) 233-9200.

Very truly yours,



Steve Maley
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