



September 14, 2009

Department of the Interior
Minerals Management Service (MS 4024)
Attn: Rules Processing Team (Comments)
381 Elden Street
Herndon, VA 20170-4817

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

Ladies and Gentlemen:

W&T Offshore, Inc. (W&T) appreciates this opportunity to provide written comments on the Safety and Environmental Management Systems (SEMS) proposed rule as published in the June 17, 2009 Federal Register.

According to the preamble of the rule, MMS states it has conducted a significant review of the OCS safety issues, determined that a mandatory SEMS program is necessary, and has developed the rule to address concerns that the agency has determined exist. However, W&T does not reach the same conclusion given the actual safety record of OCS operations, particularly when compared to other similar industries engaged in oil and gas exploration and production on land operations (see OOC/API submittal for statistics).

Although the intent of the rulemaking proposes to address major concerns that the agency has regarding OCS safety, W&T has significant concerns that the prescriptive nature of the rule will only serve to create an unnecessary paperwork burden that does not specifically address the root cause of OCS safety-related incidents and, in all likelihood, will fail to achieve the benefits that the agency believes will occur. Unlike recent rule making efforts, the proposed SEMS rule clearly attempts to prescribe rigid new reporting, documentation and record keeping requirements far above current levels, none of which will serve to address the human behavior issues raised by the MMS review of OCS incidents. This proposed action is a major, paperwork-intensive, rulemaking that will significantly impact our business, both operationally and financially, and will bring little benefit towards improving safety of offshore operations. In addition to the unnecessary burden to industry, it will create an additional unwarranted burden to the limited regional MMS staff that will require additional inspector/auditor training and increased workload demands.

The proposed rule is broadly targeted at three critical areas: safety, reliability, and environmental performance. W&T agrees these areas are important to the industry, our customers, the general public, and regulators. With this in mind, W&T would like to know specifically where MMS believes the industry is falling short of expectations in these areas and why the MMS has not included this information in the preamble discussion of the proposed rule.

The proposed rule defines a larger, more proactive role by the MMS in operations activities as well as a significant increase in the amount and technical detail of information that operators would be required to develop, record, and report. However, the agency fails to present evidence that indicates the need for the additional information. W&T is concerned that this expanded MMS role will have a negative impact on critical cycle times in the ongoing permitting and development of the OCS.

W&T Offshore, Inc. fully endorses the comments that have been filed on behalf of industry by the Offshore Operators Committee (OOC) and the American Petroleum Institute (API). We would also offer the following additional comments:

- The US offshore industry has an excellent safety record; while continuous improvement is needed, the proposed regulations are not justified given the available incident data and trends.
- The MMS opinion that the "root cause analysis" points to the need for requiring the four proposed SEMP elements is not supported by the agency's incident analysis. For example, the MMS has included Mechanical Integrity as a requirement element; however, in the preamble of the proposed rule the MMS states "As a result of MMS research conducted on accident panel investigations and reports, incident analysis, and INCs, it appears that equipment failure is rarely the primary cause of the incident or accident".
- 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 majority of incidents reviewed.
- We disagree that a mandated program, as proposed, is needed. The majority of comments that were received on the ANPRM in support of MMS regulatory action came from organizations that do not actually operate on the US Outer Continental Shelf.

- W&T believes that MMS has significantly underestimated the cost of developing and/or revising existing company safety and environmental management programs to be consistent with the proposed rule. We also believe that MMS has dramatically underestimated the major new documentation and reporting burden that the proposed rule imposes on offshore operators.
- MMS should reconsider the need for the proposed rule and reevaluate the cost/benefits of mandating a program that was determined by the agency (in 2003) to be performing well as a voluntary program (API Recommended Practice 75 - Safety & Environmental Management Programs). Alternatively, if MMS insists that the four elements of API RP 75 as proposed by the SEMS rulemaking should be mandatory, W&T would propose that a new Subpart S is not justified, but that the desired mandate could be accomplished by a revision of 30 CFR 250.107 (see attached proposed language).

The limited comment period provided by MMS for industry's response to such a significant formal rulemaking did not allow W&T to develop detailed comments on the various parts of the proposed rule. As such, we would recommend that further discussions with industry be carried out prior to any final rulemaking on the issue. We believe that the best approach to achieving an effective rulemaking would be to suspend the current regulatory process and that any future SEMS regulations only be considered following discussions with the regulated community regarding the need and potential impacts of various regulatory approaches.

Thank you again for the opportunity to provide comments on the proposed SEMS rule. Should you have any questions or require further explanation of the comments contained herein, please do not hesitate to contact the undersigned at (713) 624-7338 or via e-mail bstong@wt offshore.com.

Very truly yours,

W&T OFFSHORE, INC.



Bea Stong
Health, Regulatory & Environmental Manager

Enclosure (1)

§ 250.107 What must I do to protect health, safety, property, and the environment?

(a) You must protect health, safety, property, and the environment by:

- (1) Performing all operations in a safe and workmanlike manner; and
- (2) Maintaining all equipment and work areas in a safe condition

(b) You must immediately control, remove, or otherwise correct any hazardous oil and gas accumulation or other health, safety, or fire hazard.

(c) You must use the best available and safest technology (BAST) whenever practical on all exploration, development, and production operations. In general, we consider your compliance with MMS regulations to be the use of BAST.

(d) The Director may require additional measures to ensure the use of BAST:

- (1) To avoid the failure of equipment that would have a significant effect on safety, health, or the environment;
- (2) If it is economically feasible; and
- (3) If the benefits outweigh the costs.

(e) You must have a safety and environmental management program in accordance with the American Petroleum Institute's Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities (API RP 75), incorporated by reference as specified in 30 CFR 250.198.

(1) At a minimum, your safety and environmental management program must include:

(i) Hazards Analysis. You must perform a hazards analysis for all OCS facilities to identify, evaluate, and, where unacceptable, reduce the likelihood and/ or minimize the consequences of uncontrolled releases and other safety or environmental incidents. Human factors should be considered in this analysis.

(ii) Management of Change. You must establish procedures to identify and control hazards associated with change and maintain the accuracy of safety information.

(iii) Operating Procedures. You must have written facility operating procedures designed to enhance efficient, safe, and environmentally sound operations.

(iv) Mechanical Integrity. You must ensure that procedures are in place and implemented so that critical equipment for any OCS facility is designed, fabricated, installed, tested, inspected, monitored, and maintained in a manner consistent with appropriate service requirements, manufacturer's recommendations, or industry standards.

(v) Documentation. You must establish a documentation system to ensure that records and documents are maintained in a manner sufficient to implement your safety and environmental management program. Records or documentation may be in either paper or electronic form. You must make this documentation available for MMS inspection upon request.