



Forums on Offshore Drilling

Offshore Drilling and Workplace Safety

Houston, Texas
September 7, 2010



Purpose of the Forums

The current suspension of deepwater drilling is in effect until November 30, 2010, or until such earlier time as the Secretary determines that deepwater drilling operations can proceed safely with robust health and environmental protections in place.

Secretary Salazar directed BOEM to collect public and expert input about the following three issues pertaining to deepwater drilling activities:

1. Drilling and workplace safety.
2. Wild well intervention and containment techniques.
3. Oil spill response capabilities for offshore drilling and production facilities.

A purpose of the forums is to identify whether any modifications to the scope or duration of the deepwater drilling suspensions is warranted, based on the risks associated with specific types of operations.

We want to hear from you. Please fill out a comment card or submit your comments at www.BOEMRE.gov/forums



The Importance of Deepwater Drilling

- Tens of thousands of workers are employed in the Gulf of Mexico offshore oil and gas industry.
- Domestic energy production is important to the health of the economy, energy independence and national security.
- The Gulf of Mexico currently accounts for 30% of domestic oil production and 12% of domestic natural gas production.

The Importance of Drilling Safely : What is at Risk?

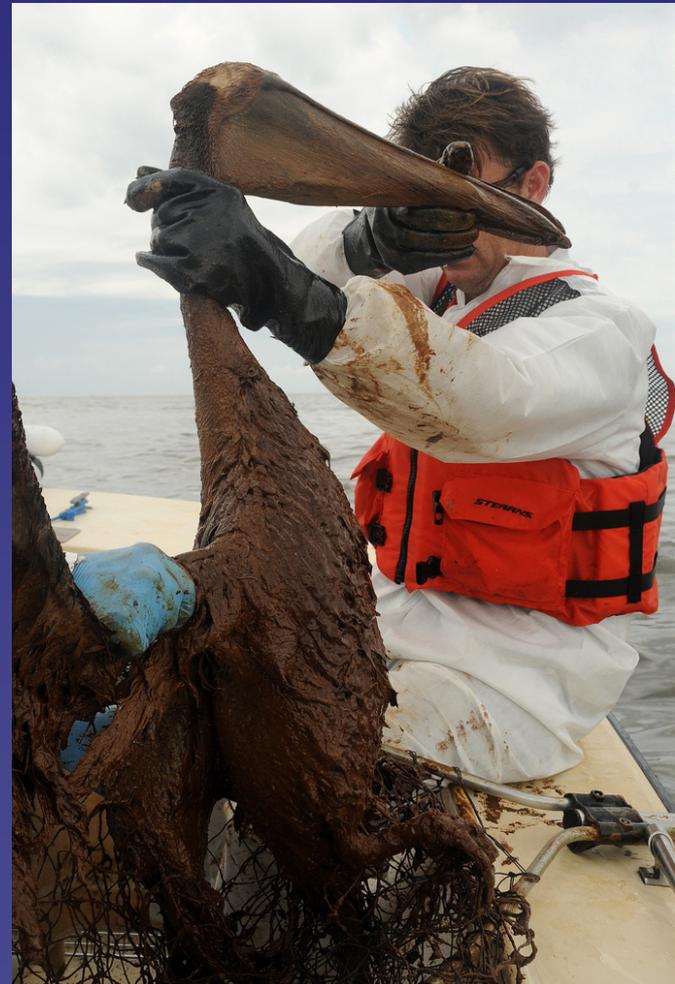


Deepwater spills have a devastating impact on:

- Fishing and shrimping
- Tourism
- Wildlife
- The ocean and coastal environments
- Local communities

The Impact of the Deepwater Horizon Oil Spill

- 11 rig workers died in the Macondo well blowout and fire.
- The Deepwater Horizon oil spill has had a dramatic effect on the ocean and coastal environments in the Gulf of Mexico.
- Hundreds of miles of shoreline and wetlands in the Gulf states have been affected by the Deepwater Horizon oil spill.
- The entire Gulf ecosystem will be affected, including marine plankton, fish and shellfish, birds, marine mammals, and other wildlife.
- The Deepwater Horizon oil spill also has had a major impact on the fishing, shrimping, tourism, commercial retail and other industries in the Gulf of Mexico region.



Safety Lessons from Deepwater Horizon

- The Deepwater Horizon incident has highlighted the need to improve the industry's offshore drilling safety practices and procedures.
- While the various causes of the Deepwater Horizon incident have not yet been finally determined, many issues have emerged, including:
 - Well design and construction: the type of casing used by BP and the process of cementing the well have been questioned and criticized.
 - Well control equipment: the BOP failed to function properly.



BOEM's New Safety Regulations

- April 30, 2010, Safety Alert containing a number of preliminary recommendations for operators and drilling contractors in the Gulf of Mexico.
- NTL-05 implementing certain safety measures outlined in the Department of Interior's 30-Day Report, such as:
 - Certification requirements for BOPs;
 - Requirements related to intervention capabilities of secondary control systems, such as remotely operated vehicles (ROVs);
 - Deadman systems and autoshear requirements;
 - Casing and cement design and casing installation procedures;
 - Compliance certifications;
 - Improvements of offshore inspection and regulation programs.
- Interim Final Rule that will establish additional safety measures in response to recommendations in the 30-Day Report.

Personnel Accountability and Operational Safety

- Department of Interior investigation findings and reports indicate that unsafe offshore drilling operations often result from human error.
- On April 30, 2010, BOEM and USCG issued a joint safety alert recommending that operators and drilling contractors adopt certain workplace safety measures, such as ensuring that all crew members are familiar with emergency/firefighting equipment and participate in an abandon ship drill.
- The Department is currently developing a rule that would require operators on the OCS to adopt a comprehensive, systems-based approach to safety and environmental management that incorporates best practices from around the globe.





Ensuring Compliance with Safety Regulations

- A robust enforcement and inspection program is a key component of drilling and workplace safety.
- Last week, BOEM adopted a new policy to address potential conflicts of interest, as well as conduct by outsiders that may interfere with the performance of BOEM employees' official duties.
- Among other things, this policy requires every BOEM employee to:
 - Report any attempt to influence, pressure or interfere with his or her official duties to the appropriate supervisor.
 - Notify his or her supervisor about any potential conflict of interest.
 - Request to be recused from performing any inspection or other official duty where a conflict of interest exists.
- This policy is a very important step toward ensuring compliance with existing drilling and workplace safety regulations.

Today's Panels

- Panel I:

- Gary Luquette, Chevron (API Upstream Committee Chair)
- Moe Plaisance or Alan Summers, Diamond Offshore Drilling (Offshore Equipment Task Force Chair)
- John Peters, Chevron (Offshore Operating Procedures Task Force Chair)
- Charlie Williams, Shell (Subsea Well Control and Containment Task Force Chair)
- Jay Collins, Oceaneering (Oil Spill Response Task Force Co-Chair)
- Keith Robson, Marathon (Oil Spill Response Task Force Co-Chair)

- Panel II:

- Richard C. Haut, Ph.D. Houston Advanced Research Center
- Lois N. Epstein, Arctic Program Director, The Wilderness Society
- Nancy Leveson - engineering systems policy from MIT
- Alan Spackman Vice President of Offshore Technical and Regulatory Affairs International Association of Drilling Contractors
- Dr Robin M. Pitblado - Director SHE Risk Management Service Area, Det Norske Veritas

- Panel III:

- Sheila Jackson Lee, U.S. Congresswoman representing the 18th District of Texas
- Gene Green, U.S. Congressman representing the 29th District of Texas
- Elizabeth Ames Jones, Commissioner, Texas Railroad Commission



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