



6th August 2015

Mr. Brian Salerno
Director – Bureau of Safety and Environmental Enforcement
Department of the Interior
1849 C Street NW, Room 5412
Washington, DC 20240

Dear Director Salerno:

As Chairman of the Well Control Institute (WCI), I would like to take this opportunity to introduce our organization and to articulate the serious concerns that the WCI – along with the industry in general – has regarding the Bureau of Safety and Environmental Enforcement (BSEE) proposed Blowout Preventer Systems and Well Control Rule, 1014-AA11.

WCI operates with its own independent Board of prominent representatives from every sector of our industry: IOCs, NOCs and independent operators; drilling contractors; service companies, and OEMs. I have attached a copy of the current Board for your reference. This submission is made without prejudice to any submissions, past and future, of any company represented by a member of the WCI Board, including IOGP and IADC. We consider no part of this submission to be confidential.

The WCI brings together drilling industry stakeholders to develop the comprehensive solutions necessary to significantly improve well control performance worldwide. In due recognition that well control impacts every facet of the drilling industry and process, the purpose of the WCI is to ensure that operators, contractors, equipment manufacturers, regulators and service providers have a forum to provide oversight and leadership on key well control initiatives. I have included a list of the key priority areas of focus that have been identified by the Board.

The activities of the WCI span a wide spectrum, including a focus on human factors; issues related to equipment; safety management systems and activity monitoring. We believe that by working together, we can have a positive impact on well control performance. You will know through your membership in the International Regulators Forum (IRF), that industry has entered into a unique cross-sector collaboration to improve BOP reliability through the collection and transparent processing of detailed failure data (the so-called “BOP Reliability JIP”). The WCI, like IRF, is encouraging the execution of this important project.

In the last five years, government and industry have made a concerted effort to enhance safety offshore. Together, we have improved regulations and authoritative standards on safety and environmental management systems, and offshore equipment and operations, including well design and well control, to protect workers and the

environment and ensure designs are robust and equipment operates as expected and when required. Some of the more prominent industry initiatives to improve well control and offshore safety culture include the IOGP Wells Expert Committee, the Center for Offshore Safety and the Well Control Institute. Industry's goal is zero accidents and zero spills. We are working to improve standards, develop new technologies and tools, and to learn lessons from incidents and near misses that do occur.

WCI has followed the development of the proposed rule with great interest, and most of the companies represented on the WCI Board have been active in the coordinated efforts of the joint trade groups (API, IADC, NOIA, OOC, IPAA et al) and/or company experts to review and comment on the proposed rule. WCI wishes to acknowledge the tremendous amount of work undertaken by BSEE personnel in developing the draft rule and we generally support initiatives to improve well control safety. We also recognize the great pressure to which the Agency, and yourself in particular, have been exposed from many sources – not all of them knowledgeable or well informed – to deliver a rule governing offshore well control.

WCI also acknowledges the serious concerns that industry has collectively identified in the proposed rule. Among our primary observations is what appears to be BSEE's over-reliance on prescriptive regulation with an attendant risk of unintended consequences. We also observe a wide expression of concern about lack of clarity surrounding the requirements.

WCI firmly believes that prescriptive regulations can not effectively address the wide range of drilling scenarios and do not provide for design standards for equipment that are fit for purpose across the range of possible scenarios. Further, prescriptive regulations may increase risk beyond what is presently done today under existing regulations. For example, a rigid 0.5 ppg mud weight margin requirement would compromise drilling safety by unnecessarily limiting well construction options and jeopardize the development of some current and future reserves.

Regarding BOP equipment, WCI fully supports the incorporation by reference of API Standard 53 *Blowout Prevention Equipment Systems for Drilling Wells* (API S53), but does not support those requirements that exceed those found in API S53. API S53 was developed and published post-Macondo through a comprehensive, accredited process to address blowout prevention equipment systems for drilling wells and should be the basis of the new rule. Any deviations from API S53 are a concern.

A general concern is there does not appear to have been analyses to demonstrate the extent to which industry and government have already effectively and comprehensively enhanced offshore safety, to identify any existing gaps, and if so, how best to fill them.

WCI believes any proposals whereby the regulator takes a significant role in day-to-day operations and critical decision making processes – for example via approved verification organizations, real time monitoring, and mandated work stoppage pending the regulator's approval for resumption of work – are unduly burdensome on industry (and the regulator) and unlikely to be workable in practice.

WCI supports performance based standards because they allow for innovation and fit-for-purpose designs. Prescriptive requirements, including minimum design standards,

will only serve to stifle innovation and delay implementation of new technologies which could improve safety and operations.

Additionally, in cases where requirements in the proposed rule could realistically be implemented, the timeframes stipulated are often unrealistic. A proposed compliance timeframe of three months after publication of the final rule for many requirements can not be met by industry and would likely lead to a widespread industry shut down.

Finally, WCI firmly believes that the primary responsibility to monitor information from drilling operations on a 24/7 basis must rest with the offshore rig personnel who are in control of the risk. During any given operation the offshore rig personnel have the best understanding and most complete picture of the current operation, the major hazard risks and critical information required to take appropriate actions without awaiting direction from a shore base.

Notwithstanding industry has provided detailed responses to the proposed rule, WCI urges BSEE to allow further extensive engagement with the industry in order to reach a mutual understanding of the proposal and industry's concerns and to avoid fundamental difficulties and distractions from pursuing the shared goal of improved safety in OCS operations. We sincerely hope, and have every expectation, that BSEE will give due weight and consideration to the expert submissions of our industry.

In closing, Director Salerno, I appreciate your time to consider this letter and hope we may learn your response to it. Should you have any questions or need more information, please feel free to contact me at moe.plaisance@wellcontrolinstitute.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MORRISON' followed by a stylized flourish.

Morrison "Moe" Plaisance
Chairman, Well Control Institute

Attachments: WCI Board of Directors
List of Priority Topics

Well Control Institute Board of Directors

Organization	Member	Title
CHAIRMAN		
WCI	Morrison “Moe” Plaisance	Chairman of the Board Diamond Offshore (retired)
OPERATORS		
Petrobras	Rudimar Lorenzatto	Executive Manager, Offshore Well Construction, E&P
BP America	Gary Jones	Head of Global Wells
Shell International E&P	Don Jacobsen	Vice President Wells, Arctic & Industry/Regulatory Affairs
Murphy Oil and Gas	Roger Jenkins	President
Saudi Aramco	Dawood Al-Dawood	VP, Drilling & Workover
Hess	Richard Lynch	Senior VP Drilling, Completions and Developments
DRILLING CONTRACTORS		
Precision Drilling	Kevin Neveu	CEO
Diamond Offshore	Lyndol Dew	Senior VP of Worldwide Operations
Maersk Drilling	Claus Hemmingsen	CEO and Member of Group Executive Board
Seadrill	Leif Nelson	VP Operations Performance
KCA Deutag	Simon Drew	President
Noble Drilling Services	David Williams	CEO
Helmerich & Payne	John Lindsay	President & CEO
Ensign Energy Services	Ed Kautz	President – US Operations
WELLS SERVICES COMPANIES		
Schlumberger	Jean-Francois Poupeau	Executive VP Corporate Development and Communication
<i>Currently vacant</i>		
EQUIPMENT MANUFACTURERS		
Cameron	Gary Halverson	Senior VP & President, Drilling and Production Systems
NOV	Joe Rovig	President, Rig Systems and Aftermarket
INDUSTRY ASSOCIATIONS (NON-VOTING)		
IADC	Stephen Colville	President & CEO
IOGP	Michael Engell-Jensen (invited)	Executive Director

8 July 2015



WCI Priority Topics

Ranking of topic areas for which industry efforts are to be mapped, cataloged and potentially endorsed by WCI

1	Competency Scenario based well control training Personnel credentialing
2	Safety Management Procedural Discipline Communications
3	BOP reliability BOP reliability data gathering
4	High Reliability systems Barrier management Process safety culture
5	Reporting Lessons learned: sharing & implementation Well control incident reporting
6	Kick detection automation Kick detection automation software