

PUBLICATION

The Season of Giving Continues: Another Gift for the Oil & Gas Industry – A New Well Control Rule for OCS Operations

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On May 2, the Bureau of Safety and Environmental Enforcement (BSEE) issued the 2019 Well Control Rule (Rule), a long-awaited, revised (and final) well control and blowout preventer rule governing Outer Continental Shelf (OCS) activities. This Rule represents a groundbreaking development for the offshore industry in the aftermath of the Deepwater Horizon incident in 2010. It is the first time that BSEE has provided more learned guidance for oil and gas companies regarding well control and blowout preventer systems since the well control rules issued in April 2016 (2016 WCR).

The new Rule revises current regulations impacting offshore oil and gas drilling, completions, workovers, and decommissioning activities. Specifically, the new final Rule addresses six areas of offshore operations: (1) well design, (2) well control, (3) casing, (4) cementing, (5) real-time monitoring (RTM), and (6) subsea containment. Recognizing that blowout preventer technology and well control systems continue to evolve and improve, BSEE decided that it was time to review and revamp its well control rules so that they not only incorporate the lessons learned from Deepwater Horizon, but also take into account OCS stakeholders' concerns about the implementation and application of the 2016 WCR. Since 2016, offshore operators have raised concerns that the 2016 WCR – although designed to enhance worker safety and environmental protection – instead created regulatory headaches for the industry and, in some cases, did nothing to improve worker safety or protect the environment. For example, some OCS stakeholders voiced concerns that the requirements for certain BSEE approvals during cementing operations generally resulted in unnecessary delay and did not actually protect workers and/or the environment. It was this type of concern that BSEE sought to allay with the revisions set forth in the 2019 Well Control Rule.

The 2019 Well Control Rule affects Part 250, Subparts A, B, D, E, F, G and Q of Title 30, Code of Federal Regulations. In creating the new Rule, BSEE received and reviewed more than 265 sets of comments from individual companies, industry organizations, among others, totaling 118,000 submissions. The new Rule revises/adds to 71 provisions of the 2016 WCR. The new Rule also embraces the recommendations set forth in a number of investigative reports following Deepwater Horizon and maintains the core safety and environmental protective provisions of the 2016 WCR, with a more tailored approach focused on reducing regulatory burdens on the industry. The new Rule does not alter the following: the Drilling Safety Rule of 2010, SEMS I (2010), or SEMS II (2013). The 2019 Well Control Rule will go into effect 60 days after it is published in the Federal Register (and, as of the date of this writing, it has not yet been published in the Federal Register).

The full text of the 2019 Well Control Rule can be found [here](#).

Key Takeaways: This new Rule makes sure that blowout preventer rules are no longer a one-size-fits-all set of regulations. The new Rule: (1) clarifies rig movement reporting requirements; (2) revises BSEE reporting requirements to eliminate redundant reporting; (3) clarifies drilling margin requirements; (4) revises Section 250.723 to remove references to "lift boats"; (5) removes certain prescriptive requirements for RTM; (6) replaces use of BSEE approved verification organization with an independent third party for certain certifications and verifications of BOP systems and components; (7) revises accumulator system requirements and accumulator bottle requirements to better align with API Standard 53; (8) revises control stations and pod testing scheduled to ensure component functionality without duplicative testing; (9) includes coiled tubing and

snubbing requirements in Subpart G; (10) revises rules overall to ensure more uniformity and conformity in the application of the Rule; and (11) revises the regulations to include a 21-day BOP testing frequency.