

A Look at Regulatory / Environmental Compliance

Jana DaSilva Lage, Pete Sloan, David Johnston: BOEM

Mark Fesmire: BSEE

Brad Smith: NMFS

Craig Perham, Christopher Putnam: USFWS



What are We Doing?

This presentation is about U.S. government agencies with regulatory authority, meeting and reviewing proprietary weekly operations reports including protected species observer logs to ensure environmental and regulatory compliance.

- Attended by designated staff and management of the regulatory agencies (BOEM, BSEE, NMFS, USFWS)

Outline

- Participating government agencies
- OCS Leasing, Exploration, & Development Process
- Historical Background
- Compliance



Participating Government Agencies



Minerals Management Service

June 2010

Bureau of Ocean Energy Management, Regulation & Enforcement

Office of Natural Resources Revenue



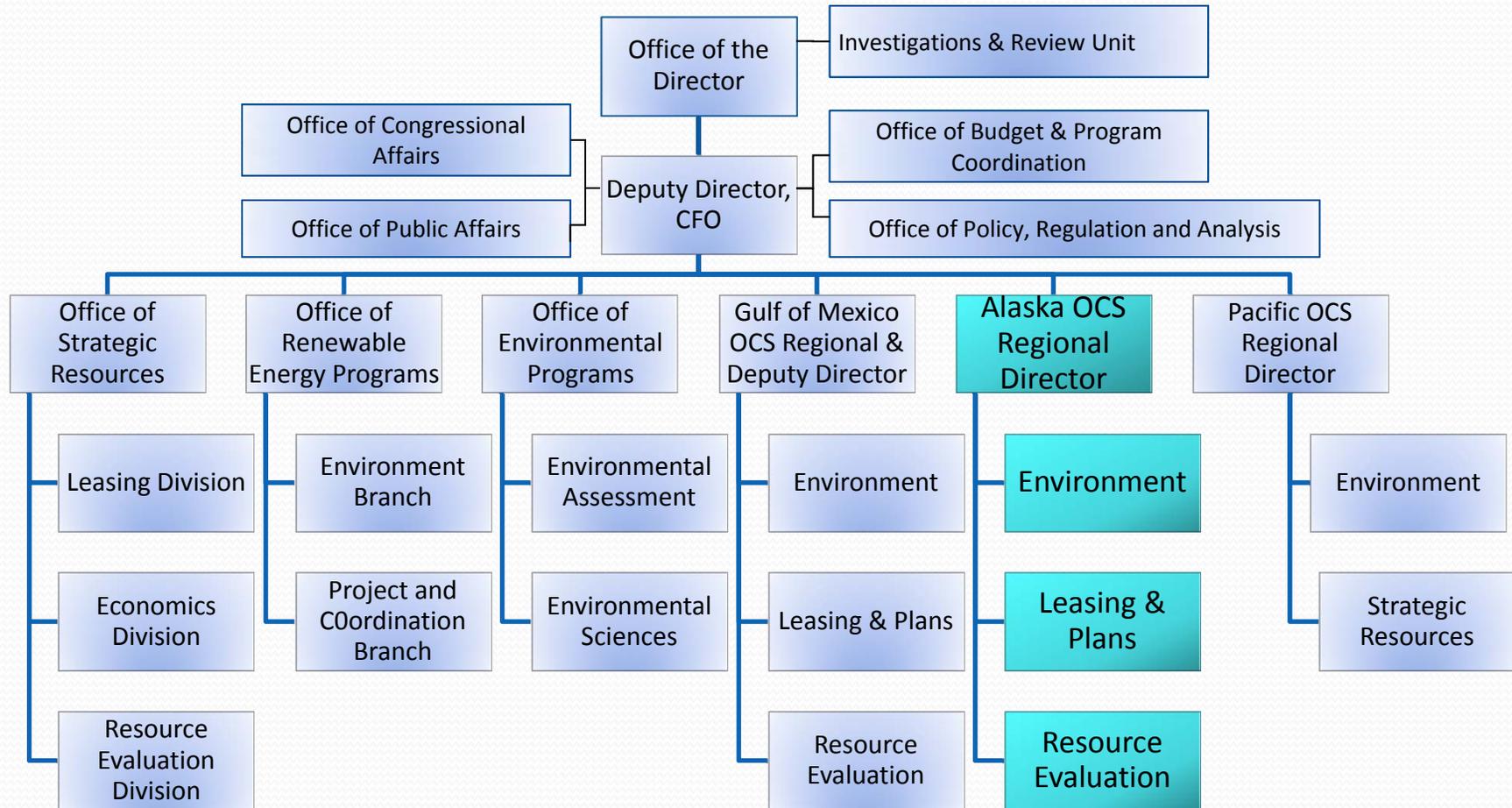
Two Separate Agencies
October 1, 2011



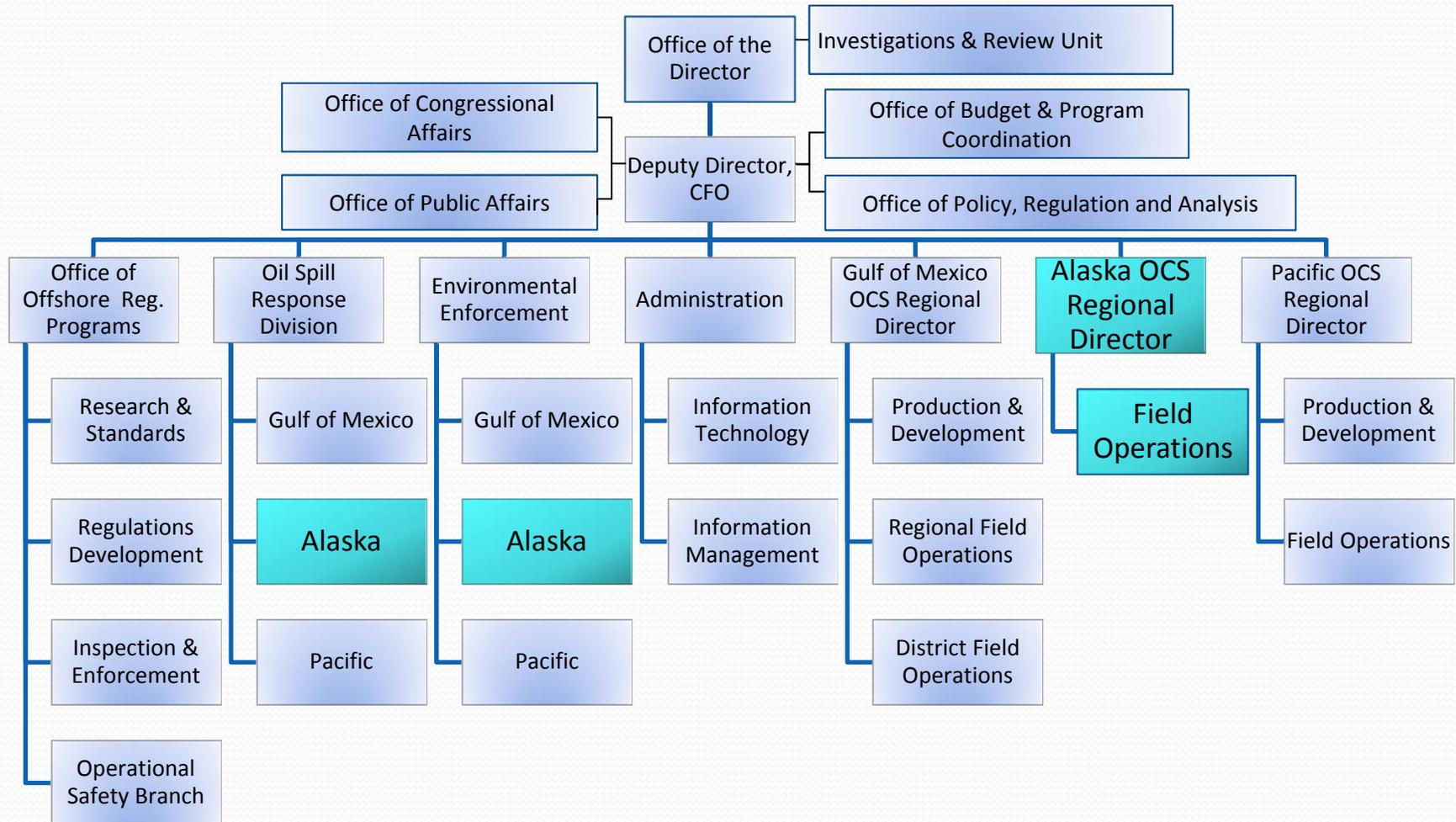
The **Bureau of Ocean Energy Management** manages the exploration and development of the nation's offshore resources in a way that appropriately balances economic development, energy independence, and environmental protection.

The **Bureau of Safety and Environmental Enforcement** works to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement.

Bureau of Ocean Energy Management

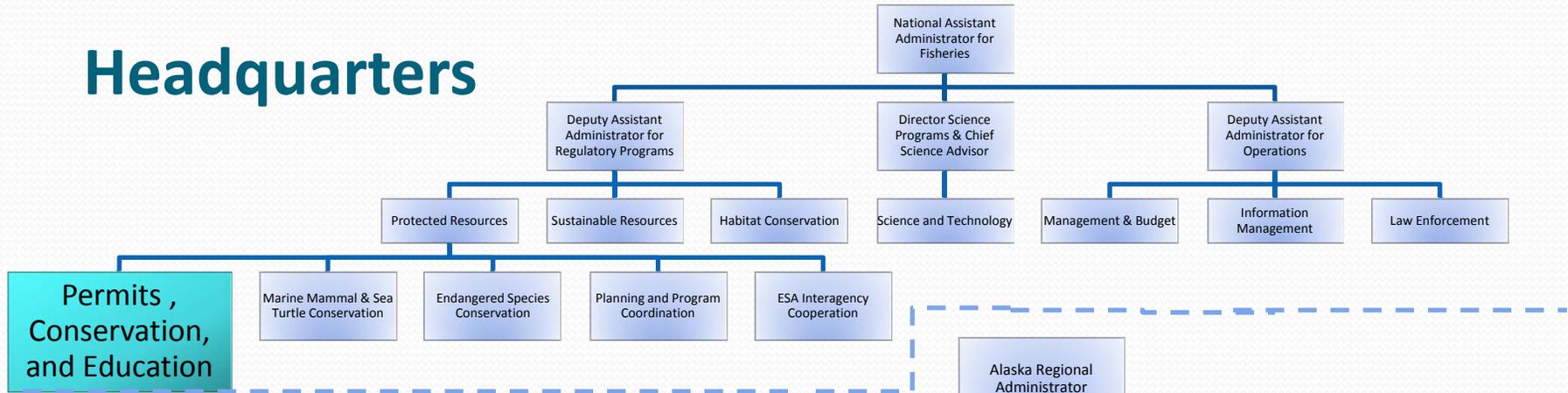


Bureau of Safety and Environmental Enforcement

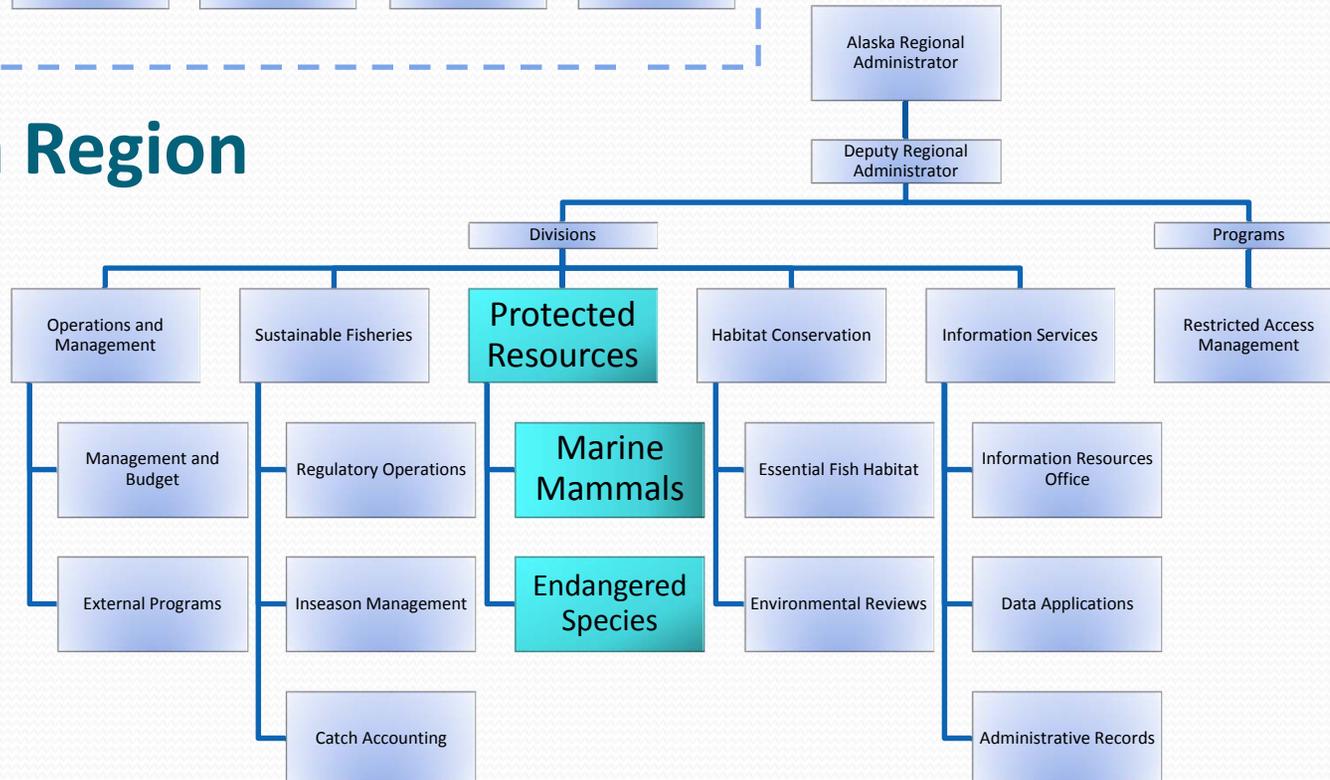


National Marine Fisheries Service

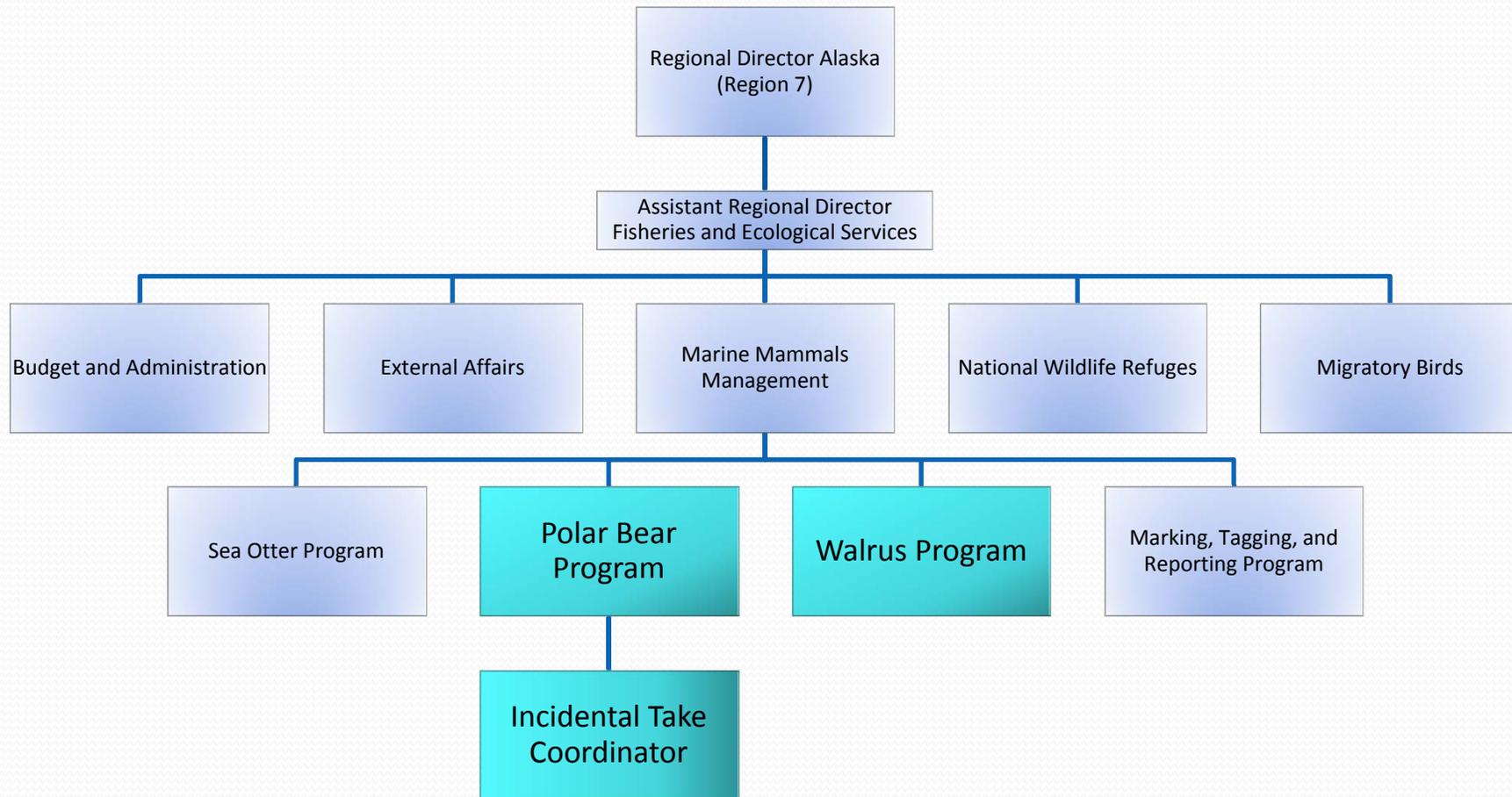
Headquarters



Alaska Region



U.S. Fish & Wildlife Service



Regulators

BOEM

Jana Lage

Jana.Lage@boem.gov

NMFS

Brad Smith

Brad.Smith@noaa.gov

USFWS

Craig Perham

Craig_Perham@fws.gov

BOEM

Pete Sloan

Pete.Sloan@boem.gov

BSEE

Mark Fesmire

Mark.Fesmire@bsee.gov

USFWS

Christopher Putnam

Christopher_Putnam@
fws.gov

BOEM

David Johnston

David.Johnston@
boem.gov

BSEE (Acting ECO)

Randy Howell

Randy.Howell@bsee.gov

OCS Leasing, Exploration & Development Process

The OCS Leasing, Exploration, & Development Process

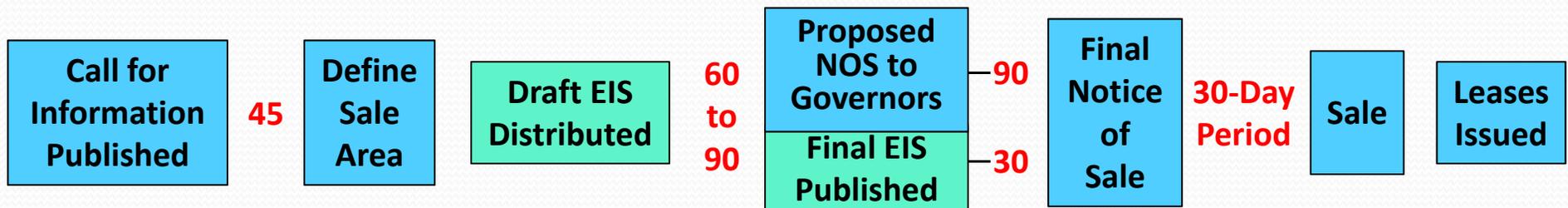


Develop 5-Year Program (Headquarters)

Prelease



Planning for Specific Sale (Region)



BOEM: Office of Leasing and Plans

BOEM: Office of the Environment

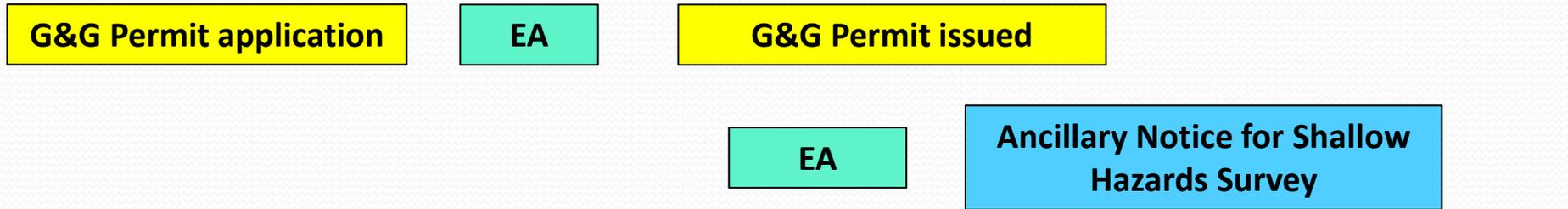
BOEM: Resource Evaluation

EA: Environmental Assessment; EIS: Environmental Impact Statement, #: Public comment length; NOS: Notice of Sale

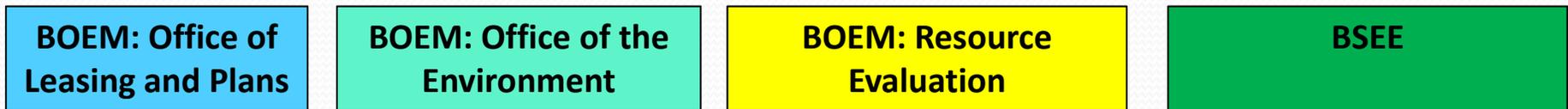
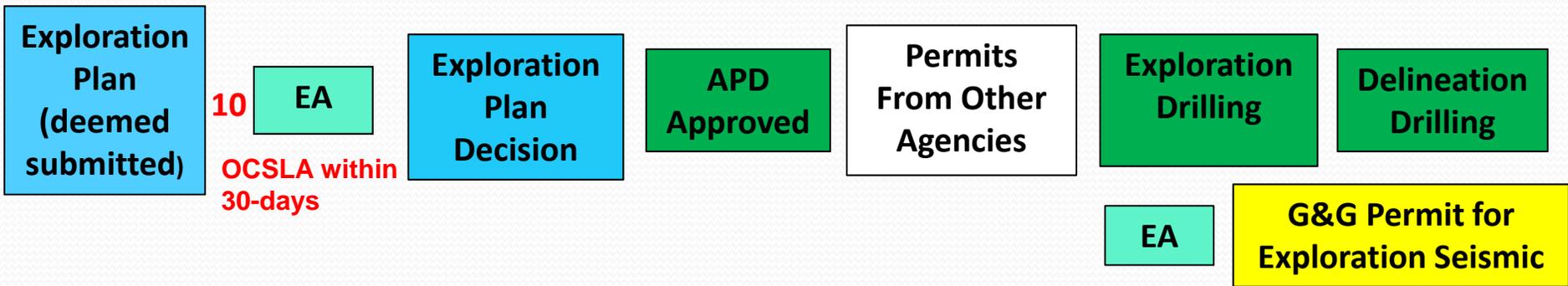
The OCS Leasing, Exploration, & Development Process

Post Lease – Alaska*

Exploration Geophysics



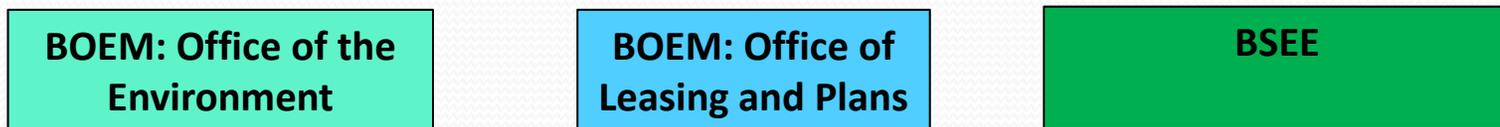
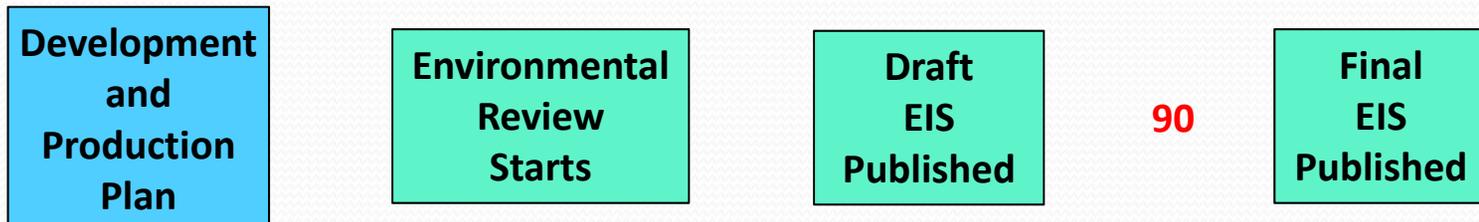
Exploration Plan



EA: Environmental Assessment; EIS: Environmental Impact Statement, #: Public comment length; APD, Application for Permit to Drill, *CZM review N/A in Alaska

The OCS Leasing, Exploration, & Development Process

Development & Production Plan



EIS: Environmental Impact Statement, #: Public comment length



Regulatory Framework

Laws & Regulations

OCS Lands Act/Oil Pollution Act



Regulates pre- and post-lease oil and gas activities on the OCS

National Environmental Policy Act



Includes environmental analysis & protection in project planning

Federal Water Pollution Control Act (Clean Water Act)



Regulates discharges from oil & gas activities into marine waters

Clean Air Act



Regulates air emissions from industrial activities

Coastal Zone Management Act



Assures compliance with state coastal area protection plans (Alaska does not have CMP)

Endangered Species Act



Protects threatened & endangered species

Marine Mammal Protection Act



Protects marine mammals

Magnuson-Stevens Fishery Conservation & Management Act



Protects essential fish habitat

National Historic Preservation Act



Protects archaeological resources, including those on the ocean floor

Code of Federal Regulations



Codification of general and permanent rules

Regulatory Framework Authorizing Activities

- Code of Federal Regulations

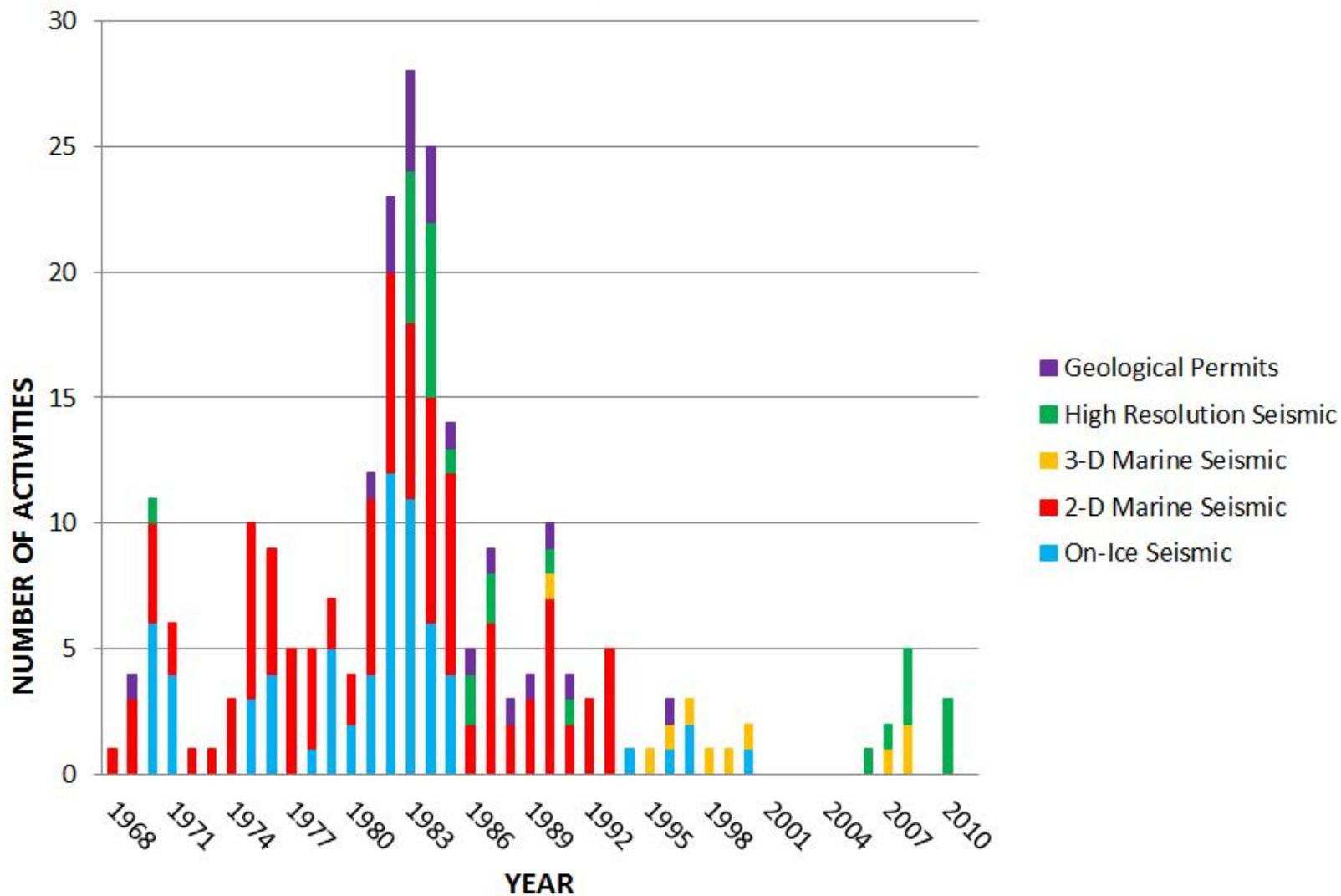
- 30 CFR 551 – BOEM issues permits for off lease Geological and Geophysical Activities
 - These are not tied to a lease sale and can occur at any time or at any place in the US OCS area.
- 30 CFR 550 – BOEM authorizes ancillary activities
 - E.g. shallow hazards / site clearance surveys
- 30 CFR 250 – BSEE issues permits to drill

- Marine Mammal Protection Act - NMFS issues Incidental Harassment Authorizations; USFWS uses Incidental Take Regulations to issue Letters of Authorization (LOA); NMFS can also issue LOAs after rulemaking.
- Endangered Species Act – NMFS and USFWS issue Incidental Take Statements

Historical Background

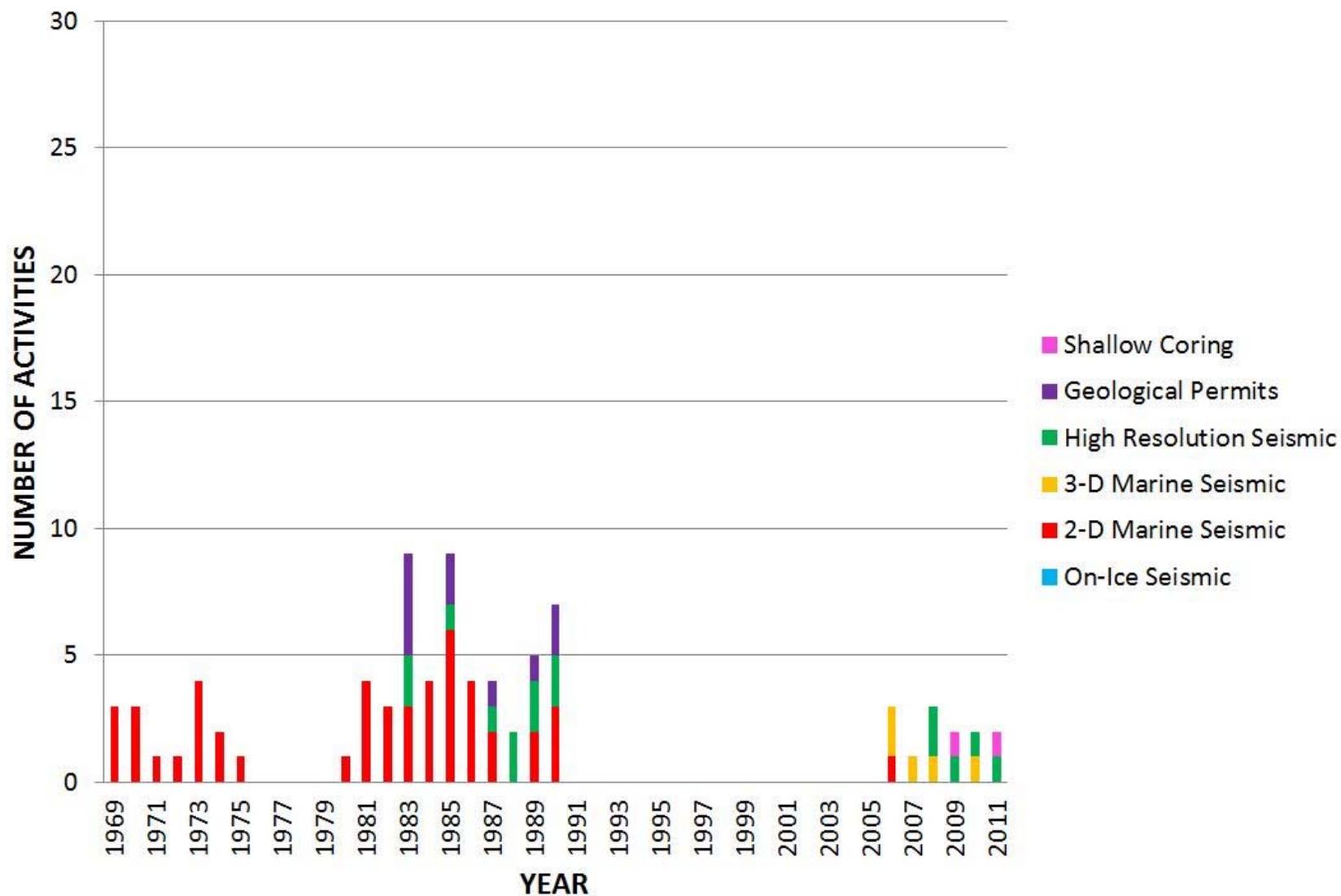
Geological & Geophysical Activities

BEAUFORT SEA



Geological & Geophysical Activities

CHUKCHI SEA



Compliance – Seismic Operations

History

- Since the start of oil and gas operations, the government agencies have worked closely together.
- 2005 - Cook Inlet 3D Survey: MMS monitored survey and made changes with input from NMFS
- 2006 – Chukchi 2D/3D Surveys: Three IHAs were issued. MMS monitored surveys and discussed issues with NMFS & USFWS.
- 2007 – Chukchi/Beaufort 3D Surveys: Formal meetings started this year. NMFS & USFWS met with MMS.
- 2008 – Began using ArcGIS animations incorporating operational status with Marine Mammal Reports

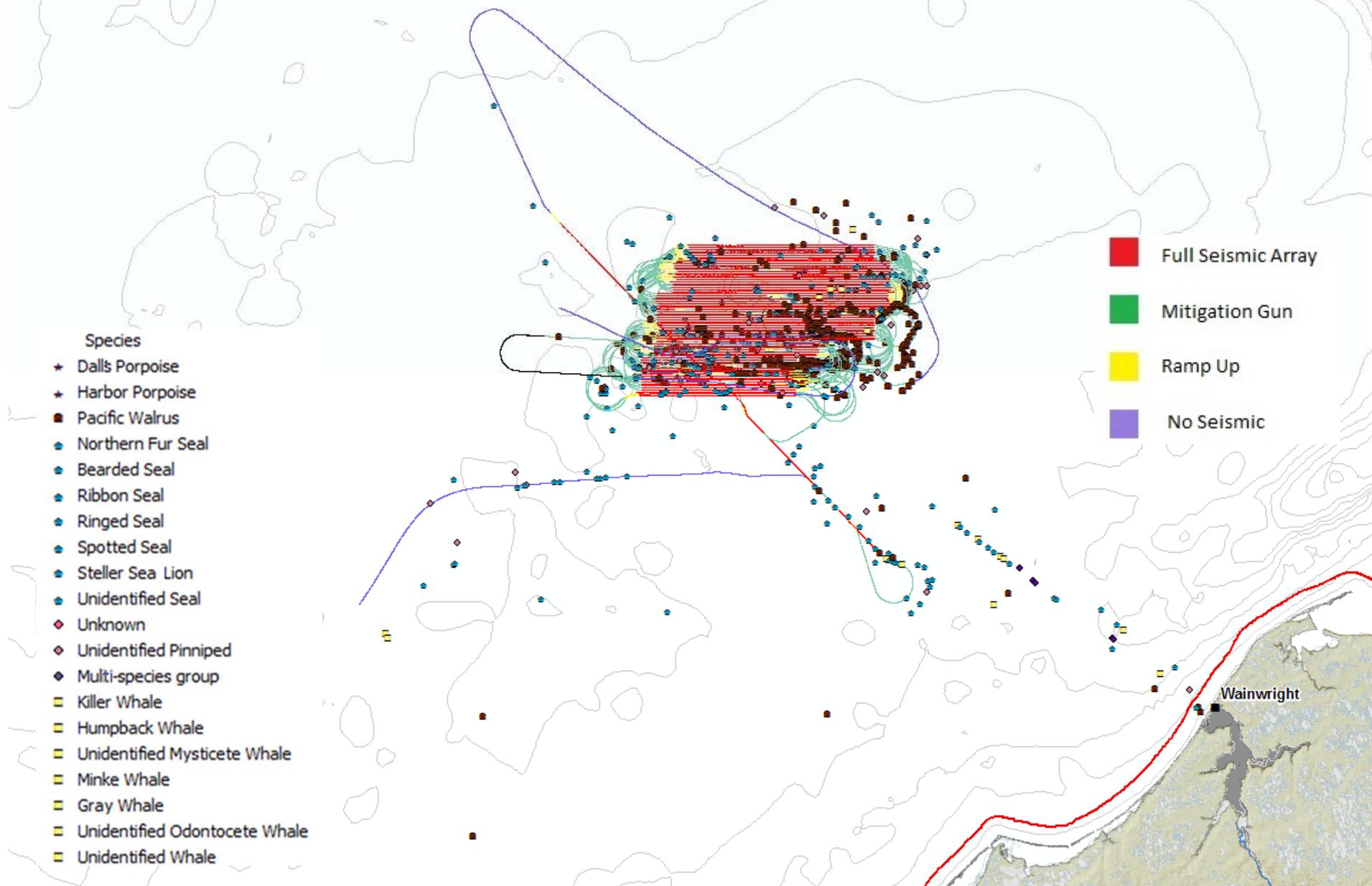
Reporting Requirements

- For G&G permitted operations, industry is required to provide weekly operational and marine mammal observer reports (30 CFR 551).
- L&P will work with NMFS and FWS to ensure an appropriate marine mammal monitoring program during ancillary activities.
- When asked, Industry has provided any information requested.

Compliance Meetings

- Input data into ArcGIS program
 - Operational Status
 - Marine Mammal Observations
- Regulators meet weekly
- Review and analyze data
- Make decisions based upon the activities and observations

August 12 to October 03, 2010



- Species
- ★ Dalls Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
 - Unidentified Seal
 - ◆ Unknown
 - ◆ Unidentified Pinniped
 - ◆ Multi-species group
 - Killer Whale
 - Humpback Whale
 - Unidentified Mysticete Whale
 - Minke Whale
 - Gray Whale
 - Unidentified Odontocete Whale
 - Unidentified Whale

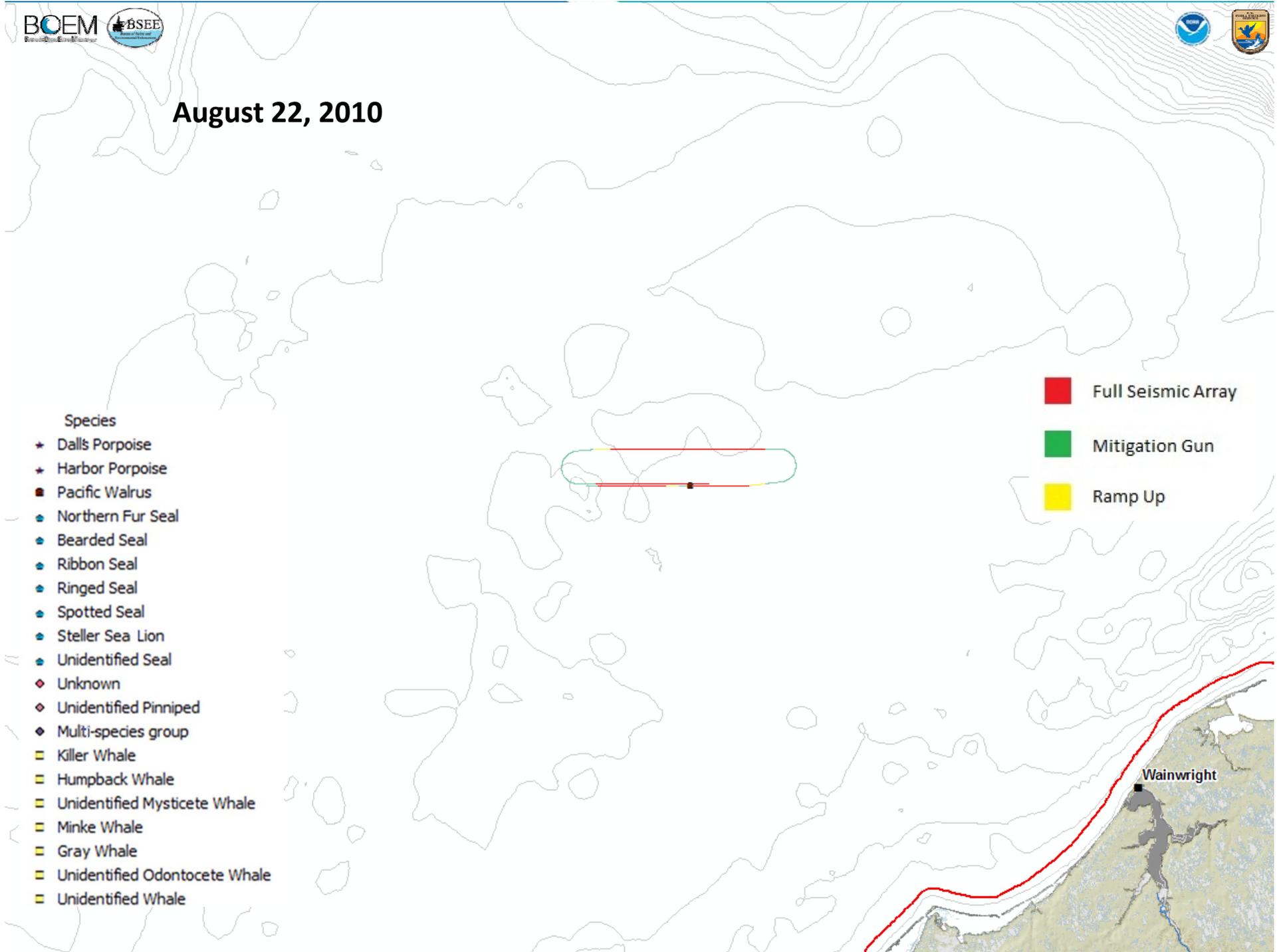
- Full Seismic Array
- Mitigation Gun
- Ramp Up
- No Seismic

Wainwright

August 22, 2010

- Species
- ★ Dall's Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
 - Unidentified Seal
 - ◆ Unknown
 - ◆ Unidentified Pinniped
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 - Unidentified Odontocete Whale
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- Full Seismic Array
- Mitigation Gun
- Ramp Up

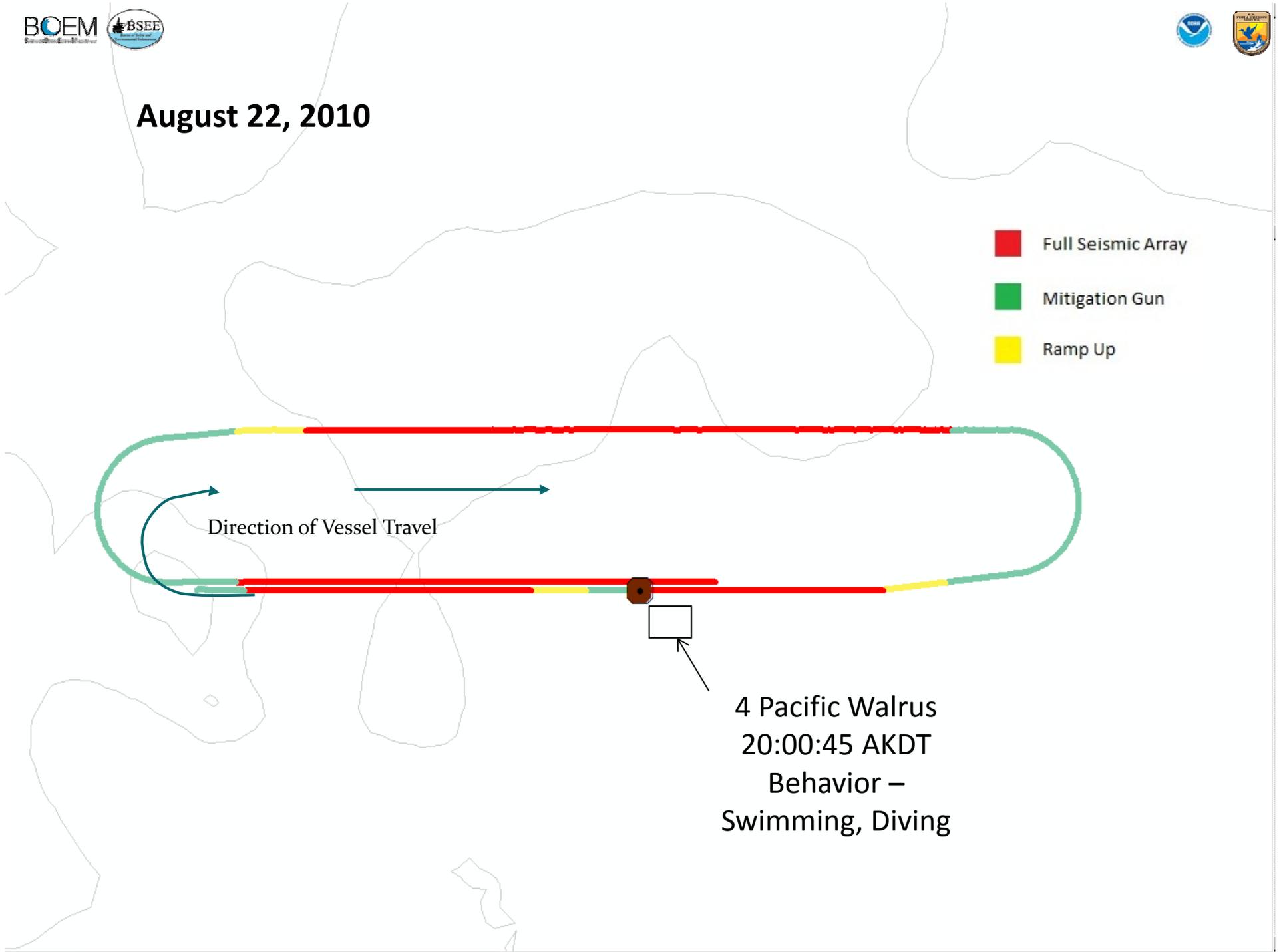


August 22, 2010

- Full Seismic Array
- Mitigation Gun
- Ramp Up

Direction of Vessel Travel

4 Pacific Walrus
20:00:45 AKDT
Behavior –
Swimming, Diving

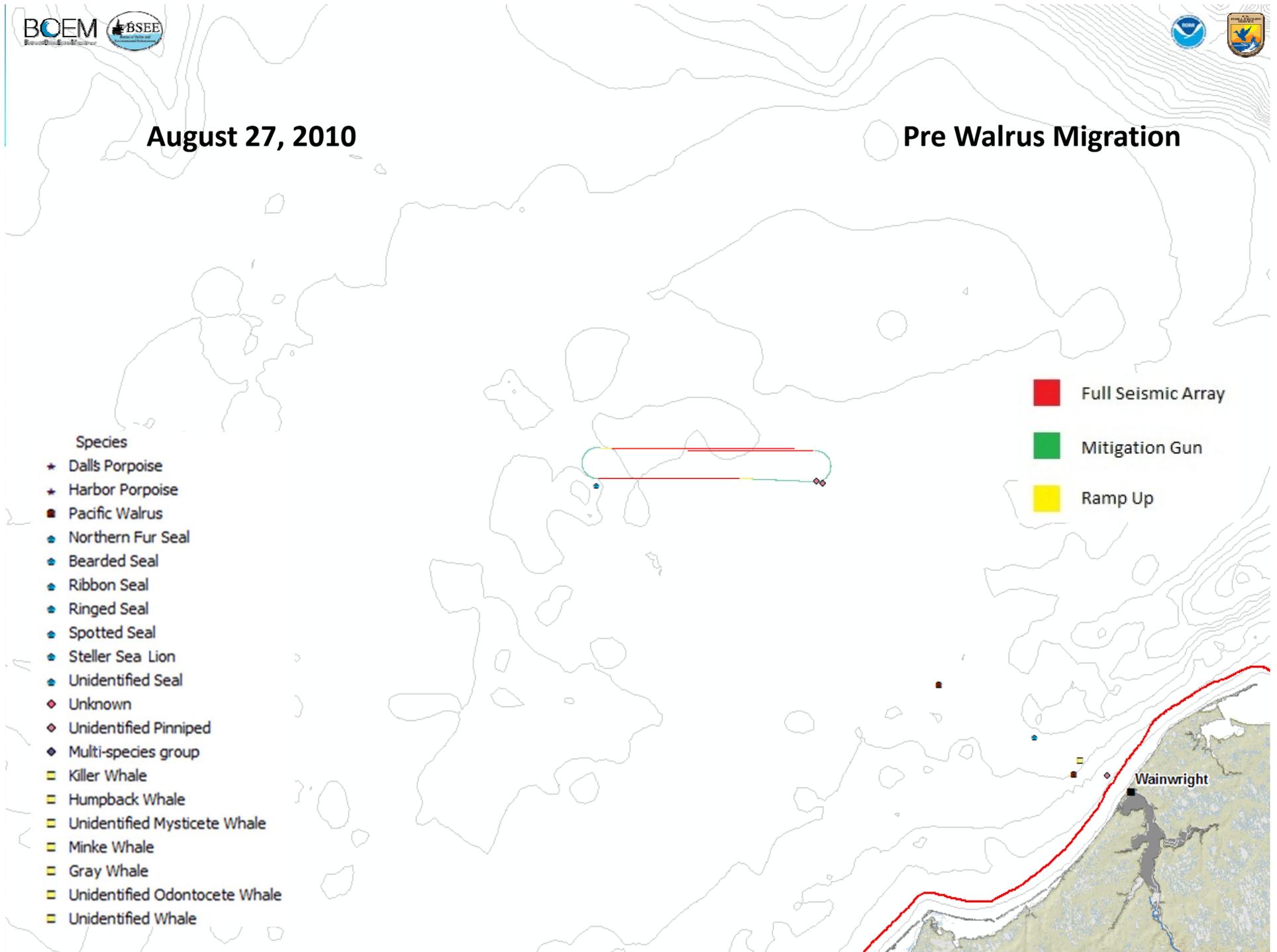


August 27, 2010

Pre Walrus Migration

- Species
- ★ Dalls Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
 - Unidentified Seal
 - ◆ Unknown
 - ◆ Unidentified Pinniped
 - ◆ Multi-species group
 - Killer Whale
 - Humpback Whale
 - Unidentified Mysticete Whale
 - Minke Whale
 - Gray Whale
 - Unidentified Odontocete Whale
 - Unidentified Whale

- Full Seismic Array
- Mitigation Gun
- Ramp Up



August 28, 2010

Walrus Migration

EQUIPMENT SHUT DOWN ON THIS DAY

- Species
- ★ Dalls Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
 - Unidentified Seal
 - ◆ Unknown
 - ◆ Unidentified Pinniped
 - ◆ Multi-species group
 - Killer Whale
 - Humpback Whale
 - Unidentified Mysticete Whale
 - Minke Whale
 - Gray Whale
 - Unidentified Odontocete Whale
 - Unidentified Whale

- Full Seismic Array
- Mitigation Gun
- Ramp Up
- No Seismic



Wainwright

August 29, 2010

Walrus Migration

EQUIPMENT SHUT DOWN ON THIS DAY

- Full Seismic Array
- Mitigation Gun
- Ramp Up
- No Seismic

Species

- ★ Dalls Porpoise
- ★ Harbor Porpoise
- Pacific Walrus
- Northern Fur Seal
- Bearded Seal
- Ribbon Seal
- Ringed Seal
- Spotted Seal
- Steller Sea Lion
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- Gray Whale
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- Unidentified Whale



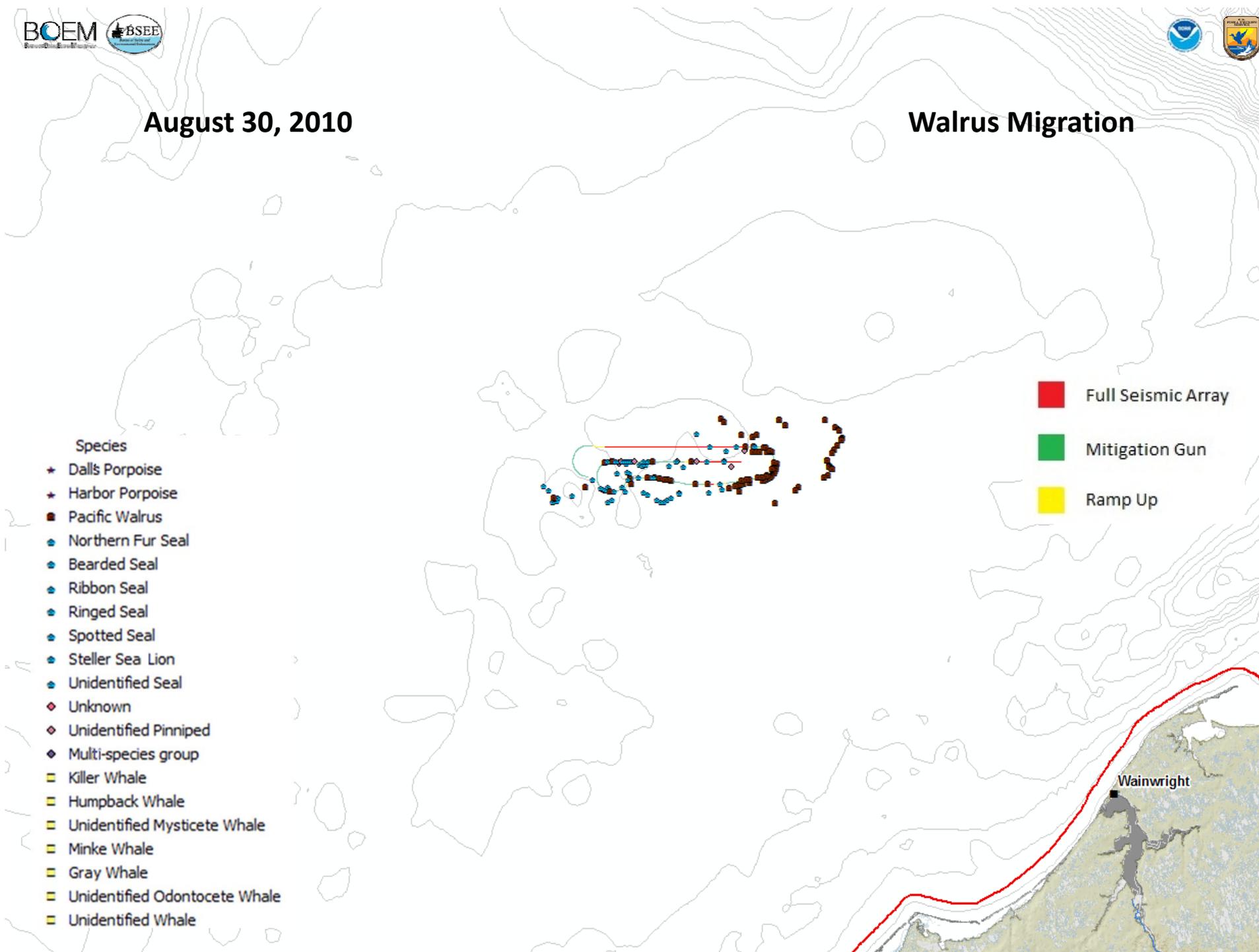
Wainwright

August 30, 2010

Walrus Migration

- Species
- ★ Dall's Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
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 - ◆ Unidentified Pinniped
 - ◆ Multi-species group
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 - Unidentified Mysticete Whale
 - Minke Whale
 - Gray Whale
 - Unidentified Odontocete Whale
 - Unidentified Whale

- Full Seismic Array
- Mitigation Gun
- Ramp Up

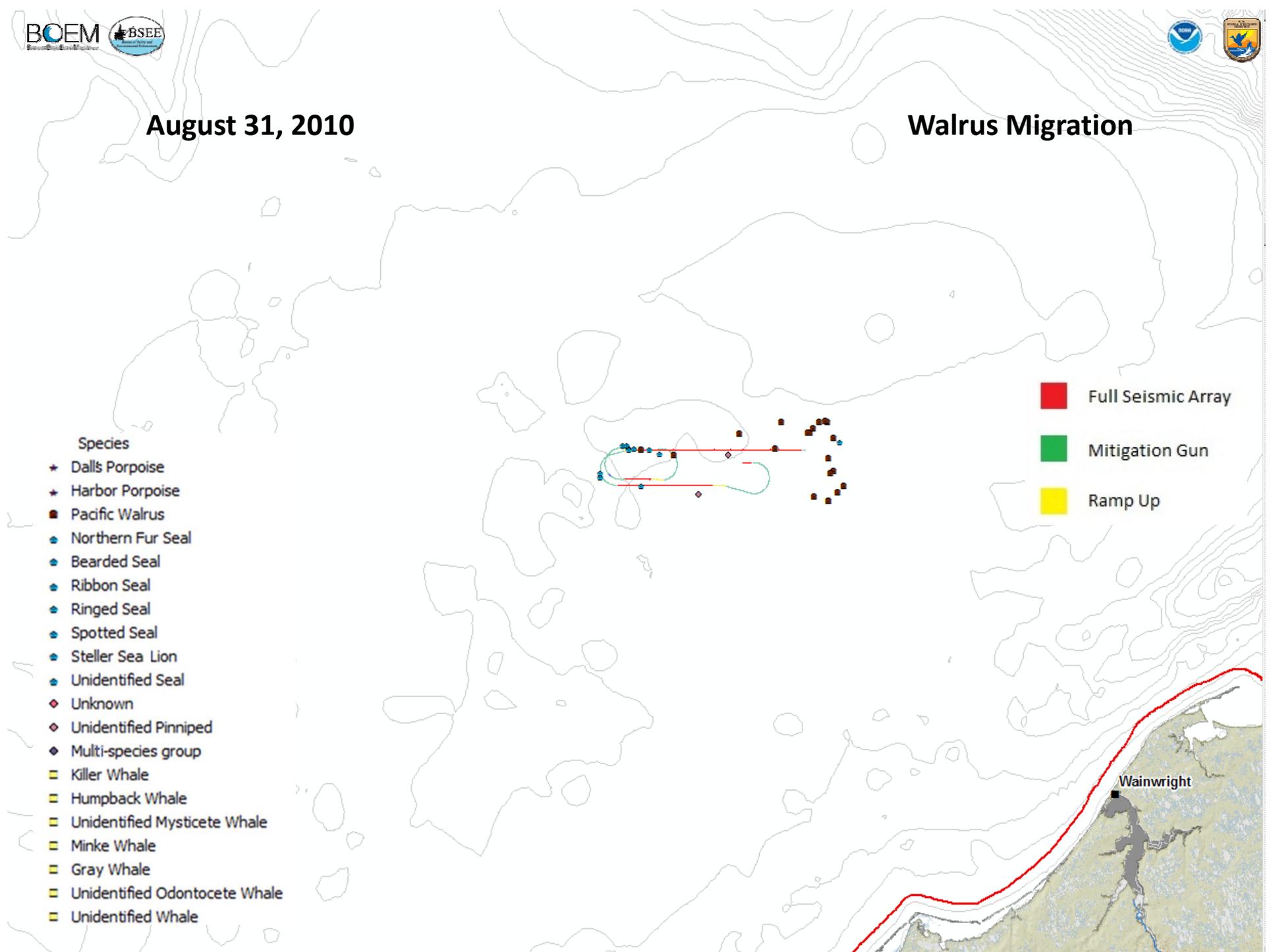


August 31, 2010

Walrus Migration

- Species
- ★ Dalls Porpoise
 - ★ Harbor Porpoise
 - Pacific Walrus
 - Northern Fur Seal
 - Bearded Seal
 - Ribbon Seal
 - Ringed Seal
 - Spotted Seal
 - Steller Sea Lion
 - Unidentified Seal
 - ◆ Unknown
 - ◆ Unidentified Pinniped
 - ◆ Multi-species group
 - Killer Whale
 - Humpback Whale
 - Unidentified Mysticete Whale
 - Minke Whale
 - Gray Whale
 - Unidentified Odontocete Whale
 - Unidentified Whale

- Full Seismic Array
- Mitigation Gun
- Ramp Up



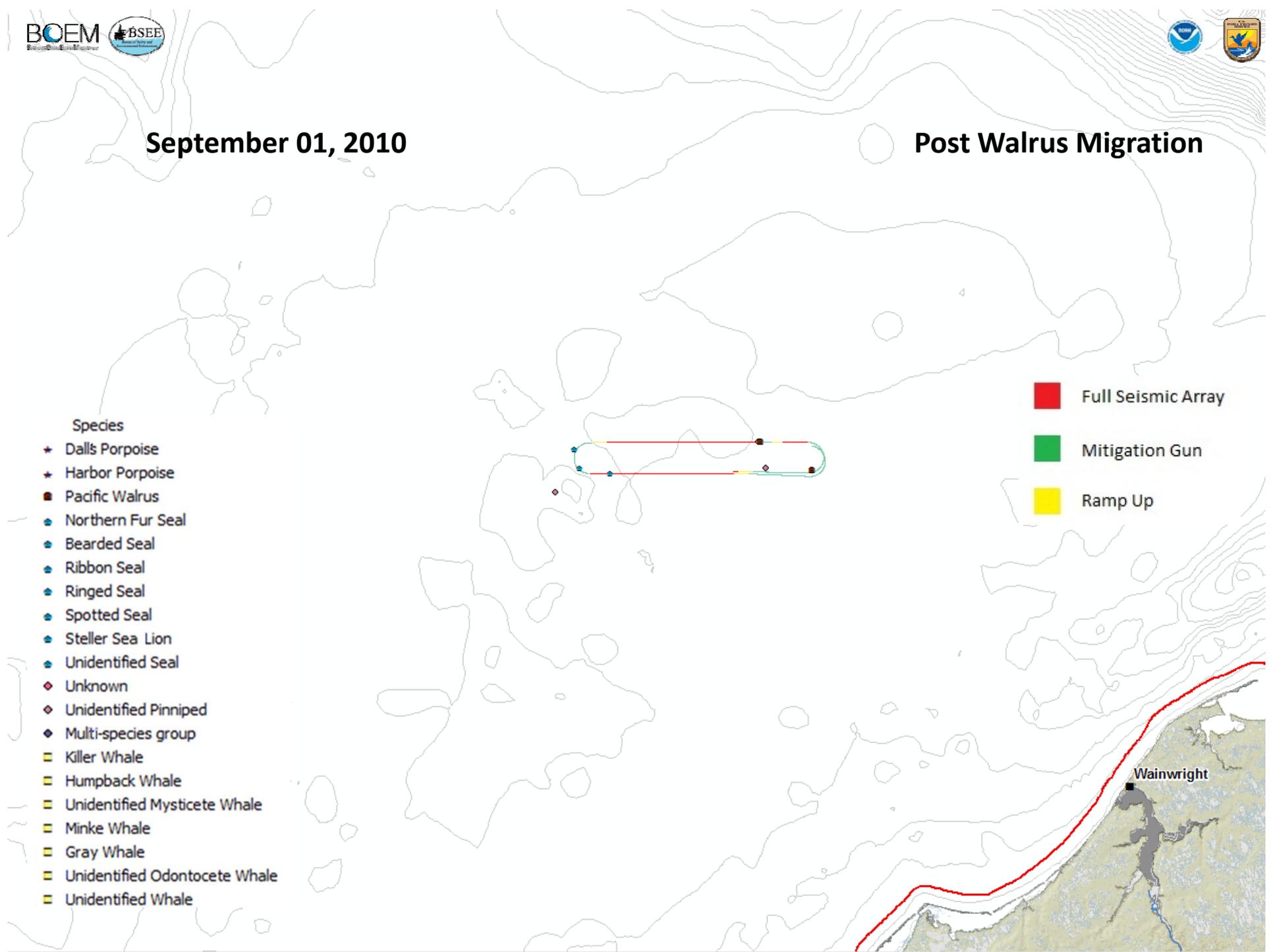
September 01, 2010

Post Walrus Migration

Species

- ★ Dalls Porpoise
- ★ Harbor Porpoise
- Pacific Walrus
- Northern Fur Seal
- Bearded Seal
- Ribbon Seal
- Ringed Seal
- Spotted Seal
- Steller Sea Lion
- Unidentified Seal
- ◆ Unknown
- ◆ Unidentified Pinniped
- ◆ Multi-species group
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- Minke Whale
- Gray Whale
- Unidentified Odontocete Whale
- Unidentified Whale

- Full Seismic Array
- Mitigation Gun
- Ramp Up



Compliance - Drilling

BSEE Programs and Divisions

- Offshore Regulatory Program
 - Develops safety and environmental protection standards and regulations
 - Reviews permits and requests
 - Ensures requests comply with all regulations including recently implemented enhanced drilling and workplace safety requirements.
- Oil Spill Response Division
 - Reviews industry Oil Spill Response Plans (OSRP) to ensure compliance with regulatory requirements.
 - Develops policy, disseminates guidance and provides oversight of oil spill response activities.
 - Oversees the Unannounced Oil Spill Drill program.
 - Works with other Federal agencies (USCG, EPA) to continually enhance response technologies and capabilities.

BSEE Programs and Divisions

- Environmental Enforcement Division
 - Focuses on compliance by operators utilizing environmental regulations.
 - Ensures operators adhere to the stipulations of their approved leases, plans, and permits.
- Inspection Program
 - BSEE Inspection Teams conduct drilling and production facilities inspections.
 - Inspections may result in issuance of:
 - Incidents of Non-Compliance (INCs)
 - Civil Penalties for regulatory infractions.
 - Conducts accident investigations.

Compliance

- In Alaska, there are Inspectors on offshore exploration drilling platforms 24/7 resulting in real-time reporting during operations.
- Data streams from offshore operations will be monitored by BSEE onshore.

In Summary

U.S. government regulators are working together and using available data to ensure environmental and regulatory compliance during oil and gas operations.

Acknowledgements

- Mick Bradway: BOEM GIS support
- Doug Choromanski, Sue Banet: BOEM historical data
- Statoil for permission to display data

Questions?

