

**Memorandum of Agreement
Between the
Bureau of Ocean Energy Management
And the
Bureau of Safety and Environmental Enforcement**

Plans and Permits

I. Purpose

This Memorandum of Agreement (MOA) establishes the working relationship of the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) in managing certain activities associated with review, analysis, and approval of Outer Continental Shelf (OCS) Plans and Permits in accordance with applicable law and regulations. This MOA is intended to help both agencies minimize duplication of efforts, promote consistency in procedures and regulations, and resolve disputes. A Memorandum of Understanding describes the general relationship between the two bureaus. A series of standard operating procedures (SOPs) describes more specific roles and responsibilities of the two Bureaus and are designed to be updated as dictated by changing practices, law, regulations or technology.

II. Authorities

Both BOEM and BSEE derive authority to regulate certain activities on the OCS through the Secretary of the Interior. Secretarial Order 3299 assigned BOEM conventional and renewable energy-related management function, including, but not limited to, activities involving leasing, plans, environmental studies, NEPA analyses, economic and reserves analyses, and geologic risk analyses. By Secretarial Order 3299, BSEE's authority includes, but is not limited to, permitting, environmental compliance, conservation compliance, engineering standards and regulations, oil spill response planning, inspections, enforcement, and investigations. Additionally, both agencies have responsibilities derived from Departmental regulations and delegations of authority issued to implement various statutes, including the Outer Continental Shelf Lands Act, the Clean Air Act, the Oil Pollution Act of 1990, the Energy Policy Act of 2005, and the Gulf of Mexico Energy Security Act of 2006.

III. Objectives

BOEM Plan Responsibilities:

BOEM conducts in-depth technical reviews of all lease Exploration Plans (EP), Development and Production Plans (DPP), and Development Operations Coordination Documents (DOCD) and processes them for approval within mandated time frames, ensuring that plan activities are to be conducted in accordance with all applicable laws,

regulations, and lease stipulations. In conducting its review, BOEM has the responsibility to examine many resources including, but not limited to, shallow drilling hazards, seafloor hazards, resource conservation, supplemental bonding, oil-spill response capability, air quality, archaeological concerns, biological concerns, live bottom concerns, and military issues. BOEM coordinates its review of the EPs, DPPS and DOCDs with states that have approved Coastal Zone Management Programs and with other appropriate state and Federal agencies. BOEM also reviews for approval all right-of-use and easement applications.

Offshore operators submit plans proposing to conduct oil and gas activities to the BOEM for review and approval under the authority of the Code of Federal Regulations (CFR) in 30 CFR 550.200 through 30 CFR 550.299, Subpart B, Plans and Information. The plans contain information that allows BOEM to determine the potential impacts of and mitigations for the proposed plan activities. BOEM reviews and approves plans in compliance with numerous Federal laws including, but not limited to, the National Environmental Policy Act (NEPA), the National Historical Preservation Act (NHPA), the Endangered Species Act (ESA), the Marine Mammals Protection Act (MMPA), the Oil Pollution Act (OPA) and the Coastal Zone Management Act (CZMA). Additionally, BOEM reviews plans to ensure operator's compliance with conservation of resources in oil and gas development and for demonstration of adequate financial assurance to the Federal government in the capacity of an operator to install, manage, decommission and remove facilities from the lease.

Offshore operators submit initial, supplemental and revised EPs, DPPs and DOCDs to BOEM for review and approval for drilling any wells or installing production facilities and pipelines on an OCS lease grant. Additionally, G&G Permits are submitted to BOEM for review and approval. These plans must indicate all proposed activities on the lease or group of leases, including the operators plans to mitigate and/or prevent damage to the environment, marine sanctuaries, biological sites, identified potential species or historical sites and artifacts. BOEM reviews the plan and circulates various components of the plans to subject matter experts (SMEs) in BOEM and BSEE to verify information contained in the plan (if necessary), to determine potential impacts, and to recommend conditions of approval to mitigate or avoid potential impacts from the proposed activities. The SMEs document completed plan reviews and communicate their findings to BOEM's Plan Section prior to approval of the plan. An offshore operator can not begin proposed exploration or development activities until the plan has been approved by BOEM.

The plan reviews by BOEM and BSEE subject matter experts include air quality reviews, water quality reviews, archeological reviews, chemosynthetic/benthic communities biological reviews, development conservation reviews, NEPA coordination reviews, geological and geophysical reviews, oil spill response plan reviews, coastal zone management reviews and supplemental bonding reviews.

BSEE Permit Responsibilities:

BSEE conducts in-depth technical reviews and approval of all permit requests from offshore operators including Applications for Permit to Drill (APDs), Applications for Permit to Modify (APMs) approved wells, applications for platforms and structures installations, modifications/repairs, and removals, applications for Pipeline Rights-of Way (ROWs) and for installations, modifications/repairs of lease term pipelines on lease and transportation pipelines across leased and unleased blocks, but not G&G permits.

BSEE ensures that all permit requests (APDs, APMs, Pipeline ROWs/Structure Removal) are complete, ensuring that all facilities (structures, wells and pipelines, whether existing or proposed) located seaward of the coast line and under the jurisdiction of the Department of the Interior are covered by an Oil Spill Response Plan (OSRP) that is in compliance with BSEE regulations at 30 CFR 254. BSEE ensures that Worst Case Discharge scenarios that may result from activities proposed in OCS plans are covered by an OSRP that is in compliance with BSEE regulations.

APDs and APMs for wells are submitted to the BSEE for review and approval under the authority of 30 CFR 250.300 through 30 CFR 250.490, Subpart D, Oil and Gas Drilling Operations. The APDs and APMs contain information on anticipated geological conditions in the subsurface; well design including casing and cement to prevent collapse or burst within the well; well control and blowout prevention equipment and procedures; drilling rig and specifications required to safely drill the well; and well containment contract, equipment and procedures (including the well containment screening tool (WCST)). BSEE engineers review the APDs and APMs to determine that the well can be safely drilled and that the operator has demonstrated the capacity to respond to a blowout and provide containment. APDs and APMs in the Gulf of Mexico Region are submitted, completed and documented in eWell prior to approval.

Drilling permits for wells with subsea blowout preventers (BOPs) or surface BOPs on floating production platforms require complex evaluations with interdependencies between BSEE and BOEM engineers and geoscientists. The complex reviews completed in BOEM include seismic evaluations for potential breach of oil to the seafloor and determination of well fluid gradients for the WCST to evaluate well integrity for containment with capping stacks.

Platforms and Structures permits are submitted to BSEE for review and approval under the authority of 30 CFR 250.900 through 30 CFR 250.921, Subpart I, Platforms and Structures.

Pipelines and Pipeline Rights-of Way permits are submitted to BSEE for review and approval under the authority of 30 CFR 250.1000 through 30 CFR 250.1019, Subpart J, Pipelines and Pipeline Rights-of Way.

BSEE and BOEM Interdependent Responsibilities:

The ability for both BOEM and BSEE to fulfill their mission responsibilities is interdependent at many stages in the Plan Review and Permit Approval processes. The processes for approval of drilling permits in compliance with new requirements are evolving processes that may require changes after the reorganization in October 2011. The approval processes include multiple interdependencies between BOEM and BSEE work processes, including review and acceptance of NEPA adequacy in BSEE for drilling permits approved in compliance with EPs, DPPs, and DOCDs approved in BOEM. Improvements are planned through cooperation by BOEM and BSEE to modify eWell and implement ePlan to document analyses and reviews completed in support of plan and permit approvals.

The key interdependencies are listed below and the specific responsibilities of each Agency are detailed in the attached SOPs.

The function specific SOP's for this MOA are:

- **Plans Section coordinates with TAOS to provide new and unusual technology reviews for EPs, DPPs, and DOCDs**
- **Tracking and Approval of Drilling Permits relative to EPs/DPPs/DOCDs/EAs and New Requirements (WCD, Safety Rule)**
- **Oil Spill Response Plan input to EPs, DOCDs and DPPs**
- **NTL 2010-N06 analysis (WCD)**
- **Review of Deepwater Operations Plan (DWOP)**
- **Casing Shoe Failure/Potential Hydrocarbon Broaching**
- **Fluid Gradient Review**
- **New Producing Lease Qualifications for SOP**
- **PD conservation and development review**
- **Geohazard Reviews for APDs/APMs**
- **Coordinate TIMS Pipeline data to eliminate conflicts between pipelines and proposed activities**

IV. Contacts

BSEE and BOEM Regional Directors

BSEE

Regional Supervisor, Field Operations

Chief, Oil Spill Response Division (HQ)

Chief, Pipelines Section (GOMR)

Chief, Regional Operations Section (POCS)

Chief, Environmental Enforcement Division (HQ)

District Managers

Chief, Technical Assessment and Operations Support (TAOS)

BOEM

Regional Supervisor, Leasing and Plans (GOMR)

Regional Supervisor, Strategic Resources (POCS)

Regional Supervisor, Environment

Regional Supervisor, Resource Evaluation (GOMR and AK)

V. Responsibilities

Both bureaus shall ensure timely completion of reviews in the Plans Component of TIMS for plans and in eWell for permits. Effective quality control of data, timely entry of data in TIMS, and read access to TIMS data are essential in the multiple reviews of plans and permits. BOEM and BSEE managers ensure compliance with the SOPs under this MOA, and propose revisions to SOPs as work processes and technology changes over time.

VI. Modifications and Interpretations

Modifications to this MOA shall be made by written consent of both Bureaus' Deputy Directors.

Interpretations of this MOA should be consistent with the stated goals and purpose. For specific actions, Bureaus should clarify their roles and responsibilities in SOPs. The SOPs may be modified with the written consent of both Bureaus' appropriate Regional Director or Senior Executive.

VII. Signatures

Walt D. Calk
BOEM Deputy Director

10/3/11
Date

Robert L. Lohell
BSEE Deputy Director, *ACTING*

10/3/11
Date