

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT
GULF OF MEXICO OCS REGION**

NTL No. 2010-G05

Issue Date: September 15, 2010
Effective Date: October 15, 2010
Expiration Date: October 14, 2013

NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES
AND PIPELINE RIGHT-OF-WAY HOLDERS IN THE
OUTER CONTINENTAL SHELF, GULF OF MEXICO OCS REGION

Decommissioning Guidance for Wells and Platforms

This Notice to Lessees and Operators and Pipeline Right-of-way Holders (NTL) supersedes NTL No. 2004-G06, Structure Removal Operations, effective April 5, 2004. In addition to updating the guidance on this topic, the NTL provides definitions of *capable of production in paying quantities*, *downhole zonal isolation*, *no longer useful for operations*, and *toppled platform*; establishes an approach to ensure that idle infrastructure on active leases is decommissioned in a timely manner; and provides clarification, description, and interpretation of many other issues regarding decommissioning that have arisen since publication of 30 CFR 250, Subpart Q in 2002.

Background

On May 17, 2002, Minerals Management Service (MMS) issued regulations (see Federal Register, Vol. 67, No. 96, pages 35398-35411) that amended requirements for plugging wells, decommissioning platforms and pipelines, and clearing sites. These regulations, now contained in Subpart Q of 30 CFR Part 250, became effective on July 16, 2002. On October 30, 2002, BOEMRE issued corrections to these regulations (see Federal Register, Vol. 67, No. 210, pages 66046-66049).

In 2008, MMS conducted an Alternative Internal Control Review (AICR) of idle structures and wells on active leases in the Gulf of Mexico Outer Continental Shelf (OCS). This review looked at the presence of this idle infrastructure and a process of identifying, tracking, and decommissioning these idle wells and structures. Findings indicate that there are a significant number of idle platforms that have not been removed and idle wells that have not been permanently plugged. This idle infrastructure poses a potential threat to the OCS environment and is a financial liability to you and possibly the Federal government if subsequently destroyed or damaged in a future event such as a hurricane. The cost and time to permanently plug wells and remove storm-damaged infrastructure (including pipelines) is significantly higher than decommissioning assets that are not damaged when decommissioned. These increased costs have potential ramifications on financial security requirements and may even impact the future viability of your company.

Purpose

Therefore, the Bureau of Ocean Energy, Management and Regulation (BOEMRE) Gulf of Mexico OCS Region (GOMR) is issuing this NTL to establish guidelines that provide a consistent and systematic approach to determine the future utility of idle infrastructure on active leases and to ensure that all wells, structures, and pipelines on terminated leases, and pipelines on terminated pipeline rights-of-way (ROW) are decommissioned within the timeframes established by regulations, conditions of approval, and lease instruments. This NTL also provides you with clarification and interpretation of regulations in light of other issues regarding decommissioning that have arisen since publication of Subpart Q in 2002.

Definitions

Capable of production in paying quantities for a well means it can produce enough oil, gas, or sulphur to yield a positive stream of income after subtracting normal expenses. These expenses include actual royalty payments based on the well's production and the direct lease operating costs allocated to the well.

Downhole zonal isolation means isolating all hydrocarbon and sulphur zones by adhering to the plugging and testing requirements of 30 CFR 250.1712 (approval); 30 CFR 250.1713 (notification); 30 CFR 250.1714 (plugs); 30 CFR 250.1715(a)(1), (a)(2), or (a)(3) (plugging); 30 CFR 250.1715 (b)(1) or (b)(2) (plug test); and 30 CFR 250.1717 (reporting). Equip each well in downhole zonal isolation status with a dry tree and a wellhead capable of monitoring all annuli for sustained pressure.

No longer useful for operations means

- (1) For a **well**, the well has
 - (a) not been used in the past 5 years (i) for operations associated with the exploration for or the development and production of oil, gas, sulphur, or other mineral resource or (ii) as infrastructure to support such operations; and
 - (b) no plans (i) for operations associated with the exploration for or the development and production of oil, gas, sulphur, or other mineral resource or (ii) as infrastructure to support such operations.
- (2) For a **platform**, the platform has
 - (a) been toppled or otherwise destroyed; or
 - (b) not been used in the past 5 years (i) for operations associated with the exploration for or the development and production of oil, gas, sulphur, or other mineral resource or (ii) as infrastructure to support such operations.

Toppled platform means a platform or other structure that has collapsed or fallen or been displaced by a storm or other external forces to the extent that it is no longer visible above the water line and as a result is partially or completely destroyed.

Guidance

The following guidance regarding decommissioning of wells, platforms, and pipelines is listed by regulatory reference:

1. General

A. Rig Movement Notification Report. Notify the appropriate BOEMRE GOMR District Office *at least 24 hours before* you move a rig, coiled tubing unit, snubbing unit, or lift boat on location to permanently plug or temporarily abandon a well, provide downhole isolation for a well, or remove an underwater casing stub. Also, notify the appropriate BOEMRE GOMR District Office *at least 24 hours before* you move off location after completing the work. Use Form MMS-144, Rig Movement Notification Report, to make these notifications.

B. Well Activity Report. Submit a weekly progress report to the appropriate BOEMRE GOMR District Office while you conduct operations to permanently plug or temporarily abandon a well, provide downhole isolation for a well, or remove a casing stub. Use Form MMS-133, Well Activity Report (WAR), to make this progress report.

C. End of Operations Report. Within 30 days after you complete operations to permanently plug or temporarily abandon a well, provide downhole isolation for a well, or remove a casing stub, submit Form MMS-125, End of Operations Report (EOR), to the appropriate BOEMRE GOMR District Office.

D. Regional Supervisor. Whenever the Subpart Q regulations direct you to submit an application or make a notification to the Regional Supervisor, make these contacts with the BOEMRE GOMR Office of Structural and Technical Support if it concerns the decommissioning of platforms or other facilities and with the BOEMRE GOMR Pipeline Section if it concerns the decommissioning of pipelines.

2. 30 CFR 250.1701(c)

Decommissioning Obligations. The terms “*you*” or “*T*” when used in Subpart Q also refer to a lessee or operator that holds a right-of-use and easement (RUE) under 30 CFR 250.160. Therefore, an RUE holder must meet the decommissioning obligations set forth in Subpart Q and clarified by this NTL.

3. 30 CFR 250.1703(a)

Decommissioning Applications. Make sure that you submit your platform decommissioning applications to the BOEMRE GOMR sufficiently in advance to ensure that you meet any regulatory deadline. Lessees and operators that intend to decommission a structure that is connected to an ROW pipeline associated with an ROW grant held by another company that will also need to be decommissioned (or modified), should inform the pipeline ROW holder sufficiently in advance so that it can also timely fulfill its decommissioning obligations.

4. 30 CFR 250.1710

Decommissioning Wells on Expired Leases. In accordance with 30 CFR 250.1710, you must permanently plug a well on a lease within 1 year after the lease terminates (either by relinquishment, expiration, cancellation, or forfeiture).

5. 30 CFR 250.1711(a)

Decommissioning Wells That Pose a Hazard. Pursuant to 30 CFR 250.1711(a), the BOEMRE GOMR will order you to submit an Application for Permit to Modify (Form MMS-124) to the appropriate BOEMRE GOMR District office to permanently plug any well that poses a hazard to safety or the environment within 30 days after identifying the hazard.

6. 30 CFR 250.1711(b)

Decommissioning Wells on Active Leases.

A. Pursuant to 30 CFR 250.1711(b), if any well is no longer useful for operations **and** is no longer capable of producing oil, gas, or sulphur in paying quantities, you must perform one of the following within 3 years after the effective date of this NTL or within 3 years of the well meeting the definition of no longer useful for operations, whichever is later:

- i. Permanently plug the well in accordance with 30 CFR 250.1712 through 1717; or
- ii. Temporarily abandon the well in accordance with 30 CFR 250.1721; or
- iii. Provide the well with downhole zonal isolation (see definition above). Within 2 years after you provide a well with downhole zonal isolation, you must either permanently plug or temporarily abandon the well.

B. In performing the work to meet the deadlines set forth in paragraph A above for wells already no longer useful for operations **and** no longer capable of producing oil, gas, or sulphur in paying quantities, you should prioritize the well work based on risk conditions, such as:

- i. Wells on structures with the highest risk of toppling (i.e., those structures that have not passed required assessments, are structurally damaged (including leaners), or are L3/A3 structures).
- ii. Wells that were producing oil.
- iii. Wells that are capable of natural flow. In order for a well to be deemed incapable of natural flow, the appropriate BOEMRE GOMR District Manager must approve your application for such a determination as required by 30 CFR 250.801(a).
- iv. Wells that have casing pressure.
- v. Wells that are located close to the shoreline, environmentally sensitive areas, or other infrastructure.

C. Any well that has not been used in the past 5 years (i) for operations associated with the exploration for or the development and production of oil, gas, sulphur, or other mineral resource or (ii) as infrastructure to support such operations; and you believe the well is useful for operations **or** is capable of producing oil, gas, or sulphur in paying quantities, submit to the BOEMRE GOM Regional Supervisor, Field Operations, supporting documentation of the well's usefulness.

7. **30 CFR 250.1703(c)**

You must remove a platform or other facility that is no longer useful for operations (including a toppled platform) as soon as possible but no later than 5 years after effective date of this NTL or within 5 years of the platform meeting the definition of no longer useful for operations, whichever is later.

8. **30 CFR 250.1712**

If you propose to use explosives¹ to perform well/casing severance, include the following information (pursuant to 30 CFR 250.1712(f)(12) and (14)) as part of the attachments you provide in No. 18 of Form MMS-124, Application for Permit to Modify (APM):

- A. A discussion of the reason(s) you plan to use explosives and not some other method;
- B. A brief description of the removal method;
- C. The proposed Explosive-Severance Scenario (see Table 1 of the MMPA regulations at <http://www.gomr.boemre.gov/homepg/regulate/environ/MMPA-Take-Regulations.pdf>);
- D. Detailed information on the explosives you will use including:
 - i. Type of explosives;
 - ii. Number and sizes of charges;
 - iii. Whether you are using single shot or multiple shots;
 - iv. If multiple shots, the sequence and timing of detonations;
 - v. Whether you are using a bulk or shaped charge;
 - vi. Depth of detonation above-mudline (AML) or below-mudline (BML); and
 - vii. Whether you are placing the explosives inside or outside of the casings; and
- E. A description of the anchor radius/pattern for the vessel(s) you will use to perform the severance and lifting operations.

9. **30 CFR 250.1717**

After you permanently plug a well, you may submit the following to the appropriate BOEMRE GOMR District Manager *in lieu of* Form MMS-124, Application for Permit to Modify (APM), that is required by 30 CFR 250.1717:

¹ In 2005, MMS petitioned the National Marine Fisheries Service (NMFS) for incidental-take regulations under the Marine Mammal Protection Act (MMPA) to address the potential injury and/or mortality of marine mammals that could result from the use of explosives during decommissioning activities. Similarly, MMS initiated Endangered Species Act (ESA) - Section 7 Consultation efforts with NMFS to cover potential explosive-severance impacts to threatened and endangered species such as sea turtles and sperm whales. The ESA Consultation was completed in August 2006 and the final MMPA rule was published in June 2008. The mitigation, monitoring, and reporting requirements from the new ESA Biological Opinion (BiOp)/Incidental Take Statement (ITS) and MMPA regulations mirror one another and allow explosive charges up to 500 pounds, internal and external placement, and both above-mudline (AML) and below-mudline (BML) detonations. You can find detailed information on the 20 new explosive-severance scenarios at the BOEMRE Web sites at http://www.gomr.boemre.gov/homepg/regulate/environ/ESA_Biological_Opinion.pdf and at <http://www.gomr.boemre.gov/homepg/regulate/environ/MMPA-Take-Regulations.pdf>.

A. Final Well Activity Report. As part of your description of the completed operations to permanently plug a well, include the following information in your final Form MMS-133, Well Activity Report (WAR):

- i. The date you commenced and finished the permanent well abandonment;
- ii. The amounts of cement you used, the depth intervals of the cement plugs you set, and the method you used to set the cement plugs;
- iii. Information concerning the testing of the first plug below the surface plug as required by 30 CFR 250.1715(b);
- iv. Information that the hole intervals were filled with a fluid of sufficient density as required by 30 CFR 250.1715(a)(9); and
- v. Information that all annuli were properly plugged as required by 30 CFR 250.1715(a)(6).

B. End of Operations Report. After you complete operations to permanently plug a well, attach a final well schematic and description to Form MMS-125, End of Operations Report (EOR), that includes:

- i. Well depth;
- ii. All perforated intervals that have been squeezed or not squeezed;
- iii. Casing and tubing depths and details;
- iv. Estimated tops of cement (and the basis of the estimate) in each casing annulus;
- v. Plug locations;
- vi. Plug types;
- vii. Plug lengths;
- viii. Properties of mud and cement used;
- ix. Perforating and cutting depths, if used;
- x. Plug testing;
- xi. Casing removal method including information on explosives, if used (assuming casing string was cut and pulled);
- xii. Size and amount of casing removed (assuming casing string was cut and pulled); and
- xiii. Casing removal depth (assuming casing string was cut and pulled).

10. 30 CFR 250.1721(g)

After you temporarily abandon or provide downhole zonal isolation for a well, you may submit the following to the appropriate BOEMRE GOMR District Manager *in lieu of* Form MMS-124, Application for Permit to Modify (APM), that is required by 30 CFR 250.1721(g):

A. Final Well Activity Report. As part of your description of the completed operations to temporarily abandon or provide downhole isolation for a well, include the following information, as appropriate, in your final Form MMS-133, Well Activity Report (WAR):

- i. The date you commenced and finished the temporary well abandonment or provided downhole isolation operations;
- ii. The amounts of cement you used, the depth intervals of the cement plugs you set, and the method you used to set the cement plugs;
- iii. Information concerning the testing of the first plug below the surface plug as required by 30 CFR 250.1715(b);

- iv. Information that the hole intervals were filled with a fluid of sufficient density as required by 30 CFR 250.1715(a)(9); and
- v. Information that all annuli were properly plugged as required by 30 CFR 250.1715(a)(6).

B. End of Operations Report. After completing operations to temporarily abandon or provide downhole isolation for a well, submit Form MMS-125, End of Operations Report (EOR), and

- i. Attach a final well schematic and description that includes, as appropriate
 - a. Well depth;
 - b. All perforated intervals that have been squeezed or not squeezed;
 - c. Casing and tubing depths and details;
 - d. Estimated tops of cement (and the basis of the estimate) in each casing annulus;
 - e. Plug locations;
 - f. Plug types;
 - g. Plug lengths;
 - h. Properties of mud and cement used;
 - i. Perforating and cutting depths, if used; and
 - j. Plug testing.
- ii. If you temporarily abandoned the well in a manner that the casing does not extend above the surface of the water, attach a schematic diagram showing the water depth, the height of the top of the casing stub above the seafloor, and all equipment attached to the casing (see 30 CFR 250.1721(g)(3)).

11. 30 CFR 250.1722(a)

Include the following information as part of the attachments you provide in Item No. 18 of Form MMS-124, Application for Permit to Modify (APM), when you make a request to install a subsea protective device:

- A. A detailed schematic drawing that shows the configuration of the proposed protective device and its dimensions.
- B. A description of the method and equipment you will use to anchor the protective device in position.
- C. Either
 - i. A description of the trawling test you will perform; or
 - ii. If you plan to use a buoy with automatic tracking capabilities in lieu of performing a trawl test (see 30 CFR 250.1722(h)(1)), provide a departure request pursuant to 30 CFR 250.142 that includes a description of the buoy and your plans for maintaining it on station and in working condition; or
 - iii. If you plan to use a protective device of proven design in lieu of performing a trawl test (see 30 CFR 250.1722(h)(2)), provide a departure request pursuant to 30 CFR 250.142 that includes a discussion of its prior successful use.
- D. If you plan to perform a trawling test, a description of your plans to avoid or protect archaeological and sensitive biological features and active pipelines. Reference the information that helped you locate these features and pipelines.

12. 30 CFR 250.1722(d)

You may submit the trawling test report in letter format in lieu of using Form MMS-124, Application for Permit to Modify, that is required by 30 CFR 250.1722(d).

13. 30 CFR 250.1722(e)

Consult the United States Coast Guard for the marking of artificial submerged structures.

14. 30 CFR 250.1722(g)

If you perform a visual inspection to confirm that a subsea protective device remains properly installed, make sure that the visual inspection includes observations for:

- A. Presence of nets on the device;
- B. Indications of apparent structural failure or major skin damage; and
- C. Indications of scouring and exposure of the base of the device.

15. 30 CFR 250.1725

You must remove a platform or other facility associated with a terminated lease, right-of-use and easement, or pipeline ROW grant within 1 year after the termination date (see 30 CFR 250.1725(a)). If you are not using a platform or other facility for operations associated with the exploration for, or the development of, or transportation of, oil, gas, sulphur, or other mineral resource, but you would like to use the structure as infrastructure to support such operations elsewhere, submit a request for approval to the BOEMRE GOMR Office of Structural and Technical Support under 30 CFR 250.1725(a). If structure is to be used as an accessory to a ROW pipeline, submit a request for approval to the BOEMRE GOMR Pipeline Section.

16. 30 CFR 250.1727

Send your final application to remove a platform or other facility from an OCS lease or right-of-use and easement to the BOEMRE GOMR Office of Structural and Technical Support or from a pipeline ROW to the BOEMRE GOMR Pipeline Section. The BOEMRE may order you to provide the following information in the application in addition to the information required by 30 CFR 250.1727(a) through (j):

A. If you propose to use explosives² to remove the platform, discuss the reason(s) you plan to use explosives and not some other method;

B. The proposed Explosive-Severance Scenario (see Table 1 of the MMPA regulations at <http://www.gomr.boemre.gov/homepg/regulate/environ/MMPA-Take-Regulations.pdf>).

C. A description of the methodology proposed for transportation, reefing, and/or salvage of the platform or facility.

D. If you anticipate that you will use the “hopping method” or “progressive transport” to section your platform or jacket to facilitate the removal operation, provide a location plat for each area where the jacket will be set on the seafloor that shows pipelines, the vessel anchor pattern, and any archaeological or sensitive biological features. Include a route survey from the initial structure location along the transport path to each site. If the OCS blocks potentially impacted by these operations have not been surveyed (see NTL No. 2009-G39 and NTL No. 2005-G07), conduct the necessary surveys/reporting before you mobilize onsite and conduct any seafloor-disturbing activities.

E. A site-clearance verification plan. In the plan

- i. Include a description of the navigational positioning system you will use to conduct site-clearance verification activities;
- ii. Describe your plans to avoid or protect archaeological and sensitive biological features and active pipelines while you conduct site clearance trawling activities. Reference the information that helped you locate these features and pipelines; and
- iii. If you will use a sonar in lieu of trawling to verify that a site is clear of obstructions, include the operating frequency scanning range of the sonar instrument and describe the method you will use to deploy the instrument (stationary or towed).

² In 2005, MMS petitioned the National Marine Fisheries Service (NMFS) for incidental-take regulations under the Marine Mammal Protection Act (MMPA) to address the potential injury and/or mortality of marine mammals that could result from the use of explosives during decommissioning activities. Similarly, MMS initiated Endangered Species Act (ESA) - Section 7 Consultation efforts with NMFS to cover potential explosive-severance impacts to threatened and endangered species such as sea turtles and sperm whales. The ESA Consultation was completed in August 2006 and the final MMPA rule was published in June 2008. The mitigation, monitoring, and reporting requirements from the new ESA Biological Opinion (BiOp)/Incidental Take Statement (ITS) and MMPA regulations mirror one another and allow explosive charges up to 500 pounds, internal and external placement, and both above-mudline (AML) and below-mudline (BML) detonations. You can find detailed information on the 20 new explosive-severance scenarios at the BOEMRE Web sites at http://www.gomr.boemre.gov/homepg/regulate/environ/ESA_Biological_Opinion.pdf and at <http://www.gomr.boemre.gov/homepg/regulate/environ/MMPA-Take-Regulations.pdf>.

17. 30 CFR 250.1729

A. Platform Removal Report. When you submit a platform removal report to the BOEMRE GOMR (the Office of Structural and Technical Support for a structure that was on an OCS lease or right-of-use and easement, or the Pipeline Section for a structure that was on a pipeline ROW), provide two copies.

B. Summary of Removal Operation. In the removal operation summary portion of the platform removal report (see 30 CFR 250.1729(a)), include the date the operation was completed, a description of the method you used to perform the removal (e.g., mechanical cutters, sand cutters, explosives), the actual depth of removal below the mudline, and a statement from your authorized representative or explosive contractor that certifies the type and amount of explosives used, if any.

C. Platform Disposition. Provide the final disposition of the platform (e.g., re-use, artificial reef, salvage) in the platform removal report (see 30 CFR 250.1727(g)).

D. Notification. After you remove a structure, please notify the National Geospatial-Intelligence Agency (NGA) in Bethesda, Maryland by fax at (301) 227-3175 or by calling (301) 227-3147.

18. 30 CFR 250.1730

The BOEMRE GOMR has additional information related to acceptance of your platform or facility into the Rigs-to-Reefs program that includes site maps, State agency contacts, and concurrent policy and procedural details available at <http://www.gomr.boemre.gov/homepg/regulate/environ/requirements.html/>.

Guidance Document Statement

The BOEMRE issues NTL's as guidance documents in accordance with 30 CFR 250.103 to clarify, supplement, and provide more detail about certain BOEMRE regulatory requirements and to outline the information you provide in your various submittals. Under that authority, this NTL sets forth a policy on and an interpretation of a regulatory requirement that provides a clear and consistent approach to complying with that requirement. However, if you wish to use an alternate approach for compliance, you may do so, after you receive approval from the appropriate BOEMRE office under 30 CFR 250.141.

Paperwork Reduction Act of 1995 Statement

The information referred to in this NTL is intended to provide clarification, description, or interpretation of requirements contained in 30 CFR 250, Subparts A, D, H, J, and Q. The Office of Management and Budget (OMB) has approved the information collection requirements in these regulations under OMB Control Numbers 1010-0114, 1010-0141, 1010-0059, 1010-0050, and 1010-0142, respectively. This NTL does not impose any additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contacts

Please address any questions on the content of this NTL to Lance Labiche with the BOEMRE GOMR Field Operations by telephone at (504) 736-2433 or by e-mail at lance.labiche@boemre.gov.

Please address any questions on decommissioning permits and applications to

1. The Workover/Completion Engineer in the appropriate BOEMRE GOMR District office regarding well decommissioning or casing stub removals;
2. Ramona Sanders with the BOEMRE GOMR Office of Structural and Technical Support by telephone at (504) 736-2504 or by e-mail at ramona.sanders@boemre.gov regarding the decommissioning of platforms or other facilities;
3. T. J. Broussard with the BOEMRE GOMR Environmental Compliance Section by telephone at (504) 736-3245 or by e-mail at tommy.broussard@boemre.gov regarding the use of explosives or ESA/MMPA monitoring and reporting requirements; or
4. Alex Alvarado with the BOEMRE GOMR Pipeline Section by telephone (504) 736-2547 or by e-mail at alex.alvarado@boemre.gov regarding the decommissioning of pipelines.

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Lars T. Herbst
Regional Director