

DEPARTMENT OF THE INTERIOR**Minerals Management Service****30 CFR Part 250**

RIN 1010-AC43

Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Oil and Gas Drilling Operations**AGENCY:** Minerals Management Service (MMS), Interior.**ACTION:** Final rule.

SUMMARY: This final rule restructures the requirements for oil and gas drilling operations on the Outer Continental Shelf (OCS), adds some new requirements, and converts the regulations into plain language. The restructuring of the rule follows the logical sequence of obtaining approval to drill a well and conducting drilling operations. The final rule also removes overly prescriptive requirements and updates requirements to reflect changes in drilling technology. Restructuring the drilling requirements makes the regulations easier to read, understand, and follow. The technical changes will help ensure that lessees conduct operations in a safe manner.

EFFECTIVE DATE: The rule is effective March 24, 2003. The incorporation by reference of publications listed in the regulation is approved by the Director of the Federal Register as of March 24, 2003.

FOR FURTHER INFORMATION CONTACT: William Hauser, Engineering and Operations Division, at (703) 787-1613.

SUPPLEMENTARY INFORMATION: On June 21, 2000, we published a Notice of Proposed Rulemaking (65 FR 38453), titled "Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Oil and Gas Drilling Operations" to revise the subpart D regulations of part 250, with exception of the regulations on Hydrogen Sulfide under 30 CFR 250.417. The proposed rule had a 90-day comment period that we extended to 120 days on July 27, 2000 (65 FR 46126). The extended comment period closed on October 19, 2000.

Differences Between Proposed and Final Rules Not Directly Related to Comments

In addition to changes we made to the final rule in response to public comments, we reworded several sections to further clarify the requirements. We also changed several section titles to better reflect the intent of the sections. The following are the changes by section:

- Section 250.403—We divided the requirements contained in the table in this section into three new sections. We believe this change provides a better understanding of the requirements. The new sections are:

250.404 What are the requirements for the crown block?

250.405 What are the safety requirements for diesel engines on a drilling rig?

250.406 What additional safety measures must I take when I conduct drilling operations on a platform that has producing wells or has other hydrocarbon flow?

- New § 250.405—We added engines on escape capsules to the list of diesel engines that you do not have to equip with an air intake device. We believe that this device should not be required on an escape capsule. We also revised paragraph (b) by adding the term "remote" to manual air intake shutdown device so that the requirement means the same as the previous requirement. Paragraph (b) now reads as follows: "For a diesel engine that is continuously manned, you may equip the engine with either an automatic or remote manual air intake shutdown device;"

- New § 250.406(b)—This paragraph applies to shutting in producing wells during the movement of a drilling rig on and off a location. We clarified the requirements of this section in response to comments from the Offshore Operators Committee (OOC) (see discussion in OOC comments section). We want to further clarify in the preamble of this rule that the same requirements to shut in producing wells would apply when a lessee moves in a drilling rig or coiled tubing unit to complete or workover a well. We plan to clearly state these requirements for completion and workover activities in revisions of subparts E and F that we anticipate proposing.

- Sections 250.408 and 250.409—We added two new sections to address the use of alternative procedures or equipment during drilling operations and obtaining departures from the drilling regulations. We made this revision to clearly state the procedures for using alternative procedures or equipment and for obtaining departures from the drilling regulations. We also removed phrases similar to "or as otherwise approved by the District Supervisor" throughout the rule because you may request a departure or the use of alternative procedures or equipment with respect to any of the drilling requirements prescribed in the rule, provided the rationale is appropriate.

- Section 250.414—We added an introductory sentence to this section

which states that the drilling prognosis must include a brief description of the procedures that you will follow in drilling the well. That description includes the nine items listed (a) through (i) in this section and any other events or procedures that are out of the ordinary for drilling activities. We also moved the paragraph on listing and describing departures or requests to use alternative procedures and equipment to this section.

- Section 250.421(d)—We revised this paragraph to read as follows: "As a minimum, you must cement the annular space 500 feet above the casing shoe and 500 feet above each zone to be isolated." We inserted the phrase "500 feet above" before "each zone" to ensure that there was no confusion about cementing requirements for the intermediate casing. This clarification is consistent with the current regulations.

- Section 250.424—We converted the requirements for pressure testing casing into a table. This will make the requirements easier to understand.

- Section 250.427—We clarified the requirement for when you must conduct a pressure integrity test after drilling new hole below the casing shoe. The original requirement stated a maximum amount that you could drill before conducting the test (50 feet). The revised requirement has both a minimum (10 feet) and a maximum (50 feet) amount that you could drill before conducting the test. This will remove any confusion about how much new formation you must drill before conducting the test.

- Section 250.465(a)(3)—We revised this paragraph to require the submittal of a plat certified by a registered land surveyor when you determine the well's final surface location, water depth, and the rotary kelly bushing elevation. This requirement is consistent with the current regulations. The certified plat serves a useful purpose because it provides certainty to the well's location. In some instances, submittals of non-certified plats or reliance upon the planned location plat provide only a rough idea of where the well may be located.

Changes to Drilling and Well Forms Not Related to Comments

Through a separate process, MMS revised the associated 30 CFR 250, subpart D, drilling and well forms MMS-123, MMS-123S, MMS-124, MMS-125, and MMS-133. We are conducting the form revisions in compliance with the requirements of the Paperwork Reduction Act of 1995 (PRA), and as part of our efforts to implement the Government Paperwork