

Elimination Act and streamline data collection. The revised forms were published for comment in the **Federal Register** on May 1, 2002 (67 FR 21718). In addition to revising some of the data elements on each form, we changed the titles of forms MMS-124 (Sundry Notices and Reports on Wells changed to Application for Permit to Modify), MMS-125 (Well Summary Report changed to End of Operations Report), and MMS-133 (Weekly Activity Report changed to Well Activity Report). In accordance with the PRA, we submitted the revised forms to the Office of Management and Budget (OMB) for approval. The OMB approved the use of the new forms in October 2002 and these final regulations incorporate the changes to the forms.

Comments on the Rule

We received 11 sets of comments on the proposed rule and other considerations for drilling regulations. The comments came from four oil and gas lessees/operators (Chevron USA Production Company, Shell Exploration & Production Company, Torch Operating Company, and Mariner Energy), two drilling contractors (Noble Drilling Services and Rowan Companies), three trade organizations (American Petroleum Institute (API), OOC, and International Association of Drilling Contractors (IADC), one consultant (West, Inc.), and one private citizen (James E. May). You may view these comments and the Notice of Proposed Rulemaking (NPR) on the MMS Web site at address: <http://www.mms.gov/federalregister/PublicComments/rulecomm.htm>. The OOC and IADC provided the most comprehensive sets of comments on the proposed rule. Three of the operators and both drilling contractors fully supported the comments of their respective trade organizations and provided additional comments. The API noted that it worked with OOC in preparing detailed comments on the rule and fully supports the comments submitted by OOC. The OOC presented its comments on specific sections of the rule in a table that identified the section, suggested changes, and provided rationale for those changes. We found this to be an informative format for reviewing comments and have used that format to respond to OOC's comments.

We organized our responses to comments on the NPR into three sections. These sections address the following topics:

I. General comments and comments on other considerations for drilling regulations (*i.e.*, need for regulations on

the use of coiled tubing, mandatory use of automated pipe handling systems);

II. Comments on specific sections that OOC did not address in its comments; and

III. OOC's comments on specific sections (table format).

I. General Comments and Responses

- *Comment:* The use of Lessees/Operators/Contractors relates better to these regulations than the use of "I" and "you."

Response: We disagree. The use of "I" and "you" in the regulations essentially replaces the terms "lessees, operators, and contractors." It is much easier to say "you must" versus the "lessee/operator/contractor must."

- *Comments on Incorporating API Recommended Practice (RP) 53, Recommended Practice for Blowout Prevention Equipment Systems for Drilling Wells (API RP 53) into the regulations:* One commenter stated that the incorporation of specific sections of API RP 53 is appropriate because incorporation of the entire document would lack the specificity needed for the regulations. Another commenter recommended that the entire contents of API RP 53 should be incorporated by reference to provide overall guidelines for blowout preventer (BOP) systems.

Response: MMS has incorporated specific sections of API RP 53 into the regulations as proposed. The primary reason for selecting specific sections was to provide needed specificity to the existing requirements. However, API RP 53 provides excellent guidelines for operating and maintaining BOP systems, and MMS will consider incorporating the entire document in a future revision of the drilling regulations.

MMS will also consider the incorporation of other API drilling documents. MMS recently contracted with West, Inc. to review and compare three API Recommended Practices to MMS regulations and IADC's Deepwater Guidelines. The three Recommended Practices are:

1. 16E—Design of Control Systems for Drilling Well Control Equipment;
2. 64—Diverter System Equipment and Operations; and
3. 16Q—Design, Selection, Operation, and Maintenance of Marine Drilling Riser Systems.

West, Inc.'s complete report is available on the MMS Web site at <ftp://www.mms.gov/TARProjects/380/380AA.pdf>.

- *Comments on Automated Pipe Handling Systems:* This topic generated many comments, most of which disagreed with requiring automated pipe handling systems. Comments

against requiring these systems included the following:

- Little data exist to support the theory that automated pipe handling systems measurably improve personnel safety;
- Automated pipe handling systems create new safety hazards (*i.e.*, new pipe racking systems have introduced additional tripping hazards to rig floor personnel which have resulted in lost time incidents);
- Costs (including capital and out-of-service time) to retrofit the drilling units would not be justified considering the perceived safety benefits;
- Some drilling units could not be retrofitted due to space limitations and/or due to the added weight of the automated pipe handling equipment; and
- Reliability is an issue with some automated systems

Other comments questioned if automated systems meant totally automated pipe handling systems or just a subset of automated rig floor equipment such as iron roughnecks, spinners, and power slips. Commenters also asked if operations would have to be suspended if the automated systems were not available due to downtime. While the vast majority of the comments were against requiring automated systems, one comment said that MMS should require some automated rig floor equipment, but those requirements should be flexible and a practical application of existing technology.

Response: MMS appreciates the comments industry has provided on this topic, and we now have a better understanding of how a requirement for an automated pipe handling system could impact the drilling industry and drilling operations. One of the purposes for raising this issue in the preamble of the proposed rule was to elicit this information. This final rule does not include any requirements for automated pipe handling systems or automated rig floor equipment. Nor is MMS proceeding with any proposed regulations on these systems at this time.

- *Comments on Best Cementing Practices:* Most comments were along the lines that best cementing practices should be used where possible, but that specific practices should not be mandated by specific requirements. OOC stated that the complexity of cementing operations and a variety of cements are not good candidates for prescriptive requirements. One suggested approach was to supplement current cement compressive strength and height requirements with regulatory