

guidelines that would allow the needed flexibility to determine which practices are applicable to the particular down-hole environment. Several commenters noted that they are participating in an API/International Standards Organization (ISO) Cementing Committee to discuss best cementing practices with MMS and develop appropriate guidance for best cementing practices.

Response: MMS will continue with the cementing requirements as proposed in this rule. These requirements are similar to the requirements that were in the previous regulations. As noted in the above comment, MMS is participating in the API/ISO Cementing Committee and will work with the committee to develop appropriate guidelines for cementing practices. We may take further regulatory actions after the committee completes its work.

- *Comment:* One commenter said that the proposed regulations do not protect the environment enough, and that MMS is aware of a substantial number of OCS wells that are leaking oil to the surface and between formations. The commenter asserted that the proposed rule aggravates this problem by using the term "cementing." The commenter asked why MMS allows oil companies to use cement and not other sealants.

Response: MMS believes that the proposed regulations for cementing wells provide adequate protection to the environment. MMS also believes that there are opportunities to improve cements and cementing practices so, over the years, MMS has participated in a number of research projects that examined ways to improve cementing in oil and gas wells. We continue to participate in cementing research efforts and other efforts, such as the API/ISO Cementing Committee, to ensure that cementing technology continues to advance. MMS requires industry to use cement to seal formations and plug wells because it works; however, we will allow industry to use other sealants if they provide equal or better performance than cement. In the past, these generic requests to expand the rules to allow the use of other "sealants" have sometimes actually been attempts to get approval to use clays, gels, and other low compressive strength, non-hardening compounds.

MMS knows of only a few abandoned wells that have leaked after permanent abandonment. When we become aware of an abandoned well that is leaking, we require the operator of record to take immediate action to remedy the situation. Also, to further our awareness of potential leaking abandoned wells, MMS has recently sponsored research to

identify leaking abandoned wells by using remote sensing.

- *Comment on regulating coiled tubing drilling:* The OOC commented that MMS was taking the correct approach by not proposing specific regulations for coiled tubing drilling. OOC agreed that a better understanding of these operations and the amount of activity that is likely to take place on the OCS was necessary before drafting regulations. OOC stated that the existing/proposed provisions in subpart D, coupled with the District Supervisors' authority to approve alternative techniques and procedures, adequately addresses the regulatory mandates. OOC also supported the use of API RP 5C7 for Coiled Tubing Operations in Oil and Gas Well Services (API RP 5C7) as a guideline when preparing the appropriate regulations.

Response: MMS will continue to monitor the use of coil tubing on the OCS and will propose additional regulations as needed.

II. Comments on Specific Sections That the OOC Did Not Address in Its Comments

- *Comment on § 250.404 What mobile drilling unit movements must I report?* This requirement should be waived after commencement of the first well on a platform.

Response: We have revised this section to clearly state what rig movements the lessee must report to MMS. This includes the movement of both mobile offshore drilling units (MODU) and platform rigs. We need this information to ensure that our inspectors have the correct information in hand when they arrive at a platform rig to perform an inspection. MMS also needs to know the movement of drilling rigs, coiled tubing units, and snubbing units on and off locations for completion and workover activities, so we will clarify these requirements in revisions of 30 CFR 250, subparts E and F that we anticipate proposing.

- *Comment on § 250.404 What mobile drilling unit movements must I report?* The proposed rule duplicates U.S. Coast Guard (USCG) requirements to report MODU movements under 33 CFR parts 67 and 72. While the proposed rule affects the lessee, the MODU owner is reporting the required information to the USCG. MMS and USCG should share this information so that you can eliminate a reporting requirement.

Response: MMS needs MODU movement information 24 hours in advance of movement to plan our rig inspections. USCG's timing requirements for rig movement notice

do not meet our rig inspection planning needs. Based on similar comments during the process to develop the new MMS form to report rig movements, we incorporated "optional" information needed by the USCG so that the form could be used for reporting to either agency.

- *Comment on § 250.412 What requirements must my plat meet?* The lessee or operator should be allowed to decide how to report well location.

Response: MMS must have the coordinates reported in a consistent manner to ensure that the exact well locations are known.

- *Comment on § 250.417 What information must I provide if I intend to use a mobile drilling unit to drill a proposed well?* Paragraph (c) may require a third-party review of a MODU's design by a Certified Verification Agent. This review may involve the MODU's structural components or integrity which would be in direct conflict with the December 1998 Memorandum of Understanding (MOU) between MMS and USCG. Under that MOU, the USCG has full responsibility for the structural integrity of MODUs.

Response: This is not a new requirement (see current regulation at § 250.401(a)(3)). The purpose of this requirement is to address the possible unique drilling unit that a lessee may propose to use in a frontier area. Our intent is to ensure that proper design reviews are conducted before the unit's use at a proposed frontier location. When this situation occurs, MMS will confer with the USCG concerning the drilling unit design and its use at the specified location. If the USCG design review meets our concerns, then MMS will not require additional design reviews. If additional reviews are needed, the District Supervisor will use this requirement to address necessary information. We have revised this paragraph to clarify that this requirement applies only to frontier areas where the drilling unit design is unique or the unit has not been proven for use in the proposed environment. MMS will follow the 1998 MMS/USCG MOU to the extent possible to minimize duplicating design requirements of both agencies.

- *Comments on § 250.417(h) and 250.418(a).* The IADC and two drilling contractors commented that these paragraphs indicate that MMS is maintaining files of rig-specific information. While such action by MMS is clearly in a drilling contractor's interest, they could not find the authority for MMS to maintain files on individual drilling rigs or to transfer this