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Testimony on “*One Year after President Obama’s Gulf of Mexico 6-Month Moratorium Officially Lifted; Examining the Lingering Impacts on Jobs, Energy Production and Local Economies*”  
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The tragedy of Macondo sent the first shock wave throughout the offshore oil & gas industry as it should have. The moratorium imposed by President Obama sent the second shockwave. The effects of these events are still being felt today.

My core business deals with reclamation operations associated with offshore oil and gas production, specifically the abandonment of pipelines, the removal of platforms and site clearance. Operators are required to perform reclamation after reserves have been depleted. Title 30 CFR §250 defines the requirements for abandonment as covered in this testimony.

At any given time during late April to early October there is an average of six to ten heavy lift vessels working in the Gulf of Mexico. Most of these are working in an abandonment capacity. The average crew complement of these vessels is one hundred. These heavy lift vessels are supported by crew boats, dive boats, helicopters, shore base facilities and numerous engineering and administrative personnel. In effect an entire micro economy has developed around the activities of these vessels and abandonment. Shut down just the abandonment work in the gulf and you shut down 1000’s of jobs.

There are several factors that dictate when and how Gulf of Mexico reclamation work is performed. They are:

- Reserve depletion
- Availability of vessels
- Weather
- Permitting

Of these four factors weather and permitting are the two wild cards.

The best weather window for working in the Gulf of Mexico is between late April and early October barring any hurricanes. During this period, seas are small and weather trends are more predictable. Once weather fronts begin arriving from the north, seas and winds become unpredictable and extreme. Abandonment operations conducted in such environments present a higher risk to human life and equipment loss or damage. It also exponentially increases the overall cost and time associated with abandonment.

No abandonment activities may take place without the proper approved permits in hand (Ref Title 30 CFR §250.1703). Typical permits required for abandonment are:

- Application for Permit to Modify Form MMS-124 (APM) permit to modify a well bore
- Pipeline abandonment permit
- Platform Removal permit
- Reefing permit
  - Issued by the U.S. Army Corp of Engineers (COE) and the state in which the reefing will take place
- Site clearance permit

These permits must be submitted to different entities within Bureau of Safety and Environmental Enforcement (BSEE) along with accompanying support documents for review and comment. Once BSEE has completed their review and any additional concerns have been addressed and documented an approved permit is issued.

Since the Macondo accident, the review and approval process as related to pipeline and platform abandonment permits has become lengthy. I have had permits take as long as 510 days to reach the approved status with the average processing time post Macondo being 129 days as compared to a pre-Macondo average of 42 days. Such lengthy processing times push work into bad weather months or delay it for the work season all together. These delays in turn idle vessels and render crew and supporting crew unemployed. Anything that can be done to stream line the permitting process will help. My recommendations are:

- Hire more BSEE staff
- Standardize permitting forms
- Automate the permitting process
- Establish a better avenue for variance response

The BSEE employees in the New Orleans regional office perform a thankless job with a high level of professionalism and much diligence. These folks are some of the hardest working in the Gulf of Mexico but as we all know there are capacity limits. The BSEE regional staff approving abandonment permits needs to be expanded. The first step in lowering approval times is to staff the process with the appropriate number to handle the work load. That number should be recommended by the regional head and honored by Department of Interior (DOI).

Standardization of permit applications is the second step. With the exception of the APM Form MMS-124 required to plug and abandon a well bore, no other abandonment permit applications exist. For years there has been talk of such standardized forms but no action has been taken. Currently most of us who submit permit applications for abandonment use our own format. While these formats are consistent in the data they contain they differ in its location and format. This further adds to the time it takes a BSEE employee to review and approve the permit. It would also seem to make training essential new hires difficult. It's no secret that large groups tend to operate better when things are standardized.

The aforementioned, standardized forms should be automated as well. A system similar to eWell should be set up to handle the submission of applications, any questions BSEE might have concerning the application, quick access to the application's status and delivery of the final approval. Currently meetings, email, traditional mail and telephone are the communication methods used for application submission, review, comment and approval. Again these methods take time away from the processing of the application. These methods should be reserved for special cases requiring closer investigation. This is step three.

My fourth and final recommendation pertains to abandonment work as it is being performed in the field. Sometimes meeting the letter of the permit is impossible when field work is underway. In these cases the operator must notify BSEE regional, explain the issue and ask for a variance. As with most critical issues these always seem to happen on a weekend at 0200 hrs. If there were some sort of regional Quick Response Force (QRF) on duty 24 / 7 these issues could be handled in a timelier manner. Offshore oil and gas operations don't stop for holidays, weekends or business hours. Again it is

important for me to restate that the current BSEE regional employees do everything they can to make themselves available to industry 24 / 7 but there are just not enough of them.

The people of the Gulf Coast are highly skilled and extremely efficient workers. They aren't asking for a hand out from the government they're asking for the handcuffs to be removed so that they can do their part in keeping the United States rolling. What I am suggesting here is not a remarketing campaign; it's a stream lining campaign. I appreciate the opportunity to address the Committee and am available for questions and or comments.