



Richard Morrison
Vice President, GoM Production

September 14, 2009

U.S. Department of the Interior
Minerals Management Service
381 Elden Street
Herndon, VA 20170-4817

Attn: Rules Processing Team (Comments)
MS 4024

Re: Proposed Rule - Safety and
Environmental Management Systems
Outer Continental Shelf Oil and Gas
Operations, 1010-AD15, FR Vo. 74, No.
115 6-17-09

Dear Sir or Madam:

BP America appreciates the opportunity to provide the MMS with comments on the referenced proposed rule that would require operators to develop, implement, maintain and operate a Safety and Environmental Management System (SEMS) as was published in the June 17, 2009 Federal Register.

BP currently operates under our Operating Management System (OMS), which includes all of the elements proposed in this rulemaking. While BP is supportive of companies having a system in place to reduce risk, accidents, injuries and spills, we are not supportive of the extensive, prescriptive regulations as proposed in this rule. We believe industry's current safety and environmental statistics demonstrate that the voluntary programs implemented since the adoption of API RP 75 have been and continue to be very successful.

Minerals Management Service (MMS) currently has regulations in place that address safety and environmental issues. The elements of the proposed program could be addressed in Subpart A and we recommend inserting the following italicized language into 30 CFR §250.107as (e):

§ 250.107 What must I do to protect health, safety, property, and the environment?

(e) You must have a safety and environmental management program in accordance with the American Petroleum Institute's Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities (API RP 75), incorporated by reference as specified in 30 CFR 250.198.

(1) At a minimum, your safety and environmental management program must include:

(i) Hazards Analysis. You must perform a hazards analysis for all OCS facilities to identify, evaluate, and reduce the likelihood and/ or minimize the consequences of uncontrolled releases and other safety or environmental incidents. Human factors should be considered in this analysis.

(ii) Management of Change. You must establish procedures to identify and control hazards associated with operational, equipment and key personnel changes and maintain the accuracy of safety information.

(iii) Operating Procedures. You must have written facility operating procedures designed to enhance efficient, safe, and environmentally sound operations.

(iv) Mechanical Integrity. You must ensure that procedures are in place and implemented so that critical equipment for any facility subject to this recommended practice is designed, fabricated, installed, tested, inspected, monitored, and maintained in a manner consistent with appropriate service requirements, manufacturer's recommendations, MMS requirements, or industry standards.

(v) Documentation. You must establish a documentation system to ensure that records and documents are maintained in a manner sufficient to implement your safety and environmental management program. Records or documentation may be in either paper or electronic form. You must make this documentation available for MMS inspection upon request.

Additionally, the current MMS regulations under Subpart O at 30 CFR §250.1500 require operators ensure and document that their company and contract employees are competent to perform their assigned jobs. Therefore, the section on contractor selection and competency in the proposed rule is redundant and not needed. If MMS felt it necessary, Subpart O could be expanded to include any worker groups not already covered in the current rule.

In the event MMS proceeds with an entirely new rulemaking, we recommend a performance based rule be written (like Subpart O) to allow operators to utilize their existing safety and environmental management programs instead of a detailed, prescriptive program as proposed in this rulemaking. Companies could then certify to MMS their programs include the required elements and use their documentation and audit systems that are already in place and working.

If MMS decides to move forward with the current proposed rule, we offer these specific comments:

Hazard Analysis:

We recommend the following revisions to this section:

- 1) We suggest deleting "property damage" from the potential consequences included in the purpose of the facility level hazard analysis in §250.1905. The philosophy adopted with respect to property damage, also referred to as "asset protection" should be at the operator's discretion, provided that the property damage does not subsequently lead to worker injuries, fatalities, or coastal or marine environmental impacts.
- 2) BP is supportive of the JHA language utilized in the proposed rule as we believe it is important for Hazard Analysis to be more broadly defined than just safety.
- 3) We recommend the language in §250.1905 be modified to state " *You must ensure a hazard analysis (facility level) and a job hazard analysis (operations/task level) is developed and implemented for all your facilities*" rather than "You must develop...." The reason for this recommendation is that since MODUs are included as facilities in this subpart, it will then be clear that operators are only responsible to ensure the third party contractors have performed a hazard analysis prior to conducting operations on the operator's lease.

- 4) Additionally, language in §250.1905(a) should be revised to state "*You must ensure an initial hazard analysis (facility level) is or has been performed on each facility on or before (THE DATE 1 YEAR AFTER THE EFFECTIVE DATE OF THE FINAL RULE)*" for the same reasons as listed above in #3.

Operating Procedures:

We recommend the following revisions to this section:

- 1) We recommend the wording in §250.1906(a)(7) be changed from "bypassing and flagging" to "*bypassing and flagging out of service*".
- 2) Reword §250.1906(b) to read "*Employees will have access to the appropriate procedures for their specific job/role in the operations*". This is subtle, but procedures for specific roles should be available to those specific employees, rather than all employees having access to all procedures.

Mechanical Integrity:

We recommend the following revisions for this section:

- 1) In §250.1907(a) we suggest replacing "manufacturers design and material specifications" with "applicable design and material specifications". The design, procurement, fabrication, etc. of equipment are not necessarily just based on manufacturers' specs but could be based on API, company or other applicable design and material specs.
- 2) We recommend deleting the language "*meet the manufacturer's recommendations*" in §250.1907(c). Many of our inspection and testing requirements, while meeting regulations, are risk based in approach.
- 3) We recommend adding "*Electronic documentation of the same information will suffice to meet this requirement*" to §250.1907(d). The requirement for "signature" on inspection or test documentation should be modified to encompass operators' use of electronic work management systems. Work orders, assigned to and completed by individuals within the software should be acceptable.
- 4) The last sentence in §250.1907(d) should be modified to place an "or" between inspection and test, therefore changing the language to read "*...and the results of the inspection or test*".
- 5) We recommend in §250.1907(e) "manufacturer's recommended limits" be changed to "manufacturer's and/or engineering design limits".

Management of Change:

Section §250.1908 proposes issuing MOC's for personnel changes, but does not define which personnel that encompasses. It would be quite onerous if an MOC was required for every single individual that was changed out on a facility. To provide clarity as to those personnel changes which would require an MOC, we propose adding the following language to §250.1908(3): "*personnel with specific knowledge or experience who supervise or operate, or support operations of a facility which would lead to a loss of knowledge or experience.*"

Contractor Selection:

While the proposed rule states the required SEMS program must include each of the four elements described, BP believes the section at §250.1909 "What criteria must be documented in my SEMS program for contractor selection?" is actually a fifth element that has been added without the justification and rationale used to validate inclusion of the other four elements.

BP recommends deleting the Contractor Selection "element" §250.1909 from the proposed rulemaking for the following reasons:

- 1) The rationale used by MMS for developing the four sub-elements does not indicate that contractor selection contributed to the root cause of the incidents analyzed by the MMS for purposes of writing the proposed rule.
- 2) §250.1909(b) is already addressed in Subpart O which clearly states that operators must ensure that both employees and contractors understand and can properly perform their duties, and includes a requirement for operators to verify and document competency of contract employees. There is no need for additional documentation of contractor competency over and above what is already contained in the regulations at Subpart O.

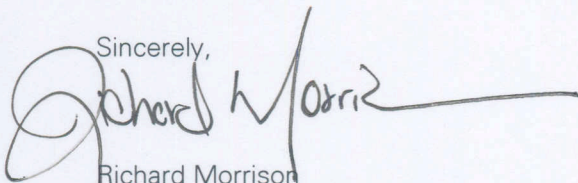
SEMS Audits:

As part of our current procedures, BP performs comprehensive, external to the local business audits of OMS for each facility on a three or four year schedule, with timing based on overall risk of the operation. These audits should meet the requirements listed in §250.1910 and are performed by experienced Operations and Safety personnel at the BP Group level. However, we have these concerns regarding this section:

- 1) We believe timing for audits should be based on performance and risk rather than a prescribed schedule as described in 250.1910(a).
- 2) We recommend deleting language at 250.1910(b) requiring notification to MMS prior to conducting an audit.
- 3) We agree with the MMS proposal to periodically review the results of SEMS audits based on operator performance through unannounced or announced inspections. However we are not supportive of the language at 250.1910(c) which requires producing a separate report solely for MMS purposes within 30 days of the completion of an audit. This is an administrative burden and does not meet the intent of the proposed regulation that the rule not be a paperwork exercise. We suggest adding language to §250.1910(c) that MMS could review audit reports during inspections or upon request which would provide MMS unimpeded access to any audit findings at their discretion.

Again, we appreciate your consideration of these comments. Should you have additional questions regarding these comments, please contact James Grant, Regulatory and Advocacy Manager at 281-366-6490 or Scherie Douglas, Sr. Regulatory and Advocacy Advisor at 281-366-6843.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Morrison", with a long horizontal flourish extending to the right.

Richard Morrison
Vice President, GoM Production
BP America Inc.