



RAILROAD COMMISSION OF TEXAS

February 23, 2016

Howard Shelanski
Administrator, Office of Information and Regulatory Affairs
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

OIRA_submission@omb.eop.gov

Re: Blowout Prevention Systems and Well Control Rule
RIN Data: DOI/BSEE RIN: 1014-AA11 Publication ID: Fall 2015

Dear Sir:

As Commissioners of the Railroad Commission of Texas (the "Commission"), we are writing to express our concerns about a recent rulemaking conducted by the Bureau of Safety and Environmental Enforcement ("BSEE"), Department of the Interior. We understand that the proposed rule, *Blowout Preventer Systems and Well Control RIN 1014-AA11* (the "proposed rule"), was recently submitted for final analysis to the Office of Management and Budget.

The Commission serves Texas as the chief oil and gas regulatory authority through its stewardship of natural resources and the environment, its concern for personal and community safety, and its support of enhanced development and economic vitality for the benefit of Texans. We strongly support the concern for individual and operational safety and environmental protection that purportedly gave rise to the proposed rule. However, we believe that the proposed rule in its current format is misguided and, if permitted to become a final rule in this form, will not accomplish the desired outcomes.

Oil and gas exploration and production activities have long been based on the strong foundation of consensus standards collaboratively developed under the auspices of the American Petroleum Institute ("API"). API standards are continuously created, reviewed revised and improved to reflect technological improvements, current best practices and important safety and environmental issues. We are aware that, after the tragic Macondo incident, extensive effort by government and industry led to the adoption and implementation of numerous new or revised API standards to address blowout preventer systems and well control for offshore wells.

The proposed rule incorporates by reference some of the API standards, but makes them subservient to an overly broad prescriptive regulatory regime that does not recognize the diverse range of drilling conditions that exist. We are concerned that the proposed rule does not adequately take into consideration the consensus standards that have been developed to enhance safety, and does not establish performance based standards that will encourage innovation and best practices.

We are also concerned about the one-size-fits-all approach taken by the BSEE in the proposed rule. This differs from the consensus standards, which recognize that differences exist among offshore operations and allow procedures to be safely adapted as required. The proposed rule may in fact prevent appropriate adaptation to unique conditions, instead encouraging a more costly, less effective check-the-box approach that may actually increase safety risks.

In addition, the proposed rule will burden operating companies with unnecessary compliance costs with no commensurate safety benefits. Adherence to API standards has already been incorporated into the operations of the affected operators. Adding the additional burdens associated with the proposed rule without any discernible enhancement of safety or environmental protection is wrong in this period of challenging market conditions.

Finally, we understand that the development of the proposed rule by BSEE involved almost five years of study and analysis, yet affected parties were only allowed ninety days to provide comments. We do not believe that this was sufficient time to study and comment upon such a complex and important issue. Indeed, the unreasonably short comment period demonstrates that BSEE was not interested in collaboratively developing a rule to enhance safety, but rather operating in a vacuum with little regard for the industry impacted by this proposed rule.

The Commission respectfully requests that you take the necessary time to evaluate the proposed rule and take these concerns into account. Thousands of Texas jobs and economic benefits are at stake if the proposed rule is not modified. Thank you for your attention to this matter.

RAILROAD COMMISSION OF TEXAS



David Porter, Chairman



Christi Craddick, Commissioner



Ryan Sitton, Commissioner

Cc: State of Texas Congressional Delegation
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