



International Standardization Workshop for the Global Oil and Gas Industry

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Minerals Management Service

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Today's Discussion

- Who is the Minerals Management Service?
- MMS Regulatory Program
- MMS Standards Program



Who is the MMS?

- Evaluates Resource Potential
- Conducts Lease Sales
- Conveys Exploration, Development, and Production Rights
- Assures Operations are Conducted Safely
- Environmental Protection
- Resource Conservation
- Manages and Inspects Operations
- Manages Revenue Collection

OCS Operations



Alaska OCS Region
(Anchorage, AK)
1 District

Pacific OCS Region
(Camarillo, CA)
1 District
5 Inspectors
1 Helicopter
23 Structures

**Offshore Technology
Research Center**
(College Station, TX)
Contract

**Denver Mapping
Group**

Ohmsett Test Facility
(Leonardo, NJ)
Contract

Headquarters
(Washington, DC)
ADOMM
(Herndon, VA) - 6 Divisions

Gulf of Mexico OCS Region
(New Orleans, LA)

5 Districts; 62 Inspectors
15 Helicopters
4000+ Structures
33,000 Miles Pipeline

 = Coastal states with OCS Production

Quick Facts

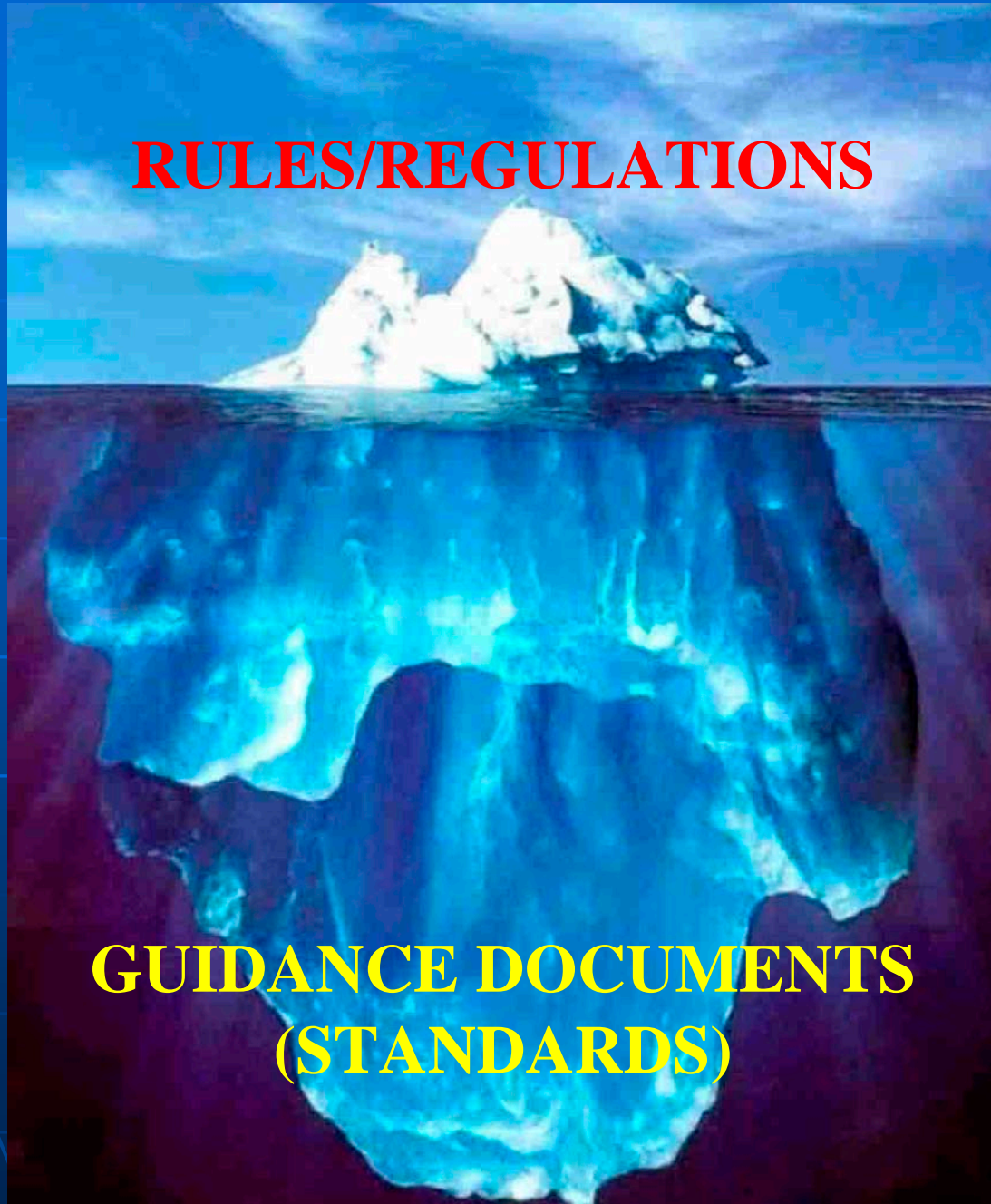
- Responsible for 1.7 Billion OCS Acres
- 37% of US Oil and 17% US Gas
- 2005 Production
 - 3.2 TCF Gas
 - 500 MMBBLS Oil
- Collects and Disburses Revenue
 - Since 1953 - \$133 Billion
- 4,025 Offshore Structures
- 30,000 OCS Personnel
- 130 Operating Companies

MMS Regulatory Program

- Hybrid System of Regulation
- Major Components
 - Prescriptive Requirements
 - Command and Control, Equipment Specifications, Operational and Inspection Procedures
 - Performance Based Initiatives
 - Goal Setting, Alternative Compliance
 - Voluntary Consensus Based Industry Standards

RULES/REGULATIONS

**GUIDANCE DOCUMENTS
(STANDARDS)**



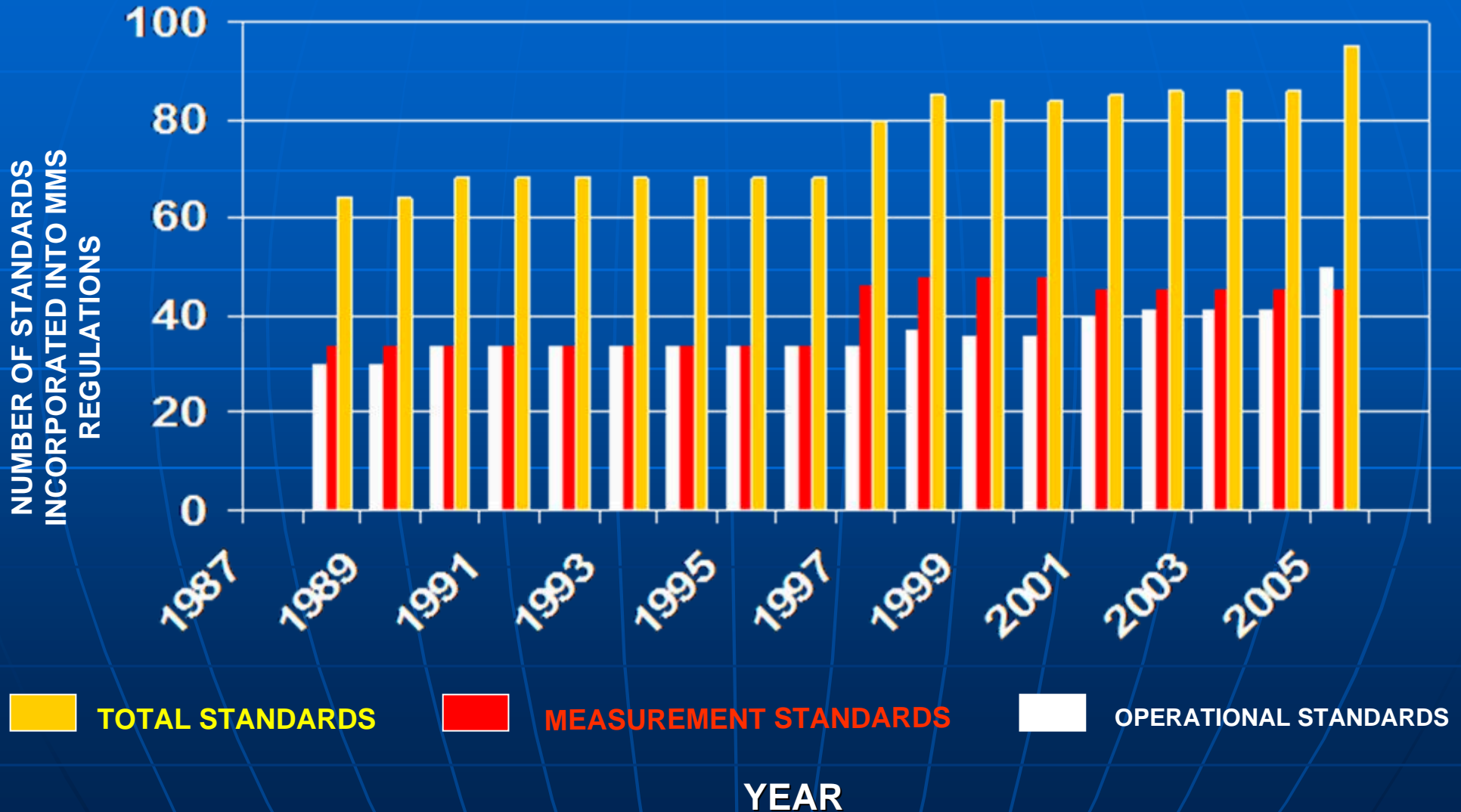
Importance of Standards

- Benefits Industry, Government, Consumer
 - Lowers Costs, Enhances Performance
- Vehicle for Promoting Best Practices
- Standards Support and Help MMS Achieve Core Responsibilities
 - Safe Operations
 - Environmental Protection
 - Resource Conservation

MMS Standards Program

- Integral Part of Agency Regulatory Program
- Domestic (94) and International (1) Standards
- Standards Authored by 8 Organizations, Primarily API
 -
- Current Topics of Interest
 - Station Keeping (Hurricanes)
 - Deepwater Technology (HPHT)
 - Sustained Casing Pressure (Mitigation)
 - Cementing (Best Practices)
 - Well Intervention (Subsea Coiled Tubing and Wireline)
- MMS Active in ISO TC 67 Since 1998

Documents Incorporated by Reference



MMS Criteria for Involvement in Standards

- Standard Needs to be Relevant to MMS Priorities
- Does Standard Have International Implications?
- Will Standard Address a Given Risk?
- Opportunity Cost of Involvement
- Can Work be Performed Solely by Industry or is There Benefit for MMS Participation?

MMS Standards Process

- Publish Our Intent to Incorporate Standard
- Publication Allows Parties an Opportunity to Provide MMS Comments on Proposal
- Agency Can Incorporate
 - Entire Standard
 - Portions of Standard
 - Specific Editions
- Agency Maintains a Public List of All Standards and Editions Incorporated Into Regulations

Application of Standards

- Adoption of a Standard Instead of Developing a New Regulation
- Using Research to Form the Basis of a New Standard
- Using a Standard to Harmonize Requirements Between Multiple Agencies
- Policy – Incorporation Limited to First Tier Standards, Not Second Tier

Organizational Concerns

- Overcoming Internal Resistance
- Project Prioritization
 - Biggest Challenge
- Subject Matter Experts
 - Identification, Conflicts with Regular Job, Time Constraints
- Resource Concerns
- Communication Within Organization

MMS Commitment

- Substantial Input Over Past 15 Years
- Staff Input
 - 3 - 4 Staff Years/Annum
- Financial Support Provided for Drafting Work, Travel, Project Seed Money
- Participation via US Delegation for ISO TC 67

Federal Legal Requirements

- OMB Circular A-119 & NTTAA
 - Establishes Policy for Federal Participation in Standards Development and Use of Standards
 - Directs Use of Standards When Consistent with Agency Mission
- Agency May:
 - Work on Standards, Represent Agency Officially, Vote, Serve as Committee Chair
 - Pay Employee Expenses, Provide Financial Support to Group

CONCLUSIONS

- Standards Form an Integral Component of MMS Regulatory Program
- Standards Provide For Use of Best Practices
- MMS Continues to See Many Benefits From Standards and Will Continue to Participate in the Process
- Can Process be Better Resourced?
- Can Process be Accelerated?

THANKS FOR YOUR ATTENTION

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