

Fact Sheet: Reforms within the Bureau of Ocean Energy Management, Regulation and Enforcement

In response to the *Deepwater Horizon* oil spill in the Gulf of Mexico, the Obama Administration has launched the most aggressive and comprehensive reforms to ensure the safe development of offshore oil and gas regulation and oversight in U.S. history. In bringing in Michael R. Bromwich as the new Director of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) in June 2010, President Obama and Secretary Salazar issued a mandate: to reform the government's regulation of offshore energy development and the agency responsible for it.

President Obama has requested a supplemental \$100 million to strengthen oversight of offshore oil and gas operations, increase offshore facility inspections in the Gulf of Mexico and facilitate the reorganization of BOEMRE. Approximately \$23 million has been approved by Congress.

Under Director Bromwich's leadership, the agency has been working to make the changes necessary to restore the American people's confidence in the safety and environmental soundness of oil and gas drilling and production on the U.S. Outer Continental Shelf.

Organizational Reforms

- Established the **Investigations and Review Unit** to root out problems within the regulatory agency and target companies that aim to game the system.
- Launched aggressive **re-organization program** to deal with real or perceived conflicts.
 - 1st phase completed with the transfer of our Minerals Revenue Management program
 - Continuing an ongoing review and analysis to determine appropriate split involving leasing, environmental and safety functions
- Implemented a **new recusal policy** for BOEM employees to deal with conflicts of interest effective August 30.
- Launched a **full review of our categorical exclusions**, which are no longer being used to approve proposed deepwater drilling projects.
- Created **11 Implementation Teams**, tasked with analyzing various aspects of BOEMRE's regulatory structure and helping to implement the reform agenda.
 - Teams are considering the various recommendations for improvement received from multiple investigations and analyses including the **Safety Oversight Board, National Commission on the BP Deepwater Horizon Oil Spill and National Academy of Engineering**.
- Director Bromwich personally launched a **recruitment campaign** to expand our field of inspectors and engineers – receiving 555 applications in two weeks.
 - Working to **expand our inspection program** to ensure that operators are following all laws and regulations.
 - Planning to hire training professionals and developing programs to expand capacity.

Offshore Drilling Safety Reforms

- Launched **aggressive, comprehensive reforms** to offshore oil and gas regulation and oversight.
- **NTL-06:** Exploration plans must meet new requirements to show the operator is prepared to deal with potential blowout and potential for worst-case discharge scenario.
- **Drilling safety rule:** Permit applications for drilling projects must meet new standards for well-design, casing, and cementing, and be independently certified by a professional engineer. We are strengthening standards in the drilling and production stages, for equipment, safety practices, environmental safeguards, and oversight.
- **New workplace safety rule:** We have imposed, for the first time, performance based standards for offshore drilling and production operations, including for equipment, safety practices, environmental safeguards, and management oversight of operations and contractors.
- Conducted **eight public forums** on safety, containment, and response that featured 61 expert panelists and 37 elected officials to inform Secretary's moratorium decision.
- **NTL-10:** New guidance requires corporate compliance statement and information about subsea blowout containment resources.
- Conducting **comprehensive new environmental analyses** of the Gulf of Mexico and the Arctic to help inform future leasing and development decisions.
- Issued new guidance for **"Idle Iron" wells**, which requires oil and gas companies operating in the Gulf of Mexico to set permanent plugs in nearly 3,500 nonproducing wells and dismantle about 650 oil and gas production platforms if they are no longer being used.