

Salazar Calls for New Safety Measures for Offshore Oil and Gas Operations; Orders Six Month Moratorium on Deepwater Drilling

Cancels Western Gulf and Virginia Lease Sales, Suspends Proposed Arctic Drilling

WASHINGTON – To improve the safety of oil and gas development in federal waters, provide greater environmental protection and substantially reduce the risk of catastrophic events such as the BP *Deepwater Horizon* oil spill, Secretary of the Interior Ken Salazar today called for aggressive new operating standards and requirements for offshore energy companies and ordered a six-month moratorium on deepwater drilling. He also canceled a pending lease sale in the Gulf of Mexico and a proposed lease sale off the coast of Virginia, and suspended proposed exploratory drilling in the Arctic.

The recommendations in the [30-Day Safety Report](#) Salazar [sent President Obama](#) include a recertification of all Blowout Preventers (BOPs) for floating drilling operations; stronger well control practices, blowout prevention and intervention procedures; tougher inspections for deepwater drilling operations; and expanded safety and training programs for rig workers.

"As we marshal every resource in support of the massive response effort for the BP oil spill, we must take appropriate action to prevent such a disaster in the future," Secretary Salazar said. "We are taking a cautious approach to offshore oil and gas development as we strengthen safety and oversight of offshore oil and gas operations."

Secretary Salazar is ordering a moratorium on drilling of new deepwater wells until the Presidential Commission investigating the BP oil spill has completed its six-month review. In addition, permitted wells currently being drilled in the deepwater (not counting the emergency relief wells being drilled) in the Gulf of Mexico will be required to halt drilling at the first safe stopping point, and then take steps to secure the well. Additional safety checks will be imposed on ongoing deepwater drilling activities as they prepare to shut down their operations. The Department of the Interior will be issuing notices to lessees and other documentation necessary to implement the moratorium.

Secretary Salazar said the Administration will continue to take a [cautious approach](#) in the Arctic and, in light of the need for additional information about spill risks and spill response capabilities, will postpone consideration of Shell's proposal to drill up to five exploration wells in the Arctic this summer. In March, Secretary Salazar [cancelled the remaining four lease sales](#) in the 2007-2012 program that the previous Administration had scheduled for the Chukchi and Beaufort Seas in the Arctic, and the President formally withdrew Alaska's Bristol Bay from the oil and gas leasing program. The Department will make decisions about potential future lease sales in Alaska in the 2012-2017 OCS program based on public input, scientific analysis, and the results of on-going investigations and reviews into the BP oil spill. (For a link to a fact sheet on OCS policy, [click here](#).)

The Secretary today also cancelled a proposed 2012 lease sale for offshore Virginia to allow additional consultations with the Department of Defense on military training requirements in the area, and canceled a lease sale for the Gulf of Mexico that was scheduled for August 2010. The findings of the Presidential Commission, environmental reviews, science-based analysis and public input will inform the Secretary's decisions about whether to move forward with other leases sales in the Gulf of Mexico that are currently scheduled for 2011 and 2012, along with decisions about what areas in the Gulf of Mexico and the Atlantic should be considered for inclusion in the 2012-2017 OCS program.

"We must proceed with the utmost caution as we examine the many questions that the BP oil spill raises," Salazar said. "Prudence dictates that we pause and examine our drilling systems thoroughly so that we can ensure that this type of disaster does not happen again."

Interior's expedited [Safety Report](#) recommends a number of specific measures that can be taken on both a short and longer term basis to enhance the safety of offshore oil and gas activities. The report focuses on the two primary failures in the drilling process that may have led to the BP disaster: the loss of well control, and the failure of the blowout preventer (BOP) mechanism.

BOP equipment used on all OCS floating drilling rigs must be re-inspected and receive independent recertification to ensure that the devices will operate as originally designed and that any modifications or upgrades conducted after delivery have not compromised the design or operation of the BOP. Operators must also provide independent verification that the recertified BOP will operate properly with the drilling rig equipment and is compatible with the specific well location, borehole design and drilling plan. Within a year, all operations will require two sets of blind shear rams on BOPs to prevent system failure during an emergency.

The BOPs contain mechanisms designed to shut off the flow of oil and gas, either on command or automatically, when required or when a wellhead is damaged or experiences a blowout. Investigators are seeking to determine why the BOP atop the *Deepwater Horizon* well failed to activate as designed.

Well control design, construction and flow intervention mechanisms and procedures are being strengthened to require expert review and verification and mechanical and physical flow barriers in the drill casings and BOP equipment to prevent blowouts. Tougher requirements will improve the installation and cementing of drill casings in the wellbore to increase safety.

Some of Salazar's recommendations can be carried out immediately through Notices to Lessees, which will advise OCS lessees and

operators of the requirements and provide guidance for their implementation. The Department will also immediately undertake an evaluation and revision of the manner in which it conducts drilling inspections on the OCS, and will issue a final rule covering operator Safety and Environmental Management Systems.

Other measures, although identified, are more appropriate to address initially through a formal rulemaking process. The Department will issue an interim final rule within 120 days to address these measures, and will provide a comment period to elicit input that may lead to further adjustments to this final rule.

Interior has identified a number of additional issues associated with the safety of OCS drilling that will benefit from further study and a wider discussion. The Department will therefore immediately provide for the establishment of DOI working groups to further develop measures and recommendations around these issues, seeking input as appropriate from academia, industry, and other technical experts and stakeholders. These issues involve highly technical and complex evaluations that must be undertaken with due care.

These working groups will present recommendations for further safety and environmental protection measures within 6 months, with implementation of the new recommendations through appropriate process within one year. The recommendations from these Departmental working groups may also inform the efforts of the President's new bipartisan National Commission.

On April 30, 2010, President Obama directed Secretary Salazar to prepare the expedited report evaluating additional offshore oil and gas safety measures that could be put into action on an interim basis, even before on-going investigations identify the root cause of the BP oil spill disaster. Interior consulted with a wide range of experts from industry, government, and academia. Draft recommendations were reviewed by seven experts identified by the National Academy of Engineering.

For a link to the 30-day safety report, [click here](#).

For a link to Secretary Salazar's cover letter to the President, [click here](#).

For a link to a fact sheet on OCS policy, [click here](#).