

## Shell Exploration & Production Company



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VIA OVERNIGHT MAIL

December 13, 2002

Department of the Interior  
Minerals Management Service (MS 4024)  
381 Elden Street  
Herndon, Virginia 20170-4817

Attention: Rules Processing Team

Subject: COMMENTS REGARDING MMS PROPOSED RULE  
SUBPART "B" EXPLORATION AND DEVELOPMENT AND PRODUCTION  
PLANS ON THE OUTER CONTINENTAL SHELF (67FR35372)

Shell Exploration and Production Company (SEPCo) appreciates the opportunity to submit comments on the Minerals Management Service (MMS) proposed rule on Exploration and Development and Production Plans on the Outer Continental Shelf (Subpart "B"). SEPCo is a leading producer of oil and gas and a large leaseholder in the Gulf of Mexico with an active exploration and drilling program both on the Shelf and in the ultra-deep waters. As such, we are very interested in providing comments on the proposed regulations.

SEPCo has also participated in and hereby adopts the comments prepared and submitted by the Offshore Operators Committee (OOC). In addition to the OOC comments, we submit the following comments on the key issues of the proposed re-write of Subpart "B" and accompanying proposed NTL for the GOM OCS Region which should be considered when revising the proposed regulations:

The Paperwork Reduction Act (PRA) Statement states that the NTL does not impose additional information collection requirements subject to the PRA. However it appears that there is a lot of additional information required in Waste and Discharge Information (250.217 and 250.248), Air Emissions Information (250.218 and 250.249), Support Vessels, Aircraft Information (250.224 and 250.257) and Onshore Support Facilities Information (250.225 and 250.258). This required information is very specific to the activity. Because of the long lead-time required for plan approval the specific rig, support vessel contractors, or waste disposal sites in most cases have not been selected when the plan is prepared. This forces the operator to provide the best guess of this information that may change when the contracts are actually awarded for the work. For instance the type, composition, and amounts of wastes generated are common across operations performed in the GOM and has been documented in studies like the chemical study conducted after NTL 200-G21. We feel these requirements could be simplified to include typical operations and any exceptions for individual reasons.

### 250.227 and 250.261 Environmental Impact Analysis (EIA)

The rule and NTL appears to require this detailed analysis for all plans – initial, supplemental and revised. Since the environmental report appears to have been replaced by the EIA this change increases significantly the information required to be provided. Previously the environmental reports

was limited to those cases that were specified such as initial EP/DOCDs, DOCDs for multi-well platforms, etc. Therefore if this requirement is not modified we will have to provide this information for such things as changing an anchor pattern of an approved plan, adding a third well to an approved exploration plan, or changing the proposed bottom hole lease for a well from an approved platform that has already been installed. We encourage the MMS to qualify this requirement for activities that will have a potential impact on the environment such as those previously required for an environmental report and if an environmental report was submitted and approved previously for an activity that an EIA not be required for a simple change of plans that may require a supplemental or revised plan. In the case of deepwater projects the MMS will already have in their files the NEPA analysis performed when the plan was originally approved, but it has not been made available to the operator.

Many of the impact producing factors addressed in the EIA such as air quality, impacts to chemosynthetic communities, and archeological sites are addressed in detail in the plan or the archeological report that is part of the plan. It is unclear what additional information we should be addressing in the EIA. Also specifying that we should not incorporate impacts described in the lease sale environmental impact statement (EIS) is confusing. Site specific impact research studies are not conducted prior to each project therefore it is impossible not to tier off of the generalized lease sale impacts, grid EA's or other NEPA documents.

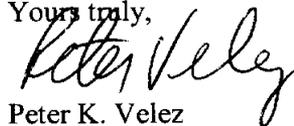
#### 250.296 Conservation Information Documents (CID)

We encourage the MMS to develop specific time frames for deeming complete and approving the CID similar to those for EP's and DOCDs. Although it appears that the requirement for CID approval prior to DOCD approval appears to have been removed, the approval in a timely manner is imperative since we are often proceeding with equipment procurement and installation activities such as pipelines prior to the CID approval.

We encourage the CID to be a one time only submittal following the decision to develop the reserves that have been adequately defined by exploration drilling. If later drilling changes the initial plan a revision should only be required if we are no longer planning to develop a reservoir that as defined in 250.296(b) is and economically producible reservoir and was included in the original approval. In practice this document has gone well beyond the intent of ensuring sound conservation practices prior to expenditure of funds in that even a recompletion can trigger an operator having to come in and amend the original CID approval.

SEPCo appreciates the opportunity to comment on the MMS' proposed Subpart "B" regulations. If you have any questions concerning these comments, please contact Phil Smith at (504) 728-4252.

Yours truly,



Peter K. Velez  
Manager Regulatory Affairs

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