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API UPDATE

API ACTIVITIES

API S53 Well Control Equipment Systems for Drilling Wells (no update)

- The 5th edition of API 53 was published December 2018. The Task Group did not meet at the 2020 Summer Conference and is now focused on any incoming RFI's for the 5th Edition. In 2020, the task group will continue addressing RFI's and collecting issues for potential inclusion in a future 6th edition. Ricky Cummings, Chevron, is the chair RCummings@chevron.com

API RP 75 Recommended Practice 75, Recommended Practice for a Safety and Environmental Management System for Offshore Operations and Assets

- The 4th Edition of API RP 75 was published December 4, 2019. The new edition provides guidance for establishing, implementing, maintaining, and continually improving a safety management system (SEMS) for offshore oil and gas operations. The new edition expands the reach of SEMS globally, to contractors and sub-contractors, as well as acknowledges advancements in technology and advancements to improve risk management. API hosted a training webinar on Thursday, February 27, 2020 on the 4th edition of RP 75. For details about the RP 75 webinar, please visit www.apilearning.org or email Training@api.org and as part of API's outreach on this key standard, a special session and breakout session on RP 75 are planned for the 2020 Virtual COS Forum on Tuesday, November 10th and Thursday, November 12th. For more information, visit: https://www.centerforoffshoresafety.org/cos_forum_2020 Sandi Fury, Chevron, SFury@chevron.com and Charlie Duhon, Arena CDuhon@arenaoffshore.com are the co-chairs.

BSEE ACTIVITIES

Best Available and Safest Technology (BAST)

- Industry continues to work with BSEE on BAST. Director Angelle issued a Bureau Interim Directive (BID) on drilling equipment in late 2019 that contains an overly broad definition of "significant effect." It seems from a call we had with BSEE that this issue may be resolved. The Director suggested revising the BID to (1) Conclude that the 9 pieces of drilling equipment meet "significant effect" and removing the definition of "significant effect." (2) State a preference for rulemaking for BAST determinations absent an imminent threat to safety or the environment. The revised BID on drilling equipment was signed on July 6, 2020. The BID and process are much improved, and the concerns have been resolved. A similar BID for production equipment is expected soon. Next steps should include a public comment period for performance requirements for proposed equipment subject to BAST, for both drilling and production. We await further information from BSEE.

BSEE Bolt Report, Safety Alert & API Response

- August 11, 2014 BSEE released a technical Review of Connector and Bolt Failures following the failure of connectors and bolts used in critical equipment. The technical review, entitled Evaluation of Connector and Bolt Failures, was completed by the bureau's Quality Control-Failure Incident Team (QC-FIT) and submitted to BSEE Director Brian Salerno. API held a Technical Session during the API Exploration and Production Winter Standards Meeting in New Orleans on January 27, 2015. After the Technical Session, a multi-segment task group was

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formed to review the detailed recommendations in the report and determine next steps. The final report was shared with BSEE and is now being implemented.

BSEE held a public forum on offshore connector equipment failures, including connector bolt failures that have occurred on the OCS on August 29, 2016, in Washington, DC. API presented at the Forum.

In addition to the work of the multi-segment task group, API met with BSEE on March 31, June 22, September 20, and October 7, 2016, to discuss the Safety Alert. And provides BSEE quarterly updates to track the voluntary industry actions we have committed to to improve subsea BOP bolting. The phase one voluntary work is complete and reporting to BSEE will now be twice yearly, after the 1st and 3rd quarter. Q1 2020 report was delivered to BSEE on May 29, 2020. The Q3 report is under development and expected to be delivered to BSEE by October 30, 2020.

Additionally, the National Academies of Sciences, Engineering, and Medicine (the Academies) through the National Academy of Engineering (NAE) and the National Materials and Manufacturing Board (NMMB) has been contracted by BSEE to hold an Academies' workshop and follow-on study to address issues associated with the reliability of connectors used in critical safety components and equipment for offshore oil and natural gas operations. The workshop was held April 10-11, 2017 in Washington, DC. The website for the Committee: http://sites.nationalacademies.org/DEPS/NMMB/DEPS_174523. The workshop proceedings can be found here: [Bolting Reliability for Offshore Oil and Natural Gas Operations: Proceedings of a Workshop](#)

The pre-publication of the Committee's report "High-Performance Bolting Technology for Offshore Oil and Natural Gas Operations" was posted March 9, 2018 and can be found [here](#). API submitted technical corrections to the Committee on the pre-publication copy. The final report was published in June and can be found here: <https://www.nap.edu/catalog/25032/high-performance-bolting-technology-for-offshore-oil-and-natural-gas-operations> API submitted a letter to BSEE on August 30, 2018 on the final report.

Offshore Inspections (no update)

- As you may know, BSEE contracted The National Academies to form a Committee on the Review and Update of BSEE Offshore Oil and Gas Operations Inspection Program <http://www8.nationalacademies.org/cp/projectview.aspx?key=49890> The first meeting was held October 26-27, 2017 in Washington, D.C. After the first meeting, the work was put on hold and BSEE provided a revised statement of work to the Committee. Subsequently, the Committee held meetings December 11-12, 2018 and March 14-15, 2019 in Washington, DC. The joint API OOC Offshore Inspection Workgroup presented at both the Oct 2017 and December 2018 meetings. The last meeting was held June 5-6 in Washington, DC. The June 5-6 meeting was mostly in closed session to discuss the task statement and information needs. The Committee also held a meeting September 9-10 in New Orleans and met with BSEE, offshore workers (OIM/PIC) and SEMPCheck and Offshore Technical Compliance. The joint API OOC workgroup continues to be involved with the committee's work. The NAS committee is trying to wrap up its information gathering to begin drafting their report. They held a closed-session meeting December 5-6, with an original target of releasing a prepublication report early spring and the final summer 2020. The draft is now not expected to BSEE until January 2021. At this point, no additional open sessions for the committee are expected.

OTHER ACTIVITIES

CBP Rulings Notice on Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points (no update)

- On January 18, 2017, CBP published a notice entitled “Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points” in volume 51 of the Customs Bulletin and Decisions. According to CBP they proposed to modify a 1976 Ruling HQ 101925 to make it more consistent with federal statutes and regulations that were amended or promulgated after HQ 101925 was issued, and to clarify the proper reasoning underlying the conclusions reached regarding the subjects covered in the ruling. In addition, CBP proposed to revise its rulings which have determined that articles transported between coastwise points are vessel equipment pursuant to Treasury Decision (“T.D.”) 49815(4). CBP intends to revoke or modify all prior rulings inconsistent with the proposed modifications. To respond to this notice, API coordinated a Joint Trade comment letter, filed April 18, 2017, which included (API), the Association of Diving Contractors International (ADCI), IADC, the Independent Petroleum Association of America (IPAA), the International Association of Geophysical Contractors (IAGC), the International Marine Contractors Association (IMCA), the Louisiana Mid-Continent Oil and Gas Association (LMOGA), the Offshore Operators Committee (OOC), the Petroleum Equipment & Services Association (PESA) and the U.S. Oil and Gas Association. On May 10, 2017, CBP withdrew the proposal stating that “Based on many substantive comments CBP received both supporting and opposing the proposed action, and CBP’s further research on the issue, we conclude that the Agency’s notice of proposed modification and revocation of the various ruling letters relating to the Jones Act should be reconsidered.”
- On October 23, 2019, CBP published a new notice of proposed modification and revocation of ruling letters related to CBP’s application of the Jones Act to the transportation of certain merchandise and equipment between coastwise points. On December 19, 2019 CBP finalized the notice with little to no changes. The following changes go into effect on February 17, 2020:
 - Revokes the “Koff” rulings. This is significant because if these rulings are applied broadly, virtually any movement that is necessary to safely conduct installation, construction or decommissioning work by highly-specialized vessels offshore could be prohibited.
 - Revokes and modifies “equipment of the vessel” rulings, such that it clarifies that the Jones Act-qualified vessels of the domestic marine industry are required for the transport of equipment for installation to and from offshore locations.
 - Implements a definition of “lifting operations” that is critical to safe and workable operations, as it distinguishes those activities from transportation of merchandise that is otherwise covered by the Jones Act.
- While this is a significant victory for the industry, we continue to advocate against any language in the USCG Authorization which would reverse this progress. As the House Transportation and Infrastructure and Senate Commerce Committees negotiate a final bill, they are debating the House-passed bill, which included the detrimental language, and the Senate Commerce Committee-passed bill which did not. At this time, the language is one of a handful of items in

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the full bill still being negotiated. Our position remains clear: no Jones Act-related language should be in the final bill and our efforts are focused on educating and finding additional Senators to weigh in with the Committee staff negotiators to express opposition to the House language. We have seen efforts by the Senate Commerce staff to amend the House language, but neither attempt can be supported because it still contains the waiver system language which we adamantly oppose. The American Wind Energy Association (AWEA) has become more engaged and has expressed the wind industry's clear opposition to the House language as well. We continue to work closely with AWEA so that our efforts complement each other with the same end goal of having the language dropped. The timeline for a final bill is uncertain. There is strong desire for a final Coast Guard bill to reach the President's desk, but conventional thinking continues to be that the final bill must pass the Senate by unanimous consent, meaning it only takes one Senator to stop the bill. As such, our strategy will be to continue building the chorus of opposition in the Senate. Thus far, industry has been successful in keeping in any installation vessel language out of any current legislation.

CSB Pryor Trust Well Control Incident Report Recommendations

- On June 12, 2019, the U.S. Chemical Safety Board (CSB) released their final report on the Pryor Trust Fatal Gas Well Blowout and Fire that occurred in Pittsburg County, OK on January 22, 2018. In the report CSB made five recommendations to API. <https://www.csb.gov/pryor-trust-fatal-gas-well-blowout-and-fire/>

1. 2018-01-I-OK-R2: Automatic Safety Instrumented Systems Workgroup

Establish and convene a group of experts with drilling, engineering, and instrumentation expertise to discuss methods to achieve widespread implementation of automatic safety instrumented systems that could bring a well to a safe state in the event other operational barriers fail. Publish a technical bulletin discussing the strategies to implementing Blowout Preventer (BOP) safety instrumented systems.

API has formed a workgroup of experts with drilling, engineering, and instrumentation expertise to discuss needs, feasibility, practicality, methods to achieve widespread implementation of automatic safety instrumented systems that could bring a well to a safe state in the event other operational barriers fail. This workgroup has been meeting regularly and has developed a draft document. The last meeting was July 23, 2020, which was the first standards development meeting. SC 16 on Drilling Well Control Equipment sent an SR3 to CSOEM for approval. The next meeting is October 20, 2020 to finalize the draft before turnover it over to SC 16.

2. 2018-01-I-OK-R3: Safely Tripping Drill Pipe Workgroup

For onshore drilling operations, develop and publish a recommended practice providing guidance on safely tripping drill pipe during (1) overbalanced drilling operations, (2) managed pressure drilling operations, and (3) underbalanced drilling operations. At a minimum, include information on:

- (a) Required equipment for tripping operations,
- (b) Techniques and procedures for controlling or preventing formation fluid influx, and
- (c) Methods to monitor the well and replace the drill pipe displacement volume with drilling fluid (e.g., mud).

API has formed a workgroup and approved an SR3 to develop a new document on safely tripping drill pipe. This workgroup has been meeting regularly and has developed a draft document. The first Standards Development Meeting was held in March. The new document

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will be API RECOMMENDED PRACTICE 79 *Tripping Operations in Overbalanced Wells*. The last meeting was held yesterday, October 14, 2020. After the first document is developed, additional work on safely tripping drill pipe during managed pressure drilling operations, and underbalanced drilling operations will occur. The IADC UBO/MPD Workgroup will help with the development of the safely tripping drill pipe during managed pressure drilling operations document.

3. **2018-01-I-OK-R4: Alarm Management Workgroup**

Develop a recommended practice on alarm management specifically for the drilling industry based on guidance in ANSI/ISA 18.2 Management of Alarm Systems for the Process Industries. The recommended practice will address the unique dynamic environment of the drilling industry and provide guidance on implementing a state-based alarm system for different operating modes (e.g., drilling, circulating, tripping, etc.). Include International Association of Drilling Contractors (IADC) in the development of this recommended practice

API has formed a workgroup to review the existing body of information/documents including SPE, IADC, and others on alarm management specifically for drilling operations. The scope of this review should include 3 parts: alarm philosophy; identification of alarms; rationalization of alarms. The group should develop next steps, including the possible development or revision of a recommended practice to address the unique dynamic environment of the drilling industry, guidance on implementing a state-based alarm system for different operating modes (e.g., drilling, circulating, tripping, etc.). This workgroup includes IADC, drilling contractors, and alarm/drilling instrumentation data system manufacturers in this group. The worked decided it would be best to revise the IADC ART Drilling Control Systems Alarm Management Guidelines, that document has been revised and has been distributed to the workgroup, comments are being incorporated. The revised IADC document will be incorporated into the revision of API RP 59.

4. **2018-01-I-OK-R5: Protection of Onshore Drilling Rig Workers Workgroup**

Develop a new recommended practice or modify an existing recommended practice (e.g. API RP 54 Recommended Practice for Occupational Safety for Oil and Gas Well Drilling and Servicing Operations) addressing the protection of rig workers on onshore drilling rigs from fire and explosion hazards in the event of a blowout. The recommended practice will specifically address:

- a) Protecting drilling cabin occupants from blowout hazards including heat, blast overpressure, and projectiles, such as requiring an increased fire rating for the driller's cabin that would allow enough time for occupants to evacuate during a blowout and fire;
- (b) Minimum required evacuation methods from the drilling cabin, rig floor, and mast or derrick in the event of a blowout so that personnel can quickly escape in variable hazard location conditions. For example, floor exit hatches and exits on the driller's cabin wall opposite the rig floor could provide safe evacuation routes during a blowout and fire; and
- (c) Proximity of the Blow Out Preventer (BOP) activation controls with the driller.

API has formed a SME workgroup including drilling contractors, downstream, API fire & protection group, OEMs of rigs/components, service companies to review protection of rig workers on onshore drilling rigs from fire and explosion hazards in the event of a blowout. The

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workgroup met regularly and has developed a draft addendum to API RP 54 Section 7, "Drilling and Well Servicing Equipment." The draft addendum was sent for ballot on September 8, 2020 and closed on October 12, 2020. A few comments were received, they will be resolved and the addendum will move to publication.

5. **2018-01-I-OK-R6: Bulletin 97 Revision Workgroup**

Update API Bulletin 97 Well Construction Interface Document Guidelines to specify that it applies to both onshore and offshore drilling operations.

API has formed a workgroup and approved an SR3 to develop a new document Bull 97L for onshore drilling operations. The Standards development workgroup has been meeting and developed a draft document which went to ballot on April 30, 2020 and closed on June 19, 2020. The ballot passed with 1 negative vote. 44 Comments were received, and the workgroup resolved the comments. The accepted comments from the ballot necessitated additional modifications being made to the draft, some of which are considered substantive. In accordance with API Procedures for Standards Development, the document has been recirculated to afford all members of the consensus body an opportunity to respond, reaffirm, or change their vote. The deadline for votes/comments was September 28, 2020. There were no comments on the recirculation, the draft has been submitted to OCLO and Editorial for publication. The first page proofs were received by Roland and will go to the chair shortly. The document will likely be published by the end of November.

Questions:

Holly Hopkins

Manager, Upstream

American Petroleum Institute

1220 L Street, NW

Washington, DC 20005

hopkinsh@api.org

202-682-8439 phone