

BLOWOUT PREVENTION ACT OF 2010
DISCUSSION DRAFT
Section-by-section Summary

Section 2 – No Drilling Without Demonstrated Ability to Prevent and Contain Leaks

Subsection (a) provides that, effective one year after the date of enactment, a federal permit to drill a high-risk well shall not be issued unless the applicant demonstrates, the CEO of applicant attests, and the appropriate federal official (the Secretary of Interior, Secretary of Energy, or Administrator of the Environmental Protection Agency, as determined by the President) determines that (1) the blowout preventer and other well control equipment will prevent a blowout from occurring, (2) the applicant has an oil spill response plan that ensures the applicant has the capacity to promptly stop a blowout if the blowout preventer fails, and (3) the applicant has the capacity to begin drilling a relief well within 15 days of a blowout and complete drilling a relief well within 90 days of a blowout. “High-risk well” is defined as all offshore oil and gas wells and the subset of onshore wells that, under criteria established by the appropriate federal official, could lead to substantial harm to public health and safety and the environment in the event of a blowout.

Subsection (b) requires an operator to meet the same requirements in order to obtain federal approval to drill a high-risk well that does not currently require a federal permit. This approval function can be delegated to states.

Section 3 – Blowout Preventer Requirements

Subsection (a) requires the appropriate federal official to issue regulations to require the use of blowout preventers for high-risk wells and to prescribe safety standards for blowout preventers that ensure that the designs will operate at the location they will be deployed. At a minimum, the designs must include: (1) two sets of blind shear rams appropriately spaced; (2) two sets of casing shear rams appropriately spaced; (3) independent and redundant hydraulic and activation systems for each blind shear ram and casing shear ram; (4) one or more emergency backup control systems; and (5) remotely operated vehicle intervention capabilities for secondary control. If the appropriate federal official determines that one of these minimum component requirements would be less effective than an alternate mechanism, the alternate mechanism may be required instead.

Subsection (b) requires independent third-party certification of a blowout preventer prior to drilling a high-risk well. The certification is based on a detailed physical inspection, design review, system integration test, and function and pressure testing. The certification ensures that the blowout preventer is properly designed for the circumstances, will operate effectively, includes blind shear rams and casing shear rams that will function effectively and cut the drill pipe or casing, includes emergency control systems that will function effectively, and has not been compromised or damaged from prior service. Recertification is required every 180 days or after any material modification to the blowout preventer or design of the well.

Subsection (c) requires prompt function and pressure testing of a blowout preventer after a significant well control event.

Subsection (d) includes reporting requirements for blowout preventer maintenance and repair, electronic logs, design specifications, changes to design specifications, and failure during a well control event.

Section 4 – Ensuring Safe Wells and Cementing

Subsection (a) requires regulations to ensure the appropriate and safe design of high-risk wells. The regulations shall require at least three independent tested barriers, including at least two mechanical barriers, and well control guidelines and fluid circulation and displacement procedures. Third-party certification of the well design is required prior to the commencement of drilling and after any material modification of the well design.

Subsection (b) requires regulations of well casing designs and cementing programs of high-risk wells to ensure that well control will be maintained and there will be no unintended flow of hydrocarbons. At a minimum, the regulations shall require adequate cement volume and cement bond logs for all cementing programs. Third party certification of well casing designs and cementing programs and procedures is required prior to commencement of drilling.

Subsection (c) requires regulations to establish procedures and technologies to be used to minimize the risk of ignition and explosion of hydrocarbons discharged from the well during a well control event.

Section 5 – Stop-Work Requirements

This section requires regulations to establish requirements (1) for operators and contractors to stop work when there are conditions indicating an immediate risk of a blowout at a high-risk well and (2) that operators adopt policies, procedures, and incentives to ensure that work stop in such circumstances.

Section 6 – Independent Technical Advice and Certification

Subsection (a) provides for the establishment of an independent Well Control Technical Advisory Committee to review and comment on proposed regulations, respond to requests for advice from the appropriate federal official, and provide periodic reports (1) assessing available blowout preventer and well control technologies, practices, voluntary standards, and regulations in the United States and elsewhere, (2) assessing whether existing regulations are adequate, and (3) recommending modifications to the regulations.

Subsection (b) requires the appropriate federal official to establish standards for the approval of independent third-party certifiers. The appropriate federal official will contract directly with the third-party certifiers and randomly assign third-party certifiers to individual certifications and recertifications. Operators shall pay fees to cover the costs of these activities. It shall be a violation of this Act for any third-party certifier to knowingly or recklessly make any false statement in any document submitted in connection with a certification or recertification.

Subsection (c) allows for the establishment of a panel of independent technical experts to provide technical advice to the appropriate federal official with regard to any well-specific regulatory decision under this Act.

Section 7 – Regulations and Orders

Subsection (a) requires the appropriate federal official to issue the regulations required by this Act not later than 1 year after the date of enactment. At least once every 5 years, the appropriate federal official shall review the regulations and the recommendations of the Advisory Committee and revise the regulations if they are not adequate.

Subsection (b) authorizes the appropriate federal official, prior to the effective date of the initial regulations required by this Act, to issue interim orders applicable to one or more operators to ensure that blowouts are prevented including requirements to use safe and effective blowout preventers, well designs, casing designs, and cementing programs and procedures.

Section 8 – Well Control and Blowout Prevention Inspectors

This section requires periodic unannounced inspections and in-person observation of tests by federal inspectors, as well as the charging of fees from operators to cover the associated expenses.

Sections 9 through 13

These sections provide for the judicial review of regulations, investigation of alleged or suspected violations of this Act, citizen suits to compel compliance with this Act, civil and criminal penalties for violations of this Act, and prohibitions on retaliating against whistleblowers.

Section 14 – Chemical Safety Board Investigation

This section amends the Clean Air Act to facilitate the investigation of the Chemical Safety and Hazard Investigation Board into the facts, circumstances, and causes of a marine oil spill resulting from an accidental fire, explosion, or release involving an offshore oil exploration or production facility.

Section 15 – Savings Clause

This section provides that nothing in this Act shall be construed to preempt State or local regulation of oil and gas exploration and production wells drilled in State waters, on State lands, or on private lands.

Section 16 – Definitions

This section provides definitions of key terms in the Act.