



Section-by-Section of **H.R. 5626, the Blowout Prevention Act of 2010** Committee on Energy and Commerce

Section 2. No Drilling of Covered Wells 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 covered well shall not be issued unless the applicant demonstrates, the CEO of applicant attests, and the appropriate Federal official (the Secretary of Interior or Secretary of Energy, as determined by the President) determines that (1) the well design is safe; (2) the blowout preventer has redundant systems to prevent or stop a blowout for all foreseeable blowout scenarios and failure modes; (3) the applicant has an oil spill response plan that ensures the applicant has the capacity to promptly control and stop a blowout if the blowout preventer and other well control measures fail, and (4) the applicant has the capacity to begin drilling a relief well promptly and complete drilling of a relief well expeditiously.

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

Subsection (c) provides that a permit or approval issued under this section shall require the operator to seek a revision of such permit or approval in the event of a material modification to the well design, blowout preventer, plan to promptly stop a blowout, or capability to begin or complete drilling of a relief well for such covered well.

Section 3. Blowout Preventer Requirements

Subsection (a) requires the appropriate Federal official to issue regulations to require the use of a blowout preventer (BOP) for a covered well and to prescribe safety standards that require that the blowout preventer will operate effectively at the location it will be deployed. At a minimum, the regulations must include the following requirements: (1) two sets of blind shear rams appropriately spaced to prevent blowout preventer failure if a drill pipe joint or drill tool is across one set of blind shear rams during a situation that threatens loss of well control; (2) redundant emergency backup control systems capable of activating the BOP when the rig, or critical links between the rig and the BOP, are destroyed or inoperable; (3) regular testing of the emergency backup control systems, including testing during deployment; and (4) as appropriate, remotely operated vehicle intervention capabilities for secondary control, including adequate hydraulic capacity to activate blind shear rams, casing shear rams, and other critical blowout preventer components.

This section also requires studies and recommendations by the Well Control Technical Advisory Committee (established under section 6) regarding (1) whether the use of up to two sets of casing shear rams would improve the safety of BOP systems at covered wells; (2) the risks associated with the failure of hydraulic and activation systems for the blind shear rams and other critical BOP components and the need for redundancy in BOP components; and (3) the risk associated with non-subsea BOPs at offshore wells in the event the drilling rig for such well is damaged or destroyed, the riser or other well component between the wellbore and the blowout preventer is damaged or destroyed, or the blowout preventer is rendered inoperative. If, based on any recommendation of the Advisory Committee resulting from these

studies, the appropriate Federal official determines that safety would be significantly improved by requiring additional measures to mitigate risks, the appropriate Federal official shall include such requirements in the regulations issued under the Act.

If the appropriate Federal official determines that one of the minimum requirements under this section would be less effective than an alternative technology or practice for all covered wells, or for one or more classes of covered wells, the alternative technology or practice may instead be required.

Subsection (b) requires independent third-party certification of a BOP prior to drilling a covered well. The certification is based on a detailed physical inspection, design review, system integration test, and function and pressure testing. The certification ensures, based on the third-party certifier's best professional judgment, that (1) the BOP is properly designed for and will operate effectively for the drilling conditions, and with the equipment, well design, and location where it will be installed; (2) blind shear rams and casing shear rams will function effectively and cut the drill pipe or casing; (3) emergency control systems will function effectively; and (4) the BOP has not been compromised or damaged from prior service. Recertification is required every 180 days or after any material modification to the BOP or design of the well.

Subsection (c) requires prompt function and pressure testing of a BOP at a covered well after a significant well control event to ensure full operability of all BOP functions.

Subsection (d) includes reporting requirements for BOP 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 covered wells. The regulations shall (1) in connection with installation of the final casing string, require the installation of at least two independent, tested mechanical barriers, in addition to a cement barrier, across each flow path between hydrocarbon bearing formations and the blowout preventer; (2) require that wells be designed so that a failure of one barrier does not significantly increase the likelihood of another barrier's failure; (3) require that the casing design is appropriate for the intended purpose under reasonably expected wellbore conditions; and (4) require the installation and pressure testing of a lockdown device at the time casing is installed in the wellhead.

Subsection (b) requires regulations for cementing programs of covered 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 centralization of the casing, a full circulation of drilling fluids prior to cementing, the use of adequate cement volume, and cement bond logs for all cementing programs intended to provide a barrier to hydrocarbon flow.

Subsection (c) requires the well operator to maintain a team of experienced and highly qualified engineers and other appropriate experts to advise the operator on the safety of decisions made during drilling of the well.

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

Under subsection (e), if the appropriate Federal official determines that one of the minimum requirements required under this section would be less effective than an alternative technology or practice for all covered wells, or for one or more classes of covered wells, the alternate mechanism or practice may be required instead.

Subsection (f) requires independent third-party certification, prior to the commencement of drilling, that the well meets the requirements of this section, and that, in the independent third party's best professional judgment, the operator's casing designs and cementing programs and procedures ensure that well control will be maintained. Recertification is required after any material modification of the well design.

Section 5. Stop-Work Requirements

This section requires regulations to establish requirements (1) for operators and contractors to stop non-safety-related work when there are conditions indicating an immediate risk of a blowout at a covered well and (2) that operators adopt policies and procedures to promote a safety culture and to ensure that non-safety-related work stops in circumstances that present an immediate risk of a blowout.

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, provide reports assessing implementation of this Act, and provide periodic reports at least once every five years (1) assessing available BOP 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 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. Such experts may be drawn from academia, national laboratories, industry, or other places.

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 require the operator to have the capacity to prevent and respond to a blowout; use safe and effective BOPs, casing designs, cementing programs and procedures, and well designs; and use appropriate procedures and technologies to minimize the risk of ignition or explosion in the event of a blowout or well control event.

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 costs.

Sections 9 through 13

These sections provide for the judicial review of regulations, investigation of alleged or suspected violations of this Act, gathering of information needed to implement 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 marine oil spills resulting from accidental fire, explosion, or release involving an offshore oil or gas exploration or production facility.

Section 15. State and Federal Regulation

This section relates to the determination of which wells are covered wells subject to the requirements of this Act. It allows any State to submit to the appropriate Federal official a plan demonstrating that the State's regulatory regime provides effective regulation of oil or gas exploration or production wells located in such State. In order to meet such standard for offshore wells not located on the outer Continental Shelf, the State must show that it has established requirements comparable to those applicable to covered wells under this Act, or alternative requirements providing an equal or greater level of safety. In order to meet such standard for onshore wells not located on Federal lands, the State must show that it has established regulations applicable to such wells to effectively protect public health and safety and the environment. In the case of wells on Federal or tribal land, the appropriate Federal official shall determine whether the combination of the Federal, State, and tribal regulation applicable to such wells effectively protects public health and safety and the environment.

In the event a State does not concur in the appropriate Federal official's finding that the State cannot effectively regulate an onshore well not located on Federal or tribal land, the appropriate Federal official may decide to regulate such well as a covered well under this Act. The State may file a legal action challenging such a decision. If the State files such a legal action, the authority of the appropriate Federal official to regulate such wells as covered wells shall be stayed until the conclusion of the litigation, including any appeals. The judicial standard of review of the decision of the appropriate Federal official shall be a clear and convincing evidence standard.

Section 16. 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 17. Definitions

This section provides definitions of key terms in the Act.

A covered well is defined as: (A) an oil or gas exploration or production well that is located on the outer Continental Shelf; or (B) an offshore oil or gas exploration or production well that (1) is not located on Federal or tribal land; (2) is not a marginal well; (3) could, in the event of a blowout lead to extensive and widespread harm to public health and safety or the environment; and (4) is located in a State that the appropriate Federal official determines under section 15 cannot effectively regulate the well; or (C) an onshore oil or gas exploration or production well that (1) is not located on Federal or tribal land; (2) is not a marginal well; (3) could, in the event of a blowout lead to extensive and widespread harm to public

health and safety or the environment; (4) is located in a State that the appropriate Federal official determines under section 15 cannot effectively regulate the well; and (5) with respect to which the State concurs in the appropriate Federal official's finding that the State cannot effectively regulate the well; or (D) an oil or gas exploration or production well that (1) is located on Federal or tribal land; (2) is not a marginal well; (3) could, in the event of a blowout lead to extensive and widespread harm to public health and safety or the environment; and (4) is determined by the appropriate Federal official under section 15 to be not subject to effective regulation.

A marginal well is defined as a production well that produces no more than 10 barrels of oil and no more than 60,000 cubic feet of natural gas per day.

Section 18. Federal Drilling Application Report

Within 30 days of enactment of this Act, the appropriate Federal official shall report to Congress on the status of all pending federal drilling and drilling-related applications and permits, the amount of time that these applications and permits have been pending, and any reasons for delay in approval.

Section 19. Relief Well Study

Within 60 days of the date of enactment of this Act, the appropriate Federal official shall enter in an arrangement with the National Academy of Engineering under which the Academy shall, not later than 1 year after such arrangement is entered into, submit to the appropriate Federal official and Congress a report that assesses the economic, safety, and environmental impacts of requiring 1 or more relief wells to be drilled in tandem with some or all covered wells.