

Application for Permit to Drill (APD) Approval Process and Definitions

Daily updates for received/pending/approved permits can be found at: <http://www.bsee.gov/Regulations-and-Guidance/Permits/Status-of-Gulf-of-Mexico-Well-Permits.aspx>. For more information about recent changes to improve the efficiency of the permit review process, go to: <http://www.boemre.gov/ooc/press/2011/press0603.htm>.

Before a drilling permit can be approved, there are many direct and related approvals that must be in place. These may include but are not limited to: approval of the Exploration Plan (EP) or Development Operation Coordination Document (DOCD) under which the specific drilling permit is requested; compliance with regulations requiring an Oil Spill Response Plan; compliance with the National Environmental Policy Act; approval of an Oil Spill Financial Responsibility (OSFR) document; a geological and geophysical review of all the relevant hydrocarbon bearing zones; determination and verification of worst case discharge scenarios; and a demonstration that blowout preventer control systems comply with regulations.

The permit review process has always involved a back and forth exchange of documents and information between the applicant and the Bureau of Safety and Environmental Enforcement (BSEE). When BSEE identifies deficiencies, the application is return to the operator so the needed information can be incorporated and resubmitted. To date, BSEE's Gulf of Mexico Region has not had to formally deny a permit application, though there have been situations in which an operator has "withdrawn" an application because of a decision by the operator not to move forward with drilling the well. Absent a withdrawal, the agency and the operator work cooperatively, however long it may take, to ensure that all regulatory requirements are met so that the application may be approved. Depending on the specific characteristics of the well and the applicable regulatory requirements, this process can take anywhere from a few days to many months.

There are no statutory or regulatory deadlines on this process; the operator may take as long as needed to correct the information or gather missing information and resubmit the application. Given the additional regulatory and informational requirements that have been developed and implemented since the *Deepwater Horizon* incident, the time required to prepare and review deepwater permit applications has increased as both the operators and the reviewing engineers adapt to the changed landscape. For more information on the new regulations focused on drilling and workplace safety, go to: <http://www.bsee.gov/About-BSEE/Reforms/Reforms.aspx>.

WELL DEFINITIONS

- A **new well** involves an operator drilling an original wellbore hole in the seafloor to a geologic target.
- A **revised new well** involves a change to the drilling of new well, which may be necessary for safety purposes, such as if an operator determines it necessary to set a liner deeper in the wellbore due to results from a formation integrity test.
- A **sidetrack** involves an operator drilling to a new geologic target or a new location within the original target from an existing wellbore.
- A **revised sidetrack** involves a change to the drilling of a sidetrack from an existing well, which may be necessary for safety purposes, such as if an operator determines it necessary to set a liner deeper in the wellbore due to results from a formation integrity test.
- A **bypass** is when an operator drills around a mechanical problem in the original hole to the original target from the existing wellbore.
- A **revised bypass** involves a change to the drilling of a bypass from an existing well, which may be necessary for safety purposes, such as if an operator determines it necessary to set a liner deeper in the wellbore due to results from a formation integrity test.