

September 14, 2009

ExxonMobil
Production

Department of the Interior
Minerals Management Service (MS 4024)
Attn: Regulations and Standards Branch (RSB)
381 Elden Street
MS-4024
Herndon, VA 20170-4817

Re: Safety and Environmental Management Systems for Outer Continental Shelf Oil
and Gas Operations, 1010-AD15

ExxonMobil U.S. Production appreciates this opportunity to comment on the subject proposed SEMS Rule published in the June 17, 2009 Federal Register, and we hope that each of our comments and questions will be considered as the MMS develops and revises this rule.

We understand MMS's desire to improve OCS performance and we share in the concern for safety of personnel and protection of the environment; however, the proposed rule prescribes stricter requirements than the approach on which it is based (API Recommended Practice 75, Development of a Safety and Environmental Management Program for Offshore Operations and Facilities, or SEMP), and may generate significant difficulties for operators and contractors to abide by the rule. Several clarifications are also needed for operators and contractors to understand the requirements.

If the intent of the rule is to improve safety and environmental management, then flexibility should be integrated to enable operators and contractors to comply with this intent. API RP 75 was developed with the assistance of MMS and the OOC and is based on many proven years of application from AIChE, PSM and RMP program implementation. API RP 75 provides a good basis for Management System programs, and many companies have developed plans based on RP 75. The proposed rule takes the approach of incorporating API RP 75 into the regulation and then rewords the requirements. Complicating these proven processes with additional prescriptive requirements may be detrimental to the overall implementation and will take away from the key elements of an integrity management system including,

- Quality Hazard Analysis and follow up,
- Sound Work Management programs,

- Mechanical Integrity,
- Contractor Safety programs, and
- Management of Change.

ExxonMobil employs a comprehensive Safety and Environmental Management System called OIMS (Operations Integrity Management System) that meets and in most cases exceeds API RP 75, and more importantly has helped the Corporation drive operations integrity improvements throughout our businesses.

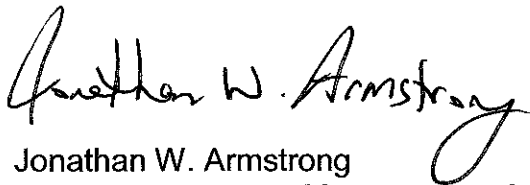
Along these lines, ExxonMobil US Production proposes the following suggestions:

1. Allow operators and contractors with existing comprehensive SEMS-equivalent programs use their management systems in lieu of the proposed rule.
2. Adopt language from API RP 75 to enable operators and contractors to tailor their program to their individual needs and corporate cultures.

We encourage the MMS to stand by the basics of integrity management to build the best overall programs. In the event that these proposals are not accepted in part or whole, please consider the comments and recommendations on specific parts of the rule included with this letter in your revision of the proposed rule. The recommendations given and answers to the questions and clarifications will help operators and contractors abide by the proposed rule and will help to reduce varying interpretations by each District in enforcing the rule.

Once again, thank you for the opportunity to comment on this proposed rule. We appreciate being able to work with the MMS in making operations in the OCS safer and more environmentally sound. If you have any questions on the comments posed in this letter, please contact me at (281) 654-1042 or jonathan.w.armstrong@exxonmobil.com.

Sincerely,



Jonathan W. Armstrong
Operations Integrity Management Systems-Emergency Response Supervisor
ExxonMobil U.S. Production

ExxonMobil Comments, Questions and Recommendations for Proposed MMS SEMS Rule

Rule #	Subject	Comment/Question	Recommendation
General	SEMS Plan requirements	Please clarify if the parts of the proposed elements can be accomplished through other management systems; in other words, a comprehensive SEMS program can cover each of the proposed items without these necessarily being part of a single system.	Clarify in the rule that a comprehensive program can cover each of the specific requirements within the elements without necessarily being included in the specific element in a company's program. Allow companies with existing SEMS-equivalent programs to use their management systems in lieu of implementing the proposed rule.
250.197	Data and information to be made available to the public	What data will be made available to the public? What measures will be in place to protect sensitive company data from being made available to the public? Information of concern includes but is not limited to that which could represent risk to personnel and asset safety and security and/or pose a threat to competition. Examples may include: management, leadership and accountability processes, risk assessment information, design and quality records, process safety information, volumes data, compliance and environmentally sensitive data, training processes, operating and maintenance procedures, wellwork data, safe work management, mechanical integrity processes and data, management of change, contractor information, incident investigations, and Compliance Audit results and follow-up	Consider following the same Protection of Information practices the EPA follows with regards to its Risk Management Plan (RMP) and other similar rules (Reference: EPA regulations 40 CFR 68.152 and 40 CFR 2; The Freedom of Information Act (FOIA), exemption 4 and other exemptions; and The Critical Information Act of 2002).

Rule #	Subject	Comment/Question	Recommendation
250.1905	Hazard Analyses – DOI pipelines	Do DOI pipelines require separate hazard analyses, or is it acceptable to combine with the facility with which it is associated?	Allow DOI pipelines to be incorporated in the hazard analysis for the facility with which it is associated. Clarify this in the rule.
250.1905	Hazard Analyses – MODUs	Clarify that if a company contracts a mobile offshore drilling unit (MODU) that the contractor would have to provide and support its own hazard analyses (and SEMS program) vs. the operator for which it is working. MODUs should not be included in the list of facilities covered by this rule. The MODU operator should have a mechanical integrity and JSA program to cover operations on the rig.	Remove MODUs from the rule.
250.1905	Hazard Analyses – updates	What is the intent of the statement, “The analyses must be updated when an internal audit is conducted to assure that it is consistent with the current operations on your facility”? Does this mean hazard analyses must be updated (or revalidated) every three years in conjunction with the SEMS Audit? API RP 75 allows hazard analysis updates to be made at 5-10 year intervals based on risk.	The frequency of hazard analysis updates should be based on risk and performed at 5-10 year intervals. Remove wording regarding “internal audit.” Consider instead, “Employers shall determine and document the priority order for conducting periodic hazard analyses based on a rationale which includes such considerations as extent of the process hazards, number of potentially affected employees, age of the process, and operating history of the process, with typical review intervals ranging between 5 years for high-priority facilities and 10 years for low-priority facilities.”

Rule #	Subject	Comment/Question	Recommendation
250.1905(a)	Hazard Analyses – Facility timing	Performing initial hazard analysis on all facilities, including DOI pipelines, within one year of the rule is ambitious. We assume that previous hazard analyses will count toward this requirement.	Allow for a risk based determination of the schedule for performing initial hazard analyses and remove the one year requirement. Clarify that previous hazard analyses are acceptable for this requirement (i.e., "Hazards analyses completed prior to this rulemaking which meet the requirements of this paragraph are acceptable as initial process hazards analyses").
250.1905(a)(2)	Hazard Analyses – analysis team	Based on experience, a hazard analysis team is composed of (at least) individual(s) with experience in the operations being evaluated, and individual(s) who are experienced in the hazard analysis methodology. The rule states that these individuals need to have experience with both, which may be an impractical requirement.	Amend the wording of the rule to allow for a hazard analysis team comprised of individuals who collectively have experience in the operations being evaluated and experience in the hazard analysis methodology (consider, "The hazard analysis shall be performed by a team with expertise in engineering and process operations, and the team shall include at least one employee who has experience and knowledge specific to the process being evaluated. Also, one member of the team must be knowledgeable in the specific hazard analysis methodology being used").

Rule #	Subject	Comment/Question	Recommendation
250.1905(b)	Hazard Analyses – Job Hazard Analysis	What is meant by Job Hazard Analysis? Is this intended to be a Job Safety Analysis (JSA) or a task analysis for procedures? If JSA, experience supports that maintenance of an index of JSAs would be impractical when JSAs are conducted on a daily if not more frequent basis. The real benefit to a JSA is in the process of discussing the hazards. In addition, JSAs should be maintained on file for a limited period rather than for the life of the operation as mentioned in the opening paragraph.	Change the requirement from Job Hazard Analysis to Job Safety Analysis. Remove the requirement in (b)(2) regarding maintaining an index. Move the requirement to maintain current analyses for each operation for the life of the operations to part (a) covering facility hazard analysis.
250.1906(a)	Operating Procedures – requirements	Job Hazard Analysis is not part of API RP 75. We assume that the 13 requirements for procedures can be covered collectively by other management systems, especially with regards to chemicals and materials. The scope of these requirements (7, 9-13) goes beyond API RP 75 as well as OSHA PSM and EPA RMP.	Remove procedure requirements 7 and 9-13 from the element. Alternatively, clarify that these requirements can be met by other programs, including HAZCOM.
250.1906(b)	Operating Procedures – accessibility	We assume that procedures maintained electronically are considered accessible.	Clarify that procedures may be maintained electronically or in hard copy for easy access to personnel.
250.1906(d)	Operating Procedures – work practices	What specifically is meant by, “develop and implement safe and environmentally sound work practices for identified hazards during operations”? Is this meant to be Safe Work Practices (e.g., Hot Work, Confined Space, SIMPOS, etc.) or some other processes? This seems to be the intent of this whole element, if not all of the SEMS rule.	Strike this subpart or clarify the meaning.

Rule #	Subject	Comment/Question	Recommendation
250.1907	Mechanical Integrity – scope	Is the intent of this element to cover <i>critical</i> equipment as referred to in API RP 75? The way it is worded this element may cover more: “Your mechanical integrity program must encompass all equipment and systems used to prevent or mitigate uncontrolled releases of hydrocarbons, toxic substances, or other materials that may cause environmental or safety consequences.” What are the types or severity of such consequences?	Clarify that this element is for critical equipment. Adopt wording and requirements from API RP 75 for this element. Clarify or remove the statement regarding “environmental or safety consequences”.
250.1907(b)	Mechanical Integrity – frequency of inspections	Please note that there are typically no manufacturer’s recommended inspection intervals for fixed equipment (pressure vessels, piping, pipelines). Maintenance intervals should be allowed to be extended based on component history, operating experience, and risk-based decision making.	Insert language that maintenance intervals should be based on component history, operating experience, and risk-based decision making, and should be consistent with (not “meet”) manufacturer’s recommendations.
250.1907(d)	Mechanical Integrity - signatures	Is electronic documentation of the person performing the inspection or test acceptable? Electronic work order systems are often used to schedule and document inspections and tests.	Remove the words, “and include the signature of the person who performed the inspection or test.” Clarify that electronic documentation of the person performing the test is acceptable and electronic work order systems are acceptable documentation mechanisms for performance of inspections and tests.

Rule #	Subject	Comment/Question	Recommendation
250.1907(e)	Mechanical Integrity - deficiencies	Correction of deficiencies before further use will prevent use of risk-based decision making, and the subsequent shut-in of operations may present additional hazards. Would this apply in the case of waiting on parts and while mitigation measures are put in place? Does it cover deficiencies that may not affect operations integrity? Run to failure should be a viable option for some components. Suggest this requirement be based on risk. This is not a requirement in API RP 75.	Delete statement or change to, "...that are outside acceptable limits" or "correct deficiencies in equipment that are outside acceptable limits before further use or in a safe and timely manner when necessary means are taken to assure safe operation."
250.1908(a)(3)	Management of Change – personnel changes	What types of personnel changes, including contractors, are meant by this element? API RP 75 clarifies that MOC is needed for organizational changes or for personnel that supervise or operate the facility. Thousands of personnel changes including contractors occur each year in the OCS.	Remove the requirement for personnel MOCs or modify the wording to reflect that MOC is needed for organizational changes or for personnel that supervise or operate the facility.
250.1908(a)(5)	Management of Change – operating conditions	We assume operating conditions include changes to the operating envelope (pressure, temperature, flow, material chemistry).	Clarify in the wording that operating conditions include changes to the operating envelope (pressure, temperature, flow, material chemistry).
250.1909	Contractor Selection - scope	How does this part relate to Subpart O? This section could conflict with Subpart O and become detrimental to operators. API RP 75 provides greater flexibility and guidance on this topic.	Adopt API RP 75 language on Contractor Selection or delete this section.

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250.1909 (b)	Contractor Selection - documentation	Are electronic copies of contractor's competencies and SEMS programs acceptable? Do we need to keep competencies for each individual contractor? Do all contractors of all types (except domestic services) working in the OCS require a SEMS (i.e., roustabouts, gang, painters, etc.)? This may be an impractical requirement.	Remove this subpart, or clarify which specific types of contractors this applies to. Clarify that electronic records are acceptable. Remove the requirement to keep a copy of a contractor's SEMS program with the operator.
250.1910(a & b)	SEMS Audit – general	As part of our SEMS program, we audit all facilities (offshore and on) on a 3-5 year basis and roll up results of audits from each year to evaluate our program as a whole. We assume this is acceptable in accordance with this section. Which part of this audit process would the MMS want to be invited to participate/observe?	Adopt language for this section from API RP 75. Clarify that a sampling of facilities to visit/audit is desired. Clarify how situations like ours would work in terms of inviting the MMS to participate.
250.1910(b & c)	SEMS Audit – MMS participation/review	Will the MMS write INCs on the issues self-discovered on audits (either as a participant or following review of the audit report)?	Clarify that the MMS will not give INCs for issues self-discovered during audits. Alternatively, remove these requirements.
250.1911	Documentation and Recordkeeping – scope	Which records need to be kept to comply with this part? Which records need to be signed and dated? Only those records specifically referred to in this proposed rule? API RP 75 provides guidance and examples for this section.	Clarify which records and documentation need to be kept, signed and dated. Adopt API RP 75 language and examples.
250.1911(b)	Documentation and Recordkeeping - method	Is electronic recordkeeping acceptable? If so, signatures may be unnecessary. Signatures are becoming obsolete.	State that electronic recordkeeping and documentation is acceptable. Remove requirements for documentation/records to be signed and dated.