



GE Oil & Gas

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Mr. Kirk Malstrom
Department of the Interior
Bureau of Safety and Environmental Enforcement
45600 Woodland Road
Sterling, Virginia 20166

July 14, 2015

RE: Blowout Preventer Systems and Well Control (proposed); 1014-AA11/BSEE-2015-0002

Mr. Malstrom:

GE Oil & Gas appreciates this opportunity to comment on this important proposed rule. We share the Bureau of Safety and Environmental Enforcement's ("BSEE") articulated goals of enhancing safety and promoting consistent practices in the offshore.

We believe BSEE has correctly identified several key themes for safe drilling operations:

- Reliable and effective blowout preventers, though critical, are just one element of safe operation.
- Industry standards have evolved tremendously in the past several years, reflecting operational experience and industry best practices
- Equipment providers like GE continue to develop innovative new solutions to solve some of the industry's toughest challenges.

We encourage BSEE to finalize a rule consistent with these key themes that allows industry to evolve toward better technology and practices through a culture of continual improvement over time.

Specific comments

Intellectual property protection

In the proposed rule, BSEE calls for OEMs and their customers to submit detailed information on the equipment used in offshore operations. This information may include detailed shearing calculations, verification of equipment performance, and verification of the use of recognized engineering practices and quality assurance mechanisms. Depending on the level of detail envisioned as part of these submissions, OEMs and their customers may be required to reveal proprietary and protected information. We ask that BSEE clarify the steps that the Bureau will take to protect important intellectual property contained within these submissions.



Performance and risk-based approaches support innovation

Certain provisions in the proposed rule contemplate proscriptive timelines for safety-related activities and the development of technology. We suggest the Bureau instead focus on risk-based criteria and the development of data and analytics. Not only would this approach comport well with Executive Order 13563, but it would also permit development of adequate and evolving technology solutions.

As one example, the proposed rule calls for a detailed physical inspection of the BOP every five years. This is the most frequently adopted method of inspection today, but technology exists that could allow for non-invasive digital inspections and continuous condition monitoring. By leveraging data and analytics, operators can use a condition-based maintenance model and undertake more targeted servicing of these units.

We therefore propose that the final rule be sufficiently flexible so as to permit compliance by the use of alternate inspection mechanisms as a way to reduce or eliminate the need for a five-year inspection requirement. Similar considerations apply to the requirement that the autoshear, deadman, and EDS systems are checked repeatedly. The consequences of repeated testing "in situ" on cycle life are not clearly understood.

Self-certification and audit

The proposed rule relies on a third-party verification mechanism to certify compliance with many of its provisions. We are concerned by the lack of sufficiently qualified third-party personnel available to the industry, and further concerned that such parties are not incentivized to maintain true independence. This potential lack of independence, incentives, and qualified people will work contrary to the Bureau's aim of improving safety in the offshore environment without imposing undue burden on industry.

We recommend the Bureau instead establish guidelines for a robust audit process as an independent check on *self-certification* instead. OEMs and customers are better situated to understand, certify, and repair this equipment, and the presence of an independent audit process will ensure that these processes are conducted appropriately.

Regards,

A handwritten signature in black ink, appearing to read 'R. A. Judge'.

Bob Judge
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