



Improved offshore drilling rules boost safety, energy production

Updated federal regulations went into effect in mid-July that bolster the safety and environmental protection of offshore drilling operations as well as remove unnecessary regulatory burdens that stifle expanded offshore development. For Louisiana workers and their families, this paves the way for increased activity in the Gulf, job creation, and an economic boost for our state and local communities.

The improved Blowout Preventer Systems and Well Control Regulations (WCR) underwent a year-long review by the U.S. Department of the Interior's Bureau of Safety

and Environmental Enforcement (BSEE), 300 third-party technical experts, industry representatives, advocacy groups and the general public before the final rule was announced at Port Fourchon May 2.

The rule represents this administration's focus on smart regulatory policy that provides clarity to the regulatory and permitting process, strengthens the safety of workers, promotes the competitiveness of U.S. oil and gas production, and advances our nation's energy security and economic prosperity. This is all welcome news to Louisiana's offshore oil and gas operators and coastal communities that appreciate the economic engine that is Gulf oil and gas production.

As BSEE Director Scott Angelle noted during the Port Fourchon news conference, "BSEE's review has been thorough, careful and tailored. Free of undue regulatory burden while ensuring that operators conduct Outer Continental Shelf activities in a safe and environmentally responsible manner, today's rule will fuel and sustain responsible energy exploration and production."

The improved regulations come just over

three years after the Obama administration's release of the original WCR in April 2016, which was significantly flawed. Its one-size-fits-all approach did not recognize that operations and engineering vary from well to well, and it eliminated industry's ability to implement a host of vastly improved well-control practices and procedures developed since the Macondo accident.

Not only did this initial rule threaten to roll back advances in worker safety, but the cost of implementing ambiguous requirements was so high that many operators questioned the economic viability of developing leased tracts in the Gulf, which risked a halt in Gulf of Mexico drilling and huge job losses.

Since 2016, LMOGA and advocacy groups such as the Gulf Economic Survival Team have worked diligently with BSEE leadership and staff and congressional representatives to make substantive improvements to the rule that would allow innovation and process improvements to promote increased safety and environmental protection of drilling operations, as well as a responsible measure of the cost of regulatory compliance.

LMOGA appreciates BSEE's thorough review of the initial WCR and the robust stakeholder engagement that contributed to this 2019 WCR that improves rather than undermines offshore safety and sparks renewed interest in America's Gulf.

The offshore oil and gas industry is the foundation of the economies of many local communities in South Louisiana, as many of our brothers, sisters, moms, dads and neighbors depend on the industry to provide the income to feed their families and pay their mortgages. At LMOGA, we appreciate that offshore operators have a choice as to where they make capital investments, whether it's in the Gulf or in Guyana. When they invest in the Gulf, they are investing in our local communities and American jobs.

BSEE's reform of the WCR is critical to ensuring the Gulf of Mexico is the safest and most competitive offshore energy basin in the world. Here, we create American jobs, produce American energy and ensure American energy dominance for many years to come.

For more information, visit www.lmoga.com or call (225) 387-3205.



BSEE Director Scott Angelle announces the new Well Control Rule at Port Fourchon in Louisiana.



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5916 E Sam Houston Parkway South
Houston, TX 77034
www.axismechgrp.com

(832) 449-6485

info@axismechgrp.com

