[YOUR LETTERHEAD HERE]

March XX, 2016

The Honorable Howard A. Shelanski

Administrator

Office of Information and Regulatory Affairs Office of Management and Budget

Executive Office of the President

Eisenhower Executive Office Building

1650 Pennsylvania Avenue, NW

Washington, DC 20503

Re: **Department of the Interior, Bureau of Safety and Environmental Enforcement Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Blowout Preventer Systems and Well Control (“Well Control Rule”)**

 **Docket ID BSEE-2015-0002; 15XE1700DX EEEE500000 EX1SF0000.DAQ000**

Dear Administrator Shelanski:

INTRODUCE YOUR COMPANY AND MISSION HERE (Example: With over 300 employees, APEX EXPLORATION explores and produces approximately XXX barrels of oil, or BOE, per day from the Gulf of Mexico OR ACME Widgets, provides widgets and other contractual services to oil and natural gas lease holders in the Gulf of Mexico.)

We are very concerned about the Well Control Rule proposed by the Bureau of Safety and Environmental Enforcement (BSEE) and the significant economic impacts it will have on our employees, our local community, and our nation at large. We urge you to require the Department of the Interior to address these economic impacts and save our region from the massive layoffs, local business closures, and a debilitating reduction in our local and Federal government revenue. In addition, the rule as proposed may increase risk to worker safety and environmental protection.

Oil-producing communities like (name, describe the community you are located in or operate in) are economic and energy workhorses for this nation. Thousands of local residents go to work each day at local fabrication shops, shipyards, ports, and other oilfield support companies to fuel America, not to mention thousands more who go offshore to work in the drilling and production of oil and natural gas. Our communities are already suffering from increased unemployment and economic hardship due to the impacts of low crude oil prices. As cited in a recent Wood Mackenzie macroeconomic study, the proposed Well Control Rule will exacerbate these impacts on our hard-working residents and local economy.

The Wood Mackenzie study found that, based on the assumption of $80 oil, comparable to the price assumptions used by BSEE in developing the rule, the draft rule would:

* Decrease exploration drilling by up to 55 percent or 10 wells annually;
* Reduce Gulf of Mexico production by as much 35 percent by year 2030;
* Risk 105,000 to 180,000 jobs, including jobs beyond the energy sector, with 80 percent of those job losses in Louisiana and Texas;
* Job losses in Louisiana alone are estimated to be 35,000 by 2030 (include if you are in Louisiana)
* Job losses in Texas alone are estimated to be as much as 125,000 by 2030 (include if you are in Texas)
* Reduce industry investment by up to $11 billion annually, which would greatly impact our local drilling contractors and service providers and their employees; and
* Reduce government tax revenues up to $5 billion annually through 2030.
* Louisiana could be impacted by as much as $1.1 Billion over the next 15 years. (include if you are in Louisiana)
* Texas could be impacted by as much as $5 billion over the next 15 years. (include if you are in Texas)

The oil and gas industry and the federal government have worked together since 2010 to make offshore operations the safest they have ever been, while at the same time preserving the economic engine that is Gulf energy production. Implementation of the Well Control Rule as it is currently written would reverse all of these improvements made in the past five years – increasing safety risks with a prescriptive one-size-fits-all approach and pushing oil and gas operators to shut down in the Gulf due to uncertainty and the substantial cost of compliance. We cannot afford to risk the safety of our offshore workers or more local jobs and our economy.

Specifically, the .5 pound per gallon (ppg) drilling margin prescribed in the proposed rule is not necessary to ensure safe, environmentally sound drilling operations, and in some cases could even increase risks during operations. Every well is different and conditions change as the well is being drilled. We are also concerned, after reading some press accounts, that the rule has been changed to provide for a waiver or alternative compliance process as a work-around for the prescriptive drilling margin measure. To those not in the exploration business, this may appear to be a reasonable compromise; however, the unintended consequence may actually cause companies to request a waiver on nearly all wells, thus the exception becomes the rule. This could result in requests for waivers long before BSEE is able to determine whether to grant a waiver. In addition, production companies are very unlikely to allocate scarce financial resources on the hope that they will receive a waiver after expending significant drillings costs. The safest and most efficient process would be to eliminate the .5 ppg prescriptive requirement entirely and allow regulators and industry to manage drilling operations on a well to well basis, ensuring that each well follows a drilling margin that is safest for the particular dynamics of the well.

Finally, we point out that although this rule has been years in the making, the actual time for public comment and useful sharing of information between industry and the regulators was inadequate. Prematurely reducing the comment period forced industry and the regulators into a series of a few technical meetings where there was essentially no feedback with very scripted and limited dialogue. This rule is too important to be shorted on public engagement.

We urge you to direct the Department of the Interior to re-evaluate the economic impacts and re-propose the rule with an adequate public comment period before the Well Control Rule is finalized.

We thank you for helping resolve this critical issue for our country, the people of the Gulf Coast, and our communities.

Sincerely,