



Big oil going high tech

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The recent commercialization of drones has been concentrated on the retail industry and the prospect of the personalized delivery of goods. Yet, the widespread use of unmanned aerial systems (UAS) is already prevalent in a variety of other businesses, including the oil and gas industry. In an industry with an extensive global supply chain, the practical uses of drone technology in oil and gas space seem limitless.

Whether performing certain operations more quickly or substituting man power with technology, many companies are relying on drones to realize cost savings, making their operations more efficient and eliminating unnecessary expenses. From maintaining and repairing offshore drilling rigs, to surveying land for resource potential, to inspecting and monitoring existing pipeline infrastructure, to assisting with employee training and safety, drones can reduce timelines, increase safety and provide valuable data for complex projects. And the use of UAS may be critical to remaining competitive in this global market. International and local producers alike can enhance their operations and profits with drone technology.

Because of the benefits of UAS on the oil and gas industry, companies must be aware of the extensive Federal Aviation Administration (FAA) registration and operational requirements for both public and private drones. For a private entity, the FAA has strict and extensive regulations for operating in the National Aerospace System (NAS). Most businesses that operate one or more drones for business purposes, however, will not want to go through the traditional process, which requires a certificated and registered aircraft, a licensed pilot and operational approval to fly in the NAS. Accordingly, the FAA has created a Section 333 Exemption. According to the FAA, "[t]he Section 333 Exemption process provides operators who wish to pursue safe and legal entry into the NAS a competitive advantage in the UAS marketplace, thus discouraging illegal operations and improving safety." Although the exemption application is not overly burdensome, the FAA is facing a backlog due to the rapid expansion of drone use across the country.

Section 333 exemptions are only temporary, however, until the FAA finalizes its Small UAS Rule, which will govern the use of drones on a more permanent basis. Accordingly, the regulation of both personal and commercial drone operations in the United States is expected to continue evolving as the technology changes and improves. With the convergence of the oil and gas industry's economic importance and the ubiquity of UAS across the globe, companies must be innovative, economical and compliant to keep up with an ever-changing regulatory landscape.

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