

# International Association of Drilling Contractors



**IADC HSE Environmental Subcommittee  
Meeting  
3 February 2014  
IADC  
10370 Richmond Ave., Suite 760**

## **Agenda Item #1: Welcome, Introductions & Building Information**

The IADC HSE Environmental Sub-Committee was called to order by Travis Warden, Diamond Offshore, and Committee Chair. Travis welcomed everyone and thanked them for attending. Joe Hurt, IADC, then provided attendees with building and emergency response information. Mr. Warden then asked everyone to introduce themselves, see the attached attendance sheet.

Joe Hurt, IADC, reviewed the IADC Anti-trust Policy & Guidelines, calling attention to prohibited discussion topics. For a copy of the IADC Anti-trust Policy & Guidelines refer to <http://iadc.org/antitrust/>.

## **Agenda Item #2: General Discussion of Environmental Issues and Best Practices**

Discussion was held regarding Spill Prevention Control and Countermeasure plans concerning some Operators not providing secondary containment controls on location, specifically refusing to provide perimeter trenches, and what measures Contractors have taken to address the issue. Main points were regarding types of control measures used on well sites. Some sites, where mandated, require Operators to provide a liner with a dike around the location edges. While not common, when an Operator has not provided control measures, one Contractor indicated they've utilized metal diking material driven into the ground. Drilling rigs are considered to be "Mobile Equipment" per the 112.10 Requirements for Onshore Oil Drilling and Workover Facilities, drilling rigs must have a SPCC plan, but the plan is for the mobile equipment only. The site of the well location is under the control of the operator, which is responsible for locating the site to protect waterways. The mobile equipment (ME) owner should compare the ME plan to the site plan to ensure that there no gaps in the two plans.

Discussion was held regarding domestication of MODUs entering United States waters. IADC and OOC have received a verbal policy from Morgan City CBP regarding regulated garbage on mobile offshore drilling units coming into their area of responsibility in the Gulf of Mexico, which runs from Grand Isle to Freshwater City Louisiana. They have stated the following:

MODUs entering the Gulf of Mexico from a foreign location that are unable to enter a port to obtain a domestication status (i.e., a completed Form AI-288) can have their garbage considered "domestic" by your agency for your areas of responsibility when they have completed all of the following requirements:

1. All personnel onboard during the original transit from the foreign location to the Gulf of Mexico have departed the vessel;
2. The company has stated and can prove that all of their foreign stores have been removed from the MODU; and
3. Two months has elapsed since the completion of both #1 and #2 above; then

The company can send an email correspondence to you at your CBP office and request that the MODU's garbage can henceforth be considered as meeting the "domestication" requirement for their garbage.

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Upon receipt of this correspondence, and verification that the requirements stated above have been met, you will issue a response to the MODU confirming “domestication” status of their garbage.

NOTE: The point-of-contact at the Morgan City CBP office is: Mike Hebert [MICHAEL.J.HEBERT@CBP.DHS.GOV]

Bill Tanner, IADC’s new Vice President Government and Regulatory Affairs, who replaced Brian Petty, who retired the end of 2013, introduced himself and discussed some of the issues he sees coming in 2014:

1. Due to mid-term elections, there will most likely be legislative gridlock in 2014, but more action on the regulatory and Executive Order side.
2. He sees more railroad regulations due to the recent accidents.
3. Due to the coal chemical spill to the river in West Virginia, storage tanks will see new regulations. A bill was already in congress. There are new bill is introduced in congress every thirty seconds.
4. Bill sees more judicial actions will take place by those affected by Executive Orders because they will have no other options.
5. In the OSHA request for information on the Process Safety Management regulation. OSHA is seeking to remove the upstream exemption from the current regulation.

## **Agenda Item #3: Regulatory Report**

Travis Warden discussed changes in presenting the Regulatory Review. He recommended that a different member of the Sub-Committee should bring forward the regulatory issues report for each meeting. For the next meeting Travis is seeking a representative from onshore and offshore to lead the general discussion. The following is the report given at the meeting:

### **Regulatory Status of Air Permitting of the Alaskan Northern Slope**

Prior to the Consolidated Appropriations Act of 2012 air emission permitting was done through the EPA. Recently the Department of the Interior has taken ownership of this area in regards to air emissions. Since the act was passed on December 23, 2011, there has been little activity in this area with mainly Shell Oil having interests in the area.

Shell Oil previously obtained an air permit via the EPA and later revoked this permit in efforts of filling an exploration plan with the interior for 2014. This will be the first proposed project to which BOEM’s current regulations are expected to be applied to since the Consolidated Appropriations Act was passed. The Interior’s air quality regulations have not been substantively updated since 1988 and the department is currently developing a proposal to amend its current oil and gas air quality regulations affecting this area.

The goal of the Interior is for offshore energy development with consideration to amending regulations to uphold the National Ambient Air Quality Standards. The Interiors current regulatory enforcement area is focused now in the Alaskan Northern Slope and also West of 87.5° in the GOM.

The goal of the EPA is for air quality improvement and upholding the Clean Air Act. The EPAs current regulatory enforcement area is focused East of 87.5°.

No new regulations surrounding air quality have been proposed by the Interior currently but are expected to be in the near future.

### **Extensions USCG Implementation Schedule for Ballast Water Discharge Standards**

Both the USCG and the US EPA have issued a joint letter addressing the extension of ballast water management discharge standards. Both agencies share regulatory enforcement authority over the subject and the EPA notes that vessels operating in accordance with the USCG extension and is otherwise in full compliance with the Vessel General Permit Requirements numerical discharge limits will be considered a low enforcement priority.

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The purpose of the extension is to afford vessel owners time to install/implement treatment systems onboard provided that there is a limited availability of USCG Type Approved Systems and/or the capacity of either the vessel owner or shipyard to install these systems. Additionally, vessel owners choosing to implement an AMS are at their own discretion and must not employ the same system longer than 5 years of the implementation schedule.

Extensions will not be valid more than 5 years from the currently established implementation schedule.

Vessel Owners must apply for an extension prior to 12 months from the applicable implementation date found in 33CFR151 Subpart C and D.

In the meantime vessels not outfitted with equipment that will achieve the numerical discharge limits must comply at minimum with the D-1 Regulation which requires an exchange 200nms from the coast and in water depths greater than 200 meters.

**Note:** Jack-Ups using ballast water in preload tanks for means of trim and stability will be held to the discharge standard and will need to abide by the given date or apply for an extension.

## **33CFR151.1512 (b) and 33CFR151.2035 (b): Implementation Schedule**

	Vessel's ballast water capacity	Date constructed	Vessel's compliance date
<b>New vessels</b>	All	On or after December 1, 2013	On delivery.
<b>Existing vessels</b>	Less than 1500 m <sup>3</sup>	Before December 1, 2013	First scheduled drydocking after January 1, 2016.
	1500-5000 m <sup>3</sup>	Before December 1, 2013	First scheduled drydocking after January 1, 2014.
	<b>Greater than 5000 m<sup>3</sup></b>	Before December 1, 2013	First scheduled drydocking after January 1, 2016.

For more information regarding extension procedures please refer to **USCG Policy Letter 13-01** (26-Feb-13)

## **Guidance on MARPOL V Compliance in the Wider Caribbean Region Special Area**

The USCG recently issued a guidance document aimed at helping lower the number of deficiencies found on foreign vessels in regards to complying with the new requirements of MARPOL Annex V which were amended January 1<sup>st</sup> 2013. Many of the deficiencies found that were subject to Port State Control Interventions and ultimately reportable detentions with the IMO are as followed:

- Discharge of uncommitted food waste overboard
- Un-familiarization and failure of implementation of a Shipboard Garbage Management Plan
- Failure to update or post any updated placards containing the new Annex V requirements.

The Wider Caribbean Region is considered a Special Area. This Special Area includes the US Gulf of Mexico and the Caribbean Sea.

For further information please reference **USCG Policy Letter 13-01** (25-Sep-13).

## **Agenda Item #4: Vice Chair Discussion and election.**

After discussion, the sub-committee members voted to create a vice chair position. It was also decided that since the Chair is an offshore contractor the Vice Chair will be an onshore contractor. Christian Lavallee, Precision Drilling, was elected to the Vice Chair position.

## **Agenda Item #5: Discussion of Environmental Key Performance Indicators**

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In 2013, a task group was formed to define Environmental KPIs to measure and report to IADC. The recommended Environmental KPI's were reviewed and accepted by the HSE & T Committee in Q4-2013. A question was raised about some of the requested KPI data points.

Travis provided a general discussion on the guidelines. Discussion was held on Table III, Engine Type. Some were concerned with new regulations that kick in on January 1, 2015 that require Tier IV engines. Some companies are going to all natural gas or duel fuel engines. After some discussion it was decided that IADC would issue the guidelines as previously approved and companies would use them to gather data for 2014. The data would be submitted to IADC in February 2015.

## Agenda Item #6: Meeting Close Out: Next Meeting Date and Agenda Items

The next meeting will be held on the morning of 9 April 2014 at IADC.

Members may submit suggested topics for the next meeting to Joe Hurt, IADC, [joe.hurt@iadc.org](mailto:joe.hurt@iadc.org).

**Meeting adjourned at 11:30 a.m.**

## Attendance Sheet

Name		Company Name
Beatrice	Best	Atkins
John	Auth	Auth-Entic Safety Services
Leonardo	Desousa	Diamond Offshore
Travis	Warden	Diamond Offshore
David	Lewis	Ensco plc
Dicky	Jackson	Falck Alford
Nick	Marie	Falck Alford
Micah	Backlund	Helmerich & Payne
Jennifer	Guidry	Hercules Offshore
Paul	Doggett	Hess Corporation
Andra	Wilcox	Houston Advanced Research Center
Paul	Breaux	IADC
Joe	Hurt	IADC
Alan	Spackman	IADC
John	Pertgen	IADC
Rhett	Winter	IADC
Bill	Tanner	IADC
Sean	Brett	IADC
Inibong	Nwoko	LR Energy - Drilling
Erin	Ring	Noble Drilling

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David	Robinson	<b>Parker Drilling</b>
Kurt	Bailey	<b>Patterson UTI</b>
Chris	Seider	<b>Patterson UTI</b>
Cindy	Ly	<b>Petrofac Training Services</b>
Christian	Lavallee	<b>Precision Drilling</b>
Tina	Lapene	<b>Rowan Companies</b>
Maury	Sticker	<b>Superior Energy Services, Inc</b>
Seth	Lindstrom	<b>TH Hill Associates</b>
Jim	Prewitt	<b>Waukesha-Pearce Industries, Inc.</b>
Monica	Mauricio	<b>Wild Well Control</b>