

IADC HSE ENVIRONMENTAL SUB-COMMITTEE MEETING
25 July 2012
Host: IADC



Agenda Item #1: Welcome, Introductions & Building Information

The IADC HSE Environmental Sub-Committee was called to order by Sub-Committee chairperson Jennifer May. Jennifer welcomed everyone and thanked them for attending. Joe Hurt, IADC, provided attendees with building and emergency response information. Ms. May 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: Environmental Regulatory Update- John Pertgen, IADC

John Pertgen, IADC, provided the Committee with information on two IADC-published semi-annual reports:

- International Standards Activities affecting the Offshore Oil and Gas Industries
 - This report provides a handy reference to the standards development activities of various organizations (e.g., the International Maritime Organization, International Labor Organization, the International Organization for Standardization, and various international trade associations).
- Federal Regulatory Actions Impacting the Offshore Industry
 - This report provides a reference summary that reflects the regulatory actions, announced in the Federal Register by U.S. governmental agencies, which may affect operations in the oil and gas industries.

(Note: Both reports are available at: <http://iadc.org/committees/offshore/index.html>)

Additionally Mr. Pertgen provided a brief overview of the following key issues that have been modified since our last committee meeting:

- USCG
 - MODU DP Guidance issued via a recommended interim voluntary guidance and incident reporting criteria for DP vessels on US OCS.
 - NPRM issued to amend regulations concerning transfer of hazmat to and from portable tanks plus greater flexibility in list of allowed hazardous materials.
 - Interim final rule regarding the harmonization of regulations regarding inflatable life raft increasing occupant mass from 75 KG to 82.5 KG for design and testing for those manufactured after 22 March 2012.
 - Final rule on CO2 fire suppression systems to use lock-out valves and odorizing unites for new CO2 systems after 9 July 2012. Not applicable to foreign MODUs with fully compliant MODU Code certificate.
 - Final rule on Ballast Water Management regarding the allowable concentration of living organisms in ballast water discharged into waters of the US.
- OSHA

- Final rule that modifies Hazard Communications standards to harmonize with UN classification and labeling of chemicals (standardized signal words, pictograms, hazard statements and safety data sheets).
- Final rule that consolidates and updates general working conditions in shipyards for operations that include: housekeeping, illumination, sanitation and first aid.
- FMCSA
 - Final rule regarding the establishment of the National Registry of Certified Medical Examiners, who are now the only ones required and allowed to do physical exams for commercial motor vehicle drivers.
- EPA
 - Proposed rule to establish the California State waters as a No Discharge Zone for sewage discharges.
 - Proposed reissuance of the NPDES General Permit for the Western portion of the Gulf of Mexico. (Key areas being definition of term “operators” and the required Notice of Intent submission).
- HHS
 - Health and Human Services proposed a rule to increase the alarm percentage to 25% for Self Contained Breathing Apparatus.

Mr. Pertgen also mentioned the following areas of interest:

- North American Emission Control Area (200 nm limit) comes into force 1 August 2012 and will impact the fuel standards for shipboard engines.
- California is going to put into place an Emission Control Testing protocol to evaluate and quantify emission reductions associated with vessel emission control strategies.
- USCG has confirmed that MODU (Jackups) preload tanks are not considered ballast tanks for the Ballast Water Reporting requirements if they are not used for stability.
- Vessels coming from foreign location that don't obtain a CBP-APHIS Form 288 garbage inspection form will need to segregate their garbage for at least 2 years on US OCS.

Joe Hurt informed the attendees that there will be a Land Operating Division Page that will list regulatory issues that affect land drilling contractors.

Agenda Item #3: General Discussion of Environmental Issues and Best Practices,

Joe Hurt, IADC, distributed a packet he received from IMO concerning counterfeit refrigerant.

- Kristina Hardwick, Pacific Drilling Services, talked about a presentation at her company given by Department of Homeland Security agents who handle counterfeiting that was very interesting and beneficial.

The group discussed their company's approach to the new EPA proposed rule concerning the removal of tote tanks and new SEMEP IMO guidance.

Discussion of Environmental Conference 8 April 2013 – 9 April 2013

Joe Hurt discussed the upcoming conference planning meeting to be held at the IADC office on 9 October 2012. Deadline for abstract submissions is 17 September 2012.

Agenda Item #4: Discussion of 2011 EPAP Report (Data Collected to date) – Joe Hurt, IADC

Joe Hurt, IADC, presented the preliminary 2011 EPAP Report. The data reported Company Participation, Data from 2009 – 2011, Releases, and Emissions. The records only represents Offshore MODU data, it does not include US Land.

The report will be posted once the numbers are clarified and finalized. Further discussion and analysis will take place at the third quarter meeting.

Agenda Item #5: Discussion of Comparison of IMCA and IPIECA – API – OGP Sustainability Reporting – Natalie Wagner, NOV and Kristina Hardwick, Pacific Drilling Services

Natalie Wagner, NOV, and Kristina Hardwick, Pacific Drilling Services, presented a comparison of IMCA and IPIECA reporting guidelines. The main categories of comparison were as follows:

- Key Terms
 - The areas where the two differ greatly are in defining spills, GHG, and waste.
- Management Performance Indicators
 - When using IPIECA a company is strictly joined to production when reporting data.
 - IMCA's definition of "actual hours" is closer to IADC EPAP and ISP reporting.
- Operational Performance Indicators
- Environmental Performance Indicators
 - The two guidelines differ greatly at GHG emissions.
 - IPIECA reports NOX separately.

The group debated between developing new standardization guidelines or modifying guidelines that have already been in practice for years.

It was voted to use EPAP guidelines and modify them to harmonize with IMCA and modify as necessary to include onshore drilling operations.

- EPAP will be used as a general basis and IMCA will serve as a guide should a company choose to report additional data fields.
- IADC will provide an overall umbrella of guidance and the individual company can decide minute details.
- The new guidelines will be modified as necessary for platform rigs as well as land drilling rigs.
- At this time the sub-committee decided that the annual report would only show the total industry data based on region, offshore (by rig types) and onshore (by rig depth rating). Individual companies can compare their data to the drilling industry average.

The attendees agreed that the proposed guidelines will not include socialization issues and allow companies that chose to include social issues to develop their own metrics.

Agenda Item #6: Green Matrix Score Card- Natalie Wagner, NOV

Natalie Wagner, NOV, gave a presentation on the Environmental Performance Metric score card her company is creating. The purpose of the score card is to help standardize manufactures requirements, improve environmental performance, and allow the public to have a better understanding of safety precautions taken in the drilling industry. The score card is based on manufacturing process and operation length.

The ranking categories are as follows:

- Environmental Management
- Use of Resources
- Energy
- Waste and Pollution
- Chemicals
- Supply Chain
- Risk Minimization
- Innovation and Technology

Each company is ranked on the categories applicable to them and given a star rating based on their percentage.

Some recommendations made were:

- Who will be in charge of the scoring? Will it be the company, customers, or an outside third party?
- There was a suggestion to add a “lighting of fauna” subcategory to Waste and Pollution.
- For more information or to give feedback, contact Natalie Wagner, NOV.

Agenda Item #7: Meeting Close Out, Next Meeting Date and Agenda Items

Holly Shock demonstrated how members can go online to register for meetings and conferences by logging in on the IADC homepage. For more information, contact Holly Shock, IADC.

Joe Hurt announced that a 2013 Sub-Committee Chairman will be elected at the next meeting. This person must be a drilling contractor employee and will begin their term at the HSE-T conference in February 2013.

The next meeting will be held on the morning of 24 October 2012 at IADC.

Members may submit suggested topics for the next meeting to Joe Hurt, IADC, joe.hurt@iadc.org.

Meeting adjourned at 11:30 a.m.

Attendance:

Name		Company Name
John	Francic	ABS Consulting
Dustin	Campbell	Atwood Oceanics, Inc.
Stephen	Fuchs	Diamond Offshore Drilling
David	Lewis	Ensco plc
Micah	Backlund	Helmerich & Payne
Jennifer	May	Hercules Offshore
Joe	Hurt	IADC
John	Pertgen	IADC
Natalie	Wagner	National Oilwell Varco
Richard	Davis	Nexen Petroleum USA Inc.
Kristina	Hardwick	Pacific Drilling Services, Inc.
Christine	Lederer	Parker Drilling Company
Jesse	Hein	Patterson UTI
Robin	Markussen	RPS
Phil	McKenzie	RPS Energy
Lorraine	Mclver	Seadrill Management AS
Maury	Sticker	Superior Energy Services Inc.
John	Fitzpatrick	Transocean
Karin	Witton	Weatherford