

HSE Committee
Thursday, 16 July 2015
IADC
10370 Richmond Ave., Suite 760
Houston, TX 77042

<u>Minutes</u>

Agenda Item # 1: Welcome & Introductions, Facility Orientation & IADC Anti-Trust Guidelines

The HSE Committee meeting was called to order by Kurt Bailey, Patterson UTI, the Committee Chairman.

Brenda Kelly, IADC, provided a building safety briefing and reviewed the IADC Anti-trust Policy & Guidelines, calling attention to the prohibited discussion topics. For a copy of the IADC Anti-trust Policy & Guidelines please refer to http://www.iadc.org/iadc-antitrust-policy-guidelines/.

Agenda Item #2: Severe Violator Enforcement Program

Jim Shelton, OSHA, gave a presentation on OSHA's Severe Violators Enforcement Program, which applies to multiple industries including the oil and gas industry. The program provides OSHA a means of internally and publically identifying and tagging companies for more intensive scrutiny when they willfully violate OSHA safety regulations or are deemed 'repeat offenders'. A 'repeat offender' is a company cited for same issue within a 5-year period.

Five hundred companies are currently on the Severe Violators list, with most companies being construction companies. Only two oil and gas companies are on the list, both of which were added to the list several years ago. OSHA is focusing on certain high emphasis areas such as amputations, silica, PSM, combustible dust, etc. (e.g., what's killing people).

Once a company is placed on the Severe Violator list, OSHA:

- Displays citation on the OSHA Data and Statistics OSHA Enforcement webpage that is publically accessible
- Prepares press release to increase awareness of what's going on at facility
- Performs enhanced follow-up inspections (with increasing frequency that may be inclusive of all facilities)

A company may apply to be removed from list three years after full resolution of an issue.

An article in Journal of Light Construction reports statistics showing Houston as 'most dangerous' city in nation. The article based its statement on OSHA publically available data. Mr. Shelton encouraged members to change perceptions! Work to improve safety. He offered the following resources for improving safety:

- Industry associations as IADC
- STEPS Network
- OSHA Training Institutes
- Local OSHA offices
- OSHCON OSHA consultation service for small companies; site visits with recommendations, downloadable safety meeting resources
- Compliance Assistance Directory

During discussions, Mr. Shelton responded to the following questions.

- **Q:** Ratio of Inspectors how are they becoming more familiar with our industry? It is very difficult for OSHA employees to gain adequate knowledge in any one industry when they must service many industries. They must wait for OSHA training institute to offer course.
- Q. Does OSHA use outside consultants? No, only in very special cases.
- Q: Is OSHA receptive to industry support, training? Unfortunately OSHA cannot accept industry offers of training or travel support. It is perceived to be a gift. Employees like getting industry training but challenging to work out. Teleconferencing may provide an option.
- Q: Is there a MOU between Coast Guard and OSHA? OSHA has some jurisdiction offshore. Letter of Interpretation sent to IADC explained the relationship between OSHA and Coast Guard. This letter is posted on the OSHA website. OSHA turnover presents even more challenges to understanding jurisdiction. There was discussion that the information on OSHA for the MOU was not the same that IADC sent. OSHA would follow up.
- Q: Any increased surveillance of shipyards now that more stacked rigs? No, not additional.

Q: OSHA cooperation with other countries? Yes around global harmonization. OSHA also has an initiative with Canada and a labor discussion in South America.

Agenda Item # 3: Environmental Subcommittee Report

Travis Warden reported on the 14 July 2015 meeting of the Environmental Subcommittee. He gave an overview of environmental-related regulations, including fuel oil sulfur content reporting, NOx Record Keeping Requirements, Ballast Water Convention ratification status, drinking water standards for offshore units, amendments to MARPOL Annex I for waste management, UK HSE Case Guidelines revisions, and hydraulic fracturing on Federal and Indian Lands. For example, on NOx recordkeeping, 44 states have ratified ballast water convention, but insufficient percentage of users are presently engaged. Full details of the regulatory update are available in the Minutes of the Environmental Subcommittee meeting located available at http://www.iadc.org/hsecommittee/subcommittees.

He also explained that the Subcommittee is attempting to reactivate the Environmental KPIs project and requested HSE committee members' engagement. He indicated that KPI reporting is envisioned to operate much like the current IADC ISP program. Data would go directly to IADC to assure that no other company has access to raw data. Among the suggestions for improving the program were to make a distinction between onshore and offshore metrics, to add a means of regionally aggregating data, reporting quarterly rather than annually, and to establish definitions for key terms such as 'spill'. Data collection was to start in 2015. This effort needs land drilling participation in the subcommittee. For more information or to volunteer please contact Travis Warden (twarden@paragonoffshore.com) or Kurt Bailey (kurt.bailey@patenergy.com).

Mr. Warden appealed to Committee members for greater attendance in the Environmental Subcommittee. Participation of those who could bring onshore perspective to the KPI discussion would be particularly helpful.

Agenda Item # 4: WellSharp and Other Accreditation & Credentialing Updates

Brenda Kelly, Senior Director—Program Development for IADC reported on four new or emerging topics pertaining to delivery of safety-related training.

WellSharp for well control training—Ms. Kelly gave an overview of the WellSharp
program training requirements and reported on the implementation status of the
new program. She explained the 5 training levels that are tied to personnel's
positional responsibilities or well control roles. She further described the new
Knowledge and Skills Assessment processes, including the proctored online testing

database. WellSharp is now launched with training providers who deliver the majority of well control training globally now operating under the WellSharp program. WellCAP training remains in effect for well servicing well control courses, but these too will be brought under the WellSharp model beginning in 2016. Since most HSE Committee members were not familiar with WellSharp requirements, members asked that she give a more detailed presentation of the requirements at the next meeting.

- Changes to the SafeGulf training curriculum may impact RigPass training providers. The SafeGulf Board has approved expanding of training topics such as prescription medications, firearms, and helicopter transportation. In addition, social responsibility, emergency evacuation offshore, MARSEC scope and levels, and boat embarking and disembarking, are among the new topics that are being added to the curriculum. SafeGulf endorsed training provider holding the SafeGulf endorsement must implement the curriculum changes by October 2015. IADC staff will be informing RigPass-accredited training providers of the changes, which may ultimately impact RigPass offering globally.
- An issue with RigPass instructor requirements—Independent instructor/training
 providers cannot meet the requirement for observed delivery of RigPass training in
 advance of receiving approval. They have no approved instructor available to them
 to perform the observation. The IADC RigPass Review Panel recommends three (3)
 potential solutions to this dilemma:
 - Accept the OSHA 501, 511, or other similar instructor credential as satisfying the requirement,
 - Create a 'conditional approval' option that would permit the applicant meeting all other requirements to have 6 months to find a qualified observer who could perform the observation
 - Develop a Train-the-Trainer certification that would permit applicants who complete the course to satisfy the requirement.

Ms. Kelly requested that the Committee form a workgroup to review the current instructor requirements, the issue raised, and the recommendations of the Review Panel. This workgroup should then report its findings and recommendations to the Committee at the next meeting. Fourattendees volunteered to work with IADC staff on this issue. Workgroup members are: Brad Spratt (Northwest Technical Solutions), Keith Stringer (Subsea Solutions), Manuel Salinas (Tital Directional), and Richard Johnson (RigQA).

 US Shale Experience Documentation Requested—Ms. Kelly also reported that Taf Powell, IADC Executive Vice President for Regulatory Affairs sent a letter requesting 'the assistance of US-based members in deriving practical and where possible, unequivocal data that convincingly establishes the integrity of unconventional hydrocarbon operations.' Mr. Powell is seeking relevant research,

factual data, or other resources that could serve to assist with his effort to counter some of the public and regulators' concerns over hydraulic fracturing practices and risks. Attendees of the Environmental Subcommittee offered two important resources that are being pursued. Ms. Kelly asked for other suggestions for information or data sources.

Agenda Item # 5 Legal High Designer Drugs and Emerging Natural Substances

Pat Pizzo, Director of Toxicology, Alere, gave an information-packed presentation on the myriad of natural, synthetic and other designer drugs, their effects on human behavior, and their detectability by present drug screening methodologies.

She explained the five classes of drugs, and provided many examples of the more than 400 synthetic metabolites that have emerged. These drugs produce effects on the human body ranging from central nervous system stimulation, hallucinations, to serious impacts on mental health. Their effects may last from 2-4 hours, with some varieties producing effects that last more than 24 hours. The drug use often goes undetected until the user has a health issue and seeks medical help.

A prevalent problem with drug use today is that people purchasing the drug think they know its effects because they think they are purchasing the 'parent' drug. The reality may be, and often is, that they are actually buying another 'spin-off' drug for which they do not know effects.

Most synthetic drugs are not detectable with standardized drug screening panels. Can they be detected? Yes for a price. Most labs can perform broad comprehensive panel testing. Onsite kits for synthetics screening work for 3-4 specific related compounds; LC/MS/MS screening and confirmation is needed for broader screening, to detect 45 compounds (everything the federal government regulates plus others).

Currently 27 drugs are banned in the U. S. with emergency bans being used to add more and more drugs to banned list.

Designer drugs like Khat, Alpha-PVP, Craze, Gravel, Eight Ballz, and Molly are being made to get around U.S. controls.

Many drugs may be produced for plants or materials available at home. Examples of source materials include hand sanitizer, bath salts, salvia, coleus, angel's trumpet, passionflower, and nutmeg.

PCP was identified as the worst drug because of its effects on human behavior. People using PCP are likely to commit very violent crimes when under its influence.

All energy drinks are being investigated by FDA.

Ms. Pizzo referenced several resource websites:

- www.EcstasyData.org where you can send in pill and have it analyzed and reported.
- www.urban75.com/Drugs/e_guide.html where warnings from users are posted.
- www.nlm.nih.gov/medlineplus/druginfo/natural/871.html used for identifying side effects of herbal products.

Q: What recommendations would you have for our members? International Organization of Oil and Gas guidelines for drug screening are forthcoming that will list the drugs for which industry must screen. Until then, she recommends screening for all synthetic opiates, and then, if a company thinks they have a problem, screen for synthetic marijuana and hallucinogenics.

For more information or to obtain a copy of the presentation, contact Ms. Pizzo at pat.pizzo@alere.com.

Agenda Item # 6: The Wildlife Center of Texas

Sharon Schmalz, Executive Director of the Wildlife Center of Texas (subsidiary of the SPCA), was onsite to provide an educational presentation followed by a show and tell of two rescued animals/mascots (owl and hawk). The Wildlife Center of Texas cares for injured, ill, or orphaned animals, provides general wildlife emergency response, and plays a significant role in oiled wildlife emergency response for a variety of industries. The Center's ultimate goal is to get a rescued animal back into the wild.

The Center has a full response team ready to activate 24/7. Team members are mostly volunteers that must be trained in 24-hour or 40-hour Hazwopr before response. Every 4th year Texas veterinary students serve an internship with the Center.

The Center takes almost all wildlife, including alligators and bobcats, but does not respond to adult deer injuries. Almost all wildlife is protected in TX law. More than 10,000 animals/year are helped at the Center, making the Houston Center one of the largest centers in the nation.

The Center also provides educational and training workshops for individuals wanting to volunteer their efforts or to just educate themselves. Educational programs help attendees gain an understanding of terminology, processes, and permit requirements

for wildlife rescue. The next one-day Oilspill Workshop offered by The Center will be held in Houston on 24 August 2015. The event is sponsored by Anadarko. Two to five workshops per year are held, with corporate sponsors accepted. All donations are tax deferrable. Annual Open House held 1st Saturday of December each year.

For more information visit www.WildlifeCenterofTexas.org or call 713.861.9453. The 24-hour hot line is available for reporting siting of an injured or ill animal.

Q: What is safest way to respond to an injured animal? Step 1: cover the animal's head with a blanket, towel, etc. so animal cannot see. Then use a broom to push it into a box or other closed container.

Agenda Item # 7: Open Discussions & Future Meeting Topics

The next Committee meeting will be 15 October 2015 at IADC. Latchaw volunteered to sponsor lunch for the next meeting.

Candidates for 2016 Chair (offshore) and Vice Chair (onshore) are needed. Contact Kurt Bailey (Kurt.Bailey@patenergy.com) or Brenda Kelly (Brenda.kelly@iadc.org) if you have recommendations

What was good about today's meeting: good speakers, feedback

Topics suggested for the next meeting:

- Safety issues around stacking rigs
- WellSharp
- Maintenance Committee activities Brenda Kelly to check with John Pertgen to see if anything important within Maintenance Committee that should be discussed here
- Rigger curriculum and competence assessment
- Idle people—How will they perform when returning to work? Safely?
- IADC rig inspection tool—Where is it? What is its status? Does it need to be updated?
- Operators and their well plan—These drive the fracking message. Reach out to operators for input on this.

Today's lunch was sponsored by IADC.

Meeting adjourned by Kurt Bailey.

Meeting Attendance:

Name	Company Name
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Marvin P	Guidry	ANADARKO
Dana	Morales	ATWOOD
Steve	Bodiford	AXXIS
Carolina	Rubiano	ВР
Robert	Boudreaux	COASTAL DRILLING
Tim	Gibson	DIAMOND
John	Karish	ENSCO PLC
Andy	Erwin	FALCK SAFETY
Keim	Davis	HELMERICH & PAYNE
Mark	Crelia	HELMERICH & PAYNE
Kim	Parker	HERCULES OFFSHORE
Andra	Wilcox	HOUSTON ADVANCED RESEARCH
Brenda	Kelly	IADC
Elfriede	Neidert	IADC
Alan	Spackman	IADC
Kevin	Fitzgerald	INTERTEK
Cody	Ashley	LATSHAW DRILLING
Matthew	Arabie	MHWIRTH
Sean	Carriger	MOBILE SAFETY SOLUTONS
Jason	Gamel	NABORS
Michael	Stephens	NOMAC
Stephen	McGinty	NORSAFE
Joseph	Leonards	NORSAFE
Bradley	Spratt	NORTHWEST TECHNICAL
Robert	Walls	OES OILFIELD SERVICES
Albert	Skiba	OPITO
Ben	Nsude	PACIFIC DRILLING
Travis	Warden	PARAGON OFFSHORE
Kurt	Bailey	PATTERSON-UTI
Jerry	Jacobs	PATTERSON-UTI
Jesse	Hein	PATTERSON-UTI
Ryan	D'Aunoy	PRECISION
Kelly	Kittok	REMOTE MD
Terry	Pickrel	REMOTE MD
Richard	Johnston	RIG QA INTERNATIONAL

Keith	Benton	RIGNET
Keith	Stringer	SUBSEA SOLUTIONS
Manuel	Salinas	TRITAN DIRECTIONAL
Barry	Cooper	WELL CONTROL SCHOOL