

International Association of Drilling Contractors



Environmental Subcommittee Meeting
18 February 2015
IADC
10370 Richmond Ave., Suite 760
Houston, TX 77042

Minutes

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

The IADC Environmental Subcommittee was called to order by Travis Warden, Paragon Offshore, and Subcommittee Chair. Travis welcomed everyone and thanked them for attending. John Pertgen, IADC, then provided attendees with building and emergency response information. Mr. Warden then asked everyone to introduce themselves, see the attached attendance sheet

John Pertgen, 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://www.iadc.org/iadc-antitrust-policy-guidelines/>.

Agenda Item #2: Opening Comments and Discussion

- A. A member initiated comments in regards to the NPDES OCS (GMG/GEG) discharge permit's Cooling Water Intake Structure (CWIS) requirements and compliance updates regarding the matter. Other Member's responded to the concern stating no revised requirements have been issued and the same original criteria resides with the permit. Member's further discussed methods of compliance being used such as the employment of small scale remote operated vehicles (ROVs) in order to inspect and provide compliance with the CWIS aspect of the permit. Members additionally added that the ROV can be used for many other tasks outside the scope of the permit such as maintenance inspections of ballast tanks, underwater hull and thruster inspections, etc.
- B. Participation with the Vessel General Permit (VGP) Annual Reporting System was discussed and considered lengthy/redundant in the information it required. Members would prefer to see these questions initially asked upon application for the permit instead of on an annual basis. Overall compliance is not a concern for the majority of the group and feel the permit is adequate to comply with. Members mentioned that the EPA Region 6 Webinar concerning the VGP was very beneficial.

Agenda Item #3: Environmental Overview for Upstream Onshore O&G, Kristy Bellows, Statoil

Kristy Bellows, Statoil, agreed to provide the IADC and its members a presentation on their initiatives in regards their onshore operations. Statoil's operations involve work within the Marcellus, Bakken, and Eagle Ford shale areas. Statoil is very much involved with ensuring environmental compliance and stewardship while involving the surrounding communities for their best interest. Statoil explained how their organization additionally has reserved certain acreage in the Marcellus for the stewarding and protecting native wildlife.

Statoil's environmental due diligence process was explained to the IADC subcommittee members which discussed the processes prior to any drilling campaign initiating. This process can involve a Biodiversity Plan which protects the native wildlife (including their maternity and migratory patterns) and the health of the surrounding ecosystem(s). Mrs. Bellows also explained the intricate air, water, and waste permitting process that is required for drilling in several different types of areas, including near wetlands.

The amount of care taken by Statoil in regards to preserving communities, their ecosystems, and the historical value of certain areas was quite impressive. Kristy was thanked for her presentation and her time.

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Agenda Item #4: General Discussion of Environmental Issues and Best Practices

A member of the subcommittee presented his interest in having the subcommittee pursue a compliance guide for the discharge permits of the US outer continental shelf (GMG29/GEG46). This task will be similar to that of the group's recently created Vessel General Permit (VGP) compliance guide. The topic was intriguing and will be presented to the HSE Committee for a vote. No other discussions were held.

Agenda Item #5: Regulatory Reports- John Pertgen

John Pertgen (IADC) provided the Committee with information about the two IADC-published semi-annual regulatory reports on the revised IADC website:

1. 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).
2. 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://www.iadc.org/offshore-operating-division/reports/>)

Below are some of the key highlights of the Federal Summary report-

Waiver Revisions for Certain Medications and Suggestions for Risk Evaluation (USCG-2014-0720). (RIN not listed; CFR not listed) On 28 January 2015 ([80 FR 4582](#)) the USCG issued a Notice of proposed policy clarification with a request for comments regarding the criteria for granting medical waivers to mariners, who require the use of potentially impairing prescription medications. The current USCG policy states that “use of certain medications is considered disqualifying for the issuance of credentials.” They have a list of specific medications that require a waiver but do not specify the factors that the Coast guard will consider in making their determination on the risk associated with these medication is low enough to warrant such consideration. Therefore, they are proposing additional to the current policy (NVIC 04-08) when determining whether or not to grant these waivers. Comment due date: 30 March 2015

Guidance on Maritime Cybersecurity Standards (USCG-2014-1020) (RIN not listed; CFR not listed) On 12 December 2014 ([79 FR 73896](#)) the USCG issued a Notice of public meeting and a request for comments. The meeting will be held in DC on 15 January and they request comments on the development of cybersecurity assessment methods for vessels and facilities that are regulated by the USCG. Comment due date: 29 January 2015.

On 18 December 2014 ([79 FR 75574](#)) the USCG issued a Notice with request for comments on maritime cybersecurity. The USCG is developing policy to help operators (vessel and facility) identify and address cyber-related vulnerabilities that could contribute to a Transportation Security Incident. The current regulations require certain operators to conduct security assessments, and to develop security plans that address vulnerabilities identified in the assessments. Therefore, the USCG is seeking comments from the maritime industry et al on how to identify and mitigate potential vulnerabilities to the cyber-dependent systems. These comments will help the USCG develop relevant guidance, which may include standards, guidelines, and best practices to protect the maritime critical infrastructure. On 17 February ([80 FR 8338](#)) the USCG issued an extension to the comment period. New comment due date: 15 April 2015.

Commercial Diving Operations (USCG-1998-3786). (RIN 1625-AA21; 46 CFR 197) On 19 February 2015 ([80 FR 9151](#)) the USCG issued an NPRM, which proposes to amend the regulations for commercial diving conducted in connection with OCS activities, or from vessels that are required to have a USCG COI. The revisions reflect the most current industry best practices. This proposed rule also allows the USCG to approve independent third party organizations to assist with ensuring regulatory compliance. Of particular interest to our industry is that it has the potential to affect MODU operations as it would require the vessel owner to submit:(1) An international diving systems safety certificate issued by

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the vessel's flag administration or a party acting on behalf of the flag administration; or (2) Certification from the vessel's flag administration or party acting on behalf of the flag administration that the vessel complies with the regulations found in this part or the requirements of a recognized classification society that has been determined by the Commandant, Office of Design and Engineering (CG-ENG) to provide an equivalent level of safety. There are also internal and external audits required by the vessel owner. Comment due date: 20 May 2015

OSHA Response to IADC letter regarding jurisdiction on US OCS.

IADC has received a response from OSHA regarding our request for clarification regarding recordkeeping obligations concerning occupational injuries and illnesses for MODUs on the US OCS. Both IADC's request letter dated 8 January 2015 and OSHA's response dated 10 February 2015 are available on our website.

It is our understanding, per OSHA's response, that MODUs need to maintain OSHA Forms 300, 301, and 300A when the MODU is either connected to the seabed of the OCS for exploration or exploitation of subsea resources or is in State waters (3 nm or 9 nm as appropriate). We are uncertain if OSHA conferred with the USCG before sending this response.

BSEE NTL 2014-G06 requires lessees and operators to provide helicopter landing sites and refueling facilities to helicopters that BSEE uses to regulate offshore operations. This means that the BSEE helicopter operator must be provided access and fuel at your facility regardless of whether or not the BSEE inspection being conducted is at your facility. Failure to provide fuel to BSEE when requested would result in the BSEE inspector issuing an incident of non-compliance (INC). Effective date: 1 February 2015

Meeting was adjourned at 11:00 am

Attendance Sheet

Name		Company Name
Austa	McKendrick	ATLAS
Josh	Morrisette	BAKER HUGHES
Leonardo	Desousa	DIAMON OFFSHORE
Stefan	Malhotra	ENSCO
Austin	Bear	HERCULES OFFSHORE
John	Pertgen	IADC
Kris	Hardwick	LLOYDS REGISTER
Chris	Doremus	MAERSK
Matthew	Arabie	MHWIRTH
Susan	Tybur	NOBLE
Travis	Warden	PARAGON OFFSHORE
Paramjit	Rai	PARAGON OFFSHORE
John	Donaldson	QTEC ENERGY
Heather	Myklebust	ROWAN
Michael	Lowe	ROWAN
Donna	Pennell	SEADRILL
Kristy	Bellows	STATOIL

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Ade	Adetiloye	TRANSOCEAN
Jim	Prewitt	WAUKESHA-PEARCE INDUSTRIES
Kim	Ellis	WILD WELL
Nathanael	Harper	WISCO-MORAN