HEALTH SAFETY AND ENVIRONMENT COMMITTEE THIRD QUARTER GENERAL MEETING

Location: Falck Alford Training Center

Date: 22 July 2010

Agenda Item: Opening:

Larry Hill, HSE Manager and Committee Vice-Chairman opened the meeting welcoming everyone to the committee meeting. He asked everyone for a moment of silence in memory of those who have lost their lives in the industry. Larry then thanked Falck Alford for hosting the meeting and then introduced Andy Erwin, who provided safety briefing and general building information. Joe Hurt reviewed the IADC Anti-Trust Statement. Larry then asked everyone to introduce themselves, see the attendance sheet.

Agenda Item: Regulatory Issues

Alan Spackman discussed several issues that are affecting the industry, many of which are related to the Macondo incident.

- 1. The President established the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, which is made up of non-industry members.
- 2. USCG / BOEM Marine Board of Investigation
- 3. "Buffalo Report" issued by Secretary of Interior Salazar. The report drew on information provided by the Joint Industry Task Force (JITF). JITF was originally given thirty days to provide input, but then the time frame was drastically shortened.
- 4. USCG is working to get Sub-Chapter N (OCS Activities Regulations) out in September.
- 5. BOEM safety and enforcement side to issue new rules by the end of September requiring safety management systems.
- Congress has a number of bills which address our industry. There are forty three bills in the House and forty bills in the Senate. These efforts are not aligned and Congress is attempting to cover a vast array of issues.
 - a. Well Control Equipment
 - b. Training requirements for the OIM and Drillers.
 - c. Attempting to have all MODUs operating in US waters to be US registered with US ownership.

John Pertgen:

- 1. Federal Semi-Annual Regulatory Summary has been posted on the IADC web page. The summary is issued twice a year, July and again in January.
- 2. USGC has a proposed rule for new CO₂ Fixed Fire-fighting Equipment. The USCG is asking for existing equipment be updated within five years and IADC has requested that the replacement be extended to twelve years to match the required inspection and maintenance cycle for CO₂ Fixed systems.
- 3. EPA has proposed rules to require that PCBs be verified removed when a vesselis either scrapped or sold (especially internationally).
- 4. EPA Final Rule on engines, with regards to fuel bunker delivery notes and sameples, indicated that vessels need to ensure that they acquire the notes and samples in accordance with the MARPOL regulations.
- 5. STCW 2009 is the latest change which goes into force in January 2012. New requirements include:
 - a. Security Module
 - b. Environmental Awareness Module
- 6. USCG new Merchant Mariner Credentials may cause problems for those obtaining their Foreign Flag equivalent documents due to the appropriate document identifying number (Reference



number is incorrectly being applied when the Document or Serial number is required) being utilized.

Joe Hurt

- 1. OSHA Proposed Rule on Walking and Working Surfaces
- 2. OSHA seeking input to determine if they should issue a proposed rule on Injury and Illness Prevention Plans. They have had a sample Health and Safety Management Plan for a number of years but now think that companies should be required to have I2P2 plans in place.
- 3. OSHA is seeking input on Harmonization of Standards.
- 4. API has completed the re-write of API Spec 2 C which expands the scope from offshore pedestal cranes to deck cranes, winches, etc.
- 5. API PR 2 D committee which arose from the MMS recommended Lifting Safety Committee is rewriting RP 2 D, which will also be expanded. There is a task group on Job Safety Analysis and they are seeking input on is the development of Job Safety Analysis. Some on the committee want the JSA to be a "Lifting Plan" while others want the JSA to be specific to the tasks the workers are performing (i.e. the rig's Rigging crew JSA for receiving the load onboard would be different from the vessel's Rigging crew for hooking up the load from the vessel).

Agenda Item: General Discussion:

One of the attendees commented that they had an injury onboard a MODU and completed the USCG 2692 but did not notify the USCG immediately so that they could determine the extent of medical attention the injured needed. When they determined that the injury was such that the USCG needed to be notified, the USCG marine Safety officer wanted to know why he was not notified immediately. Alan Spackman reminded the attendees of the document developed by John Pertgen and signed off on by the USCG that lays out the process for completing USCG 2692 and informing the Marine Safety Office regarding injuries onboard vessels. (Available on IADC website under Offshore Committee on posted date 18 June 2007)

Agenda Item: Contractor Hand Safety Initiatives / New products:

Presentations were made by Nabors Offshore, Diamond Offshore and Atwood Oceanics.

Summary of the general discussion that followed the presentations:

One company commented that they have reduced the number of hand injuries from six per year to one. They found that they may be having the same number of incidents, but due to the protective gloves there were fewer injuries. One company commented that they had to establish rules to keep workers from taking the new protective gloves for home use. They require the employee to turn in a worn out pair to get a new pair. Another company commented that they have had a 40% reduction in finger injuries since they started their program. One company stated that 74% of their recordable incidents were hand/finger injuries. Due to the new program they have seen a 25% decrease. In addition to new types of safety gloves some companies are now using push-pull poles to keep riggers from putting their hands on loads. Another device that was observed is a tag-line that is stiff near the hook end so that the rigger can push the load without putting their hands on the load.

One company currently has a company effort known as "FOCUS" to heighten the awareness of their employees to working safe. FOCUS stands for:

F = Falls

O = Overexertion

C = Cuts and Caught Between

S = Struckby incidents

Some issues that have come up with the new protective gloves are: 1. Initial cost of gloves is high but appear to out-wear the cotton gloves normally use on rigs. 2. Some types of gloves wear faster than

others. 3. Some brands become very slick in oil base drilling mud. 4. Most of the new types of gloves can be machine washed but cannot be mechanically dried. Because of this the employer issues two pairs of gloves to the workers so that one pair can be drying while he uses the second pair. 5. Some companies are having a hard time finding the new safety gloves in some regions outside the US.

Agenda Item: Task Group Discussion

Environmental Sub-Committee: Joe Hurt explained that IADC used to have an Environmental Sub-Committee as part of the HSE Committee and some members have suggested that the subcommittee be re-established. David Frost, Pride International made a motion to re-establish the subcommittee and Larry Hill seconded the motion. After discussion the committee voted to re-establish the subcommittee.

Tim Gibson suggested that IADC contact Jennifer Cavangol to be chairperson since she expressed interest in the formation of the subcommittee. (Joe Hurt contacted Jennifer and she agreed to chair the subcommittee).

Lifeboat Task Group: Joe Hurt explained that due to a number of incidents it had been suggested that the HSE Committee establish a Lifeboat Task Group. The committee decided not to form a Lifeboat task group.

Alan Spackman explained the OOC Lifeboat committee is addressing the issue from an operator's position. Some issues that are being addressed are:

- 1. The USCG required quarterly launching of lifeboats. Most recent incidents have occurred during maintenance, drills or the quarterly launching.
- 2. How can personnel receive training specific to the lifeboats they may be using.
- 3. USCG is reviewing:
 - a. Fire and Blast protection (For Lifeboats and egress routes)
 - b. Egress Routes
 - c. Mustering of crews
 - d. Well Control and related fires

During the discussion one attendee suggested that the only way to really address the issue is higher level of company commitment to training and discipline of personnel who are responsible for lifeboat operation.

Drops Task Group: The person who suggested that IADC HSE Committee develop a "Drops" task group was not able to attend the meeting to champion the effort so it was tabled until the next meeting. There was discussion on the importance of company drops programs and tracking incidents.

IADC Incident Statistics Task Group: Joe Hurt asked the committee if they wanted to review the Incident Statistics Program guidelines for possible changes/improvements for 2011. After discussion, Mike Holms moved that an ISP Task Group be organized and Larry Hill seconded the motion. Mike Holms offered to chair the task group.

Agenda Item: Greg Cartolano, of Falck Alford led a tour of the training facility.

Agenda Item: Engine Emergency Shutdown Devices

Jeff Ershler, AMOT made a presentation on the need for diesel engine air shutdown devices.

Agenda Item: Biometric ID Systems and Muster Stations

Howard Weinberg, FaceKey made a presentation on Biometric ID systems. TJ Jacobs, Sales Manager, and Eugene "Yevgeny" Levitov, President of FaceKey demonstrated and discussed biometric muster station system.

Agenda Item: Safe Sub Transport

Lonnie Harrington, Tech Oil Products, Inc. made a presentation on their sub handling basket. The system is designed to make the transportation of subs safer by keeping rigging personnel hands away from the load. It also separates and secures the subs into the basket.

Agenda Item: Meeting Close out:

The next meeting will be held on 4 November 2010 at Atwood Oceanics. Suggested topics for discussion were:

- 1. A vendor to review development process of Safety Cases
- 2. Possible Report on the preliminary findings of the Macondo incident.
- 3. Bob Burnett summary on legislation.
- 4. Report from the ISP Task Group
- 5. Report from the Environmental Subcommittee

All HSE Committee members are encouraged to submit topics or issues for the meeting agenda to Joe Hurt at joe.hurt@iadc.org

Attendance:

| Name | | Company Name |
|------------|------------|------------------------------------|
| Bob | Kahak | Alexander Ryan Marine & Safety Co. |
| Larry | Hill | Atwood Oceanics |
| John | Auth | Auth-entic Safety Services, Inc. |
| Jamie | Taylor | Billy Pugh Co. Inc. |
| John | Spencer | ConocoPhillips |
| Deena | Clayton | ConocoPhillips |
| Tim | Gibson | Diamond Offshore Drilling, Inc. |
| Stephen | Fuchs | Diamond Offshore Drilling, Inc. |
| Timothy | Grebe | Drilling Controls Inc. |
| Julie M. | Fox | Exploration Logistics |
| Howard | Weinberg | FaceKey Biometric ID Systems |
| Harrold E. | Long | Helmerich & Payne |
| Rick | Hinzie | Hercules Offshore |
| Joe | Hurt | IADC |
| John | Pertgen | IADC |
| Alan | Spackman | IADC |
| Chris | Lee | LHR Services & Equipment, Inc. |
| Josh | Minton | Maersk Drilling USA, Inc. |
| Chris | Plaeger | Moxie Media, Inc. |
| Greger | Erickson | MSA |
| Diana | Nelson | MSA |
| Richard | Grayson | Nabors Offshore Corporation |
| John | Portier | Nabors Offshore Corporation |
| David | Frost | Pride International |
| Edward | Irvin | Rowan Companies |
| Nicole | Rudolph | Rowan Companies |
| Jack | Isbell | Rowan Companies |
| Andy | DuBose | Safety In Motion |
| Lonnie | Harrington | Tech Oil Products |
| Mike | Holmes | Transocean |