

# MAINTENANCE COMMITTEE MEETING MINUTES

#### 14 January 2015

Location: IADC - Crown Center 1 & 2 Conference Rooms

#### Call to Order:

The committee was called to order and the attendees were welcomed by the IADC Maintenance Committee Chairman, Mr. Frank Breland (Diamond).

Stephanie Carling (IADC) gave a short overview of the planned IADC Asset Integrity Conference upcoming in SEPTEMBER.

A building security and safety briefing was given by Mr. John Pertgen (IADC).

#### IADC Antitrust Policy and Guidelines and Committee Mission Statement:

The Chairman read the committee Mission Statement for the group. Mr. Pertgen provided a review of the IADC Antitrust Policy and Guidelines and stated that the full policy is available on IADC's webpage.

# Introductions / Agenda:

Each attendee provided an introduction of them self and their company affiliation.

The Chairman provided an overview of the proposed agenda for this meeting.

#### Regulatory Review / Update:

API Holly Hopkins presented her regulatory summary. A hardcopy was made available for each attendee.

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).
- 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/

Mr. Pertgen then reviewed the following highlights from the Federal Summary with the committee (a copy of the highlights was also made available for each attendee):

#### DHS / U.S. Coast Guard

**Foam Type Fire Extinguishing System.** (RIN 1625-AC21; 46 CFR162) The most recent Unified Agenda indicated that the USCG is proposing to set type approval standards for foam firefighting systems to be used on vessel tanker decks and machinery space, and helidecks on offshore platforms. Furthermore, they are proposing that certain firefighting systems, for use in fighting smaller fires, can be tested to a different standard than those used in fighting large-scale fires on oil tankers. An NPRM was planned for December 2014.

**Seafarer's Access to Maritime Facilities (USCG-2013-1087)** (RIN 1625-AC15; 33 CFR 101 and 105) On 29 December 2014 (79 FR 77981) The USCG issued an NPRM and a notice of public meeting. Therein the CG proposes to require each owner or operator of a USCG regulated facility to implement a system that provides seafarers and certain other individuals access between vessels moored at the facility and the facility gate in a timely manner at no cost to the seafarer or other individual. Normally transit thru a facility requires a seafarer to hold a TWIC for unescorted access. This rulemaking would help to ensure that no facility owner or operator denies or makes it impractical for seafarers or other individuals to transit thru the facility. Comment due date: 27 February 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. Comment due date: 17 February 2015.

Requirements for MODUs and Other Vessels Conducting Outer Continental Shelf Activities with Dynamic Positioning Systems. (RIN 1625-AC16; 46 CFR 61, 62, and 33 CFR 140, 143, and 146). On 28 November 2014 (79 FR 70943) the USCG issued an NRPM, which proposes to establish minimum design, operation, training and manning standards for MODUs and other vessels using DP systems to engage in OCS activities. Establishing these minimum standards is necessary to improve the safety of people and property involved in such operations, and the protection of the environment in which they operate. This notice would decrease the risk of a loss of position by a DP MODU or other vessel that could result in a fire, explosion, or subsea spill and supports the Coast Guard's strategic goals of maritime security and protection of natural resources. Comment due date: 26 February 2015.

[IADC has scheduled a meeting on 15 January 2015 for our members to discuss this NPRM]

Proposed Rule Consumer Price Index Adjustments of OPA 90 Limits of Liability—Vessels, Deepwater Ports and Onshore Facilities.(USCG-2013-1006) (RIN 1625-AC14; 33 CFR 138 Subpart B) On 19 August 2014 (79 FR 49205), the USCG published a NPRM proposing to increase the limits of liability for vessels, deepwater ports, and onshore facilities, under the Oil Pollution Act of 1990, as amended (OPA 90), to reflect significant increases in the Consumer Price Index (CPI). According to the notice, they are also proposing a simplified regulatory procedure for the Coast Guard to make future required periodic CPI increases to the OPA 90 limits of liability for vessels, deepwater ports, and onshore facilities. These regulatory inflation increases to the limits of liability are required by OPA 90, and are necessary to preserve the deterrent effect and "polluter pays" principle embodied in OPA 90. Finally, they are proposing language to clarify applicability of the OPA 90 vessel limits of liability to two categories of tank vessels, edible oil cargo tank vessels and tank vessels designated as oil spill response vessels. This clarification to the existing regulatory text is needed for consistency with OPA 90. Comments are due on or before 20 October 2014.

[On 17 October 2014 IADC submitted <u>comments</u> on this notice because the USCG did not clearly indicate in the regulations that a MODU that is NOT "constructed or adapted to carry, or carries, oil in bulk as cargo or cargo residue" would qualify for the lower limits of liability under the "other" tank vessel category of OPA 90.]

Offshore Supply Vessels of at least 6000 GT ITC (USCG-2012-0208). (RIN 1625-AB62; 46 CFR 2, 15, 61, 62, 110, 111, 125 thru 132, 134, and 174) On 18 August 2014 (79 FR 48893) the USCG issued an Interim Rule with a request for comments. This rule is issued to ensure the safe carriage of oil, hazardous substances, and individuals other than crew by requiring US-flagged OSVs of at least 6000 gross tonnage (measure under Convention Measurement System or ITC) to comply with existing regulatory requirements and international standards for design, engineering, construction, operations and manning, inspections and certification. This rule also affects any vessel of at least 500 GT under the Regulatory Measurement System where the owner wishes to have their vessel certificated as an OSV. The USCG intends to finalize this interim rule after considering, and incorporating to the extent appropriate, any comments from the public. Comment due date: 17 November 2014. The most recent Unified Agenda indicates that the next action is "to be determined."

[On 13 November 2014 IADC submitted <u>comments</u> on this notice]

Training of Personnel and Manning on Mobile Offshore Units and Offshore Supply Vessels Engaged in U.S. Outer Continental Shelf Activities. (USCG-2013-0175) (RIN 1625-AC10; 33 CFR 140 thru 147 and 46 CFR 10 thru 15) On 14 April 2014 (79 FR 20844) the USCG issued an ANPRM wherein they propose to expand its maritime safety training requirements to cover all persons other than crew working on OSVs and MOUs engaged in activities on the US OCS, regardless of flag. Their reasoning is to enhance personnel preparedness for responding to emergencies. They are requesting comments on:

- 1. Sufficiency of existing maritime safety training and the value of additional maritime safety training for persons other than the crew
- 2. MOU's safety organizational structure (defining levels of authority and lines of communication)
- 3. Professional education and service requirements for industrial officers on MOUs
- 4. Sufficiency of manning regulations on MOUs and OSVs

5. Available economic data on current labor market trends and conditions, as well as the current costs, benefits, and effectiveness of mandated maritime safety training courses and programs for persons other than the crew.

Comment due date 14 July 2014.

On 9 July 2014 (79 FR 38841) the USCG issued an extension to the comment period. New comment due date: 8 September 2014. The most recent Unified Agenda indicates that the next action is "to be determined."

[On 5 September 2014 IADC submitted <u>comments</u> on this notice]

# DHS / U. S. Customs and Border Protection (CBP)

Centers of Excellence and Expertise (RIN 1651-AB02; CFR TBD) The most recent Unified Agenda indicated that CBP plans to issue amendments to CBP regulations to reflect a new internal organizational entity known as a Center of Excellence and expertise (CEE) and to ship authority to make certain decisions regarding customs transactions from port directors to the directors of the CEEs. The goals of the CEEs are to facilitate trade, reduce transaction costs, increase compliance with applicable import laws, and to achieve uniformity of treatment at the ports of entry for identified industries. An Interim Final rule is planned for JULY 2015

# Department of the Interior (DOI) / Bureau of Ocean Energy Management (BOEM)

**Arctic Regulations** (RIN 1010-AD85; 30 CFR 250, 254, 550) The most recent Unified Agenda indicated that BOEM and BSEE are jointly promulgating regulations to govern oil and gas operations on the Alaska OCS. An NRPM was planned for November 2014.

## DOI / Bureau of Safety and Environmental Enforcement (BSEE)

**Incorporation of Standard Well Design Criteria (API Standards), Operations, Cementing, and Casing Requirements.**(RIN 1014-AA17; 30 CFR 250) The last Unified Agenda indicated that BSEE is considering a proposed rule that will address cementing and casing operations and requirements on the OCS. The most recent Unified Agenda indicates that an NPRM is planned for October 2015.

Oil and Gas Sulphur Operations in the Outer Continental Shelf (OCS); Helideck and Aviation Fuel Safety for Fixed Offshore Facilities (RIN 1014-AA22; 30 CFR 250) On 24 September 2014 (79 FR 57008) BSEE issued an ANPRM seeking comments on improving safety for operations related to helicopters and helidecks on fixed offshore facilities. They invite comments on whether to incorporate in the regulations certain industry and/or international standards for design, construction, and maintenance of offshore helidecks, as well as standards for aviation fuel quality, storage and handling. As an alternative to incorporating or developing such standards, BSEE wants comments on whether to require submission of aviation-related safety plans for helidecks and offshore aviation fuel systems on OCS facilities. Comment due date: 24 November 2014

On 24 November 2014 (79 FR 69777) BSEE extended the comment due date to 24 December 2014.

**Incorporation of Updates of Crane Standards** (RIN 1014-AA13, 30 CFR 250) The last Unified Agenda indicated that BSEE is incorporating by reference the 7<sup>th</sup> edition of the API Specification "offshore Pedestal-Mounted Cranes (API Spec 2C) into its regulations. The document has been rewritten

to detail many aspects of crane operations. BSEE plans to add the updated edition through a proposed rule. This approach will allow BSEE to reference the best and most up-to-date requirements for the design and construction of pedestal-mounted cranes for OCS fixed platforms. The NPRM was planned for November 2014.

NTL: Lessee and Operator Refueling Requirements for BSEE-contracted Helicopters (RIN not applicable; 30 CFR 250.132(a)(2)) On 22 December 2014 BSEE issued NTL No. 2014 G-06, which 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 (assuming you have it installed) 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

# Department of Labor (DOL) / Occupational Safety and Health Administration (OSHA)

Occupational Injury and Illness Recording and Reporting Requirements- NAICS Update and Reporting Revisions. (OSHA-2010-0019). (RIN 1218-AC50; 29 CFR 1904)

On 18 September 2014 (79 FR 56129) OSHA issued a Final Rule, which update the appendix to its Injury and Illness Recording and Reporting regulation. It is based on the NAICS. This final rule retains the requirement for employers to report work-related fatalities to OSHA within eight hours of the event but amends the regulation to require employers to report ALL work related in-patient hospitalizations, as well as amputations and losses of an eye, to OSHA within 24 hours of the event. Effective date: 1 January 2015

IADC SENT A LETTER TO OSHA TO CLARIFY OSHA/USCG JURISDICTION FOR INSPECTED VESSEL ON US OCS [8 JAN 15]

## **DOT / Pipeline and Hazardous Materials Safety Administration (PHMSA)**

Hazardous Materials: Revisions of the Emergency Response Handbook (PHMSA-2014-0099) (RIN not listed; CFR not listed). On 2 September 2014 (79 FR 52106) PHMSA issued a notice with a request for comments regarding any interests in revising the Emergency Response Guidebook (ERG) as they develop the 2016 version (ERG 2016). The ERG is for use by emergency response personnel, who provide initial response to hazmat incidents. This group will include agencies in the US, Canada and Mexico. Point-of-contact is Suzette Paes at (202) 366-4900 or suzette.paes@dot.gov.

## **EPA – Toxic Substances Control Act**

Hydraulic Fracturing Chemicals; Chemical Information Reporting under TSCA section 8(a) and Health and Safety data Reporting under TSCA section 8(d) (RIN 2070-AJ93; 40 CFR 712 and 716). The recent Unified Agenda indicated that the EPA is considering plans to initiate a proposed rulemaking under TSCA sections 8 (a) & (d) to obtain data on chemical substances and mixtures used in hydraulic fracturing. Although the EPA granted the petitioners' request to initiate a rulemaking, the agency is not committing to a specific outcome. EPA tends to first develop an ANPRM and initiate a stakeholder

process to provide input on the design and scope of the TSCA reporting requirements that would be included in a proposed rule.

On 19 May 2014 the EPA issued an ANPRM to develop an approach to obtain info on chemical substances and mixtures used in hydraulic fracturing. Comment due date: 18 August 2014.

On 14 July 2014 EPA issued an extension (79 FR 40703) to the ANPRM's comment due date. New comment due date: 18 September 2014. The most recent Unified Agenda indicated that the next action is "to be determined."

# **EPA – Clean Water Act (CWA) and Oil Pollution Act (OPA)**

National Ambient Air Quality Standards for Ozone. (EPA-HQ-OAR-2008-0699) (RIN: 2060-AP38; 40 CFR 50, 51, 52, 53, and 58) On 17 December 2014 (79 FR 75234) the EPA issued a proposed rule, which, based on its review of the air quality criteria for ozone (O<sub>3</sub>) and related photochemical oxidants and the NAAQS for O<sub>3</sub>, proposes to make revisions to the primary and secondary NAAQS for O<sub>3</sub>, to provide requisite protection of public health and welfare, respectively. The EPA is proposing to revise the primary standard to a level within the range of 0.065 to 0.070 parts per million (ppm), and to revise the secondary standard to within the range of 0.065 to 0.070 ppm, which air quality analyses indicate would provide air quality, in terms of 3-year average W126 index values, at or below a range of 13-17 ppm-hours. The EPA proposes to make corresponding revisions in data handling conventions for O<sub>3</sub> and conforming changes to the Air Quality Index (AQI); to revise regulations for the prevention of significant deterioration (PSD) program to add a transition provision for certain applications; and to propose schedules and convey information related to implementing any revised standards. The EPA is proposing changes to the O<sub>3</sub> monitoring seasons, the Federal Reference Method (FRM) for monitoring O3 in the ambient air, Federal Equivalent Method (FEM) procedures for testing, and the Photochemical Assessment Monitoring Stations (PAMS) network.

Along with proposing exceptional event schedules related to implementing any revised  $O_3$  standards, the EPA is proposing to apply this same schedule approach to other future revised NAAQS and to remove obsolete regulatory language for expired exceptional event deadlines. The EPA is proposing to make minor changes to the procedures and time periods for evaluating potential FRMs and equivalent methods (including making the requirements for nitrogen dioxide consistent with the requirements for  $O_3$ ) and to remove an obsolete requirement for the annual submission of documentation by manufacturers of certain particulate matter monitors. For additional information, see the Executive Summary, section I.A. Comment due date: 17 March 2015

**NPDES Electronic Reporting Rule.** (SAN No. 5251) (RIN 2020-AA47; 40 CFR 123, 403, and 501) The EPA has the responsibility to ensure that the CWA NPDES program is effectively and consistently implemented across the country. This planned regulation would identify the essential information that EPA needs to receive electronically, primarily from NPDES permittees, to manage the national NPDES permitting and enforcement program. In the past, EPA primarily obtained information from the Permit Compliance System (PCS). However, the evolution and expansion of the NPDES program, coupled with the significant advances in information technology, has outgrown the PCS and not needs to upgrade to manage the full scope of the NPDES program.

On 30 July 2013 (78 FR 46005) the EPA issued an NPRM that proposes to require electronic reporting for current paper-based NPDES reports. They state that this modification will allow better allocation and use of limited program resources and enhance transparency and public accountability by providing

regulatory agencies and the public with more timely, complete, accurate, and nationally-consistent sets of data about the NPDES program and potential sources of water pollution. Comment due date: 28 October 2013

On 29 October 2013 (<u>78 FR 64435</u>) the EPA issued an extension to the comment period. Revised Commend due date: 12 December 2013.

On 1 December 2014 (79 FR 71066) the EPA issued a request for further comments. Based on the comments received on the proposed rulemaking, the EPA is soliciting further comments by opening a new public comment period. Comment due date: 20 January 2015. The most recent Unified Agenda indicated that a final rule is planned for August 2015.

# **EPA – Resource Conservation and Recovery Act (RCRA)**

#### **EPA – Clean Air Act (CAA)**

State Implementation Plans: Response to Petition for Rulemaking; Findings of Substantial Inadequacy, and SIP calls to Amend Provisions Applying to Excess Emissions during Periods of Startup, shutdown and malfunction. (EPA-HQ-OAR-2012-0322). (RIN 2060–AR68; 40 CFR 52) On 17 September 2014 (79 FR 55919) the EPA issued an SNPRM to supplement and revise the previously issued response to the rulemaking filed by the Sierra Club. This rulemaking concerns treatment of excess emissions in state rules by sources during periods of startup, shutdown or malfunction (SSM). The EPA is proposing to apply its revised interpretation of the CAA, but only with respect to affirmative defense provisions in state implementation plans (SIPs). Comment due date: 6 November 2014.

NOTE: If finalized, this proposal could result in additional enforcement actions for violations of emission limitations during periods of startup, shutdown or malfunction (SSM). Even if EPA and state regulatory authorities exercise enforcement discretion in prosecuting such cases or in pursuing penalties for violations, the lack of regulatory standards specifically identifying situations in which the excess emissions during SSM will be excused will lead to regulatory uncertainty, particularly in citizen suits in which courts will independently determine if there is an adequate defense to the alleged violation.

The most recent Unified Agenda indicated that a final rule is planned for June 2015.

Protection of Stratospheric Ozone: Listing of Substitutes for Refrigerant and Air Conditioning and Revision of the Venting Prohibition for Certain Refrigerant Substitutes. (RIN 2060-AS04; 40 CFR 82) On 9 July 2014 (79 FR 38811) the EPA issued an NRPM that proposes to list a number of flammable refrigerants as acceptable substitutes, subject to use conditions, for ozone-depleting substances in several end-uses. This action also proposes to exempt from the CAA prohibition for venting, release, or disposal the hydrocarbon refrigerant substitutes that are proposed in this action as acceptable subject to use conditions in specific end-uses. Their disposal would not pose a threat to the environment. Comment due date: 8 September 2014. The most recent Unified Agenda indicates that a final rule is planned for March 2015

Protection of Stratospheric Ozone: Adjustments to the Allowance System for Controlling HCFC Production, Import and Export. (EPA-HQ-OAR-2013-0263)(RIN 2060-AR04; 40 CFR 82) On 24 December 2013 (78 FR 78071) the EPA issued an NPRM, seeking comments on options for adjusting the allowance system controlling US consumption and production of hydrochlorofluorocarbons (HCFC), which are required to be phased out completely by 2030. Beginning 1 January 2015 the US production

and consumption of all HCFCs must be no more than ten percent of the established cap. The EPA is therefore seeking comment on how to best implement the 2015 step-down to no more than ten percent of the cap. This rulemaking also seeks comments on the potential changes to the regulations. Comment due date: 24 February 2014.

On 28 October 2014 (79 FR 64253) the EPA issued a **Final Rule**, which is adjusting the allowance system for the consumption and production of HCFCs. Under the Montreal Protocol, the US HCFC production and consumption is capped, and will be completely phased out by 2030. This rulemaking announces the availability of annual production and consumption allowances for HCFC-124, HCFC-142b, HCFC-123, and HCFC-124 for 2015-2019. Effective date: 1 January 2015

#### Main Discussions/Reviews:

# Caterpillar

Brad Devorak (CAT) provided an update for all the issues that CAT is working on for our industry and what his group is anticipating for the upcoming year.

Please contact Brad via email address if want a copy of his presentation, have any questions or want to get clarification on any issues regarding your CAT engines, or merely want to verify any pending service letters (e.g., before/after failure letters). [devorak\_brad\_c@cat.com]

# National Oilwell Varco

Clifton Wade (NOV) reviewed the current status of some issues regarding the 14P mud pump. Please contact him via email if you want to receive a copy of his presentation given at the meeting or merely have any additional 14P Mud Pump questions. [Clifton.Wade@nov.com]

#### 

#### Open Forum

One member raised an issue with bearing lubrication and other seal issues on the drawworks. A vigorous discussion ensued amongst the committee members.

One member asked how others maintained their drilling control systems (including parts). A discussion took place amongst the committee members with numerous views expressed.

One member raised an issue about the USCG proposed rulemaking regarding DP system requirements (especially the testing required). A lengthy discussion took place amongst the committee members. Mr. Pertgen (IADC) informed the group that IADC was having an industry meeting the next day on this very topic.

One member asked about bearing issues on crown and travelling block sheaves. A discussion took place amongst the committee members which was found informative to all.

#### Future Topics:

Have a Fluke presentation for meter calibrations.

Have a Siemens session on thruster drives.

Have presenters on new maintenance technology techniques (e.g., EMI [Electro-magnetic Integration] testing)

Have a presentation on Hazardous area electrical equipment classification

#### Info Sharing:

One member asked to have NOV address issues for drawworks at our next meeting (It was further requested that the committee re-visit their priority list of current needs for NOV)

Adjourned:1330 hrs.

ACTION ITEMS -

None were developed at this meeting

Lunch sponsors for 2015 committee meetings held at IADC will be:

14 January 2015 - Seadrill Americas 08 April - Diamond Offshore 08 July - Transocean

14 October - TBD

## Attendance:

		T	T
Holly	Hopkins	AMERICAN PETROLEUM INSTITUTE	hopkinsh@api.org
Brad	Devorak	CAT	devorak_brad_c@cat.com
Frank	Breland	DIAMOND OFFSHORE	fbreland@dodi.com
Robert	Delgado	ENSCO	rdelgado@enscoplc.com
John	Pertgen	IADC	john.pertgen@iadc.org
Jason	McMullen	NOBLE DRILLING	jmcmullen@noblecorp.com
Tim	Hayes	NOBLE DRILLING	thayes@noblecorp.com
John	Hoeflich	NOV	john.hoeflich@nov.com
Clifton	Wade	NOV	clifton.wade@nov.com
Michael	Anatra	PARKER DRILLING	michael.anatra@parkerdrilling.com
Travis	Middleton	PARKER DRILLING	travis.middleton@parkerdrilling.com
Robert	Urbanowski	PRECISION DRILLING	rurbanowski@precisiondrilling.com
Jamie	Vargas	PRECISION DRILLING	jvargas@precisiondrilling.com
Kevin	Warren	SEADRILL	kevin.warren@seadrill.com
Bobby	Warren	SEADRILL	bobby.warren@seadrill.com
Joseph	Effinger	SEADRILL	joseph.effinger@seadrill.com
Jeff	Marshall	TRANSOCEAN	jeff.marshall@deepwater.com