

### **IADC:**

The **Rocky Mountain Chapter** is planning a spring meeting for April 25<sup>th</sup> in Casper. The meeting will be in conjunction with the University of Wyoming Student IADC Chapter. The meeting will be held at Gruner Brothers Brewing (the old petroleum club)

\*Meeting time from 1730 till 2000 with heavy appetizer's and beverages sponsored by NOV.

The **Rig Moving Committee** has scheduled their next meeting for April 24-25<sup>th</sup> in Oklahoma City. The priority of work has been devoted to 24 hour rig moves – At the last meeting, the committee agreed to revise the rig moving chapter of the Drilling Manual to include 24 hour rig moves.

**HSE Committee** – The committee is currently seeking a chair and vice-chair for 2019. Committee officers must be members of Drilling Contractor Companies. Please contact me anytime if you know of any interested parties.

*(included from March 14<sup>th</sup> Onshore Radar) -It's worth reiterating the challenges IADC is facing in regard to HSE Committee & Conference participation and **active involvement**. Therefore, this is simply an invitation and encouraging word in hopes of having this area revitalized. HSE is the basic foundation of our business, so it's reasonable to think this would be the first area to commit any available resources,... first from a moral obligation, but not to mention the optics it presents to others – however, attendance has shown otherwise. Any support would be greatly appreciated!*

### **DOL:**

Today the Department of Labor (Department) announced a proposed rule to amend and update their regular rate requirements under the Fair Labor Standards Act (FLSA). To view click here:

<https://www.dol.gov/whd/overtime/regularrate2019.htm>

The FLSA generally requires overtime pay of at least one and one-half times the regular rate of pay for hours worked in excess of 40 hours per workweek. Regular rate requirements define what forms of payment employers include and exclude in the “time and one-half” calculation when determining workers’ overtime rates. Under current rules, employers are discouraged from offering more perks to their employees as it may be unclear whether those perks must be included in the calculation of an employees’ regular rate of pay. The proposed rule focuses primarily on clarifying whether certain kinds of perks, benefits, or other miscellaneous items must be included in the regular rate. Because these regulations have not been updated in decades, the proposal would better define the regular rate for today’s workplace practices.

The Department proposes clarifications to the regulations to confirm that employers may exclude the following from an employee’s regular rate of pay:

- the cost of providing wellness programs, onsite specialist treatment, gym access and fitness classes, and employee discounts on retail goods and services;
- payments for unused paid leave, including paid sick leave;
- reimbursed expenses, even if not incurred “solely” for the employer’s benefit;
- reimbursed travel expenses that do not exceed the maximum travel reimbursement permitted under the Federal Travel Regulation System regulations and that satisfy other regulatory requirements;
- discretionary bonuses;
- Benefit plans, including accident, unemployment, and legal services; and
- Tuition programs, such as reimbursement programs or repayment of educational debt.

The proposed rule also includes additional clarification about other forms of compensation, including payment for meal periods, “call back” pay, and others.

The Notice of Proposed Rulemaking (NPRM) will publish on March 29, 2019 in the Federal Register, at which time interested parties may submit comments on the proposal at [www.regulations.gov](http://www.regulations.gov) in the rulemaking docket RIN 1235-AA24. **The deadline is May 28, 2019.** Only comments received during the comment period will be considered part of the rulemaking record. **Please contact me asap if you would like IADC to gather/combine industry comments...As I read it, this could potentially be a chance to offer industry clarity regarding overtime/bonus confusion.** The Department will consider all timely comments in developing any final rule.

### **IOGP:**

IOGP has announced the publication of the following report: **IOGP-IPIECA Report 626 - Managing fatigue in the workplace**

IOGP-IPIECA have previously developed four publications to assist the oil and gas industry in managing fatigue. This publication supersedes the preceding documents by bringing together and updating all the elements of the previous publications – Report 392 - *Fatigue Management in the workplace*, Report 488 - *Performance indicators for fatigue risk management systems*, Report 492 - *Assessing risks from operator fatigue*, and Report 536 - *Fatigue in fly-in, fly-out operations* – into one resource to help organisations to implement, monitor, and manage fatigue risk management systems.

Report 626 comes with three supplementary documents and file packages which expand upon and provide implementation tools for the main report. These are:

Report 626-1 - *Fatigue Information Sheets*

Report 626-2 - *Biomathematical Model References*

Report 626-3 - *Supplementary Checklists and Tools*

These documents are available to download from the IOGP Bookstore, and may also be downloaded by IOGP Members from the Extranet: <http://extranet.iogp.org/Publications.aspx>.

### **New Mexico:**

Last week, the Energy, Minerals and Natural Resources Department Cabinet Secretary Sarah Cottrell Propst announced Adrienne Sandoval as the new director for New Mexico’s Oil Conservation Division. The Division regulates oil and gas activity in New Mexico.

<http://www.emnrd.state.nm.us/ADMIN/documents/EMNRDAnnouncesOilConservationDivisionDirector.pdf>

“I’m confident Ms. Sandoval is the right person to lead the Oil Conservation Division given the many challenges and opportunities posed by heightened industry activity in our state,” said Secretary Sarah Cottrell Propst. “Her experience with the industry in environmental compliance and regulatory matters combined with a proven track record of bringing together diverse stakeholders makes her a great fit.” Ms. Sandoval has deep industry experience and has spent the last several years in Marathon Petroleum’s Denver office working on federal regulatory affairs and legislative matters. Sandoval also worked in the field for the Williams Companies in Tulsa, OK, among other positions. She holds a Master of Engineering in Chemical Engineering and a Bachelor of Science in Chemistry from the University of Tulsa. **“The oil boom in the Permian Basin has put a strain on regulatory oversight. One of my first priorities is focusing on supporting and building a staff of qualified, motivated people,”** said Adrienne Sandoval. **“I’m also excited for the opportunity to lead as we develop robust methane rules and a process for imposing new fees as a result of new legislation.”** Sandoval will be in place April 2, 2019. **As a starting point toward what we hope to be sensible regulation, IADC Onshore staff has travel plans for**

mid-April to meet (and get a foot in the door) with staff members of the Oil Conservation Division as well as New Mexico's BLM staff.

#### **DOI:**

**Interior announces changes to sage-grouse bird protections.** The Trump administration has [finalized](#) revisions to Obama-era greater sage grouse conservation plans and Republicans and Democrats are lining up to weigh in on the final plan. At issue are records of decision (RODs) released by the Interior Department that cement what the department has been working on since 2017. The RODs are based on six environmental impact statements and amended resource management plans, first released last year, covering grouse plans in seven Western states. Western state governors have weighed their support for the revisions, with Colorado Gov. Jared Polis (D) and Oregon Gov. Kate Brown (D) joining Republican governors in offering support for the revised plans. For Republican leaders, the revisions [outlined](#) “unshackles the West” from crippling regulations that removed large swaths of public land from oil and gas development and mining activity, according to the GOP-led Congressional Western Caucus. [Among other things, the revisions remove almost all 10 million acres of sagebrush focal areas identified in the Obama-era plans as habitat critical to the bird's survival. The original plans \[proposed\]\(#\) implementing a mineral withdrawal on these 10 million acres.](#)

“Unlike during the Obama administration, which turned a blind eye to local efforts and only seemed to listen to extreme special interest groups, it is now refreshing to have an administration that cares more about species recovery than just controlling more land,” said Rep. Rob Bishop (R-Utah), ranking member of the House Natural Resources Committee, in a [statement](#). Conservation groups [blasted](#) the revisions, saying the added “modifications, exemptions and waivers” to mandates in the 2015 plans regarding compensatory mitigation, buffers around breeding grounds, no-surface occupancy and seasonal restrictions near sensitive habitat will drive the bird toward extinction. The revisions are expected to be subjected to upcoming oversight hearings in the House.

#### **Simply FYI (as this case could one day prove relevant):**

In November 2018, the Fifth Circuit Court of Appeals held in *Acosta v. Hensel Phelps Construction Company*, that “the Secretary of Labor has the authority under ... the Occupational Safety and Health Act ... to issue citations to controlling employers at multi-employer worksites for violations of the act’s standards.” No. 17-60543. In other words, under this case, any employer having control over a worksite or who could have by reasonable exercise of its supervisory authority, detected and prevented a safety violation, may be cited for a violation, whether or not its own employees were exposed to the hazard (the “multi-employer policy”).

With this decision, the Fifth Circuit mooted its 1981 decision in *Melerine v. Avondale Shipyards, Inc.*, 659 F.2d 706, which held that “OSHA regulations protect only an employer’s own employees.” [Under \*Hensel Phelps\*, it may be prudent for any employer having control over a worksite, such as an operator at a drilling site in Texas \(a state located in the Fifth Circuit\) where the operator’s contractors or other parties work or provide services, to monitor the site and ensure that the site is in compliance with OSHA requirements even if the operator’s own employees do not work at the site.](#)

#### **EIA:**

The Energy Information Administration has released their Drilling Productivity Report for **March 2019**. The report uses recent data on the total number of drilling rigs in operation along with estimates of drilling productivity and estimated changes in production from existing oil and natural gas wells to provide estimated changes in oil and natural gas production for seven key regions. EIA's approach does not distinguish between oil-directed rigs and gas-directed rigs because once a well is completed it may

produce both oil and gas; more than half of the wells produce both. To view click here: <https://www.eia.gov/petroleum/drilling/>