



IADC Operations

OSHA thinking about removing oil & gas exemption to PSM

To US Onshore Drilling Contractors & Service Companies:

OSHA Issues a request for Information on the Oil and Gas Well Drilling Exemption

In the December 9, 2013 Federal Register OSHA is proposing to remove the oil and gas well drilling and servicing operations exemption from **Process Safety Management (PSM) and Prevention of Major Chemical Accidents coverage**. The preamble to the PSM final rule explained that OSHA excluded these operations because it had begun a separate rulemaking for oil and gas well drilling and servicing operations (48 FR 57202). However, the Agency subsequently removed the oil and gas well drilling and servicing operations (Oil and Gas Drilling and Servicing Vertical Standard) rulemaking from its regulatory agenda and OSHA never promulgated a final rule for these operations. In light of this history, OSHA requests public comment on whether to retain or remove the exemption as stated in § 1910.119(a)(2)(ii). OSHA is also proposing to require additional Management System Elements such as adopting management-system elements from safety standards that other federal agencies promulgated since 1992. For example, the Bureau of Safety and Environmental Enforcement's (BSEE) Revisions to Safety and Environmental Management Systems (SEMS II) final rule.

Should this change and additional proposals they plan to make to the PSM rule, all US onshore contractors would be required to have a Management System to address the elements of PSM. IADC is seeking input from member companies on this issue. Please provide your company's position and comments on this issue to IADC by 24 February 2014 so that IADC can put together comments to submit to OSHA by the March 10, 2014 submittal date. All submissions must bear a postmark or provide other evidence of the submission date. Please contact Joe Hurt at joe.hurt@iadc.org.

OSHA is asking oil and gas well drilling and servicing companies to answer the following questions:

C. Oil- and Gas-Well Drilling and Servicing

9. Does your facility conduct oil- and gas-well drilling or servicing operations not covered under § 1910.119?

- If so, do you treat these activities as covered by the PSM standard for safety or other reasons?
- Are the activities covered under other federal or state regulations?
- Please explain.

10. Please provide any data or information on workplace accidents, near misses, or other safety-related incidents involving oil-and gas-well drilling or servicing operations.

11. Would removing the § 1910.119(a)(2)(ii) exemption for oil and gas-well drilling and servicing operations prevent worker injuries and fatalities?

- What would be the economic impact of removing the exemption?
- Are there any special circumstances involving small entities that OSHA should consider with respect to this option?

The following is some information from the original PSM standard:

The PSM standard is a comprehensive management program for highly hazardous chemicals that integrates technologies, procedures, and management practices to help assure safe and healthful workplaces. One of the key components of the PSM standard is the requirement that **employers perform a process hazard analysis**, which is a careful review of what could go wrong and what safeguards employers must implement to prevent uncontrolled releases. The PSM standard also mandates **written operating procedures; employee training; pre-startup safety reviews; evaluation of the mechanical integrity of critical equipment; and written procedures for managing change**. In addition, the PSM standard specifies a permit system for hot work; investigation of incidents involving releases or near misses of covered chemicals; emergency-action plans; compliance audits at least every three years; and trade-secret protection.

Best regards,

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