



OSHA REGIONAL NOTICE

U.S. DEPARTMENT OF LABOR

Occupational Safety and Health Administration

DIRECTIVE NUMBER: 2018-01 (CPL 04) | **EFFECTIVE DATE:** October 1, 2017

SUBJECT: Regional Emphasis Program for the Oil and Gas Service Industry

REGIONAL IDENTIFIER: Philadelphia Region III

ABSTRACT

- Purpose:** This notice continues a Regional Emphasis Program (REP) for the purpose of conducting inspections within the Oil and Gas Industry. The employers to be targeted are in the Oil and Gas industry and are classified within NAICS code 213111, Drilling Oil and Gas Wells; NAICS codes 213112 and 541360, Oil and Gas Exploration Services; and NAICS codes 237120 and 238910, Oil and Gas Services Not Elsewhere Classified. The goal of this REP is to reduce the rate of injuries, illnesses and fatalities in this industry and to address health hazards as they occur during hydraulic fracturing operations.
- Scope:** This Notice applies to Oil and Gas Industry operations located within the jurisdiction of the Region III Area Offices specifically listed in this Notice. Activities that are subject to the Process Safety Management (PSM) standard, 29 CFR 1910.119, are excluded from this emphasis program.
- References:** [CPL 04-00-001](#) (Procedures for Approval of Local Emphasis Programs LEPs) (November 10, 1999)
[CPL 02-00-025](#) (Scheduling System for Programmed Inspections) (January 4, 1995)
[CPL 02-00-160](#) (Field Operations Manual) (August 2, 2016)
- Cancellations:** Philadelphia Regional Notice: CPL 2017-01 (CPL 04), dated October 1, 2016. This Notice replaces and updates an earlier version.
- State Impact:** None.
- Action Offices:** Erie, Pittsburgh, Harrisburg, and Wilkes-Barre, Pennsylvania; and Charleston, West Virginia Area Offices.
- Originating Office:** Philadelphia Regional Office.

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By and Under the Authority of



Richard Mendelson
Regional Administrator

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Oil and Gas Service REP

I. Purpose: This notice revises a Regional Emphasis Program (REP) for the purpose of conducting inspections within the Oil and Gas Industry. The employers to be targeted are in the Oil and Gas industry and are classified within NAICS code 213111, Drilling Oil and Gas Wells; NAICS codes 213112 and 541360, Oil and Gas Exploration Services; and NAICS codes 237120 and 238910, Oil and Gas Services Not Elsewhere Classified. The goal of this REP is to reduce the rate of injuries, illnesses and fatalities in this industry and to address health hazards as they occur during hydraulic fracturing operations. Excluded from this notice is any operation relating to the processing aspect of the industry where Process Safety Management would apply.

II. Scope: This notice applies to the Erie, Pittsburgh, Harrisburg, Wilkes-Barre, Pennsylvania and Charleston, West Virginia Area Offices.

II. References:

[CPL 04-00-001](#) (Procedures for Approval of Local Emphasis Programs LEPs)) (November 10, 1999)

[CPL 02-00-025](#) (Scheduling System for Programmed Inspections) (January 4, 1995)

[CPL 02-00-160](#) (Field Operations Manual) (August 2, 2016)

III. Expiration: This notice expires on September 30, 2018.

IV. Action Information:

Responsible and Action Offices: Erie, Pennsylvania Area Office
Pittsburgh, Pennsylvania Area Office
Harrisburg, Pennsylvania Area Office
Wilkes-Barre, Pennsylvania Area Office
Charleston, West Virginia Area Office

Information Office: Philadelphia Regional Office

V. Action: OSHA compliance personnel shall ensure that the procedures contained in this notice are followed when conducting activities under this REP.

Background: Oil and Gas extraction has been placed on a Regional Emphasis Program; primarily NAICS code 213111, Drilling Oil and Gas Wells; NAICS codes 213112 and 541360, Oil and Gas Exploration Services; and NAICS codes 237120 and 238910, Oil and Gas Services Not Elsewhere Classified. The potential for catastrophic accidents and high exposure to hydrogen sulfide is recognized by the oil and gas exploration and servicing industries. This industry is an extremely mobile industry with worksites or locations changing on a daily basis. Worksites may remain at one location for week to two years while others may move to a new location daily. This industry involves working with heavy

equipment, such as drilling rigs and associated oil field equipment; working with high pressure oil and gas systems; working in hazardous locations containing explosive concentration of hydrocarbons and high exposure levels to hydrogen sulfide; working at elevated work stations; and working with heavy power equipment. Other hazards associated with this industry include, but are not limited to, exposure to high voltage, chemical injury to the eyes and face, fires and explosions. A NIOSH study of health hazards existing at oil and gas well drilling operations has revealed that several potential health hazards exist during well drilling and hydraulic fracturing operations. Exposure to silica contained in the sand used as the proppant during fracturing operations was documented. Overexposures up to twenty-nine times the OSHA PEL and up to 86 times the NIOSH REL were documented during sand moving operations. (NIOSH Oil and Gas Extraction Safety and Health Research, May 29, 2012, NIOSH Field Effort to Assess Chemical Exposures in Oil and Gas Workers: Health Hazards In Hydraulic Fracturing) In addition, potential hazardous exposures to diesel particulate (stationary and mobile combustion engines), volatile organic chemicals in the form of naphthalene, benzene, toluene, ethyl benzene, and xylene (flow back operations and pit aeration), hydrogen sulfide, acid gases, aldehydes (water treatment chemicals) and metals such as lead were documented. There were 18 fatal injuries in 2014 in the Oil and Gas Extraction sector and 6 fatalities in 2015. The fatal injury rates in these two years were 15.6 and 5.0. The private industry fatality rates for these years was 3.6 and 3.7.

VI. Inspection Scheduling:

A. Selection of NAICS 213111 (Drilling Oil and Gas Wells) to be inspected

- 1. Standard targeting and selection by each area office:** Due to the unique conditions within each Area Office's territory, each Area Office will target inspections and select sites for inspection in a particular manner as set forth below. Area Offices may utilize sources including, but not limited to, Rig Data Reporting Service, computer searches of establishment databases, business listing CD-ROMs, local knowledge and local directories, to identify worksites in selected zones. Additions to the list will be made through any additional local knowledge and local directories. (Each Area Office may also, however, locate and select sites for inspection pursuant to paragraphs VIII.A.2) The most recent data that is received prior to the Area Office developing its inspection list will be used to generate the inspection list for the coming month. All drill rigs so identified within the targeted zone will be alphabetized by employer name. A random numbers table will then be applied to create a randomized list of rigs. (The random numbers table in accordance with CPL 02-00-025, Scheduling System for Programmed Inspections, will be used.) Cycles of up to ten rigs will be scheduled for inspection by application of the random numbers table. In the event the Area Office learns that a rig selected for inspection is not active or is subject to the deletion criteria set forth in paragraph VII.C below, then the next available establishment on the randomized list will be selected for

inspection. Once the list is established, sites can be inspected in any order to make the most efficient use of Area Office resources. If less than ten rigs are available in an Area Office's jurisdiction all rigs will be selected for inspection. Because drilling sites are relatively short duration sites, new cycles will be developed each month and all sites on a cycle do not have to be inspected before a new cycle is developed.

2. **Additional selection method: CSHO observation during normal course of travels:** Employers in NAICS 213111 may also be selected for inspection based on observation by a CSHO of a worksite at which oil and gas work is being conducted. If, in the normal course of their travels, a CSHO observes a work site within the individual Area Office's jurisdiction that is conducting operations in NAICS 213111, the CSHO will call the Area Office to inform the Area Director or other supervisor of his/her intent to conduct the inspection.
3. **Optional additional selection method: Physical search for active sites within defined geographical area:** The Area Office may elect to search for active sites to inspect within a defined geographical area. More specifically, the Area Office may select a defined geographical area within its jurisdiction to perform CSHO observation inspections. The selected geographical area shall consist of at least one county within the state. Before any inspection activity within any such geographical area commences pursuant to this subparagraph (VIII.A.3), the Area Office will describe in writing the specific geographical area where the activity will take place and the specific period of time (not to exceed one month) within which such inspection activity will take place. During the specified period, CSHOs will canvass the targeted geographical area, and upon observation of an active worksite at which oil and gas drilling operations, NAICS code 213111, are being conducted, an inspection will be performed. Inspections will be performed at each worksite engaged in oil and gas drilling operations that is discovered within the geographic area during the specified period of time, unless the worksite is exempt from inspection pursuant to paragraph VII.C.

B. Selection of Sites for NAICS 213112, 541360, 237120 and 238910

1. **Standard targeting and selection by each area office:** CSHO observation during normal course of travels. Employers may be selected for inspection based on observation by a CSHO of a worksite at which oil and gas work is being conducted. If, in the normal course of his or her travels, a CSHO observes a covered work site within the individual area office's jurisdiction the CSHO will call the Area Office to inform the Area Director or other supervisor of his/her intent to conduct the inspection.
2. **Optional additional selection method: Physical search for active sites within defined geographical area:** Each Area Office covered by this program may elect to search for active sites to inspect within a defined geographical area. More specifically, the Area Office may select a defined geographical area within its jurisdiction to perform CSHO observation inspections. The selected geographical area shall consist of at least one

county within the state. Before any inspection activity within any such geographical area commences pursuant to this subparagraph (VIII.B.2), the Area Office will describe in writing the specific geographical area where the activity will take place and the specific period of time (not to exceed one month) within which such inspection activity will take place. During the specified period, CSHOs will canvass the targeted geographical area, and upon observation of an active worksite at which oil and gas servicing operations NAICS 213112, 541360, 237120 and 238910 are being performed, a safety and/or health inspection will be performed. Inspections will be performed at each worksite engaged in oil and gas servicing operations that is discovered within the geographic area during the specified period of time, unless the worksite is exempt from inspection pursuant to paragraph VII.C. The written inspection plan developed pursuant to this subparagraph (VIII.B.2) will be made available for viewing by the general public upon request.

C. Deletions:

1. Each Area Office will maintain a list of employers and worksites that are inspected. Before directing an inspection from the programmed list or based on visual observation of an oil and gas work site, each Area Office will determine whether the subject worksite (not employer) has had a programmed inspection under this REP within the last 90 days. If so, that worksite will not be the subject of a programmed inspection during the current cycle; if not, an inspection will be authorized. When developing inspection lists pursuant to paragraph VIII.A.1 of this instruction, no more than two rigs operated by the same employer shall be included on the inspection cycle. Any rig of the same employer after the second shall be deleted from the current cycle.

D. Unprogrammed Inspections:

1. Reports of imminent danger, fatality/catastrophe, complaints and referrals concerning worksites within the targeted NAICS shall be scheduled as unprogrammed inspections. An inspection will be conducted in the event such report, complaint, or referral (including a referral by a CSHO) provides reasonable cause to believe that a serious hazard or a serious violation may exist at the worksite. If such report, complaint, or referral does not provide reasonable cause to believe that a serious hazard or serious violation exists at the worksite, the report, complaint, or referral shall be processed in accordance with the applicable provisions of the FOM, OSHA Instruction CPL 02-00-160. In either case, if an unprogrammed inspection is to be conducted at an active facility that is also included in the current inspection cycle under this REP (and the exclusion criteria of paragraph VII.C. do not apply), a comprehensive safety and/or health inspection shall be conducted.

VII. Inspection Procedures:

- A. Inspection procedures outlined in the FOM, OSHA Instruction CPL 02-00-160, will be followed for all oil and gas operations REP inspections.

- B. Companies with ten or fewer total employees in NAICS codes 213112, 237120 and 541360 are included on the current Exemptions and Limitations list in CPL 02-00-51 and will not be subject to a programmed safety inspection under this REP. The CSHO shall follow the most recent version of Appendix A in this appropriations list to determine which employers with ten or fewer employees are exempt from OSHA inspections.
- C. The inspections conducted under this REP will be focused on safety and health hazards. Due to a NIOSH study of health hazards existing at oil and gas well drilling operations, CSHOs performing inspections under this REP will address potential health hazards where a reasonable cause exists at the worksite.

VIII. Recording in OIS:

The OIS identifier code to be used will be “OILGAS”.

IX. Outreach:

The Regional and Area Office must implement a 90 day outreach program that supports the purpose of this NEP. During this period, the new industries added based on the targeting methodology and the use of NAICS codes will be offered outreach prior to inspection. Letters, news releases by local and national news organizations and trade magazines can assist with disseminating information about this NEP. Additionally, Outreach programs with employers, professional associations, and local unions may include meetings, training, education, speeches or other activities designed to involve labor and management in the identification and elimination of hazards associated with amputations and machinery. The Office of Communications will provide support to the Regional and Area Office. The outreach effort shall include employers with ten or fewer employees. In their discretion, Regional and Area Offices may disseminate outreach materials to employees, employers, professional associations, and local unions.

The Regional Office, in coordination with the Office of Public Affairs, will develop and distribute a media blast to media outlets in the geographical areas affected by this REP. In addition, this REP will be discussed by area office personnel during all compliance assistance activities to include STEPS of PA meetings.

X. Evaluation:

Not later than October 31, 2018, each affected Area Office will prepare a written evaluation of this LEP in the format specified by OSHA Instruction CPL 04-00-001, Appendix A (CPL 02-00- 025). This program will be evaluated using the following activity measures and outcome measures:

Activity Measures:

1. Number of inspections conducted.
2. Number, type and classification of violations per inspection.
3. Number of citations involving health hazards and overexposure.

Outcome Measures:

1. Reduction in the number of fatalities.
2. Reduction in the number of injuries and illnesses.
3. Increase in employers implementing Safety and Health Programs, PPE programs, respiratory programs, accident prevention program, training programs, etc.

Distribution: Regional and Area Offices
Regional Solicitor