



OSHA REGIONAL NOTICE

U.S. DEPARTMENT OF LABOR

Occupational Safety and Health Administration

DIRECTIVE NUMBER: *CPL 2-07-13M*

EFFECTIVE DATE: *December 4, 2017*

SUBJECT: *Local Emphasis Program on Oil and Gas Operations*

REGIONAL IDENTIFIER: *Region VII*

ABSTRACT

Purpose: This Notice continues a local emphasis program (LEP) for the purpose of conducting inspections in the Oil and Gas industry within the jurisdiction of the Wichita Area Office, OSHA Region VII. The employers to be targeted are classified in the North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. Employers in NAICS 213112, Support Operations for Oil and Gas Operations, may be affected, but are not being initially targeted. The goal of this LEP is to target high-risk industries for inspection and enforcement activity in line with the U.S. Department of Labor's Strategic Plan.

Scope: This Notice applies to the State of Kansas.

References: OSHA Instructions: CPL 04-00-001, CPL 02-00-025, CPL 02-00-051, CPL 02-00-160; Kansas Corporation Commission Statewide Spud Report

Cancellation: CPL 2-07-13L

Action Office: Region VII (Wichita Area Office)

Originating Office: Kansas City Regional Office – Enforcement Programs

Contact: Assistant Regional Administrator for Enforcement Programs
(816) 283-0545

By and Under the Authority of:

Kimberly Stille
Regional Administrator

Table of Contents

I.	Purpose.....	1
II.	Scope.....	1
III.	Cancellation	1
IV.	References.....	1
V.	Expiration Date	1
VI.	Action.....	2
VII.	Background	2
VIII.	Outreach.....	3
IX.	Scheduling.....	3
X.	Recording in OIS	5
XI.	Evaluation	5

- I. Purpose. This Notice continues a Local Emphasis Program (LEP) for conducting inspections in the Oil and Gas industry within the jurisdiction of the Wichita Area Office.

The employers targeted are classified in the North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. Employers in NAICS 213112, Support Operations for Oil and Gas Operations, may be also be inspected (see paragraph IX.B.4) if they are observed working while inspections of NAICS 211111 or 213111 employers are being conducted. However, NAICS 213112 employers are not being targeted initially.

This LEP goal is reduction of the days away case rate and fatality rate in this industry in line with OSHA's Strategic Objective 2.1.

- II. Scope. This Notice applies to establishments within the identified NAICS in the jurisdiction of the Wichita Area Office, which is the state of Kansas.

- III. Cancellation. This Notice cancels OSHA Regional Notice CPL 2-07-13L, Local Emphasis Program on Oil and Gas Operations.

- IV. References.

- A. OSHA Instruction CPL 04-00-001, Procedures for Approval of Local Emphasis Programs (LEP), November 10, 1999.
- B. OSHA Instruction CPL 02-00-025, January 4, 1995, Scheduling System for Programmed Inspections.
- C. OSHA Instruction CPL 02-00-051, May 28, 1998, Exemptions and Limitations under the Appropriations Act and Change dated January 10, 2017 (Appendix A), or current version.
- D. OSHA Instruction CPL 02-00-160, Field Operations Manual (FOM), August 2, 2016.
- E. Kansas Corporation Commission Statewide Spud Report.
- F. OSHA's Strategic Management Plan (SMP) for 2018-2022.
- G. Memorandum from Thomas Galassi to Regional Administrators, Procedures for Local and Regional Emphasis Programs, December 3, 2014.
- H. Memorandum from Francis Yebesi to Regional Administrators, Establishment-Targeting Lists for Emphasis Programs, November 12, 2014.

- V. Expiration Date. This Notice expires on September 30, 2018.

- VI. Action. The Regional Administrator and the Wichita Area Director shall ensure that the procedures established in this Notice are adhered to in the scheduling of programmed inspections.
- VII. Background. OSHA continues to target high-risk industries for inspections and enforcement activity in line with OSHA's Strategic Objective 2.1 in the U. S. Department of Labor's Strategic Plan. According to the Bureau of Labor Statistics (BLS) Fact Sheet, Oil and Gas Industry, April 2014, from 2003 to 2011, the latest year for which final numbers are available, the number of fatal occupational injuries in the private oil and gas industries ranged from as high as 125 in 2006 to as low as 68 in 2009. There were 112 fatal injuries in the oil and gas industry in 2011. Fatal injury rates are often used to examine relative frequency between industries. This calculation uses fatal work injury counts along with employment and hours data from the Current Population Survey (CPS). The CPS does not provide employment estimates for drilling oil and gas wells (NAICS 213111) or for support activities for oil and gas operations (NAICS 213112); thus, an overall rate for the oil and gas industries cannot be calculated.

Over the 5-year period from 2007 to 2011, there were 529 fatal injuries in the oil and gas industries. Contact with objects and equipment resulted in 26 fatalities in 2011, with a majority resulting from object or equipment strikes. Fires or explosions resulted in 12 fatal injuries. In 2011, 17 of the 112 fatal occupational injuries in the oil and gas industries were due to multiple fatality events where at least two workers died in the same incident. Median days away from work is a key measure of severity of nonfatal injuries and illnesses. In 2011, the support activities for oil and gas operations industry, the component of oil and gas extraction industries with the most cases requiring days away from work, had a median days away from work of 24, which was 3 times higher than the median of 8 days for all industries.

According to National OSHA inspection history, compliance officers conducted 410 inspections during FY 2017 in (input NAICS codes and names) oil and gas operations. Of those 410 inspections, 33 were initiated as the result of a fatality. Between FY 2012 and FY 2017, the Wichita Area Office conducted six (6) fatality inspections in NAICS code 211111, 213111 and 213111 Crude Petroleum, Support Operations for Oil and Gas Operations, and Natural Gas Extraction and Drilling Oil and Gas Wells respectively.

Since commencement of this program in fiscal year (FY) 2012 through FY 2017, the Wichita Area Office conducted 26 programmed inspections and 159 unprogrammed inspections, which included complaints, referrals, employer-reported referrals, and 10 fatalities. During FY 2017, inspection data through July 31, 2017 identified 10 inspections conducted, which improved the working conditions for 365 employees.

By targeting inspection activity to employers in this industry, OSHA's goal is to reduce injury and fatality rates in the oil and gas drilling, exploration, and servicing industry. Continuation of this program through FY 2018 provides a proactive targeting scheme allowing for a broad range of coverage for the oil and gas industry throughout the state of Kansas.

VIII. Outreach. Prior to inspection activity initiation under the original LEP (CPL 2-07-13), the Wichita Area Office issued a news release summarizing the hazards related to this industry as well as the enforcement activities that will take place pursuant to this LEP. Area Office contact information was included. The information availability is upon request to employers, professional associations, and labor organizations. As an additional resource for achieving compliance, employers are encouraged to utilize the OSHA Consultation Service delivered by the Kansas Department of Labor.

IX. Scheduling.

A. Selection of establishments for programmed inspections:

1. Inspection List. A “Statewide Spud Report” will be obtained from the Kansas Corporation Commission (KCC). The Statewide Spud Report identifies the well name and location for each active drilling site in the state of Kansas. “Spudding” refers to beginning drilling by alternately raising and releasing a spudding bit with a drilling rig, or to dig, remove or otherwise treat with a spud. Employers must notify the KCC when they have begun, or intend to begin within hours, to spud. The Statewide Spud Report will be for all sites that have been spudded in the previous five calendar days, from the date of the request. (For example, if a request was made on the 20th, the Spud Report date range would include the 15th – 19th). Each Statewide Spud Report received will be considered an inspection list.
2. Inspection Cycles. Inspection cycles will be developed as follows:
 - a. Application of the random numbers table in CPL 02-00-025, Scheduling System for Programmed Inspections, to the inspection list in determining the well name/location inspected.
 - b. An inspection of the well name/location identified as “1” by the random numbering will be conducted. This will be inspection cycle one. When that inspection is completed or is determined for any reason to be a “no inspection”, the operator/well name/location cycle one will be considered completed. If resources are available within the same calendar week, a second site will be randomly selected from the inspection list, and an inspection will be conducted. This will be inspection cycle two. The maximum number of cycles selected from any given inspection list will be two. This is due to the frequent changes to the Statewide Spud Report and the need for the most up-to-date drilling information to ensure the most efficient use of compliance resources.

B. Inspection Procedures for Programmed Inspections:

1. Inspections follow procedures outlined in the FOM. Except, as stated in B.2. below, a comprehensive safety and health inspection will be conducted at each selected site. Resources permitting, joint safety and health inspections will be conducted simultaneously. When this is not possible, either safety or health inspection initiation with the opposite discipline to follow as resources become available or the Area Director allows a cross-trained CSHO to address both safety and health hazards.
2. OSHA Instruction CPL 02-00-051, Enforcement Exemptions and Limitations under the Appropriations Act and its current Appendix A, will be adhered to in the implementation of this program. Affected employers who employ 10 or fewer employees currently and at all times during the last 12 months (from the inspection date) will not receive a programmed safety inspection. Only a programmed health inspection will be conducted.
3. During the course of an inspection, if it is determined that another employer in NAICS 213112 is engaged in work at the inspection site, a programmed-related inspection will commence for that employer following the same conditions as identified in #1 and #2 above.
4. A Driller is defined as an employer who performs work under North American Industry Classification System 213111. Once a Driller receives an inspection under this LEP, the Driller will not receive another programmed inspection for a period of six months following completion of the inspection. The six-month period is to provide a sufficient opportunity for the Driller to ensure compliance at its other drilling sites. An exception to this policy should be applied in the event that a Compliance Safety and Health Officer (CSHO), inspecting at another drilling site where this Driller is present, finds an imminent danger situation at that drilling site. Under those circumstances, an inspection will commence as outlined in subparagraph C, below.

C. Unprogrammed Inspections:

1. Reports of imminent danger, fatality/catastrophe, complaints, and referrals concerning worksites within NAICS 211111, 213111, and 213112 shall be scheduled as unprogrammed inspections and will be conducted in accordance with the FOM. An inspection will be conducted in the event such report (including an OSHA referral) provides reasonable cause to believe that a serious hazard or a serious violation may exist at the worksite.
2. If a CSHO observes an active drilling rig (NAICS 211111 or 213111), the CSHO will make a referral and conduct an inspection following inspection procedures outlined in VIII. B. above.

- X. Recording in OIS. Inspections conducted under this LEP will be identified in the OSHA Information System (OIS) as follows:
- A. Current instructions for completing the appropriate inspection classification boxes in OIS will be followed.
 - B. The OIS form(s) for any programmed inspection scheduled under the procedures in this LEP will be marked “planned” and “Local Emphasis Program” and the word “OILGAS” will be recorded in the LEP space.
 - C. The OIS form(s) for any unprogrammed inspection scheduled under the provisions of the FOM related to complaints, referrals, imminent danger, and fatality/catastrophe inspections will be coded as normally required under the FOM. In addition, the designation “OILGAS” will be recorded in the LEP space.
 - D. An OIS Compliance Assistance form will be generated for an employer if a programmed safety inspection cannot be conducted in accordance with the *Enforcement Exemptions and Limitations under the Appropriations Act*. Block 3b shall be marked “OILGAS Outreach”.
 - E. An OIS Compliance Assistance form will be generated as a result of any other technical assistance provided to employers, professional associations, local unions, etc., throughout the duration of this program shall be marked in block 3b. “OILGAS Outreach.”
 - F. All consultation activities (requests, visits and compliance assistance) conducted at establishments in the NAICS codes included in this LEP will be coded with “OILGAS” in the Local Emphasis Program field on the appropriate forms.
- XI. Evaluation. An annual evaluation of the program will be prepared in accordance with CPL 04-00-001 no later than October 30.

Kimberly A. Stille
Regional Administrator

Date

Office of the Solicitor Concurrence

Date

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