



OSHA REGIONAL NOTICE

U.S. DEPARTMENT OF LABOR

Occupational Safety and Health Administration

DIRECTIVE NUMBER: CPL 2-07-13N | **EFFECTIVE DATE:** October 1, 2018

SUBJECT: Local Emphasis Program on Oil and Gas Operations

REGIONAL IDENTIFIER: Region VII

ABSTRACT

Purpose: The Wichita Area Office will identify employers classified in the North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. The Wichita Area Office does not initially identify employers in NAICS 213112, Support Operations for Oil and Gas Operations, but they may be affected.

Scope: This Notice applies to the State of Kansas.

References: OSHA Instructions: CPL 04-00-001, Procedures for Approval of Local Emphasis Programs; CPL 02-00-025, Scheduling System for Programmed Inspections; CPL 02-00-051, Exemptions and Limitations under the Appropriations Act; CPL 02-00-160, Field Operations Manual; Kansas Corporation Commission Statewide Spud Report

Cancellation: CPL 2-07-13M

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

ABSTRACT - 1

Executive Summary

The Wichita Area Office will identify employers classified in the North American Industry Classification System (NAICS) codes 211111, Crude Petroleum and Natural Gas Extraction, and 213111, Drilling Oil and Gas Wells. The Wichita Area Office does not initially identify employers in NAICS 213112, Support Operations for Oil and Gas Operations, but they may be affected.

Significant Changes

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

ABSTRACT - 2

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ABSTRACT - 3

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.

This notice applies to establishments 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.

This LEP goal is to secure safe and healthful working conditions for American workers in line with OSHA's Strategic Objective 2.1, by identifying high-risk industries for inspection and enforcement activity.

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. 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, change dated April 25, 2018, (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.

IV. Cancellation.

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

V. Action.

The Regional Administrator and the Wichita Area Director shall ensure that CSHOs adhere to the procedures established in this Notice in the scheduling of programmed inspections.

VI. Expiration Date.

This Notice expires on September 30, 2019.

VII. Background.

OSHA continues working to secure safe and healthful workplaces, particularly in high-risk industries 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 2016, 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 142 in 2012 to as low as 63 in 2016. Fatal injury rates examine relative frequency between industries. This calculation uses fatal work injury counts along with employment and work-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, the Wichita Area Office cannot calculate an overall rate for the oil and gas industries.

Over the 10-year period from 2006 to 2016, there were 1,204 fatal injuries in the oil and gas industries. Contact with objects and equipment resulted in 14 fatalities in 2016, with a majority resulting from object or equipment strikes. Fires or explosions resulted in four fatal injuries. The median days away from work are a key measure of nonfatal injuries and illnesses severity. In 2016, support activities for the 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 21, which was more than twice the median of 8 days for all industries.

According to National OSHA inspection history, compliance officers conducted 431 inspections during FY 2018 in the North American Industry Classification System (NAICS) codes: 211111, Crude Petroleum and Natural Gas Extraction, 213111, Drilling Oil and Gas Wells and 213112, Support Operations for Oil and Gas Operations. Of those 431 inspections, compliance officers initiated 42 as the result of a fatality. Between FY 2012 and FY 2018, the Wichita Area Office conducted six (6) fatality inspections in NAICS code 211111, 213112 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 FY 2012 through FY 2018, the Wichita Area Office conducted 34-programmed inspections and 159 unprogrammed inspections, which included complaints, referrals, employer-reported referrals, and 6 fatalities. During FY 2018, inspection data through July 31, 2018 identified 8 inspections conducted, which improved the working conditions for 1,448 employees.

By directing 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 2019 provides a proactive identification 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 is available upon request to employers, professional associations, and labor organizations. As an additional resource to achieve 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.

The Wichita Area Office will obtain a “Statewide Spud Report” 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 to spud within hours. The Statewide Spud Report will include all sites that have spudded in the previous five calendar days, from the date of the request. (For example, if the Wichita Area Office made a request on the 20th, the Spud Report date range would include the 15th–19th). The Wichita Area Office will consider each Statewide Spud Report received as an inspection list.

2. Inspection Cycles.

- a. The Area Office will apply a random numbers table, CPL 02-00-025 Scheduling System for Programmed Inspections, to the well name/location to create the inspection cycles.
- b. The Area Office will conduct an inspection of the well name/location identified as “1” by the random numbering. 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 is completed. If resources are available within the same calendar week, The Area Office will randomly select a second site from the inspection list, and conduct an inspection. 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 will follow procedures outlined in the FOM. Except as stated in B.2., of this section, the Area Office will conduct a comprehensive safety and health inspection at each selected site. Resources permitting, joint safety and health inspections are simultaneous. When this is not

possible, a compliance officer will initiate either safety or health inspection with the opposite discipline to follow as resources become available or as the Area Director allows a cross-trained CSHO to address both safety and health hazards.

2. The Wichita Area Office will adhere to OSHA Instruction CPL 02-00-051, Enforcement Exemptions and Limitations under the Appropriations Act and its current Appendix A, in the implementation of this program. Affected employers who employ 10 or fewer employees currently at all times during the last 12 months (prior to 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. The Wichita Area OSHA office should apply an exception to this policy 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. The Wichita Area OSHA office shall schedule reports of imminent danger, fatality/catastrophe, complaints, and referrals concerning worksites within NAICS 211111, 213111, and 213112 as unprogrammed inspections and will conduct them in accordance with the FOM. The Area Office will conduct an inspection 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 IX.B and IX.C.

X. Recording in OIS.

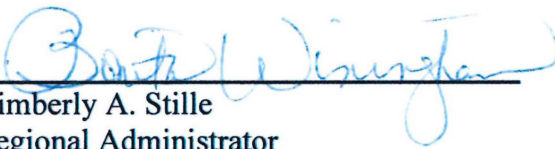
The Wichita Area Office will identify all Inspections conducted under this LEP, in the OSHA Information System (OIS) as follows:

- A. The Area Office will follow current instructions for completing the appropriate inspection classification boxes in OIS.

- 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 Area Office will code 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 as normally required under the FOM. In addition, the designation "OILGAS" will be recorded in the LEP space.
- D. The Area Office will generate an OIS Compliance Assistance form for an employer if it is unable to conduct a programmed safety inspection due to the *Enforcement Exemptions and Limitations under the Appropriations Act*. Block 3b shall be marked "OILGAS Outreach".
- E. The Area Office will generate an OIS Compliance Assistance form if it provided any other technical assistance to employers, professional associations, local unions, etc. throughout the duration of this program. The Area Office shall marked OIS in block 3b. "OILGAS Outreach."

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

Distribution:
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