

**UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE**

NTL No. 2008–N03

Effective Date: March 31, 2008

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**NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL, GAS, AND SULPHUR
LEASES IN THE OUTER CONTINENTAL SHELF**

Well Control and Production Safety Training

This Notice to Lessees and Operators (NTL) clarifies current policy and procedures by specifying your responsibilities as a lessee in implementing MMS's performance-based training regulation, 30 CFR 250 Subpart O – Well Control and Production Safety Training. Since going into effect October 15, 2002, MMS has monitored industry compliance with this rule by conducting numerous audits, interviews, and tests at both the company level and on an individual basis. The majority of agency efforts have focused on the use of audits. If, during an audit, the MMS audit team finds a deficiency in a lessee's training plan, an Incident of Noncompliance (INC) is issued.

Since program implementation, there have been a total of 118 audits conducted in the 3 OCS Regions (Gulf of Mexico, Pacific, and Alaska). The 118 audits conducted by MMS have resulted in the issuance of 71 INCs. These activities have identified a series of issues which need to be addressed by MMS to assure that industry stays in full compliance with these regulations. It has come to our attention that certain lessees: (1) may not be conducting internal audits of their programs as required by the regulations; (2) may not be providing their employees with adequate training in all the key areas of production operations; (3) may be misinterpreting the intent of our periodic training requirement; and (4) may be allowing contractors to work at their facilities before a proper evaluation of their training program has been conducted. To help clarify the regulations in these areas of concern, we have issued this NTL for your immediate attention.

I. Terms

As used in this NTL and 30 CFR 250 Subpart O – Well Control and Production Safety Training regulations, these terms have the following meaning:

Internal audit means an audit of a lessee's training program conducted by the lessee or a third party on behalf of the lessee.

Production safety means production operations, as well as the installation, repair, testing, maintenance, or operation of surface or subsurface safety devices. Production operations include, but are not limited to, the following: separation, dehydration, compression, sweetening, and metering operations.

Periodic means occurring or recurring at regular intervals.

Contractor means anyone performing work for the lessee. However, this term does not apply to contractors providing domestic services to the lessee or other contractors. Domestic services include janitorial work, food and beverage service, laundry service, housekeeping, and similar activities.

II. Lessee Responsibilities with Respect to Contractors

According to the provisions of the Subpart O regulations, lessees have a variety of responsibilities when they interact with their contractors. These include the following:

- a. Section 250.1501 requires you to ensure that your contract personnel engaged in well control or production safety operations understand and can properly perform their duties.
- b. Section 250.1503(b)(2) requires that your training plan include procedures for evaluating the training programs of your contractor(s).
- c. Section 250.1503(b)(3) requires that your training plan include procedures for verifying that all contractor personnel engaged in well control or production safety operations can perform their assigned duties.
- d. Section 250.1506(c) requires you to ensure that your contractor's training programs provide for periodic training and verification of well control or production safety knowledge and skills.

III. Lessee Evaluations of Contractor Training Programs

As noted in item "d" of Section II of this NTL, 30 CFR 250.1506(c) requires you to ensure that your contractors' training programs provide for periodic training of their personnel. You should conduct this evaluation before the contractor personnel perform offshore work for you.

IV. Lessee Verifications of Contractor Personnel Training

As noted in item "d" of Section II of this NTL, 30 CFR 250.1506(c) requires you to ensure that your contractors' training programs provide for verification of well control or production safety knowledge and skills. You should conduct this verification of contractor personnel using one or more of the following methods:

- a. Administer a written, oral, or hands-on test to contractor personnel.
- b. Review a contractor's certificate of completion-of-training, provided you understand the criteria used by the contractor for determining if the training was successfully completed.
- c. Review an electronic or hardcopy spreadsheet of contractor personnel training information, provided you are confident that the spreadsheet is accurate and up-to-date.

V. Lessee Responsibilities for Direct Employees

Section 250.1503 requires you to establish and implement a training program so that all your direct employees are trained to competently perform their assigned well control and production safety duties. Your training plan should include, at a minimum, the following:

- a. Procedures for training your employees in well control or production safety practices. You should include in these procedures the type, length, frequency, method, and content of the training for your employees.
- b. Procedures for verifying that your employees who will be engaged in well control or production safety operations are fit to perform their assigned duties. Ensure that these procedures include the method(s) you used for verifying employee understanding and performance. The goals of these procedures are to achieve the following:
 1. Verify adequate retention of the knowledge and skills that employees need to perform their assigned well control or production safety duties.
 2. Assess the training needs of your employees.
- c. When explaining the procedures you will use for determining the frequency of training for your employees, you may choose one of the following two options:
 1. Implement a program where your employees receive well control or production safety training on a stated frequency. At the end of this training, the employee is evaluated/tested to a “standard” you set to ensure understanding/knowledge and performance/skills. Include the “standard” you use to conduct this evaluation/test as a part of your training plan.
 2. Implement a program where your employees receive well control or production safety training only once. At the completion of this training, the employee is evaluated/tested to a “standard” that you set to ensure understanding/knowledge and performance/skills. Assess/evaluate the training needs of your employees on a set recurring frequency to a “standard” set by you to verify adequate retention of the knowledge/understanding and performance/skills needed to perform their assigned well control or production safety duties. Include the “standard” you use to conduct this evaluation/test as a part of your training plan.

VI. Testing

Sections 250.1507(c) and (d), 250.1508, and 250.1509 provide a mechanism for MMS or its authorized representative to conduct testing of your employees or contractors at either onshore or offshore locations. Testing encompasses either written, oral, or hands-on applications. To date, MMS has conducted both written and oral tests on select individuals. It is the intent of MMS to initiate hands-on testing in either well control or production safety operations in 2008 as our next step in implementing this regulation. Hands-on testing will provide MMS, companies, and individuals with valuable insight on the actual skills personnel have in relation to the jobs they are expected to perform on the OCS. In the event MMS decides to conduct a test, we will do whatever is necessary to minimize any adverse effects on your operations.

Guidance Document Statement

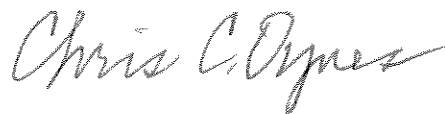
The MMS issues NTL's as guidance documents in accordance with 30 CFR 250.103 to clarify, supplement, and provide more detail about certain MMS regulatory requirements and to outline the information you provide in your various submittals. This NTL gives guidance and interpretation of 30 CFR 250, subpart O, to provide you with a clear and consistent approach for complying with these regulatory requirements. However, if you wish to use an alternative approach for compliance, you may do so, after you receive approval from the appropriate MMS office under 30 CFR 250.141.

Paperwork Reduction Act of 1995 Statement

The information collection referred to in this NTL provides clarification, description, or interpretation of requirements contained in 30 CFR 250, Subparts O and A. The Office of Management and Budget (OMB) approved the information collection requirements for these regulations and assigned OMB Control Numbers 1010-0128 and 1010-0114, respectively. This NTL does not impose additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contacts

Please direct any questions you may have regarding this NTL to Joe Levine at (703) 787-1033.



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