



November 8, 2011

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Regulation and Enforcement

Attention: Regulations and Standards Branch (RSB)

381 ELDEN STREET, MS-4024

HERNDON, VA 20170-4817

RE: REVISIONS TO SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEMS (SEMS), 1010-AD73

Ladies and Gentlemen,

Apache Corporation appreciates the opportunity to provide comments regarding the proposed revisions to the Safety and Environmental Management Systems regulations as published in the September 14, 2011 Federal Register. Apache generally agrees with the expanded SEMS regulations as stated in the proposed rule. However, we are concerned with three of the provisions concerning third party auditor requirements, JSA signatures and reporting of unsafe conditions.

The proposed rule concerning independent third party auditors states in §250.1926(b): *"You must have procedures to avoid conflicts of interest related to the development of your SEMS program and the independent third party auditor. If an independent third party developed and/or maintains your SEMS program, then that person and/or its subsidiaries cannot audit your SEMS program."* This wording is slightly different than the wording of the proposed rule's Section-by-Section Discussion of the Proposed Requirements, which states *"The proposed rule would provide that if a third party auditor was involved in developing and/or maintaining the SEMS program, then that person, organization, and/or its subsidiaries could not audit the SEMS program"*.

We believe that Apache is capable of independent and unbiased self-auditing. We have individuals within our organization who likely have more knowledge and experience than independent third party auditors that we would contract for this work and expect that this is true for the industry in general. The voluntary SEMP program and the current SEMS are modeled on OSHA's PSM program, which does not require I3P.

We are concerned with the vague wording of the auditor acceptance criteria and the fact that there are currently no training or accreditation programs for SEMS auditors. We would propose that the decision to require independent third party auditors be delayed until a review can be conducted after the initial two-year audit cycle. This would allow time for the development and training of auditors and will provide a baseline for



BSEE to evaluate industry compliance and determine the necessity of third party auditing. During the initial auditing cycle, we may choose to contract a qualified third party auditor to assist and/or monitor our auditing process as we deem appropriate. If BSEE chooses to implement I3P auditing after the initial cycle, the two year period will allow time for development of a pool of individuals who could be contracted by industry.

With regard to third party auditor selection, Apache is concerned with the prescriptive requirements for auditor qualification. The disqualification of an **individual** who has played a significant role in the development or maintenance of a SEMS program is understandable. The disqualification of **an entire organization and its subsidiaries** severely limits the number of qualified personnel available for auditing. The wording of the proposed rule is in direct conflict with the original rule comments which stated that the third party auditor could be "the same as the contractor that developed the SEMS program." Persons in the industry knowledgeable in general safety management systems or the voluntary SEMP initiative have already been utilized by Apache and other operators in the development of SEMS programs. The pool of qualified individuals is not large and the proposed wording would further reduce the number of qualified persons available for auditing. Apache is concerned that the exclusion of those individuals already involved in program development will lead to the use of less qualified individuals who may not be equipped with the knowledge to properly evaluate the effectiveness of the SEMS program. We feel that this could greatly reduce the potential positive safety and environmental gains that we expect from full implementation of our SEMS. The SEMS rule applies to approximately 700 Apache properties. Auditing 15% of these properties will require 105 audits per cycle so the auditing element of SEMS is of significant concern to Apache, both in manpower and logistic considerations. We would suggest alternative wording that *"those individuals playing a significant role in developing and/or maintaining the company's SEMS could not audit the SEMS program."* We would respectfully request that the rule allow the use of the other qualified personnel in that organization and its subsidiaries for auditing of SEMS. We would also suggest that BSEE consider defining some waiting period for those persons who were involved in program development before they could be involved in auditing of the SEMS, rather than complete exclusion.

Apache would request that the audit report be submitted to the operator prior to submittal to BSEE. This would allow the opportunity to correct or clarify any discrepancies that could lead unnecessary investigation time for BSEE and the operator. This clarification period would allow the I3P additional opportunity to interface with the operator and should result in a more concise report for BSEE review.

Apache would also like to comment on the Job Safety Analysis (JSA) preparation and approval requirements. In our experience, the immediate supervisor of the crew may also be the onsite person designated as the person in charge of the facility. The proposed requirements could cause a conflict with the same individual preparing and signing the JSA. We would suggest rewording that would allow the person in charge (PIC) of the job to prepare, conduct and sign the JSA along with other participants.

Our final area of concern is §250.1933: Reporting of Unsafe Work Conditions. Apache is in agreement with the intent of the proposed rule and continues to encourage the reporting of unsafe conditions on its facilities. We feel that the proposed rule should include the immediate notification of the operator as a first course of



action when an unsafe condition exists. Reporting directly to BSEE could delay reporting to site personnel who could respond quickly to minimize or eliminate the potential hazard. The provision for reporting to BSEE should include wording that the individual has already discussed this with operator's personnel and are feel that the response was not sufficient to address the issue. The existing Coast Guard regulation found in 33 CFR 142.7 provides a means of reporting unsafe work conditions; we feel that the additional reporting to BOEMRE is redundant and could lead to confusion as to which agency should be notified. There also appears to be redundancy with the Stop Work Authority, which authorizes any and all employees and other personnel to immediately stop the work that is creating the risk or danger.

We do not object to posting of a notice explaining personnel rights and contact information but would prefer the posting of this information on our company website rather than at each work location. This will ensure that the information is readily accessible at all times from any location. We feel that the requirement to provide a card containing the BOEMRE telephone number for information and reporting of unsafe activities would not accomplish the intended purpose since these cards could be easily lost or misplaced. Distribution of cards would also be very burdensome given the level of activity in the OCS and the constant change-out of personnel. Apache would not object to initial briefings or annual reminders regarding the reporting opportunity and would incorporate this into our current training requirements for employees and contractors.

Thank you for receiving these comments regarding the revisions to the SEMS regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Plauche", is written over a horizontal line.

JOEL PLAUCHE
MANAGER, EHS & REGULATORY
GULF OF MEXICO SHELF REGION