


<i>HEALTH AND SAFETY MANUAL</i>	
Title: Surface/Subsurface Safety System (Subpart O)	
Approved by: Greg Savoy	Rev. 1/1/08

1 Purpose/Scope:

The purpose of this training program is to ensure a safe, clean, and incident free operations in the Outer Continental Shelf (OCS). This plan has been developed to ensure that The Company's employees engaged in repairing, maintaining, and/or starting, stopping, and loading natural gas compressors on offshore platforms are trained and competent in regard to production safety system operations and that they understand and can properly perform their assigned duties.

This program covers all Company employees that work in the Outer Continental Shelf (OCS). The Company Subpart O Plan begins on the next page.

Production Safety System (Subpart "O") Training Plan.

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Attachment 1: Course Outline for Production Safety Systems Training for Service Representatives and Offshore Maintenance Technicians

1 General:

1.1 Plan Objectives - The objectives of this training plan are:

1.1.1 To ensure safe, clean, and incident free operations in the Outer Continental Shelf.

1.1.2 To ensure that Company employees engaged in repairing, maintaining, and/or starting, stopping, and loading natural gas compressors on offshore platforms:

1.1.3 Are trained and competent in regard to production safety system operations

1.1.4 Understand and can properly perform their assigned duties.

1.2 Implementation – The Company will implement the attached Production Safety Systems Training (PSST) plan effective March 17, 2004.

1.3 Applicability – The Subpart “O” regulations address both well control and production safety systems training requirements. Since the Company does not have any company employees engaged in well control, well completion, well work over or well servicing operations, this plan pertains only to Production Safety Systems training.

2 Scope:

2.1 Meet the requirements of 30CFR250, Subpart O.

3 References:

3.1 30CFR250, subpart O as defined in title 30 of the Code of Federal Regulations, Part 250 – Oil and Gas and Sulphur Operations in the Outer Continental Shelf, Subpart O – Well Control and Production Safety Training.

4 Definitions:

4.1 The Reagan Family of Companies – throughout the plan will be referred as the company.

4.2 Employee - is defined, for the purposes of this plan, as a person hired directly by the company whose job assignments cause him or her to function as an Offshore Maintenance Technician (7&7 schedule and 14&14 schedule), Instrumentation/Controls Technician, Engine Compression Analyst, Service Technician, Service Supervisor/Manager and/or a Service Representative or have responsibilities under this plan.

- 4.3 Platform Operator -is defined as the lessee who has entered into a lease with the United States to explore for, develop, and produce the leased mineral. The term lessee also includes an owner of operating rights for that lease and the MMS-approved assignee of that lease.
 - 4.4 Offshore Maintenance Technician (7&7 schedule and 14&14 schedule), Instrumentation/ Controls Technician, Engine Compression Analyst and Service Technician – are employees of the company that:
 - 4.4.1 Perform mechanical repairs on compressors and engines
 - 4.4.2 Start, stop and load compressors
 - 4.4.3 Interacts with the safety systems
 - 4.4.4 May also be utilized by Platform Operator personnel to assist in platform operation and may assist in inspecting, testing or maintaining the platform safety systems
 - 4.5 Service Supervisor/Manager, SR Service Representative and Service Representative A, B and C -is an employee of the company that:
 - 4.5.1 Performs mechanical repairs on compressors and engines; and,
 - 4.5.2 Start, stop and load compressors; and,
 - 4.5.3 Interacts with the safety systems but is not utilized by Platform Operator personnel to assist in platform operation and does not assist in inspecting, testing or maintaining the platform safety systems.
 - 4.6 Production Safety Systems - means production operations as well as the installation, repair, testing, maintenance, or operation of surface or subsurface safety devices.
 - 4.7 Production Safety System Instructor - a trainer certified by the American Petroleum Institute whose curriculum, lesson plans, and training methods meet or exceed the requirements of 30CFR250 Subpart O and covers the topics listed on Attachment 9.1 of this plan. The Production Safety System Instructor may or may not be an employee of the company.
 - 4.8 Safety Device - is an apparatus or component whose proper operation prevents the endangerment of life, environment, and/or property.
 - 4.9 Accredited School – means a training provider that has received accreditation through the API Training Provider Certification program (TPCP).
- 5 General Responsibilities for Employee Training:
- 5.1 The company has established a training plan using approved training providers so that all company employees are evaluated for proficiency and/or trained to proficiently perform their assigned production safety duties.
 - 5.2. The company objective is to ensure that all employees involved with production safety systems in the performance of their duties maintain and enhance their job skills while staying current with the latest technological advancements.

- 5.3 The company accepts prior forms of training documented by the old MMS guidelines as certificates of competency until the expiration of the current valid certificate.
 - 5.4 This plan has been developed to ensure that all company employees engaged in production safety operations understand and can properly perform their duties. Employees will complete proficiency requirements only for those duty levels for which they are specifically assigned.
 - 5.5 Production Safety Systems Training (PSST) program has provisions for employees involved with the installation, repair, testing, maintenance or operations of surface and/or subsurface safety devices. Depending on the level and job description of company employees and their assigned duties, the proper program or combination of programs will be used.
6. Procedures for Training Employees in Production Safety Practices:
 - 6.1 Prior to being assigned to perform duties covered under this plan, company production safety systems employees will successfully complete a comprehensive production safety system course that enables them to install, test, maintain, and/or operate safety devices.
 - 6.2 The content of training shall meet the minimum course curriculum requirements of the company-training providers approved under this plan. The company will augment this training with internal and/or vendor-training programs to ensure employee skills are challenged with the latest in technological advancements.
7. Verifying Procedures:
 - 7.1 Prior to engaging in any designated activity in the OCS, company employees must verify training and job task assessment for proficiency in performing Production Safety System operations in accordance with this training plan.
8. Procedures for Assessing the Training Needs for Employees on a Periodic Basis:
 - 8.1 At least every three years, the company Training and Development department will notify production safety system employees that they are required to successfully complete a PSST course.
9. Record Keeping and Documentation Procedures:
 - 9.1 For company employees covered under this plan, records shall be maintained, documenting the employee's name, current position, years of experience in their respective current position, and years of total oilfield experience.
 - 9.2 A Production Safety System Instructor, who may or may not be an employee of the company, shall administer Production Safety Systems Training. PSST records shall be forwarded to the company. The records will be kept at company Regional Location offices and at the Corporate Training Department office. These records shall include:

- 9.2.1 The records as described in paragraph 9.1 above.
 - 9.2.2 All Production Safety Systems Training records, certification, and documentation.
 - 9.2.3 Written examinations and hands on assessments.
 - 9.2.4 Class evaluations.
 - 9.2.5 Records of employee interviews.
 - 9.2.6 Records of in progress class audits.
 - 9.3 The records will be maintained for a period of five years.
 - 9.4 Upon successful completion of the PSST training, each employee shall be given a certificate verifying satisfactory completion of the training.
- 10 Auditing:
- 10.1 Internal auditing procedures:
 - 10.1.1 The company will audit the chosen training providers listed in this training plan ensuring that they conform to the requirements of an approved Production Safety Systems Training Provider. Audits may include:
 - Review and auditing of instruction curriculum content; and/or,
 - Class evaluations; and/or,
 - Records of employee interviews; and/or,
 - Records of in progress class audits.
 - External Audits.
 - 10.2 Upon the request of any Platform Operator, the company will provide copies of training documents for personnel involved in production safety systems duties during the past five (5) years.
 - 10.3 The company employees will participate in Platform Operator audits and field safety reviews to assess employee proficiency.
 - 10.4 If a company employee's proficiency is found to be insufficient, the company employee will be removed from their assigned responsibilities until reassessment indicates they possess the required skills and proficiency to adequately perform their assigned production safety duties.
- 11 Alternative Training Methods:
- 11.1 The company-training plan will incorporate alternative training methods to complement those required under this plan. In addition to standard classroom presentations, the company, through approved providers will incorporate interactive training and assessment programs as well as presentations on the latest technological advancements.

11.2 Re-enforcement of hands-on competency will be provided at the jobsite in the form of on-the-job training, participation in Platform Operator drills, equipment operational tests and continuous education and hands-on training as needed.

12 Location of Training for Employees:

12.1 Regional Location Supervisors will use Platform Operator on-site drills, operational tests and simulations in controlled environments to review, reinforce and demonstrate safe and competent execution of job tasks.

12.2 The sources that meet the training requirements of this plan include but are not limited to the following:

<i>Production Safety System Training</i>	
Consulting & Safety Specialist, Inc.	Safety & Training Consultants, L.L.C.
Technical Resource Services	The NATCO Group Education Center
J. Schneider & Associates, Ltd.	Pacific SEATEC
STARS Safety	Well Control School

13 Employee Training Intervals:

13.1 At least every three years, training will be provided to company employees to ensure employees maintain understanding of, and competency in, Production Safety operations.

13.2 Company employees maintaining their training validation within Production Safety Systems shall attend retraining within 60 days prior to or after the anniversary date of the previous training.

14 Meeting the Platform Operator and MMS Requirements:

14.1 Should the Platform Operator conduct an audit at our office, the company is prepared to explain the overall training program and produce supporting evidence.

14.2 Copies of the company training plan for employees engaged in production safety operations will be maintained at the Houston Corporate Office and at Regional Locations where these employees are assigned. This plan will be a combination of hard (printed) copy and electronically stored data. This plan can be submitted to the Platform Operator upon their request.

14.3 Upon request of the Platform Operator the company will provide copies of training documentation for employees involved with Production Safety Operations during the past 5 years or the time period the employee has been currently employed by the company.

14.4 Upon request, the company will make employees available to the Platform Operator and MMS, or its authorized representative, to conduct interviews at either onshore or offshore locations to inquire about the types of training that were

provided, when and where this training was conducted, and how effective the training was.

Upon request, the company will make employees available to the Platform Operator and MMS, or its authorized representative, to conduct testing at either onshore or offshore locations for the purpose of evaluating an individual's knowledge and skills in performing production safety duties.

- 14.5 Upon request, the company will make employees available to the Platform Operator and MMS, or its authorized representative, to undergo tests designed to evaluate the competency of the employees in performing their assigned well control and production safety duties.
- 14.6 Upon reasonable notice, the company will make employees available to the Platform operator or MMS or its authorized representative to administer written or oral tests.
- 14.7 Upon reasonable notice, the company will make employee identification information available by current position, years of experience in present position, years of total oilfield experience, and employees name.
- 14.8 If the Platform Operator or MMS or its authorized representative conducts, or requires employees to conduct hands-on, simulator, or other types of testing, the company will comply and allow the MMS or its authorized representative to administer or witness the testing.
- 14.9 The Platform Operator to whom the company is providing services will pay for all costs associated with testing company employees as part of their operations.

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Introduction:

Minerals Management Service:

30 CFR Part 250 Subpart O Training.

30 CFR Part 250 Subpart N Outer Continental Shelf (OCS) Civil Penalties.

The Nature of Matter:

- Matter
- Elements
- Compounds
- Well Fluids

Production Safety Systems Design:

- Production Flow Logic
- Schematic Drawings

Basic Systems Logic:

- API RP 14C

1 General:

- 1.1 Introduction
- 1.2 Scope
- 1.3 Organization of Technical Content
- 1.4 Government Codes, Rules, and Regulations
- 1.5 Industry Codes, Standards, and Recommended Practices
- 1.6 Metric Conversions

2 Safety Device Symbols and Identification:

- 2.1 Introduction
- 2.2 Functional Device Identification
- 2.3 Symbols
- 2.4 Component Identification
- 2.5 Example Identification

3 Introduction to Safety Analysis and System Design:

- 3.1 Purpose and Objectives
- 3.2 Safety Flow Chart
- 3.3 Modes of Safety System Operation
- 3.4 Premises for Basic Analysis and Design

4 Protection Concepts and Safety Analysis:

- 4.1 Introduction
- 4.2 Protection Concepts
- 4.3 Safety Analysis
- 4.4 Analysis and Design Procedure Summary

Appendix A Process Component Analysis:

- A4 Pressure Vessel (scrubber)
- A8 Compressor Unit

Appendix C Support Systems:

Appendix F Toxic Gas Section:

Appendix G Definitions:

30 CFR Parts 250:

Subpart A General:

- 250.101 Authority and applicability
- 250.106 What standards will the Director use to regulate lease operations?
- 250.107 What must I do to protect health, safety, property, and the environment?
- 250.109 What documents must I prepare and maintain related to welding?
- 250.110 What must I include in my welding plan?
- 250.111 Who oversees operations in my welding plan?
- 250.112 What standards must my welding equipment meet?
- 250.113 What procedures must I follow when welding?
- 250.114 How must I install and operate electrical equipment?
- 250.132 What must I do when MMS conducts an inspection?
- 250.191 What accident reports must I submit?
- 250.193 Reports and investigations of apparent violations.

Subpart C Pollution Prevention:

- 250.300 Pollution prevention
- 250.301 Inspection of facilities

Subpart H Production Safety Systems:

- 250.802 Design, installation, and operation of surface production safety systems.
 - A General
 - B Platforms

- 250.803 Additional production systems requirements.
 - A General
 - B Design, installation and operation of additional production systems.
 - Pressure and fires vessels
 - Safety Sensors
 - ESD
 - Gas Compressors
 - Firefighting systems
 - Fire and gas detection systems
 - Electrical Equipment
 - C General Platform operations.
 - Welding and burning practices and procedures.