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September 10, 2009

Department of the Interior
Minerals Management Service

Attn: Regulations and Standards Branch
(RSB); 381 Elden Street, MS-4024,
Herndon, Virginia 20170-4817

Re: "Safety and Environmental Continental
Shelf Oil and Gas Operations, 1010-AD15"

Reference: RIN 1010-AD15

Comments to clarify "Contractors"

The proposed rule refers to "Each SEMS program would be tailored to the scale and complexity of the company's operations, and structure to include accountability for contractors and subcontractors". Contractors are described in 250 1909(a) "A Contractor is anyone performing work for the lessee. However, these requirements do 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."

If Contractors are to be "accountable" for SEMS activities, their scale, complexity and scope of work should also be take in to account. Example: Contractors services vary from "Labor" (i.e. production operators, "Equipment" (i.e. Generators, machinery rentals), or both, "Labor & Equipment" (i.e. drilling rig, welding machine and welder) etc.

A contractor supplying "**Labor**" services should not be required to have a SEMS program, but the competency to work within the clients program. i.e. perform JSA's (Hazard Analysis), initiate MOC process, utilize Operating Procedures in performance of duties, perform level one visual Mechanical Integrity inspections in accordance with lessee SEMS program.

A contractor only supplying "**Equipment**" (rental generator for example) may be required to have a SEMS plan to ensure equipment is properly maintained (Mechanical Integrity), Operating Procedures accompany the equipment and any Hazard(s) associated during operation .

A contractor supplying "**Labor & Equipment**" (drilling rigs, welding machine and welder for example) would be required to have their own plan to ensure facility/unit,

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equipment, etc. meets all the requirements of a SEMS program (Mechanical Integrity, Operating Procedures, Hazards Analysis, and Management OF Change).

Additional comments concerning the four critical elements

Hazard Assessment:

Production contractor can have a LOTO Standard that outlines the general guidelines on how to perform proper LOTO, but to generate a Hazard Assessment of a facility; the contractor would need to have access to the drawings and/or facility to address site specific equipment and issues. In some cases, contractors merely provide a resource. This resource is supervised by the client onsite.

Management of Change:

A production contractor can have a MOC process, but in order for the process to work, the operator (client) must be part of the process. The scenario of the Lessee/Operator having a MOC process that the contractor can be a part of is a better model.

Operating Procedures:

The same goes for operating procedures. It is easier to have site specific procedures that the Lessee/Operator can provide training to the contractor (preferably before the contractor employees begin work), and verify competency so that once the contractor employees reach the facility, there exists a clear understanding of what is to be done, and how to do it.

Mechanical Integrity:

A contractor can have a mechanical integrity program for contractor owned equipment (tools, vehicles, etc), but to address the operators equipment, again, it is more practical for the Lessee/Operator to develop this program, then train the contractor in implementation.

MMS Approval of SEMS Program

MMS is in a much better position, than a third party company, to approve the Lessee SEMS Programs for the following reasons:

- 1) The MMS is a governmental agency and therefore does not have a conflict of interest. Whereas a Third Party company is a for-profit entity and would be subject to the pressures of financial interest. Additionally, third party companies could be approving programs that they have produced.
- 2) The MMS has ready access to all offshore leases.

Sincerely,



Tery Trahan
HSE&C Manager
Baker Energy