



Shell Oil Company
Interoffice Memorandum

PLAINTIFF'S EXHIBIT

SH-1438

MARCH 24, 1988

FROM: J. L. RIVARD
TO: J. A. MULLINS
SUBJECT: HEALTH AND SAFETY COMPLIANCE ASSESSMENT REVIEW - FINAL REPORT -
SOI PURCHASING TERMINALS OPERATIONS

Enclosed is the final report of the Health and Safety Compliance Assessment Review (CAR) performed by Safety & Industrial Hygiene for the Galveston, Morgan City and Baytown terminals on January 11-14, 1988. There are no substantive changes from the draft report of February 16, 1988, which has been reviewed by Head Office E&P, Head Office Legal and the SOI staff.

In accord with current Compliance Assessment Review procedures, this report is being furnished to you for transmittal to SOI management. Subsequently, the audited entity is to prepare a corrective action plan for the cited concerns, with an accompanying implementation schedule, status reporting system and completion notice.

[Signature]
JDH:sjm

Attachments

LAM 023998

ABS-007180

bc: D. P. Atwood
J. D. Harris
Q. J. Machac
C. F. Phillips
HS&E-AS (2)

LAM 023999

ABS-007181

bc: D. P. Atwood
J. D. Harris
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HS&E-AS (2)

LAM 024000

HEALTH & SAFETY COMPLIANCE ASSESSMENT REVIEW
E&P SHELL OFFSHORE, INC.
PURCHASING TERMINALS OPERATIONS
January, 1988

A health and safety compliance assessment review was done during the period January 11 - 14, 1988. The review provides an independent assessment that systems for implementing laws, regulations, and Shell policies on health and safety exist and are working effectively in the function. The review was done by a representative of the Health, Safety and Environmental organization: J. D. Harris, Safety and Industrial Hygiene Department.

The process included interviewing supervisory and safety support personnel, touring the plants, and sampling certain records to determine compliance status. Field sites visited included Galveston, Baytown and Morgan City. Federal regulatory agency rules examined included those of the Occupational Safety and Health Administration (OSHA), Department of Transportation (DOT), U. S. Coast Guard (USCG), Nuclear Radiation Commission (NRC), and the Alcohol, Tobacco and Firearms Division of the Department of the Treasury (ATF). Certain state and Company requirements were also examined.

Reporting and Follow-up Procedures

In a compliance review results are classified as serious deficiencies, concerns, or observations. A serious deficiency is a finding by the reviewer, which in the judgment of the manager of the responsible HSE department, indicates (1) a lack of sufficient awareness to ensure compliance, or (2) specific deficiencies which are likely to result in substantial non-compliance; substantial harm to employees, public or the environment; citations that could result in substantial fines or criminal prosecution; or major adverse publicity. A concern is a compliance problem that does not qualify as a serious deficiency. An observation is intended to supplement the overall assessment.

Serious deficiencies and concerns are accompanied in this report by recommended corrective actions, intended to help clarify both the problem and the nature of remedial action. Locations are expected to prepare a corrective action plan for serious deficiencies and concerns, with an accompanying implementation schedule, periodic status reporting, and a completion notice. Observations do not require specific corrective action or follow-up procedures.

Facility Description

LAM 024001

The Galveston and Morgan City shore terminals provide logistic support to the SOI offshore platforms. Each has small warehouses, a storage yard and a marine wharf suitable for both cargo and personnel transfers.

Materials handling equipment includes fork lifts and cranes. Yard material handlers and equipment operations personnel at Galveston are contractors; those at Morgan City are both contractor and Shell personnel. Contractors provide a lead person for each location.

The Baytown terminal is landlocked. Operations include cleaning and inspecting tubing and casing before release for shipment by truck to various drilling and producing units. Nearly all inspection and material handling tasks are done by contractor personnel. A contractor foreman is present for direct supervision of contractor activities.

Summary

In general, the Purchasing Terminals have systems in place for implementing laws, regulations and Shell policies pertaining to safety and health. These systems are working effectively. No serious deficiencies were noted during the review. A number of concerns were identified.

LAM 024002

- (4) Respiratory Protection - When respirators are used in the workplace, the federal OSHA standard for respiratory protection requires a written statement describing the program, including the selection of respirators, employee fit testing and training annually. Normally there is no need for respiratory protection at the terminals. However, personnel occasionally (possibly twice annually) use cartridge respirators when retightening loose or torn outer protective wrapping previously placed over asbestos insulated equipment by platform personnel. The wrapping is applied offshore to contain asbestos insulation when handling, transporting, and disposing of old platform equipment. Terminals like Morgan City receiving asbestos-insulated equipment awaiting demolition are conforming to the extent that the generic E3P safe work practices manual statement is adequate for a written program. However, personnel training and fit testing are not documented. (Morgan City)

Recommendation - Prior to using a cartridge respirator approved by NIOSH for asbestos, retrain the person(s) who will wear them when retightening the outer containment covering on asbestos insulation. Ensure a good facial seal fitting is obtained. Document the training and the fit tests.

- (5) Compressed Air for Cleaning - The operating contractor at Baytown uses 100 psig hand-held air jets to clean dust and foreign material from tubing threads during the ongoing inspection process. The contract operators consistently wear goggles, gloves and hearing protection. Nevertheless, the OSHA standard for cleaning with hand-held air tools limits the working pressure to 30 psig. (1910.242)

LAM 024003

ABS-007185

Recommendation - Require the contractor to reduce the maximum air pressure for the hand-held cleaning tool to 30 psig. Alternatively, require a system that is not "hand-held", or use alternative cleaning techniques such as hydroblast or sandblast with appropriate safeguards.

Observations

(1) Items to be addressed with contractors

- Contract sand blasting nozzle operators wear the required air-supplied blasting hoods, but helpers were noted without respiratory protection. The helpers were in the edges of the dust cloud and may be exposed. This situation should be corrected by the contractor. (Morgan City)

LAM 024004

HEALTH AND SAFETY REVIEW SUMMARY WORKSHEET -- January 1988

ORGANIZATION E & P SOI Purchasing

REVIEWER J. D. Harris

SEGMENT Terminal Operations

TOPICS & REFERENCES

STRENGTHS

AREAS FOR IMPROVEMENT

RESPIRATORY PROTECTION

- 1910.134

- : Written Plan
- : User Medical Status Review
- : Training
- : Respirator Care/Condition
- : Breathing Air Quality
- : Fit Testing

Normally, no respirators required.

Morgan City occasionally use dust mask when repositioning protective wrapping or asbestos insulated vessels received from offshore platforms. No fit testing or training is recorded.

ABS-007187

LAM 024005

CAR8802003

TOPICS & REFERENCES

STRENGTHS

AREAS FOR IMPROVEMENT

SUBSTANCE EXPOSURES

. Asbestos

- 1910.1001

None used on sites. Platform
wastes are prebagged.Insulated equipment returns from off-
shore platforms may create opportunity
for exposure. (Morgan City)

LAM 024006

ABS-007188

TOPICS & REFERENCES

STRENGTHS

AREAS FOR IMPROVEMENT

CONSTRUCTION
Asbestos

- 1926
- 1926.58

No asbestos required or in use at terminals.

Some asbestos insulation waste or insulated vessel received from platforms - for disposal. (Galveston, Morgan City)

LAM 024007

ABS-007189

CAB8802003