

§ 250.1497

by examining your total net worth, including, as appropriate, the net worth of your affiliated entities.

(b) If your net worth, minus the amount we would require as surety under §§ 250.1490 and 250.1491 for all orders you have appealed is greater than \$300 million, you are presumptively deemed financially solvent, and we will not require you to post a bond or other surety instrument.

(c) If your net worth, minus the amount we would require as surety under §§ 250.1490 and 250.1491 for all orders you have appealed is less than \$300 million, you must submit the following to BSEE by one of the methods in § 250.1495(a):

(1) A written request asking us to consult a business-information, or credit-reporting service or program to determine your financial solvency; and

(2) A nonrefundable \$50 processing fee:

(i) You must pay the processing fee to us following the requirements for making payments found in 30 CFR 250.126. You are required to use Electronic Funds Transfer (EFT) for these payments;

(ii) You must submit the fee with your request under paragraph (c)(1) of this section, and then annually on the date we first determined that you demonstrated financial solvency, as long as you are not able to demonstrate financial solvency under paragraph (a) of this section and you have active appeals.

(d) If you request that we consult a business-information or credit-reporting service or program under paragraph (c) of this section:

(1) We will use criteria similar to that which a potential creditor would use to lend an amount equal to the bond or other surety instrument we would require under §§ 250.1490 and 250.1491;

(2) For us to consider you financially solvent, the business-information or credit-reporting service or program must demonstrate your degree of risk as low to moderate:

(i) If our bond-approving officer determines that the business-information or credit-reporting service or program information demonstrates your financial solvency to our satisfaction, our

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bond-approving officer will not require you to post a bond or other surety instrument under §§ 250.1490 and 250.1491;

(ii) If our bond-approving officer determines that the business-information or credit-reporting service or program information does not demonstrate your financial solvency to our satisfaction, our bond-approving officer will require you to post a bond or other surety instrument under §§ 250.1490 and 250.1491 or pay the obligation.

§ 250.1497 When will BOEM monitor my financial solvency?

(a) If you are presumptively financially solvent under § 250.1496(b), BOEM will determine your net worth as described under § 250.1496(b) and (c) to evaluate your financial solvency at least annually on the date we first determined that you demonstrated financial solvency as long as you have active appeals and each time you appeal a new order.

(b) If you ask us to consult a business-information or credit-reporting service or program under § 250.1496(c), we will consult a service or program annually as long as you have active appeals and each time you appeal a new order.

(c) If our bond-approving officer determines that you are no longer financially solvent, you must post a bond or other BOEM-specified surety instrument under §§ 250.1490 and 250.1491.

Subpart O—Well Control and Production Safety Training

§ 250.1500 Definitions.

Terms used in this subpart have the following meaning:

Contractor and contract personnel mean anyone, other than an employee of the lessee, performing well control, deepwater well control, or production safety duties for the lessee.

Deepwater well control means well control when you are using a subsea BOP system.

Employee means direct employees of the lessees who are assigned well control, deepwater well control, or production safety duties.

I or you means the lessee engaged in oil, gas, or sulphur operations in the Outer Continental Shelf (OCS).

Lessee means a person who has entered into a lease with the United States to explore for, develop, and produce the leased minerals. The term lessee also includes an owner of operating rights for that lease and the BOEM-approved assignee of that lease.

Periodic means occurring or recurring at regular intervals. Each lessee must specify the intervals for periodic training and periodic assessment of training needs in their training programs.

Production operations include, but are not limited to, separation, dehydration, compression, sweetening, and metering operations.

Production safety includes measures, practices, procedures, and equipment to ensure safe, accident-free, and pollution-free production operations, as well as installation, repair, testing, maintenance, and operation of surface and subsurface safety equipment.

Well completion/well workover means those operations following the drilling of a well that are intended to establish or restore production.

Well control means drilling, well completion, well workover, and well servicing operations. For purposes of this subpart, well completion/well workover means those operations following the drilling of a well that are intended to establish or restore production to a well. It includes small tubing operations but does not include well servicing.

Well servicing means snubbing, coil tubing, and wireline operations.

§ 250.1501 What is the goal of my training program?

The goal of your training program must be safe and clean OCS operations. To accomplish this, you must ensure that your employees and contract personnel engaged in well control, deepwater well control, or production safety operations understand and can properly perform their duties.

§ 250.1503 What are my general responsibilities for training?

(a) You must establish and implement a training program so that all of your employees are trained to competently perform their assigned well control, deepwater well control, and production safety duties. You must

verify that your employees understand and can perform the assigned well control, deepwater well control, or production safety duties.

(b) If you conduct operations with a subsea BOP stack, your employees and contract personnel must be trained in deepwater well control. The trained employees and contract personnel must have a comprehensive knowledge of deepwater well control equipment, practices, and theory.

(c) You must have a training plan that specifies the type, method(s), length, frequency, and content of the training for your employees. Your training plan must specify the method(s) of verifying employee understanding and performance. This plan must include at least the following information:

- (1) Procedures for training employees in well control, deepwater well control, or production safety practices;
- (2) Procedures for evaluating the training programs of your contractors;
- (3) Procedures for verifying that all employees and contractor personnel engaged in well control, deepwater well control, or production safety operations can perform their assigned duties;
- (4) Procedures for assessing the training needs of your employees on a periodic basis;
- (5) Recordkeeping and documentation procedures; and
- (6) Internal audit procedures.

(d) Upon request of the District Manager or Regional Supervisor, you must provide:

- (1) Copies of training documentation for personnel involved in well control, deepwater well control, or production safety operations during the past 5 years; and
- (2) A copy of your training plan.

§ 250.1504 May I use alternative training methods?

You may use alternative training methods. These methods may include computer-based learning, films, or their equivalents. This training should be reinforced by appropriate demonstrations and “hands-on” training. Alternative training methods must be conducted according to, and meet the objectives of, your training plan.

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§ 250.1505 Where may I get training for my employees?

You may get training from any source that meets the requirements of your training plan.

§ 250.1506 How often must I train my employees?

You determine the frequency of the training you provide your employees. You must do all of the following:

(a) Provide periodic training to ensure that employees maintain understanding of, and competency in, well control, deepwater well control, or production safety practices;

(b) Establish procedures to verify adequate retention of the knowledge and skills that employees need to perform their assigned well control, deepwater well control, or production safety duties; and

(c) Ensure that your contractors' training programs provide for periodic training and verification of well control, deepwater well control, or production safety knowledge and skills.

§ 250.1507 How will BSEE measure training results?

BSEE may periodically assess your training program, using one or more of the methods in this section.

(a) *Training system audit.* BSEE or its authorized representative may conduct a training system audit at your office. The training system audit will compare your training program against this subpart. You must be prepared to explain your overall training program and produce evidence to support your explanation.

(b) *Employee or contract personnel interviews.* BSEE or its authorized representative may 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.

(c) *Employee or contract personnel testing.* BSEE or its authorized representative may conduct testing at either onshore or offshore locations for the purpose of evaluating an individual's knowledge and skills in perfecting well control, deepwater well control, and production safety duties.

(d) *Hands-on production safety, simulator, or live well testing.* BSEE or its authorized representative may conduct tests at either onshore or offshore locations. Tests will be designed to evaluate the competency of your employees or contract personnel in performing their assigned well control, deepwater well control, and production safety duties. You are responsible for the costs associated with this testing, excluding salary and travel costs for BSEE personnel.

§ 250.1508 What must I do when BSEE administers written or oral tests?

BSEE or its authorized representative may test your employees or contract personnel at your worksite or at an onshore location. You and your contractors must:

(a) Allow BSEE or its authorized representative to administer written or oral tests; and

(b) Identify personnel by current position, years of experience in present position, years of total oil field experience, and employer's name (e.g., operator, contractor, or sub-contractor company name).

§ 250.1509 What must I do when BSEE administers or requires hands-on, simulator, or other types of testing?

If BSEE or its authorized representative conducts, or requires you or your contractor to conduct hands-on, simulator, or other types of testing, you must:

(a) Allow BSEE or its authorized representative to administer or witness the testing;

(b) Identify personnel by current position, years of experience in present position, years of total oil field experience, and employer's name (e.g., operator, contractor, or sub-contractor company name); and

(c) Pay for all costs associated with the testing, excluding salary and travel costs for BSEE personnel.

§ 250.1510 What will BSEE do if my training program does not comply with this subpart?

If BSEE determines that your training program is not in compliance, we may initiate one or more of the following enforcement actions:

- (a) Issue an Incident of Noncompliance (INC);
- (b) Require you to revise and submit to BSEE your training plan to address identified deficiencies;
- (c) Assess civil/criminal penalties; or
- (d) Initiate disqualification procedures.

Subpart P—Sulphur Operations

§ 250.1600 Performance standard.

Operations to discover, develop, and produce sulphur in the OCS shall be in accordance with a BOEM-approved Exploration Plan or Development and Production Plan and shall be conducted in a manner to protect against harm or damage to life (including fish and other aquatic life), property, natural resources of the OCS including any mineral deposits (in areas leased or not leased), the National security or defense, and the marine, coastal, or human environment.

§ 250.1601 Definitions.

Terms used in this subpart shall have the meanings as defined below:

Air line means a tubing string that is used to inject air within a sulphur producing well to airlift sulphur out of the well.

Bleedwater means a mixture of mine water or booster water and connate water that is produced by a bleedwell.

Bleedwell means a well drilled into a producing sulphur deposit that is used to control the mine pressure generated by the injection of mine water.

Brine means the water containing dissolved salt obtained from a brine well by circulating water into and out of a cavity in the salt core of a salt dome.

Brine well means a well drilled through cap rock into the core at a salt dome for the purpose of producing brine.

Cap rock means the rock formation, a body of limestone, anhydrite, and/or gypsum, overlying a salt dome.

Sulphur deposit means a formation of rock that contains elemental sulphur.

Sulphur production rate means the number of long tons of sulphur produced during a certain period of time, usually per day.

§ 250.1602 Applicability.

(a) The requirements of this subpart P are applicable to all exploration, development, and production operations under an OCS sulphur lease. Sulphur operations include all activities conducted under a lease for the purpose of discovery or delineation of a sulphur deposit and for the development and production of elemental sulphur. Sulphur operations also include activities conducted for related purposes. Activities conducted for related purposes include, but are not limited to, production of other minerals, such as salt, for use in the exploration for or the development and production of sulphur. The lessee must have obtained the right to produce and/or use these other minerals.

(b) Lessees conducting sulphur operations in the OCS shall comply with the requirements of the applicable provisions of subparts A, B, C, I, J, M, N, O, and Q of this part and the applicable provisions of 30 CFR 550 subparts A, B, C, J and N.

(c) Lessees conducting sulphur operations in the OCS are also required to comply with the requirements in the applicable provisions of subparts D, E, F, H, K, and L of this part and the applicable provisions of 30 CFR 550, subpart K, where such provisions specifically are referenced in this subpart.

§ 250.1603 Determination of sulphur deposit.

(a) Upon receipt of a written request from the lessee, the District Manager will determine whether a sulphur deposit has been defined that contains sulphur in paying quantities (*i.e.*, sulphur in quantities sufficient to yield a return in excess of the costs, after completion of the wells, of producing minerals at the wellheads).

(b) A determination under paragraph (a) of this section shall be based upon the following:

(1) Core analyses that indicate the presence of a producible sulphur deposit (including an assay of elemental sulphur);

(2) An estimate of the amount of recoverable sulphur in long tons over a specified period of time; and

(3) Contour map of the cap rock together with isopach map showing the