UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

January 5, 2006

In Reply Refer To:
3160 (310) P

EMS TRANSMISSION 01/10/2006
Instruction Memorandum No. 2006-061
Expires: 09/30/2007

To: All Field Officials

From: Assistant Director, Minerals, Realty and Resource Protection

Subject: Reporting of Undesirable Events

Program Area: Fluid Minerals

Purpose: To reinforce the immediate reporting requirements of all Major Undesirable Events (MUE) by Field Offices to the Washington Office (WO) and State Offices (SO) and to reiterate the reporting requirements of NTL-3A for operators on Federal and Indian lands.

Policy/Action Reporting Requirements: Field offices with Oil and Gas Inspection and Enforcement program responsibilities must report all MUEs immediately (within 24 hours) to the appropriate WO and SO personnel upon discovery or notification. Daily status update reports of a MUE will continue to be reported to WO and SO personnel until the MUE situation is completely resolved. A copy of the final MUE reporting form is to be sent to WO and SO personnel once a MUE is resolved. To ensure consistent reporting of MUEs with the NTL-3A requirements, field offices will be required to use the same criteria for the reporting of a MUE as defined in Section I of NTL-3A. The definitions and types of MUEs that must be reported immediately are outlined in Attachment 1, Section I of NTL-3A (updated to reflect BLM terminology). The format for reporting a MUE is contained in Attachment 2 which will be used for the initial report as well as the final resolution report. All positions that need to be notified in the event of a MUE are noted in Attachment 3. Undesirable events criteria outlined in Section III of the attached NTL-3A document do not require immediate notification. Please note that reporting requirements for operators as outlined in NTL-3A have different timeframes and written requirements.

TimeFrame: Immediate.

Budget Impact: None.

Background/Issue: The increased demand for oil and gas over the past several years has sparked development in many different regions. Several field offices have experienced MUEs involving fatal injuries, blowouts, loss of resources and/or fires. Because these MUEs may affect public health and safety, production accountability and the environment, the must be reported to the WO and the appropriate SO upon notification or discovery.

Manual/Handbook Sections Affected: None.

Contact: Any questions regarding the reporting of Major Undesirable Events to the WO should be directed to Fred A. Oneyear at (307) 261-7569.

Signed by:
Thomas P. Lonnie
Assistant Director
Realty and Resource Protection

Authenticated by:
Robert M. Williams
Policy and Records Group,WO-560

3 Attachments
1- Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (3 pp)
2- BLM WO Major Undesirable Event Reporting Format (1 p)
3- Notification List for Major Undesirable Events (1 p)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Notice to Lessees and Operators of Onshore Federal and
Indian Oil and Gas Leases
(NTL-3A)

Reporting of Undesirable Events

This Notice, which supersedes NTL-3 dated January l, 1975, is issued pursuant to the authority prescribed in Title 30 CFR 221.5, 221.7, and 221.36. Operators of onshore Federal and Indian oil and gas leases shall report all spills, discharges, or other undesirable events in accordance with the requirements of this Notice. All such events occur on State or private land leases within federally supervised unit or communitized areas must likewise be reported in accordance with the requirements of this Notice. However, compliance with this Notice does not relieve an operator from the obligation of complying with the applicable rules and regulations of any State or Federal Agencies regarding notification and reporting of undesirable events.
As used in this Notice, the term Deputy State Director (DSD) means that officer of the Bureau of Land Management (BLM) having Minerals jurisdiction for the geographic area in which the undesirable event occurs.

I. Major Undesirable Events Requiring Immediate Notification

Major undesirable events are defined as those incidents listed below in subsections A. through F. These incidents, when occurring on a lease supervised by the BLM, must be reported to the appropriate DSD as soon as practical but within a maximum of 24 hours:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, that result in the discharge (spilling) of 100 or more barrels of liquid; however, discharges of such magnitude, if entirely contained within the facility firewall, may be reported in writing pursuant to Section III of this Notice;
B. Equipment failures or other accidents that result in the venting of 500 or more MCF of gas;
C. Any fire which consumes the volumes as specified in I.A. and I.B. above;
D. Any spill, venting, or fire, regardless of the volume involved, that occurs in a sensitive area, such as parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban area;
E. Each accident that involves a fatal injury; and
F. Every blowout (loss of control of any well) that occurs.

II. Written Reports

A written report shall be submitted in duplicate to the DSD no later than 15 days following all major undesirable events identified in Section I. When required by the DSD, interim reports will be submitted until final containment and cleanup operations have been accomplished. The final written report for each such event shall, as appropriate, provide:

A. The date and time of occurrence, and the date and time reported to BLM;
B. The location where the incident occurred, including surface ownership and lease number;
C. The specific nature and cause of the incident;
D. A description of the resultant damage;
E. The action taken and the length of time required for control of the incident, for containing the discharged fluids, and for subsequent cleanup;
F. The estimated volumes discharged and the volumes lost;
G. The cause of death, if known, when fatal injuries are involved;
H. Actions that have been or will be taken to prevent a recurrence of the incident;
I. Other Federal or State agencies notified of the incident; and
J. Other pertinent comments or additional information as requested by the DSD.

III. Other-Than-Major Undesirable Events

Other-than-major undesirable events, as identified below in subsections A. through D. do not have to be reported orally within 24 hours; however, a written report, as required for major undesirable events in Section II of this Notice, must be provided for the following incidents:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, that result in the discharge (spilling) of at least 10 but less than 100 barrels of liquid in nonsensitive areas, and all discharges of 100 or more barrels when the spill is entirely contained by the facility firewall;
B. Equipment failures or other accidents that result in the venting of at least 50 but less than 500 MCF of gas in non-sensitive areas;
C. Any fire that consumes volumes in the ranges specified in III.A. and III.B., above; and
D. Each accident involving a major or life threatening injury. Spills or discharges in non-sensitive areas involving less than 10 barrels of liquid or 50 MCF of gas do not require an oral or written report; however, the volumes discharged or vented as a result of all such minor incidents must be reported in accordance with Section V. hereof.

IV. Contingency Plans

Upon request of the DSD, a copy of any Spill Prevention Control and Countermeasure Plan (SPCC Plan), required by the Environmental Protection Agency (EPA) pursuant to Title 40 CFR 112, or other acceptable contingency plan must be submitted. All plans shall provide the names, addresses, and telephone numbers (both business and private) of at least two technically competent company or contract personnel authorized to order equipment or supplies and to expend funds necessary to control emergencies.

V. Monthly Report of Operations/Monthly Report of Sales and Royalty

All volumes of oil spilled, gas vented, and all hydrocarbons consumed by fire or otherwise lost must be reported monthly on the Oil and Gas Operations Report (OGOR, Form MMS-4054, Parts A, B, and C). The volume and value of such losses must also be reported in the month following the loss on Report of Sales and Royalty Remittance (Form MMS-2014).

VI. Liquidated Damages

Failure to provide the necessary notification, reports, or contingency plan (when required) as provided for by this Notice to Lessees and Operators (NTL-3A), may result in other measures being taken to secure compliance, such as those provided by Title 30 CFR 221.53 and 221.54.

BUREAU OF LAND MANAGEMENT
WO MAJOR UNDESIRABLE EVENT (MUE) REPORTING FORMAT

BLM Office Reporting:					
BLM Employee:					
Company Official Reporting to BLM:					
Operator:					
Date/Time of Occurrence:			Date/Time BLM Notified:		
Field/Unit Name:			Lease Number:		
State:	County:	Twn:	Rng:	Sec:	Qtr:
Surface Ownership: (circle one)	Federal	Indian	State	FEE	

Type of Event: (circle one)	Oil Spill	Oil/Water Spill	Gas Venting	Toxic Fluid Spill
	Saltwater Spill	Other Spill (Specify)	Blowout	Fire
	Injury	Fatality	Property Damage	Explosion

Nature and Cause of Event:	
Environmental Impact:	
Time Required to Control Event (Hours):	
Volumes Discharged or Consumed:	
Volumes Recovered:	
Action Taken to Control Event:	
Resultant Damage:	
Clean-Up Procedures:	
Cause/Extent of Personal Injury:	

Agency Notification List: (Federal/State/Local):	Agency Name	Contact Name	Date/Time

Remarks:

Attachment 2

Notification List for Major Undesirable Events

The following positions are to be notified immediately by email, telephone, or fax in the event of MUEs listed in NTL-3A, Section I:

Group Manager, Fluid Minerals –WO-310
Phone: (202) 452-5061
Fax: (202) 452-0386

Deputy Group Manager, Fluid Minerals –WO-310
Phone: (202) 452-0385
Fax: (202) 452-0386

Assistant Director, Minerals, Realty and Resource Protection – WO-300
Phone: (202) 208-4201
Fax: (202) 208-4800

Deputy Assistant Director, Minerals, Realty and Resource Protection –WO-300
Phone: (202) 208-4201
Fax: (202) 208-4800

Group Manager, Public Affairs, WO-610
Phone: (202) 452-5128
Fax: (202) 452-5124

Director's Chief of Staff, WO-100
Phone: (202) 208-3801
Fax: (202) 208-5242

State Office Positions to be notified:

Deputy State Director for Minerals

Inspection and Enforcement Coordinator

Environmental Coordinator

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION

Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases
(NTL-3A)

Reporting of Undesirable Events

This Notice, which supersedes NTL-3 dated January 1, 1975, is issued pursuant to the authority prescribed in Title 30 CFR 221.5, 221.7, and 221.36. Operators of onshore Federal and Indian oil and gas leases shall report all spills, discharges, or other undesirable events in accordance with the requirements of this Notice. All such events which occur on State or private land leases within federally supervised unit or communitized areas must likewise be reported in accordance with the requirements of this Notice. However, compliance with this Notice does not relieve an operator from the obligation of complying with the applicable rules and regulations of any State or any other Federal Agencies regarding notification and reporting of undesirable events.

As used in this Notice, the term District Engineer means that officer of the United States Geological Survey (GS) having supervisory jurisdiction for the geographic area in which the undesirable event occurs.

I. Major Undesirable Events Requiring Immediate Notification

Major undesirable events are defined as those incidents listed below in subsections A through F. These incidents, when occurring on a lease supervised by the GS, must be reported to the appropriate District Engineer as soon as practical but within a maximum of 24 hours:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge (spilling) of 100 or more barrels of liquid; however, discharges of such magnitude, if entirely contained within the facility firewall, may be reported only in writing pursuant to Section III. of this Notice;

B. Equipment failures or other accidents which result in the venting of 500 or more MCF of gas;

C. Any fire which consumes the volumes as specified in I.A. and I.B. above;

D. Any spill, venting, or fire, regardless of the volume involved, which occurs in a sensitive area, e.g., areas such as parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban areas;

E. Each accident which involves a fatal injury; and

F. Every blowout (loss of control of any well) that occurs.

II. Written Reports

A written report shall be submitted in duplicate to the District Engineer no later than 15 days following all major undesirable events identified in Section I. When required by the District Engineer, interim reports will be submitted until final containment and cleanup operations have been accomplished. The final written report for each such event shall, as appropriate, provide.

A. The date and time of occurrence, and the date and time reported to USGS;

B. The location where the incident occurred, including surface ownership and lease number:

C. The specific nature and cause of the incident;

D. A description of the resultant damage;

E. The action taken and the length of time required for control of the incident, for containing the discharged fluids, and for subsequent cleanup;

F. The estimated volumes discharged and the volumes lost;

G. The cause of death when fatal injuries are involved;

H. Actions that have been or will be taken to prevent a recurrence of the incident;

I. Other Federal or State agencies notified of the incident; and

J. Other pertinent comments or additional information as requested by the District Engineer.

III. Other-Than-Major Undesirable Events

Other-than-major undesirable events, as identified below in subsections A through D, do not have to be reported orally within 24 hours; however, a written report, as required for major undesirable events in Section II of this Notice, must be provided for the following incidents:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge (spilling) of at least 10 but less than 100 barrels of liquid in nonsensitive areas, and all discharges of 100 or more barrels when the spill is entirely contained by the facility firewall;

B. Equipment failures or other accidents which result in the venting of at least 50 but less than 500 MCF of gas in nonsensitive areas;

C. Any fire which consumes volumes in the ranges specified in III.A. and III.B. above; and

D. Each accident involving a major or life threatening injury.

Spills or discharges in nonsensitive areas involving less than 10 barrels of liquid or 50 MCF of gas do not require an oral or written report; however, the volumes discharged or vented as a result of all such minor incidents must be reported in accordance with Section V hereof.

IV. Contingency Plans

Upon request of the District Engineer, a copy of any Spill Prevention Control and Countermeasure Plan (SPCC Plan), required by the Environmental Protection Agency (EPA) pursuant to Title 40 CFR 112, or other acceptable contingency plan must be submitted. All plans shall provide the names, addresses, and telephone numbers (both business and private) of at least two technically competent company or contract personnel authorized to order equipment or supplies and to expend funds necessary to control emergencies.

V. Monthly Report of Operations/Monthly Report of Sales and Royalty

All volumes of oil spilled, gas vented, and all hydrocarbons consumed by fire or otherwise lost must be reported monthly on the Monthly Report of Operations (Form 9-329). The volume and value of such losses must also be reported in the Monthly Report of Sales and Royalty (Form 9-361).

VI. Liquidated Damages

Failure to provide the necessary notification, reports, or contingency plan (when required) as provided for by this Notice, may result in other measures being taken to secure compliance, such as those provided by Title 30 CFR 221.53 and 221.54.

March 1, 1979 /s/ C.J. Curtis

Date

C. J. Curtis
Oil and Gas Supervisor
Northern Rocky Mountain Area

Approved:

/s/ Don E. Cash

Don E. Cash
Chief, Conservation Division

Department of the Interior
GEOLOGICAL SURVEY
CONSERVATION DIVISION MANUAL

Transmittal Sheet

Release No. 74 September 3, 1981

EXPLANATION OF MATERIAL TRANSMITTED:

This release updates the names and phone numbers of those to contact for reporting Class I Events, as documented in CDM 642.3, Reporting of Undesirable Events. Monthly reporting of all undesirable events will be replaced by quarterly reports effective October 1, 1981. The first quarterly report will cover the months of October, November, and December, 1981.

Acting Chief, Conservation Division

Filing Instructions:

Remove:

Part	Chapter	Pages
642	3	1-9 Exhibits 1-6

Insert:

Part	Chapter	Pages
642	3	1-9 Exhibits 1-6

.1 Purpose and Objective.

This chapter defines the criteria and procedure for reporting and responding to incidents involving spills, accidents, blowouts, fires, and other undesirable events. These instructions apply to events occurring on onshore Federal and Indian oil and gas leases, or on fee and State lands within federally supervised unitized or communitized areas.

The objectives of this program are: to document the cause and number of undesirable events; to reduce the number of occurrences; and to ensure that those events which do occur are promptly contained, and necessary clean-up accomplished.

.2 Authority.

30 CFR (7 FR 4132, June 2, 1942).

NOTE: Supervisor is now the Deputy Conservation Manager (DCM).

(a) 221.5 Supervision of operations.

"The supervisor shall inspect and supervise operations under the regulations in this part; prevent waste, damage to formations or deposits containing oil, gas, or water or to coal measures or other deposits, and injury to life or property; and shall issue instructions necessary, in his judgment, to accomplish these purposes."

(b) 221.7 Reports and notices.

"The supervisor shall prescribe the manner and form in which records of all operations, reports, and notices shall be made by lessees and operators."

(c) 221.32 Pollution and surface damage.

"The lessee shall not pollute streams or damage the surface or pollute the underground water of the leased or other land* * *"

(d) 221.36 Accidents and fires.

"The lessee shall take all reasonable precautions to prevent accidents and fires, shall notify the supervisor within 24 hours of all accidents or fires on the leased land, and shall submit a full report thereon within 15 days."

.3 Guidelines and Policy.

A. General.

Exhibit 1 is a revised Notice to Lessees (NTL-3A), which provides information and instructions to lessees on reporting undesirable events. It includes a background and summary of comments received on NTL-3 which led to the revised NTL-3A.

Undesirable events are classified as Major (Class I), Medium (Class II), or Minor (Class III) events, according to criteria contained in this chapter. Each of these classes of events has different reporting and inspection requirements. All volumes of oil and gas lost are to be reported on Form 9-329, regardless of the class of event.

B. Major (Class I) Undesirable Events.

Class I events are defined as:

(1) Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge of 100 barrels or more of liquid; however, discharges of this size which are contained within a facility firewall are classified as Medium (Class II) events;

(2) Equipment failures or other accidents which result in the venting of 500 Mcf or more of gas;

(3) Any fire which consumes the above volumes of liquid and/or gas;

(4) Any spill, venting, or fire, regardless of the volume, which occurs in an environmentally sensitive area, e.g., parks, recreation sites, wildlife refuges, lakes or reservoirs, streams, and urban or suburban areas;

(5) Any accident which involves a fatal injury;

(6) Any blowout that occurs.

Operators are to report all major undesirable events to the District Supervisor as soon as practical, but within 24 hours. District Supervisors will immediately telephone a report of such event to the Branch of Fluid Minerals Management, to the Deputy

(2) Equipment failures or other accidents which result in the venting of less than 50 Mcf of gas in nonsensitive areas;

(3) Any fire which consumes the above volumes of liquid and/or gas;

Operators are to report on Form 9-329 all volumes of oil and gas lost, but are not required to make further reports of Class III events.

E. Field Investigations.

All accidents involving Major (Class I) undesirable events will be investigated by the District office. Investigations of all blowouts, fatal accidents, and events which have the prospect for environmental damage and/or public controversy, shall be initiated without delay. During the investigation, primary emphasis will be placed on containment and necessary clean-up; however, emphasis shall also be placed on determining the cause of the event. Under the National Oil and Hazardous Substances Pollution Contingency Plan, the District Supervisor may be required to act as On-Scene Coordinator until relieved by other Federal personnel having legal authority to act as On-Scene Coordinator.

Medium (Class II) undesirable events may not require immediate on-scene investigation, but responsible personnel are expected to exercise good judgment. Minor (Class III) undesirable events normally will not require an on-scene investigation.

F. Contingency Plans.

In environmentally sensitive areas, the District Supervisor should require operators or lessees to file an emergency action contingency plan for every plant, production, or storage facility that could, if inoperative, damaged, or malfunctioning, pose a threat to the public welfare, cause severe pollution and surface damage, or discharge oil in harmful quantities. Such facilities include, but are not limited to, those located close to parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban areas.

This does not mean that contingency plans will be required for each facility, pipeline, well, etc. It does mean that the District Supervisor will have to make an assessment of all facilities in

Conservation Manager, and to the appropriate Federal surface management agency. The DCM will telephone the report to the Regional Conservation Manager (RCM) unless otherwise instructed by the RCM.

Operators are required to provide interim reports when necessary and to furnish a detailed report, in writing, within 15 days from the containment or control of the incident. A final report from the District Supervisor to the Branch of Fluid Minerals Management and a copy sent to the DCM is required within 30 days after control or containment of the incident. Each event occurring during the reporting period will be listed on the Quarterly Report of Undesirable Events, and the site of each major event will be inspected.

C. Medium (Class II) Undesirable Events.

Class II events are defined as:

(1) Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge of at least 10 barrels but less than 100 barrels of liquid in nonsensitive areas, and those discharges of 100 barrels or more which are contained within a facility firewall;

(2) Equipment failures or other accidents which result in the venting of at least 50 Mcf but less than 500 Mcf of gas in nonsensitive areas;

(3) Any fire which consumes the above volumes of liquid and/or gas;

(4) Any accident involving a major or life-threatening injury.

Operators will furnish a written report of Class II events to the District Supervisor within 15 days from the containment of control of the incident. Each event will be listed on the Quarterly Report.

D. Minor (Class III) Undesirable Events.

Minor undesirable events involve volumes less than those defined for Class II events; in other words, Class III events are defined as:

(1) Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge of less than 10 barrels of liquid in nonsensitive areas;

environmentally sensitive areas to determine whether potential spills, leaks, or discharges of pollutants from such facilities under the jurisdiction of the Conservation Division will have a major adverse impact upon the environment; i.e., will such venting, spill, or discharge occur in or endanger critical water areas, or will it pose a threat to human health or welfare? A sample facility evaluation report is shown in Exhibit 2.

Contingency plans for a facility, lease, or unit shall provide for containing and controlling potential emergencies, such as fires, spills, tank ruptures, flowline breaks, wellhead failures, etc. The names, addresses, and telephone numbers (both business and private) of at least two technically competent company personnel, authorized to order equipment and supplies necessary to control emergencies, shall be provided in such plans.

For facilities not requiring individual contingency plans, the lessee/operator may be required to file a generalized field or area contingency plan providing the same names, addresses, and telephone numbers. A copy of the Spill Prevention Control and Countermeasure Plan (SPCC Plan) required by the Environmental Protection Agency (or a summary) will satisfy this requirement. EPA's guidelines for the preparation of SPCC plans are contained in 40 CFR 112.7 (excerpts included in Exhibit 3).

All contingency plans (other than SPCC plans) will be reviewed for adequacy by the District Supervisor at the time a detailed lease inspection is performed. Lessees will be instructed to make any necessary changes or additions to the plans. Contingency plans for new facilities will be reviewed for adequacy at the time the operation is approved.

G. Reporting Requirements.

It is extremely important that Class I events be systematically reported, so appropriate Division, Bureau, and Department officials can be timely apprised of those incidents which are likely to provoke inquiries. All undesirable event reports will include specific information as to the cause of the event; if the cause cannot be identified, it should be reported as "unknown".

The operator will submit each report in duplicate and include the information shown in Exhibit 4. This format will also be used by Division personnel. In addition, each report prepared by the District Supervisor will also include: (1) district identification, (2) date reported to Reston, (3) date of onsite inspection, and (4) event

classification (i.e., Class I or II). All Class I and II undesirable events will be summarized by each District in the Quarterly Report, using the format shown in Exhibit 5.

The District Supervisor will provide follow-up reports to the Branch of Fluid Minerals Management on all Class I events within 30 days. As a minimum, the report will consist of: (1) a detailed analysis of the particular event; (2) a district or area overview of similar events and their relationships; (3) recommendations for action by the Conservation Division to prevent future occurrences; and (4) estimates of total oil and gas lost. The District Supervisor's endorsement of the operator's report can be used in lieu of a separate report.

Reports of undesirable events are used by the Division for the following purposes: (1) to determine the frequency with which certain operating problems occur and to identify local trends and trouble areas that may require the attention of field personnel; (2) to help develop preventive measures; and (3) to provide information, as requested, to Royalty Management so royalty or other compensation can be collected on the volume of oil and gas lost.

A computerized Onshore Record of Events (CORE) file has been developed to catalog and facilitate the analysis of data on undesirable events; statistical print-outs are available for interpretation.

H. Enforcement.

Failure to file adequate contingency plans, when required, or to conform with the written orders of the District Supervisor can result in assessment of liquidated damages, as provided by 30 CFR 221.54.

Some spills or discharges may also violate EPA or State requirements. In such cases, the District Supervisor should remind the operator to notify EPA and the appropriate State agency. Although not required, the District Supervisor should notify these agencies if he believes the action will implement the requirements of this chapter.

I. Miscellaneous.

The guidelines in this chapter are applicable only to leasehold operations, including production flowlines, and are not intended to cover common carrier pipelines or other similar transportation operations crossing Federal or Indian lands, or operations approved by the surface management agency under special use permits. However, in accordance with the National Oil and Hazardous Substances Pollution Contingency Plan, the first Federal official on the scene of any discharge covered by this plan will act as the On-Scene Coordinator, until relieved. On request, Division personnel will provide assistance and expertise to the On-Scene Coordinator.

For federally supervised units (i.e., those which have been designated and approved by the Survey), and for communitized areas, all undesirable events must be reported as required by this chapter, whether occurring on Federal, Indian, fee, or State lands.

.4 Responsibility and Procedures.

A. Major (Class I) Events.

(1) Office receiving the initial report will promptly telephone Class I events to the following offices:

(a) Branch of Fluid Minerals Management

During working hours: 8-928-7535 (FTS) or
703-860-7535 (Commercial)

During non-work hours: Mr. Deryl Johnston
8-202-467-9536 or
703-467-9536

Mr. Jerry Richard
8-202-437-6070 or
703-437-6070

Mr. Gerry Daniels
8-202-323-0976 or
703-323-0976

Mr. Wright Sheldon
8-202-476-8539 or
703-476-8539

(b) District or Regional office, as appropriate.

(c) The appropriate Federal surface management agency, if not apprised by the lessee.

(2) District Office. When a Class I event is still in progress at the time of the initial report, follow-up reports with new information will be telephoned each day to the appropriate DCM and to the Branch of Fluid Minerals Management. Reports will continue until the situation is under control, and the reporting office is advised that further reports are not required. A final report on all Class I events will be furnished to the Branch of Fluid Minerals Management within 30 days after control or containment of the incident. The District office will also report Class I events in the Quarterly Report of Undesirable Events.

(3) Deputy Conservation Manager. Unless otherwise instructed by the Regional Conservation Manager, the DCM will notify the appropriate RCM of Class I events. The DCM will include Class I events in the Quarterly Report.

(4) Division Level. Promptly advise appropriate Division personnel orally of the significant Class I events. Prepare the necessary report(s) informing the appropriate Division, Bureau, and Department officials of each Class I event occurring in a sensitive area and its resolution.

(5) The initial reporting office will provide a follow-up report within 30 days after the control or containment of each Class I event. This can be accomplished by the District Supervisor's endorsement of the operator's report.

B. Medium (Class II) Events.

All District and Regional offices will include Class II events in the Quarterly Report of Undesirable Events.

C. Minor (Class III) Events.

No report required.

D. A flowchart summarizing these requirements is contained in Exhibit 6.

.5 Background and Reference.

A. 25 CFR Parts 171 and 172 - for Indian oil and gas leases require that operations on Indian leases be conducted in accordance with the Oil and Gas Operating Regulations contained in 30 CFR 221.

B. 40 CFR 112 - contains Environmental Protection Agency regulations for oil pollution from non-transportation-related onshore facilities (38 FR 34164, December 11, 1973).

C. 40 CFR 1510 - contains Environmental Protection Agency regulations covering the objectives, responsibilities, and guidelines of the National Oil and Hazardous Substances Pollution Contingency Plan.

D. API Bulletin D16 (March 1974) - contains suggested procedures for development of spill prevention control and countermeasure plans.

E. Memorandum from Chief, Conservation Division, to Regional Conservation Managers, dated April 30, 1975 - covers classifications and reporting of undesirable events.

F. Division policy was previously directed in the following:

(1) March 5, 1971, memorandum from Northern Rocky Mountain Area Supervisor.

(2) September 2, 1971, memorandum from Mid-Continent Area Supervisor.

(3) March 31, 1972, memorandum from Southern Rocky Mountain Area Supervisor.

(4) March 18, 1974, memorandum from Chief, Conservation Division.

(5) September 18, 1974, memorandum from Chief, Conservation Division.

(6) October 3, 1974, memorandum from Chief, Conservation Division.

G. NTL-3, transmitted to Supervisors on November 29, 1974, and dated January 1, 1975, is superseded by NTL-3A contained in this chapter.

NTL-3A, REPORTING OF UNDESIRABLE EVENTS

NOTICE OF LESSEES AND OPERATORS OF FEDERAL AND INDIAN ONSHORE OIL AND GAS LEASES (NTL 3A)

REPORTING OF UNDESIRABLE EVENTS

This Notice, which supersedes NTL-3 dated January 1, 1975, is issued pursuant to the authority prescribed in Title 30 CFR 221.5, 221.7, and 221.36. Operators of onshore Federal and Indian oil and gas leases shall report all spills, discharges, or other undesirable events in accordance with the requirements of this Notice. All such events which occur on State or private land leases within federally supervised unit or communitized areas must likewise be reported in accordance with the requirements of this Notice. However, compliance with this Notice does not relieve an operator from the obligation of complying with the applicable rules and regulations of any State or any other Federal Agencies regarding notification and reporting of undesirable events. As used in this Notice, the term District Engineer means that officer of the United States Geological Survey (GS) having supervisory jurisdiction for the geographic area in which the undesirable event occurs.

I. *Major Undesirable Events Requiring Immediate Notification*

Major undesirable events are defined as those incidents listed below in subsections A through F. These incidents, when occurring on a lease supervised by the GS, must be reported to the appropriate District Engineer *as soon as practical* but within a maximum of 24 hours:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge (spilling) of 100 or more barrels of liquid; however, discharges of such magnitude, if entirely contained within the facility firewall, may be reported only in writing pursuant to Section III, of this Notice;

B. Equipment failures or other accidents which result in the venting of 500 or more MCF of gas;

C. Any fire which consumers the volumes as specified in I.A. an I.B. above;

D. Any spill, venting, or fire, regardless of the volume involved, which occurs in a sensitive area, e.g., areas such as parks, recreation sites, wildlife refuges, lakes, reservoirs, streams, and urban or suburban areas;

E. Each accident which involves a fatal injury; and

F. Every blowout (loss of control of any well) that occurs.

II. *Written Reports*

A written report shall be submitted in duplicate to the District Engineer no later than 15 days following all major undesirable events identified in Section I. When required by the District Engineer, interim reports will be submitted until final containment and cleanup operations have been accomplished. The final written report for each such event shall, as appropriate, provide:

A. The date and time of occurrence, and the date and time reported to USGS;

B. The location where the incident occurred, including surface ownership and lease number;

C. The specific nature and cause of the incident;

D. A description of the resultant damage;

E. The action taken and the length of time required for control of the incident, for containing the discharged fluids, and for subsequent cleanup;

F. The estimated volumes discharged and the volumes lost;

G. The cause of death when fatal injuries are involved;

H. Actions that have been or will be taken to prevent a recurrence of the incident;

I. Other Federal or State agencies notified of the incident; and

J. Other pertinent comments or additional information as requested by the District Engineer.

III. *Other-Than-Major Undesirable Events*

Other-than-major undesirable events, as identified below in subsections A through D, do not have to be reported orally within 24 hours; however, a written report, as required for major undesirable events in Section II of this Notice, must be provided for the following incidents:

A. Oil, saltwater, and toxic liquid spills, or any combination thereof, which result in the discharge (spilling) of at least 10 but less than 100 barrels, of liquid in nonsensitive areas, and all discharges of 100 or more barrels when the spill is entirely contained by the facility firewall;

B. Equipment failures or other accidents which result in the venting of at least 50 but less than 500 MCF of gas in nonsensitive areas;

C. Any fire which consumes volumes in the ranges specified in III.A. and III.B. above; and

D. Each accident involving a major or life-threatening injury.

Spills or discharges in nonsensitive areas involving less than 10 barrels of liquid or 50 MCF of gas do not require an oral or written report; however, the volumes discharged or vented as a result of all such minor incidents must be reported in accordance with Section V hereof.

IV. *Contingency Plans*

Upon request of the District Engineer, a copy of any Spill Prevention Control and Countermeasure Plan (SPCC Plan), required by the Environmental Protection Agency (EPA) pursuant to Title 40 CFR Part 112, or other acceptable contingency plan must be submitted. All plans shall provide the names, addresses, and telephone numbers (both business and private) of at least two technically competent company or contract personnel authorized to order equipment or supplies and to expend funds necessary to control emergencies.

V. *Monthly Report of Operations/ Monthly Report of Sales and Royalty*

All volumes of oil spilled, gas vented, and all hydrocarbons consumed by fire or otherwise lost must be reported monthly on the Monthly Report of Operations (Form 9-329). The volume and value of such losses must also be reported in the Monthly Report of Sales and Royalty (Form 9-361).

VI. *Liquidated Damages*

Failure to provide the necessary notification, reports, or contingency plan (when required) as provided for by this Notice, may result in other measures being taken to secure compliance, such as those provided by Title 30 CFR 221.53 and 221.54.

DON E. KASH,
Chief, Conservation Division.

[FR Doc. 79-874 Filed 1-9-79; 8:45 am]

§ 112.7 Guidelines for the preparation and implementation of a Spill Prevention Control and Countermeasure Plan.

The SPCC Plan shall be a carefully thought-out plan, prepared in accordance with good engineering practices, and which has the full approval of management at a level with authority to commit the necessary resources. If the plan calls for additional facilities or procedures, methods, or equipment not yet fully operational, these items should be discussed in separate paragraphs, and the details of installation and operational start-up should be explained separately. The complete SPCC Plan shall follow the sequence outlined below, and include a discussion of the facility's conformance with the appropriate guidelines listed:

(a) A facility which has experienced one or more spill events within twelve months prior to the effective date of this part should include a written description of each such spill, corrective action taken and plans for preventing recurrence.

(b) Where experience indicates a reasonable potential for equipment failure (such as tank overflow, rupture, or leakage), the plan should include a prediction of the direction, rate of flow, and total quantity of oil which could be discharged from the facility as a result of each major type of failure.

(c) Appropriate containment and/or diversionary structures or equipment to prevent discharged oil from reaching a navigable water course should be provided. One of the following preventive systems or its equivalent should be used as a minimum:

(1) Onshore facilities:

(i) Dikes, berms or retaining walls sufficiently impervious to contain spilled oil;

(ii) Curbing;

(iii) Culverting, gutters or other drainage systems;

(iv) Weirs, booms or other barriers;

(v) Spill diversion ponds;

(vi) Retention ponds;

(vii) Sorbent materials.

(2) Offshore facilities:

(i) Curbing, drip pans;

(ii) Sumps and collection systems.

(d) When it is determined that the installation of structures or equipment listed in §112.7(c) to prevent discharged oil from reaching the navigable waters is not practicable from any onshore or offshore facility, the owner or operator should clearly demonstrate such impracticability and provide the following:

(1) A strong oil spill contingency plan following the provision of 40 CFR part 109.

(2) A written commitment of manpower, equipment and materials required to expeditiously control and remove any harmful quantity of oil discharged.

(e) In addition to the minimal prevention standards listed under §112.7(c), sections of the Plan should include a complete discussion of conformance with the following applicable guidelines, other effective spill prevention and containment procedures (or, if more stringent, with State rules, regulations and guidelines):

(5) *Oil production facilities (onshore)*—(i) *Definition*. An onshore production facility may include all wells, flowlines, separation equipment, storage facilities, gathering lines, and auxiliary non-transportation-related equipment and facilities in a single geographical oil or gas field operated by a single operator.

(ii) *Oil production facility (onshore) drainage*. (A) At tank batteries and central treating stations where an accidental discharge of oil would have a reasonable possibility of reaching navigable waters, the dikes or equivalent required under §112.7(c)(1) should have drains closed and sealed at all times except when rainwater is being drained. Prior to drainage, the diked area should be inspected as provided in paragraphs (e)(2)(iii) (B), (C), and (D) of this section. Accumulated oil on the rainwater should be picked up and returned to storage or disposed of in accordance with approved methods.

(B) Field drainage ditches, road ditches, and oil traps, sumps or skimmers, if such exist, should be inspected at regularly scheduled intervals for accumulation of oil that may have escaped from small leaks. Any such accumulations should be removed.

(iii) *Oil production facility (onshore) bulk storage tanks*. (A) No tank should be used for the storage of oil unless its material and construction are compatible with the material stored and the conditions of storage.

(B) All tank battery and central treating plant installations should be provided with a secondary means of containment for the entire contents of the largest single tank if feasible, or alternate systems such as those outlined in §112.7(c)(1). Drainage from undiked areas should be safely confined in a catchment basin or holding pond.

(C) All tanks containing oil should be visually examined by a competent person for condition and need for maintenance on a scheduled periodic basis. Such examination should include the foundation and supports of tanks that are above the surface of the ground.

(D) New and old tank battery installations should, as far as practical, be fail-safe engineered or updated into a fail-safe engineered installation to prevent spills. Consideration should be given to one or more of the following:

(1) Adequate tank capacity to assure that a tank will not overfill should a pumper/gauger be delayed in making his regular rounds.

(2) Overflow equalizing lines between tanks so that a full tank can overflow to an adjacent tank.

(3) Adequate vacuum protection to prevent tank collapse during a pipeline run.

(4) High level sensors to generate and transmit an alarm signal to the computer where facilities are a part of a computer production control system.

(iv) *Facility transfer operations, oil production facility (onshore)*. (A) All above ground valves and pipelines should be examined periodically on a scheduled basis for general condition of items such as flange joints, valve glands and bodies, drip pans, pipeline supports, pumping well polish rod stuffing boxes, bleeder and gauge valves.

(B) Salt water (oil field brine) disposal facilities should be examined often, particularly following a sudden change in atmospheric temperature to detect possible system upsets that could cause an oil discharge.

(C) Production facilities should follow a program of flowline maintenance to prevent spills from this source. The program should include periodic examinations, corrosion protection, flowline replacement, and adequate records, as appropriate, for the individual facility.

(6) *Oil drilling and workover facilities (onshore)*. (i) Mobile drilling or workover equipment should be positioned or located so as to prevent spilled oil from reaching navigable waters.

(ii) Depending on the location, catchment basins or diversion structures may be necessary to intercept and contain spills of fuel, crude oil, or oily drilling fluids.

(iii) Before drilling below any casing string or during workover operations, a blowout prevention (BOP) assembly and well control system should be installed that is capable of controlling any well head pressure that is expected to be encountered while that BOP assembly is on the well. Casing and BOP installations should be in accordance with State regulatory agency requirements.

09/03/81 (Release No. 74)
Supersedes Release NO. 58

SAMPLE REPORTING FORMAT
(Submit in duplicate)

Subject: Report of Undesirable Event

Date of Occurrence: ____-____-____ Time of Occurrence: _____a.m., p.m.

Date Reported to USGS ____-____-____ Time Reported to USGS: ____ a.m., p.m.

Location: State _____; County _____

_____¼ _____¼ Section _____ T. ____ ___., R. ____ ___., _____ Meridian

Operator: _____

Surface Ownership: FEDERAL, INDIAN, FEE, STATE

Lease Number: _____; Unit Name or C.A. Number _____

Type of Event: BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL, TOXIC FLUID SPILL, OIL AND SALTWATER SPILL, OIL AND TOXIC FLUID SPILL, SALTWATER AND TOXIC FLUID SPILL, GAS VENTING, or OTHER (Specify) _____

Cause of Event: _____

Volumes of Pollutants I. Discharged or Consumed: _____

II. Recovered: _____

Time Required to Control Event (in hours): _____

Action Taken to Control the Event, Description of Resultant Damage, Clean-up Procedures, and Dates: _____

Cause and Extent of Personnel Injury: _____

Other Federal, State, and Local Governmental Agencies Notified: _____

Action Taken to Prevent Recurrence: _____

General Remarks: _____

Signature _____ Date _____
Title _____

FOR USGS USE ONLY
District _____ Date Reported to Reston _____ Event Classification _____ Date of Onsite Inspection _____ Remarks _____

Quarterly Report of Undesirable Events

PRELIMINARY

SUMMARY OF OIL, SALT WATER, AND TOXIC FLUID SPILLS, FIRES, ACCIDENTS, AND BLOWOUTS*

By District Quarterly

Reporting Period _____

I. Spills or Discharges

Date of Occurrence	Date Reported to USGS	District	Location of Incident: ¼¼ Sec. T., R., M.	County/ State	Cause of Discharge & Type of Facility	Volume: Bbls or Mcf Lost	Volume: Bbls or Mcf Recovered	Operator	Surface Ownership & Lease No. (if applicable)	Corrective Action Taken; Date	Date(s) of On-site Inspection(s)	Remarks

II. Blowouts, Accidents, or Fires

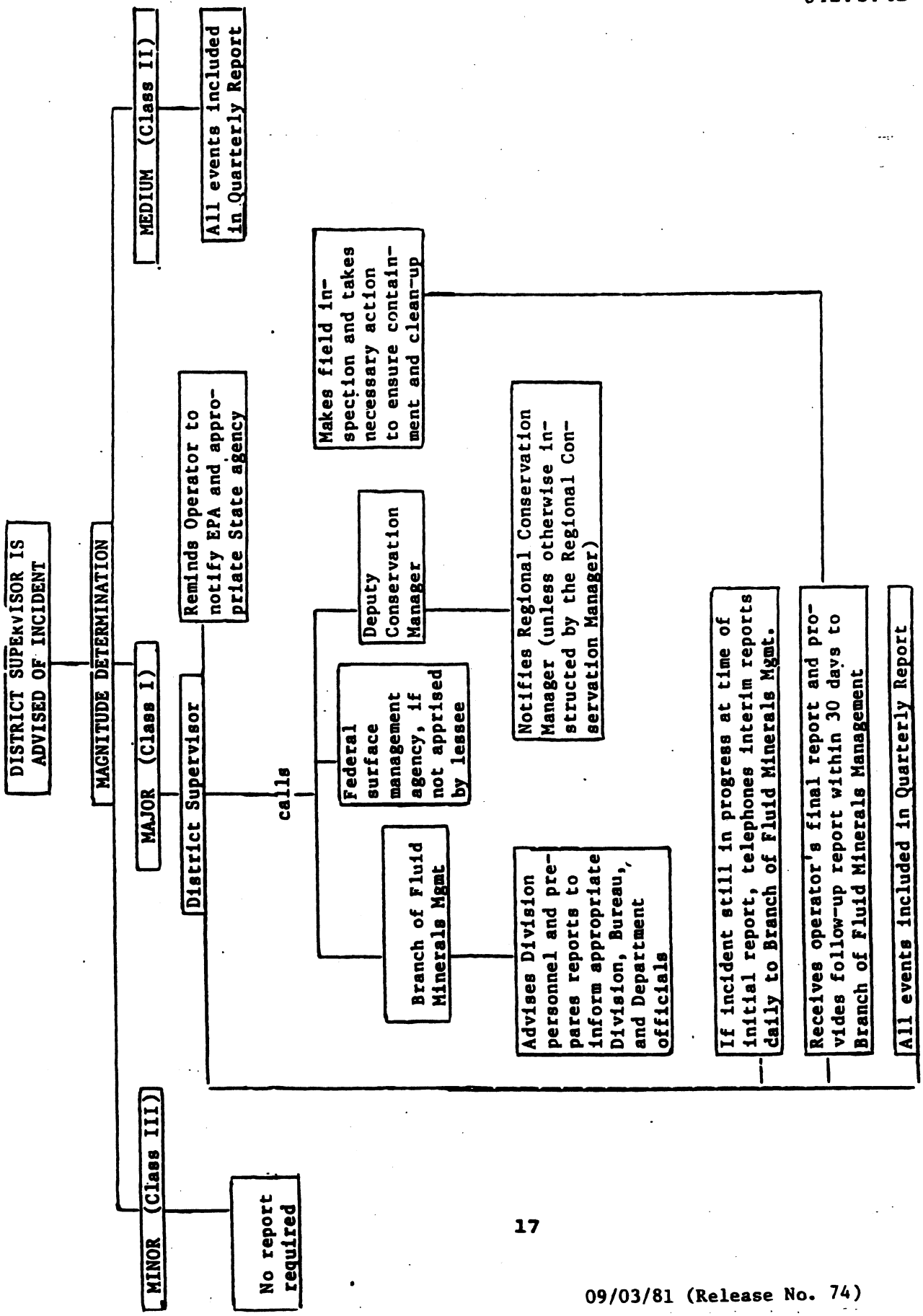
Date of Occurrence; Type of Incident	Date Reported to USGS	District	Location of Incident: ¼¼ Sec. T., R., M.	County/ State	Cause of Incident & Type of Facility	Effect of Incident	Volume: Bbls or Mcf Lost	Volume: Bbls or Mcf Recovered	Operator	Surface Ownership & Lease No. (if applicable)	Corrective Action Taken; Date	Dates(s) On-site Inspection(s)	Remarks

Examples of information to be included in Remarks:

Agencies Notified
Unit Name
CA Number
Lease Number
Environmental Damage
Other Pertinent Information
Other Contributing Factors
*Initial month carried on Quarterly Report

*Includes all Class I and II Events

Exhibit 5
642.3.3G


DISTRICT SUPERVISOR IS ADVISED OF INCIDENT
MAGNITUDE DETERMINATION
MEDIUM (Class II)
All events included in Quarterly Report
MAJOR (Class I)
District Supervisor
Reminds Operator to notify EPA and appropriate State agency
calls
Makes field inspection and takes necessary action to ensure containment and clean-up
Deputy Conservation Manager
Federal surface management agency, if not apprised by lessee
Notifies Regional Conservation Manager (unless otherwise instructed by the Regional Conservation Manager)
Branch of Fluid Minerals Mgmt
Advises Division personnel and prepares reports to inform appropriate Division, Bureau, and Department officials
If incident still in progress at time of initial report, telephones interim reports daily to Branch of Fluid Minerals Mgmt.
Receives operator's final report and provides follow-up report within 30 days to Branch of Fluid Minerals Management
All events included in Quarterly Report
MINOR (Class III)
No report required