



Oil Patch Quarterly

Exclusive Program Managed by Sisk & Company

Third Quarter 2007

INSURANCE NOTES

A new program that Sisk is offering to MSEA members is called “*Work-Life*”. This program enhances the traditional employee benefit program, adding a wide variety of benefits that address the specific needs of each individual employee.

“This program really sets employers above their competition and can make their total benefit package more attractive to existing and potential employees”, states Todd Heiserman, benefits manager for Sisk.

When it comes to employee benefits, the biggest challenges many business have is finding a program that will meet an individuals needs at every stage of their lives. By implementing the Work-Life Program each employee will have access to high quality services provided through the following programs:

- ◆ 24 Hour Employee Assistance - EAP
- ◆ Corporate Wellness
- ◆ Benefit Communications
- ◆ Work Site Benefits

Each program is focused on building a stronger more effective work force.

For more information, contact Todd Heiserman or Dutch Ross at 303-831-7100 or 888-333-6620.

Chemical Safety Board urges OSHA inspections of oil and gas production facilities.

In a case study report released on a fatal explosion and fire last year at a Smith County, MS oilfield, the U.S. Chemical Safety Board (CSB) found that unsafe work practices were the cause of the accident and recommended increased Occupational Safety and Health Administration (OSHA) inspections of the region's oil and gas production facilities. The report also called on the Mississippi Oil and Gas Board to identify, and refer to OSHA, potentially unsafe health and safety conditions observed during field inspections of well sites and drilling operations.

Three contractors died and one contractor suffered serious injuries. The contractors, all employees of Stringer's Oilfield Services, were completing piping connections between tanks when the explosion occurred.

On the day of the accident, two workers and a foreman had climbed on top of the tanks. A welder attached his safety harness to the top of one of the tanks and positioned himself to connect the piping to the two tanks. Almost immediately after the welder started welding, flammable vapors venting from an open-ended pipe about four feet from the contractors' welding activity ignited.

The fire flashed back into the tank on which the two workers were standing and also flashed back into the third tank. The pressure from the burning vapor inside the two tanks caused the tops to blow off. The workers were thrown to the ground by the force of the explosion, which resulted in blunt force trauma and fatal injuries. The welder suffered a broken ankle and hip, but survived since he was wearing a safety harness that prevented him from falling to the ground.

To read the final case study - http://www.csb.gov/completed_investigations/docs/PartridgeRaleighCaseStudyFINAL or contact Dan Klimek at Sisk and Company for a presentation that can be used as a safety meeting to discuss the causes and corrective action related to this accident.



LESSONS LEARNED

Case Overview:

An employer provides training to employees by having the employees read the safety manual and then sign off that they will follow the safety rules. One of these employees is required to wear fall protection and one day while working at an elevation, he falls and sustains a serious brain injury. The employee is recovering, but the case has a \$750,000 reserve.

Lesson Learned:

During the investigation phase, the training that employees received was reviewed and one significant aspect of this review was the percentage of non-English speaking employees and the percentage of supervisors that could speak both English and the language of the employee. It is the employer's responsibility to make sure the employee understands the training and receives supervision.

In a recent policy statement, OSHA advised employers to present employee safety and health training in a manner that employees can understand or face violations of OSHA's training standards.

Employers must be sure that employees understand safety training. This can be done by adopting simplified safety rules and "plain English" summaries of OSHA requirements; utilizing written tests, translated where necessary, to confirm employee knowledge; and developing training materials with diagrams or pictures, showing the "right way" and the "wrong way."

Report Injuries Within 24 Hours and Save

As soon as you, the employer, are told of an employee injury make sure you report it to your worker's compensation insurance carrier. Early reporting of injuries allows the claims management process to begin and history shows that reporting within 24 hours can reduce costs significantly.

Early reporting can:

- Benefit the employee through prompt, quality medical care
- Help the employee return to work sooner
- Reduce the number of lost-time claims
- Reduce attorney involvement
- Lower overall costs

Employers and employees have to work together to make 24-hour reporting happen. An employer can only report a claim within 24 hours if the worker informs him/her of the accident. Employers need to be proactive in reminding workers of the importance of timely reporting. Some actions on your part that will help employees report injuries quickly are:

- Conduct regular safety meetings that discuss the importance of reporting all accidents and near misses immediately. Today's near miss is tomorrow's injury.
- Use posters and employee paycheck stuffers. Sisk can provide you with these from your insurance company free of charge.
- Assure your management team knows how to report claims and complete accident investigations.

Sometimes an employee will wait to report an injury because it may not seem obviously work-related. For example, an employee could have symptoms of a repetitive motion injury for weeks before seeking medical attention. In this situation, the date of injury would be the day the worker informed the employer of the work-related repetitive motion injury.

How to Report an Injury

Gather your information. Remember, the more information given on the first report of injury, the more opportunity for cost savings. Have the following information available when reporting:

- The company's policy number
- The injured worker's name, Social Security number, date of birth, home address, and telephone number
- The date of the injury and general injury information.

To report claims to Pinnacol Assurance call 800-873-7242 or via the Internet at www.pinnacol.com and click on the Pinnacol ServiceLink button. For those clients with WC coverage in states other than Colorado, call Sisk for information on filing claims with other carriers.

Hantavirus Warnings for Colorado

The Colorado Dept. of Public Health & Environment recently confirmed three hantavirus pulmonary syndrome deaths, one each in rural Custer, Costilla and Park counties. This brings the total number of such cases in Colorado in 2007 to six, with four deaths.

Hantavirus is a serious respiratory disease carried by deer mice, which are rural mice. State officials are warning Coloradans in the rural part of the state to be cautious and avoid exposure to hantavirus when working in and around cabins, buildings, sheds and barns where deer mouse populations have left droppings.

John Pape, a Colorado Dept. of Public Health & Environment epidemiologist who specializes in animal-related diseases, said, "The virus can infect humans when they inhale dirt and dust contaminated with deer mice urine and feces, which occurs when people have contact with infected mice or stir up dust while working in or cleaning out rodent-infested structures."

Pape urges people to be particularly careful where there are mouse droppings or other evidence that mice have been in and around buildings or wood piles. A large, rapid increase in the number of mice around a building often precedes a human case. "If you are living or staying in rural areas and have deer mice around, you can assume that you and members of your

family are at some risk," said Pape. He suggests rodent-proofing the building by eliminating food sources for rodents and removing abandoned vehicles, wood, brush and junk piles where rodents live.

If live mice are occupying a structure, rodent control should be done before extensive cleaning efforts. The structure should be thoroughly ventilated and any accumulation of dust, dirt and mouse droppings should be sprayed with a mixture of bleach and water before any cleaning begins.

Symptoms: Hantavirus begins with high fever, severe body aches, a headache and vomiting. The onset of these symptoms is from one week to six weeks after exposure. Initially there are no respiratory symptoms present; however, within one to five days, the illness quickly progresses to respiratory distress, including shortness of breath and difficulty breathing, caused by the lungs filling with fluid. Because no effective treatment exists, prevention is the key to avoiding this disease. "When hantavirus infection is suspected, early admission to a hospital is most important," said Pape.

Deer Mouse Description: Deer mice are brown on top and white underneath, with a very distinct separation of these colors. They have large ears relative to their head size. The small gray house mice found in urban areas do not carry the disease.

- Colorado Dept. of Public Health & Environment

OSHA NEWS

By Megan Meagher

Know Your OSHA - The OSH Act covers private sector employers and their employees in the 50 states and certain territories and jurisdictions under federal authority. The OSH Act covers employers and employees either directly through Federal OSHA or through an OSHA-approved state program.

What is a State OSHA Program? - Section 18 of the Occupational Safety and Health Act of 1970 (the Act) encourages States to develop and operate their own job safety and health programs. OSHA approves and monitors State plans and provides up to 50 percent of an approved plan's operating costs.

How does this impact my business? -

States must set job safety and health standards that are "at least as effective as" comparable federal standards. (Most States adopt standards identical to federal ones.) States have the option to promulgate standards covering hazards not addressed by federal standards.

In Colorado, OSHA is operated by the federal government. At this time, the federal government has not developed standards specific to oil and gas operations. Therefore, companies performing oil and gas operations in locations under federal OSHA jurisdiction are expected to follow all applicable existing OSHA regulations, including the general duty

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clause (Section 5(a)(1)) of the Occupational Safety and Health Act.

States bordering Colorado which have developed and implemented their own OSHA plans include Wyoming, Utah and New Mexico. Some states, including Wyoming and Utah, have developed their own rules and regulations for the oil and gas industry which apply to operations within those states. Employers are obligated to be aware of the different regulations that apply to work operations in various states. Please see the following link to access individual state oil and gas regulations.

<http://www.osha.gov/SLTC/oilgaswelldrilling/standards.html>

For information and assistance in Colorado, contact Megan Meagher (Compliance Assistance Specialist) at: (303) 844-5285 x105 or meagher.megan@dol.gov

For information and assistance in Wyoming, contact Wyoming OSHA at: (307) 777-7786 or osha@state.wy.us

For information and assistance in Utah, contact Compliance Assistance at: (801) 530-6860 or www.uosh.utah.gov



Colorado Chain laws

It is that time of year where we need to start preparing for snow and there are new rules to consider as of July 1, 2007, regarding chain use along the I-70 corridor. This new amendment to the current law covers just the I-70 corridor between Edwards, Colorado (mile marker 163) and Golden (mile marker 259).

The two major provision of this amendment are:

- It is in effect is from September 1 to May 31st.
- It requires that all commercial vehicles over 26,000 pounds must have the required number of chains for that vehicle with the vehicle during this period.

According to the Colorado State Patrol, a truck will not be stopped if observed without chains but checking for chains will be part of any other inspection, road side stop, or violation stop. This will not be an out-of-service violation but will have the potential of significant fines.

Contact Information

The Mountain States Energy Alliance (MSEA) is a not for profit association dedicated to helping members create a safer work environment in the oil and gas industry. The MSEA offers an exclusive workers' compensation program underwritten by Pinnacol Assurance for its members. MSEA members receive a 4% discount on their workers' compensation premium and may also qualify for a dividend payment based on favorable loss experience of the group. To see if your company qualifies for the program or for more information about the MSEA program contact one of the following.

Mike Eastop
Dave Tacha
Jeff Parent
Tom Sisk

For benefit information contact:
Todd Heiserman
Dutch Ross

If you have questions or comments about this newsletter, contact:
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