Exhibit C

W 40821.2
W 17165

LBU SAFETY AND OIL SPILL PREVENTION AUDIT
BEST ACHIEVABLE PROTECTION CRITERIA

1.0	**CODE AND REGULATIONS**	
1.1	Best Achievable Protection/ Best Achievable Technology	PRC 8750
	Inspection of Marine Facilities	PRC 8757
	DOG Oil & Gas Regulations	DOG 14 CCR 1743(b)
2.0	**EQUIPMENT FUNCTIONALITY & INTEGRITY**	
2.1	General Facility Conditions	
	2.1.1 Housekeeping	
	2.1.2 Stairs, Walkways, Gratings, & Ladders	CAL OSHA Title 8 CCR
	2.1.3 Escape/ Emergency Egress/ Exits	CAL OSHA 3215, 22, 25, 6577
	2.1.4 Labels, Placards, & Signs	CAL OSHA & API RP 14J
	2.1.5 Security	
	2.1.6 HAZMAT Storage	
2.2	Field Verification of Plans	
	2.2.1 P&ID	API RP 14J
	2.2.2 Fire Protection	API RP 14J (6.4.3)
2.3	Condition and Integrity of Major Systems	
	2.3.1 Piping	ANSI 31.3
	2.3.2 Tanks	API Spec 12 R1 API RP 653
	2.3.3 Pressure Vessels	ASME Boiler & PV Code Sect. VIII API RP 510 PV Insp Code
	2.3.4 Pressure Relief, PSVs and Flare Sys	API RP 14J API RP 520 API RP 521 API RP 576
	2.3.5 Fire Detection	NFPA
	2.3.6 Fire Suppression	NFPA
	2.3.7 Combustible Gas & H_2S Detection	
	2.3.8 Emergency Shutdown Device	API RP14J
	2.3.9 Safety & Personnel Protective Equip	CAL OSHA
	2.3.10 Lighting	CAL OSHA
	2.3.11 Instrumentation, Alarm, & Paging	API RP 14J, & ISA
	2.3.12 Blow Out Prevention	
	2.3.13 Emergency Generator	NFPA 110
	2.3.14 *Compressors*	CAL OSHA 8 CCR 461-465

2.3.15	*Spill Containment*	40 CFR 112.7 (c), GOV CODE 8670
2.3.16	*Spill Response*	GOV CODE 8670
2.4	Mechanical Integrity	CAL OSHA, 8 CCR 5189 (j),
2.4.1	*ESP, Pump Units & Wellhead Equip*	API SPEC 6A

3.0 ELECTRICAL AUDIT

3.1	Electrical Area Classification • *Level of classification* • *Extent of classification*	API RP 500, NFPA 70
3.2	Electrical Power Dist. System, Normal Power	API RP 540, NFPA 70
3.2.1	*System Configuration*	
3.2.2	*Equipment and Component Ratings*	
3.2.3	*System Electrical Design Safety* • *System protection* • *Operational safety* • *Reliability*	
3.2.4	*Grounding (system and equipment)*	
3.3	Elec. Power Equip Condition and Functionality	API RP 540, NFPA 70
3.3.1	*Wiring Methods and Enclosures materials and installation)* • *Classified locations* • *Unclassified locations*	
3.3.2	*Safety Procedures* • *Lockout tagout procedures* • *Electrical safety training* • *Extension cord and portable equipment testing*	
3.4	Emergency and Standby Power (including batteries, chargers and uninterruptible power supplies)	NFPA 70, NFPA 110
3.4.1	*System Configuration*	
3.4.2	*Equipment and Component Ratings*	
3.4.3	*Electrical System Design Safety* • *System protection* • *Operational safety*	
3.5	Electric Fire Pump System • *Starter equipment and controls* • *30 minute fire rated wiring*	NFPA 20, NEC 696
3.6	Process Instrumentation Wiring Methods, Materials and Installation • *Classified locations* • *Unclassified locations*	API RP 540, NFPA 70

3.7 Standby Lighting — IES RP 7

- *Fixture locations, type*
- *Operation*
- *Lighting levels*

3.8 Special Systems

3.8.1 Safety Control Systems, Electrical Shutdowns — API RP 14J, API RP 75, ISA RP7.1, RP 12.1, 12.2, ISA S7.4, S12.4

- *System configuration*
- *System component types and locations*
- *System devices and wiring*
- *Review testing records*

3.8.2 Gas Detection System — API RP 14J

- *System configuration (SD devices normally energized, fail safe)*
- *System component types and locations*
- *System devices and wiring*
- *Review testing records*

3.8.3 Fire Detection System — API RP 14J, API RP 75

- *System configuration (8 hour backup power)*
- *System component types and locations*
- *System devices and wiring*
- *Review testing records*

3.8.4 Aids to Navigation — USCG 33 CFR Subcp. C, Part 67

- *System component types and locations*
- *Suitable enclosures*
- *Circuit voltage drop less than 2.5%*
- *Coast Guard records*

3.8.5 Communication Equipment

- *4 hour battery operation*

3.8.6 General Alarm System

- *System configuration*
- *System component types and locations*
- *System devices and wiring*
- *Review testing records*

3.8.7 Cathodic Protection — API RP 651, NACE RP 01-76, NACE RP 0675

- *System components*
- *Equipment and wiring complete / operational*

4.0 TECHNICAL AUDIT

4.1	Offshore Production Safety Systems	API RP 14C* **as applicable to Island Facilities* API RP 14J 29 CFR 1910 API RP 75
4.2	Onshore Production Safety System	CAL OSHA 8 CCR 5189 29 CFR 1910 API RP 51
4.2.1	*Process Hazards Analysis*	CAL OSHA 8CCR 5189 (e) API RP 75 API RP 14J Gov Code 8670.28 (a)(7)
4.3	Wellheads, Surface Subsurface Safety Valves	
4.4	Safety Devices on Vessels and Tanks	API RP 520, API RP 14J
4.5	Pressure Relief Valves	API RP 520
4.6	Relief and Flare System	API RP 520 & 521
4.7	Fire Detection System	NFPA API RP 14J
4.8	Fire Protection System	NFPA UFC
4.9	Combustible Gas Detection & Alarm System	
4.10	H_2S Detection & Alarm System	API RP 55
4.11	Auxiliary Electrical Power Supply	
4.12	Compressors, Shipping Pumps, & Pipelines	
4.13	Spill Containment	40 CFR 112.7 (c)(1)

5.0 ADMINISTRATIVE AUDIT

5.1	Operations Manual	OSPR PRC 8758
5.2	Spill Response Plan	OSPR PRC 8758 OSPR 14 CCR 816.01
5.3	Required Documents & Records	OSPR PRC 8758 OSPR 14 CCR 820.01
5.4	Training, Drills, & Applications	OSPR PRC 8758 OSPR 14 CCR 820.01

6.0 HUMAN FACTORS AUDIT

6.1	Process Safety Management	CAL OSHA 8 CCR 5189 API RP 75 CSLC Safety Audit of Mgmt Systems (SAMS)