

U.S. Department
of Transportation

**United States
Coast Guard**



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United States Coast Guard

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NAVIGATION AND VESSEL INSPECTION CIRCULLR NO. 3-88

Sub): Issuance of Letters of Compliance to Foreign Documented Mobile Offshore Drilling Units Operating on the Outer Continental Shelf of the United States

1. PURPOSE. The purpose of this Circular is to provide guidance concerning the issuance of Letters of Compliance (LOCa) to mobile offshore drilling units (MODUs) documented under the lava of a foreign nation and operating on the U.S. Outer Continental Shelf (OCS).

2. BACKGROUND.

a. On December 4, 1978, final rules were published in the Federal Register (43 FR 56802) which required that each HODU operating under the U.S. flag obtain a Certificate of Inspection from the Coast Guard if it is:

- (1) Seagoing and 300 or mote gross tons and self-propelled by motor;
- (2) Seagoing and 100 or more gross tons sad non-self-propelled or
- (3) More than 65 feet in length and propelled by steam.

b. On March 4, 1982, final rules were published in the Federal Register (47 PR 9376) amending Title 33 of the Code of Federal Regulations (CFR), Subchapter N. These regulations prescribed minimum standards for all)ODUs operating on the U.S. Outer Continental Shelf, including undocumented MODUs and those documented under the laws of a foreign nation. The purpose of these regulations is to ensure that all MODUs operating on the V.S. OCS are designed, equipped, and operated at a level of safety at least equivalent to that of V.S. MODVs certificated in accordance with Title 46 CFR, Parts 107, 108, and 109. Foreign

2. b. (cont'd) documented MODUs will be issued LOCs upon determination that they meet the equivalent level of safety required for U.S. units when operating on the U.S. OCS.

3. DISCUSSION.

a. Since foreign documented MODUs must obtain LOCs prior to engaging in any offshore activity associated with exploration, development, or

production of the minerals of the U.S. OCS, owners should be able to determine if their units can meet these requirements before arriving on the OCS. While the regulations published on March 4, 1982, established regulations for the design, inspection, and operation of MODUs operating on the OCS, they are currently not specific enough to ensure uniform application of the regulations to foreign documented MODUs by the Coast Guard, nor do they provide sufficient guidance to owners to determine if their units will be able to obtain an LOG on arrival on the U.S. OCS.

b. Enclosure (1) to this Circular provides guidance on the application of 33 CFR, Subchapter N to MODUs documented under the laws of a foreign nation and operating on the U.S. OCS.

e. All the guidance contained in this Circular has been previously developed and applied to foreign documented MODUs that were inspected for an LOG for the purposes of engaging in OCS activities.

d. k. cross reference guide of regulations pertaining to U.S. and foreign documented units is provided for the convenience of interested individuals as attachment (3) to enclosure (1).

4. IMPLEMENTATION. Any party interested in the specifics concerning application for, inspection, and/or issuance of an LOG to a foreign documented MODU intending to operate on the U.S. OCS, should consider the guidelines of this Circular.

/s/

J.D. SIPES

Rear Admiral, U.S. Coast Guard
Chief, Office of Marine Safety,
Security and Environmental Protection

encl: (1) Guide for Issuance of a Letter of Compliance to Foreign Documented Mobile Offshore Drilling Units Operating on the U.S. Outer Continental Shelf

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MODUS

1. APPLICATION. The guidelines contained in this document amplify the regulations contained in 33 CFR, Parts 140 through 146, Subchapter N, which require that each mobile offshore drilling unit (MODU) documented under the laws of a foreign nation obtain a Letter of Compliance (LOG) from the U.S. Coast Guard prior to engaging in Outer Continental Shelf (OCS) activities. This enclosure is intended to clarify the regulations and assist in their uniform application.

2. ADMINISTRATION.

A. Request for a Letter of Compliance Inspection. The owner of a MODU documented under the laws of a foreign nation should contact the Officer in Charge, Marine Inspection (OCMI), in whose zone the unit will operate, to request an LOG inspection. The LOG inspection must be completed to the satisfaction of the Coast Guard and the unit must be issued an LOG prior to the unit engaging in OCS activities in U.S. waters. All documents submitted to the Coast Guard must be accompanied by an English translation if the originals are in a foreign language. An example of an LOG pre-inspection information sheet is Included as attachment (1) to this enclosure and may be used to provide vessel data when requesting an LOG inspection.

B. Issuance of a Letter of Compliance.

1. The regulations in 33 CFR 143.207 specify the following three options under which an LOG may be obtained. For the purposes of this Circular they will be referred to as Options A, J3, and C to correspond with the respective paragraphs of 33 CFR 143.207. At the time of application for an LOG, the owner must specify the option under which the unit will be examined.

a. Option A -The design and equipment standards of 46 CFR Part108.

b. Option B -The design and equipment standards of the documenting nation if the standards provide a level of safety generally equivalent to or greater than that provided under 46 CFR Part 108.

c. Option C -- The design and equipment standards for MODUs contained in the International Maritime Organization (IMO) Code for construction and equipment of MODUs.

2. Owners of units documented under the laws of nations which do not have MODV standards and have not adopted the IMO MODU Code may obtain an LOG only under Option A.

3. When the OCRI has determined that the unit is in compliance with one of the options under 33 CPR 143.207 and the operating requirements for foreign MODUs contained in 33 CFR 140.205, the unit will be issued an LOG. The LOG is valid for one year or until the unit departs the U.S. OCS, whichever occurs first. The LOG will be in letter form and similar to attachment (2) to this enclosure. The LOG will specify the maximum number of persons permitted aboard the unit and the minimum number of lifeboatmen required by the issuing OCMI. The LOG is to be placed aboard the unit and be readily available to Coast Guard personnel.

4. The LOC may be issued with certain outstanding discrepancies permitted at the discretion of the cognizant OCMI. The discrepancies will be noted

on a letter attachment to the LOC and indicate what the OCMI deems to be a reasonable time for correction. The LOG will not be issued with uncorrected discrepancies involving fire fighting and lifesaving equipment. Discrepancies left uncorrected from an initial LOG inspection will be cause for denial of subsequent LOCs.

C. Load Line Certificate. Each MODU documented in a country signatory to the 1966 International Convention on Load Lines (ICLL) shall have a valid ICLL certificate. If the MODU does not have a valid ICLL certificate or is documented under the laws of a nation not signatory to the 1966 convention, then the owner must apply for and obtain a "Form B" certificate in accordance with the provisions of 46 CFR Part 42. Owners/operators should be cognizant of the annual survey requirements. Unclassed units built prior to 1969 will not be required to obtain a load line, but will require a freeboard assignment. Application for a freeboard assignment can be addressed to the Coast Guard Marine Safety Center (MSC).

D. U.S. Territorial Sea/Contiguous Zone Restrictions. The LOG permits operation of a unit only upon the U.S. OCS. Units entering the U.S. contiguous zone or territorial sea must be in compliance with applicable pollution prevention regulations (33 CFR 156 and 155), marine sanitation device regulations (33 CFR 159), navigation safety regulations (33 CFR 164) and the requirements for financial responsibility for water pollution (33 CFR 130). Units not in compliance with these regulations are prohibited from entry into these areas and such restrictions will be noted on the LOG.

E. Financial Responsibility for Oil Pollution. Prior to issuance of the LOG, the owner/operator of each foreign documented MODU must obtain the appropriate vessel and offshore facility Certificates of Financial Responsibility issued under the provisions of 33 CFR, Parts 130 and 135.

F. Prevention of Oil Pollution/IOPP Compliance. All units must comply with the provisions of 46 CFR 158.583 for the prevention of oil pollution. All units 400 gross tons or greater must also comply with 33 CFR, Parts 151 and 155, requirements for equipment and International Oil Pollution Prevention (IOPP) certification (MARPOL 73/78).

G. Discharges of Pollutants from OCS Facilities. When engaged in drilling operations, each unit must have a valid National Pollution Discharge Elimination System (NPDES) Permit required by 40 CFR 125.120.

3. SPECIFIC REQUIREMENTS PERTAINING TO OPTIONS A, B, AND C PRESCRIBED UNDER 33 CFR 143.207.

A. Definitions. For the purposes of this enclosure:

1. An existing MODU is defined as a unit documented under the laws of a foreign nation that was built, contracted for, or under construction prior to April 5, 1982.

2. A new MODU is defined as a unit documented under the laws of a foreign nation that is not considered to be an existing unit.

B. Units Applying for an LOC Under Option A.

1. New MODUs -- All new units will be inspected for full compliance with the design and equipment requirements of 46 CFR, Part 108. Each unit must also comply fully with the operating requirements of 46 CFR, Part 109 as specified by 33 CFR 146.203.

2. Existing MODUs -- All existing units will be inspected for compliance with the equipment requirements of 46 CFR, Part 108 and the operating requirements of 46 CFR, Part 109. Existing MODUs are required to comply with the design requirements applicable to that unit as of April 4, 1982, in accordance with 33 CFR 143.201.

3. Acceptance of Foreign Equipment -- Foreign equipment may be accepted by the OCMI in accordance with Part 8 of this enelooure.

C. Units Applying for an LOC Under Option B. The owner of a new or existing MODU should ascertain whether the documenting nation has received from Commandant, U.S. Coast Guard, a statement that the standards of the documenting nation provide e level of safety generally equivalent to that provided by Coast Guard standards for MODUs and subsequent approval to seek an LOG under this option. If not, the owner must make the necessary arrangements with the documenting nation to submit its MODU standards to Commandant (G-MVI) for review and approval. This submittal should be made at least six months prior to the date the owner desires to commence the LOG inspection. The units must meet the operating requirements specified by 33 CFR 146.205(b). Until the Coast Guard has determined that the standards of the documenting nation are generally equivalent to those of the U.S., a foreign documented MODU may not obtain an LOG under this option. Questions concerning acceptance of equivalencies should be addressed to Commandant (G-MVI).

D. Units Applying for an LOC Under Option C. The owner of a new or existing unit should present the cognizant OCMI with a valid, full compliance IMO MODU Code Certificate issued by the documenting nation or an agent authorized by the documenting nation to act in its behalf. Certificates bearing exemptions or exceptions will not be accepted as satisfying this option. Units must meet the operating requirements specified by 33 CFR 146.205(c).

4. SCOPE OF INSPECTIONS. To establish uniformity in extent, scope and detail of LOC inspections, owners, operators, and OCMI's should be aware of the following guidelines for performing inspections under the three available options.

A. Units Applying for an LOG Under Option A. Coast Guard personnel will perform inspections of foreign MODUs to ensure compliance with 46 CPR Parts 108 and 109 to the same extent as would be performed for certification of a U.S. documented unit. Owners/operators are advised that Coast Guard inspectors will require the tests and inspections specified by 46 CFR 107.231 to determine if the unit is in compliance with 46CFR, Parts 108 and 109.

B. Units Applying for an LOG Under Option B. Prior to the issuance of the LOG, Coast Guard personnel will conduct an examination of the unit to determine if the unit and its equipment are being maintained to the documenting nation's standards. The unit must possess a valid certificate, issued by the documenting nation or its designated agent, certifying compliance with that nation's standards. The documenting nation's standard must be previously approved by the Coast Guard. Other required documents (i.e. SOLAS, Load Line, IOPP, etc.) will be examined to determine that they are valid. If the cognizant OCMI determines that the unit is not being maintained to the documenting nation's standards or that apparent discrepancies between the documenting nation's standards and Subchapter I-A exist aboard a particular unit, Commandant (G-MVI) should be contacted to resolve the matter prior to issuance of an LOG.

C. Units Applying for an LOG Under Option C. Prior to issuance of the LOG, Coast Guard personnel will conduct an examination to ensure that the unit and its equipment are being maintained to the standards specified by the IMO MODU Code. The unit must possess a valid, full compliance IMO MODU Code Certificate issued by the documenting nation. Other required documents will be examined to determine that they are valid. The OCMI should report any discrepancies which may preclude the issuance of an LOG under this option to Commandant (G-MVI). Non-full compliance IMO MODU Code Certificates will not be accepted under this option.

5. SOLAS CERTIFICATES. The Coast Guard recognizes SOLAS Certificates only for matters covered by these certificates. Self-propelled units over 500 gross tons are required to have the following valid SOLAS certificates:

- a. Safety Construction;
- b. Safety Equipment; and
- c. Radiotelephony or Radiotelegraphy (if applicable).

A valid, full compliance IMO MODU Code certificate will be accepted in lieu of the required SOLAS certificates for those matters covered by the MODU Code. In no case will a non-full compliance MODU Code certificate be accepted as a substitute for the required SOLAS certificates.

6. STABILITY. A Load Line Certificate is not sufficient to verify adequate stability of the unit. Acceptance of stability will be based on one of the following criteria:

a. Review and approval of stability calculations and data contained in the operating manual by the Marine Safety Center to the standards contained in 46 CFR, Parts 170 and 174.

b. Examination of stability data contained in the operating manual previously reviewed and accepted under full IMO MODU Code standards by the documenting nation. In cases where a unit's stability has been determined under less than full IMO criteria, a stability test may be required to verify lightship data. Owners and operators are advised that an operating manual not containing supporting calculations and inclining experiment/deadweight survey data, submitted to the Coast Guard for approval, will be determined to be inadequate.

c. Examination of alternative stability criteria accepted by the documenting nation that provides an equivalent level of safety as permitted by Section 3.3.3 of the IMO MODU Code.

7. GENERAL SAFETY REQUIREMENTS. All foreign documented MODUs shall comply with the following provisions as applicable.

A. Workplace Safety. Owners and operators of all foreign documented MODUs operating on the U.S. OCS are responsible for maintaining those units in compliance with workplace safety and health regulations and free from recognized hazards as specified by 33 CFR, Part 142.

B. Drydock Examination/Special Examination in Lieu of Drydocking. In order to verify the unit's structural integrity and continued compliance with the design standards specified by 33 CFR 143.201 and 207, all MODUs should undergo a drydock examination or special examination at the following intervals:

1. Units applying for an LOG under Option A -- Units are to comply with the requirements specified for USCG certificated units in 46 CFR 107.261. Documentation of recent drydock examinations or special exams in lieu of drydocking witnessed by recognized classification societies may be accepted.

2. Units applying for an LOC under Option B - Units must comply with the requirements of the documenting nation which have been determined by Commandant (G-MVI) to provide a level of safety equivalent to those provided by U.S. requirements. Unit owners must present evidence to the satisfaction of the cognizant OCMI that a drydock examination or a special exam in lieu of drydocking has been conducted in accordance with the documenting nation standards as accepted by Commandant (G-MVI).

3. Units applying for an LOG under Option C -- Evidence of full compliance with the provisions of the IMO MODU Code pertaining to all required surveys must be presented to and accepted by the cognizant OCMI.

4. The Coast Guard will not normally conduct drydock examinations or special examinations in lieu of drydocking on foreign units.

C. Cranes. All pedestal mounted revolving cranes must be in compliance with the design requirements and operating standards as outlined below:

1. Units applying for an LOG under Option A -- cranes aboard units are to be inspected, tested, and operated in compliance with the requirements contained in 46 CFR, Parts 107, 108, and 109.

2. Units applying for an LOC under Option B -- The cranes may be inspected, tested, and operated in accordance with the documenting nation's standards for cranes if those standards have been determined by Commandant (G-MVI) to provide a level of safety generally equivalent to or greater than that provided by 46 CFR, Parts 107, 108, and 109,

3. Units applying for an LOG under Option C -- The cranes should be

inspected, tested, and operated in accordance with Chapter 12 of the IMO MODU Code. The unit owners should present evidence that the cranes have been examined and accepted by the documenting nation or its authorized representative within 12 months of the date of application for an LOG.

4. All crane testing and inspection should be witnessed and conducted by:

a. The American Bureau of Shipping (ABS), Det Norske Veritas (DNV), or the International Cargo Gear Bureau, Inc. (ICGB) for cranes under certification by these organizations and for cranes on units undergoing LOG inspections under Option A; or for units undergoing LOG inspection under Option B and C, a recognized classification society or other authority designated by the documenting nation to conduct such testing and inspection of cranes.

D. Pressure Vessels. All Options -- All fired and unfired pressure vessels should be designed, fabricated, and identified in accordance with the requirements of the ASME Code, the Coast Guard, or other authority recognized by the documenting nation. Additionally, pressure vessels used for compressed air service (including those used in motion compensating, riser tensioning, and guide line tensioning systems), fired boilers, waste heat boilers, hot water heaters, thermal fluid heaters, and pressurized evaporators require periodic internal inspection and/or hydrostatic testing at the following intervals:

1. Option A -- At the time of the initial LOG and every 24 months thereafter.

2. Option B -- Within 12 months previous to the Rate of application of the LOG and again so that intervals do not exceed 24 months.

3. Option C -- At the interval specified by the documenting nation but not exceeding 30 months prior to the date of application for the LOG.

With respect to Options B and C above, unit owners must present sufficient documentary evidence that such inspections have been made by the documenting nation or its authorized representative within the specified intervals. If satisfactory evidence of prior inspection is not available, pressure vessels will be examined/ tested to the satisfaction of the cognizant OCMI prior to issuance of the LOG. Pressure vessels are to be subsequently examined/tested as necessary and the notation of such made on the LOG.

Additionally, each pressure vessel must have a relieving device set in accordance with the provisions of 46 CFR 54.15-5(c). Relief devices should be ASME Code stamped approved or built to an equivalent standard recognized by the documenting nation. The relieving devices are to be examined and tested at each inspection for the issuance of an LOC.

E. Lifesaving Appliances. All Options -- All units must be equipped with

lifeguarding appliances in accordance with 46 CFR 108.501 through 527, a standard that has been determined to be equivalent by Commandant (G-MVI), or the IMO MODU Code. All lifeboats on the units must be rigid, totally enclosed, motor propelled, fire protected, davit launched survival craft constructed to comply with the provisions of SOLAS 74, Chapter III, Regulations 5, 6, and 7 or the provisions of 46 CFR 160.035. All lifeboats must be equipped in accordance with the provisions of SOLAS 74, Chapter III, Regulation 11 or the requirements of 46 CFR 108.503. All liferafts must be constructed and equipped in accordance with the provisions of SOLAS 74, Chapter III, Regulations 15, 16 and 17 or constructed and equipped for ocean service in accordance with 46 CFR 108.505. All units must provide life preservers for 125% of the persons allowed on board. All life preservers must be equipped with whistles, lights, and retro-reflective material in accordance with 46 CFR 108.514. The unit owners must present evidence acceptable to the cognizant OCMI that the lifesaving appliance launching devices were satisfactorily weight tested in accordance with the provisions of 46 CFR 107.239 within 12 months of the date of application for the LOG. Additional weight tests of these devices will be required so that the interval between tests does not exceed 24 months.

F. Carriage of Exposure Suits. All Options -- Foreign units on the U.S. OCS operating north of 32N latitude in the Atlantic Ocean and 35N latitude in all other waters shall carry exposure suits approved by the U.S. Coast Guard in accordance with 33 CFR 144.30-5 (a) and (b). Exposure suits approved by the unit's documenting nation may be used only if the suits have been deemed acceptable by Commandant (G-MVI).

G. Fire Safety. All Options -- All fixed fire extinguishing systems, semi-portable fire extinguishers, and portable fire extinguishers are to be inspected and tested annually. In absence of adequate documentation that such testing has been made by the documenting nation or its authorized representatives, testing will be required by the Coast Guard to the satisfaction of the cognizant OCMI. On all units where wood was utilized in construction of the accommodation spaces, each space must be equipped with a smoke or heat detector satisfactory to the cognizant OCMI.

H. Alarms, Remote Controls, and Other Safety Devices. All Options -- The satisfactory operation of installed machinery and switchboard safety devices, all remote closures and shutdowns, and all alarms should be demonstrated at each inspection/examination for issuance of an LOC.

I. Emergency Lighting Systems. All Options -- An emergency lighting system capable of a minimum of 12 continuous hours of operation are to be installed in passageways, stairways, escape routes to lifesaving craft, galleys, pantries, emergency power rooms, mess rooms, recreation rooms, manned machinery spaces, and control rooms. Additional emergency lights should be installed to provide adequate illumination for the entire launching process of lifeboats/capsules and liferafts from the stowed position to the water. Relay controlled battery powered lanterns are acceptable for these purposes, and should be specifically required when a MODU is equipped with an emergency total rig shutdown system.

J. Helicopter Facilities. Helicopter facilities aboard all foreign MODUs are to meet one of the following standards including requirements for

helicopter deckfire fighting equipment and helicopter fueling facilities:

1. The requirements of 46 CFR, Parts 108 and 109 if the unit is applying for an LOG under Option A.
2. The requirements of the documenting nation if they provide a level of safety equivalent to or exceeding those specified by 46 CFR Parts 108 and 109 if the unit is applying for an LOG under Option B.
3. The requirements of the IMO MODU Code, Chapters 9 and 12, if the unit is applying for an LOG under Option C.

8. ACCEPTANCE OF FOREIGN EQUIPMENT. Where Coast Guard approved equipment is specifically required, foreign approved equipment may be accepted in accordance with the provisions of 33 CFR 140.15. The OCMI may require additional equipment as necessary to ensure that a general level of safety equivalent to 46 CFR, Part 109 is provided. Any equipment specifically prohibited on U.S. units will be prohibited on foreign units.

9. OPERATING MANUALS. All foreign units should have operating manuals complying with the applicable provisions specified in 33 CFR 146.205. Prior to the initial LOG, the operating manual is to be submitted to the cognizant OCMI for review. The contents of the manual must be in English in addition to any other language understood by personnel routinely aboard.

10. FOREIGN DOCUMENTED UNITS STACKED OR LAID-UP ON THE U.S. OCS, CONTIGUOUS ZONE, OR TERRITORIAL WATERS. Foreign documented units stacked or laid-up on the U.S. OCS, the contiguous zone or in territorial waters should comply with all Coast Guard requirements applied to U.S. flag units when in this status. Owners and operators of foreign documented MODUs should contact the cognizant OCMI prior to stacking the unit in the aforementioned areas to discuss the applicable requirements. Owners and operators are further advised that should the units stack in U.S. state waters, they may be subject to additional requirements imposed by the cognizant state.

11. CITIZENSHIP REQUIREMENTS. The owner/operator of a foreign documented MODU should ensure that the citizenship requirements for personnel employed aboard the unit, set forth in 33 CFR, Part 141, are met prior to commencing drilling operations on the U.S. OCS. Amplifying guidance for compliance with the aforementioned regulations is available in NVIC 7-84.

12. LOG: FAILURE TO MEET REQUIREMENTS. If at any time the OCMI determines that the unit is not in compliance with the requirements of the option selected for the purposes of obtaining an LOG, the Coast Guard may:

- a. Withhold issuance of the original LOG until the requirements are met;
- b. Withhold issuance of a subsequent LOG until requirements are met;
- c. Suspend an unexpired LOG after a reinspection is initiated due to crew complaint or casualty investigation until requirements are met;
- d. Revoke an unexpired LOG after reinspection if the unit operates

without complying with Coast Guard orders to correct serious discrepancies or unlawful conditions; or

e. Initiate civil penalty procedures against the owner, operator, and/or person-in-charge if violations of 33 CFR 142.1 or other deficiencies remain uncorrected after official notification is given and a reasonable time for correction expires.

In all instances where the LOC is revoked or withheld, the Minerals Management Service (MMS) will be notified by the Coast Guard.

SAMPLE PRE-INSPECTION INFORMATION SHEET FOR
A LETTER OF COMPLIANCE

COGNIZANT OCMI: _____

NAME OF VESSEL: _____

TYPE (semi-submersible, Sack-up, drillship, etc.): _____

CALL SIGN: _____ NATION OF REGISTRY: _____

IS THE UNIT CLASSIFIED? YES _____ NO _____

CLASSIFICATION SOCIETY: _____

IMO MODU CODE CERTIFICATE? YES _____ NO _____ SOLAS CERTIFICATES? YES _____ NO _____

ISSUING AUTHORITY: _____

OWNER/OPERATOR: _____

TOTAL PERSONS TO BE ACCOMMODATED: _____

INTENDED AREA OF OPERATION: _____

LOG INSPECTION OPTION DESIRED:

33 CFR 143.207 (a) _____ 33 CFR 143.207 (b) _____

33 CFR 143.207 (c) _____

INITIAL LOC _____ RENEWAL OF LOC _____

HAS A PREVIOUS REQUEST FOR THIS LOG BEEN MADE? YES _____ NO _____

WHEN/WHERE? _____

DATE AND PLACE INSPECTION IS DESIRED _____

OWNER/OPERATOR'S REPRESENTATIVE: _____

Phone Number

Signature

Title

Commanding Officer
U. S. Coast Guard
Marine Safety Office

16710
Day/Month/Year
Expiration: Day/Month/Year

LETTER OF COMPLIANCE
FOREIGN MOBILE OFFSHORE DRILLING UNIT

MODU FOREIGN DRILLER, Self-propelled semi-submersible, I.D, NO. 37104, Call Sign 2GGB, "Foreign" Registry, gross tons 4644, built 1973.

Owner: Foreign Offshore Ltd., c/o Overseas, Inc., 100 Bayou Blvd., New Orleans, LA.

The MODU FOREIGN DRILLER has been inspected in accordance with 33 CFR 140.102, 143.207 and 146.205, end found to be in compliance with ---

*...the design and equipment standards of 46 CFR 108 and the operating requirements of 46 CFR 109.

OR

*...design and standards requirements of the documenting nation that have been determined by Commandant, U.S. Coast Guard to provide a level of safety generally equivalent to that provided under 46 CFR 108 and the operating requirements of 46 CFR 109.

OR

*...the design and equipment standards for MODUs contained in the IMO Code for Construction and Equipment of MODUs (IMO Assembly Resolution A.414(XI)) end the operating requirements of 46 CFR 109.

MINIMUM NUMBER OP LIFEBOATMEN _____ MAXIMUM NUMBER PERSONS ALLOWED _____

Lifeboats, survival craft, davit launched liferafts weight tested (date)

Pressure vessels tested or examined (date)

Enclosure (1) to this letter is a list of deficiencies which must be corrected prior to the dates or conditions indicated. Please notify this office when deficiencies have been corrected.

This Letter of Compliance is valid only for operations on the Outer Continental Shelf of the United States and so long as the vessel is maintained la accordance with the standards applied at the time of issuance. The requirements of 33 CFR 155 and 156 (are/are not) met. If the vessel enters the U.S. contiguous zone and these regulations are not met, the vessel may be in violation of U.S. law. If the vessel enters U. S. ports, territorial waters, or contiguous zone, additional requirements will apply.

This Letter of Compliance is valid for one year after date of issue or until the unit departs the OCS whichever comes first.

This Letter of Compliance shall be posted under glass in the pilot house, control center or other suitable location. This Letter of Compliance must be surrendered to the U. S. Coast Guard upon expiration or departure from the United States OCS.

Sincerely,

Captain, U.S. Coast Guard
Officer in Charge, Marine
Inspection

Encl: (1) List of Deficiencies
(2) LOC Record Card

*Insert the appropriate section as applicable.

CROSS REFERENCE OF REGULATIONS PERTAINING TO U.S. AND FOREIGN FLAG MODUS

Unless otherwise indicated, all U.S. cites reference Title 46 of the Code of Federal Regulations (CFR). Unless otherwise indicated, all International cites reference applicable sections of the IMO MODU Code. All SOLAS 1974 cites are from the consolidated text incorporating the 1981 and 1983 amendments.

* Indicates no equivalent International rule.

| <u>ITEM</u> | <u>U.S.</u> | <u>INTERNATIONAL</u> |
|--|-----------------------------------|---|
| <u>HULL STRUCTURE</u> | | |
| Hull structure/watertight integrity | 108.113 -- .115 | 2.3 -- 2.6 3e6 |
| <u>STRUCTURAL FIRE PROTECTION</u> | | |
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Boat drill

Fire drill

Lifeboat operated in water

Lifeboat disengaging apparatus tested

Lifeboat fuel changed annually

Lifeboat stripped and inspected

Lifeboat winch tested

Emergency radio tested

General alarm tested

Line throwing apparatus tested

Emergency generator tested

Emergency batteries tested

EPIRB tested

Steering gear tested

Exposure suit worn during drill

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Crane operator designation

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