

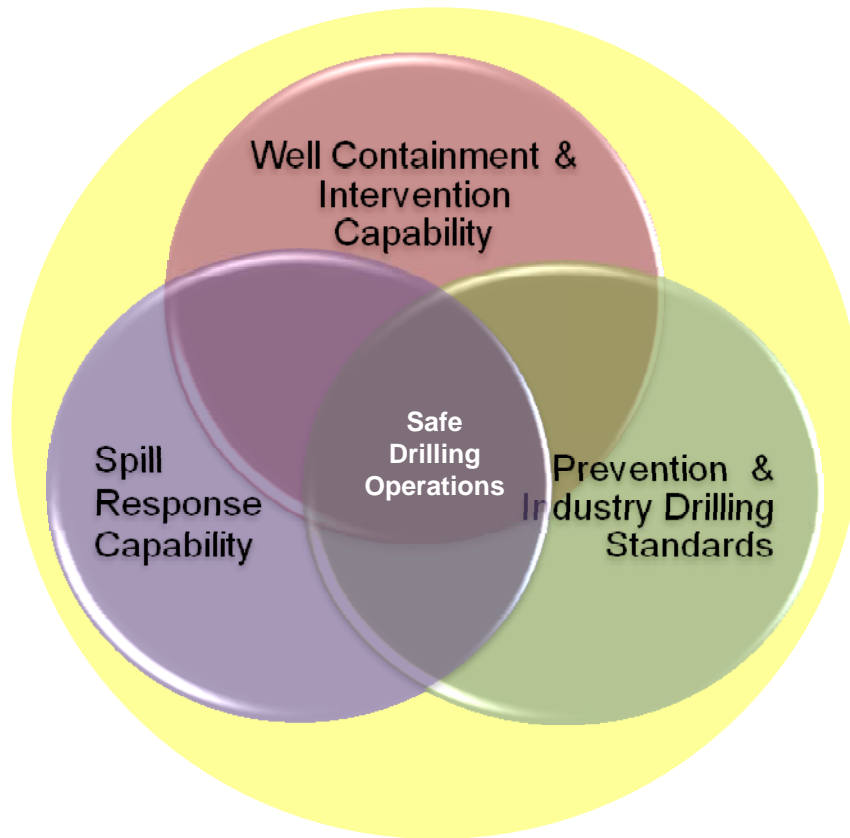


Industry & Govt Changes Post Macondo

March 2013

Gary F. Devlin
VP Quality & Customer Experience

Deepwater – Industry / Focus Approach



Joint Industry Task Force Groups Formed After Macondo

- Offshore Equipment
- Offshore Procedures
- Subsea Well Control & Containment
- Oil Spill Preparedness & Response

Results of Joint Industry Task Forces

- **Offshore Equipment**

API Std 53 Practices for Blowout Prevention Equipment Systems for Drilling Wells

- **Offshore Procedures**

API RP 96 Deepwater Well Design Considerations

API Bulletin 97 Well Construction Interface Document

API RP 65-2 Cementing & Isolation & Barriers

- **Subsea Well Control & Containment**

- **Oil Spill Preparedness & Response**



Post Macondo – Regulatory Response

US Government Focus – Four Areas

1. **Worst Case Blow-Out Discharge & Blow-out Response (NTL-2010-N06)**
 - New requirements / definitions for WCD calculation
 - New requirements for describing intervention & relief well drilling constraints
2. **Drilling Safety Rules (Interim Final Rule)**
 - **Well Integrity**
 - Isolating Potential Flow Zones (API RP 65-2 mandatory)
 - Certification of casing & cement program by Professional Engineer
 - Two independent Barriers during completion (certified by PE)
 - Installation, sealing, and locking of casing hangers
 - Approval for change-out to lighter fluids – negative test procedures
 - **BOP's & Control System**
 - Blind-shear ram function – testing & 3rd Party verification
 - Requirements & function testing for auto shear & deadman
 - Minimum requirements for ROV intervention plus testing
 - BOP inspection and maintenance to API RP 53
 - Minimum requirements for personnel operating BOP equipment
3. **Adequate Spill Response & Well Containment Resources (NTL-2010-N10)**
 - Signed statement of compliance
 - Well Containment Screening Tool – Demonstrate well design can be capped or cap & flow
 - Well Containment Plan (Usually via Containment Company)
 - Demonstrate access to equipment & staff resources to deploy containment
4. **Safety & Environmental Management System (SEMS)**
 - All elements of API RP75 SEMS made mandatory
 - Audits required
 - Operator responsible for SEMS verification of Contractors

Safety & Environmental Management Systems: SEMS

Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities

API RECOMMENDED PRACTICE 75
THIRD EDITION, MAY 2004

REAFFIRMED: MAY 2008



Safety & Environmental Management Systems – SEMS

What are the Elements of SEMS?

Leadership & Commitment	Mechanical Integrity
Safety & Environmental Information	Pre-startup Review
Hazards Analysis	Emergency Response & Control
Management of Change	Incident Investigation
Operating Procedures	Audit
Safe Work Practices	Records & Documentation
Training	Contractor Management

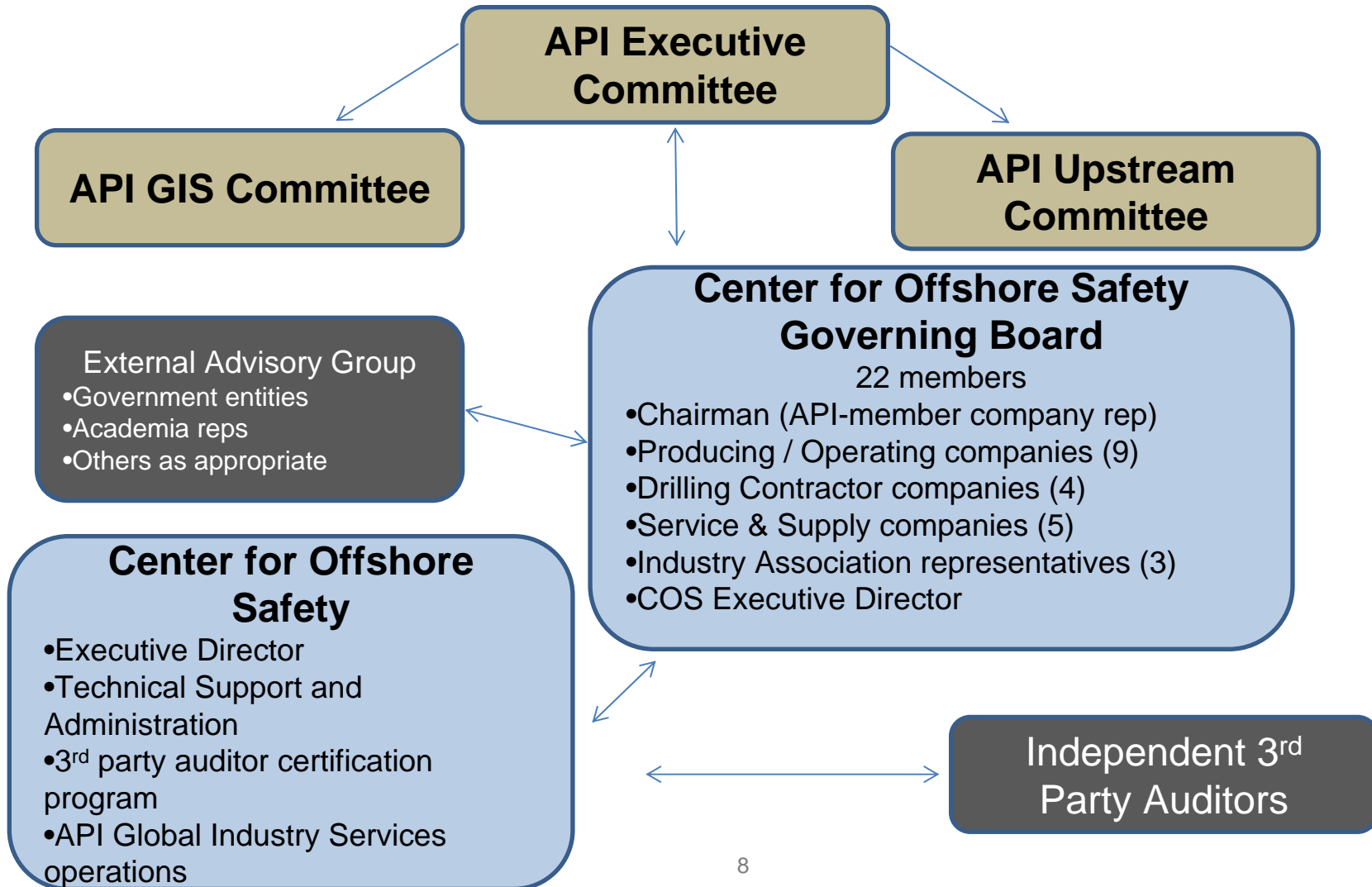
Center for Offshore Safety

Our Mission...

Promote the highest level of safety for offshore drilling, completions & operations by effective leadership, communication, teamwork, utilization of disciplined safety management systems & independent third-party auditing & certification.



COS Governance



Legislation, Industry Standards, Business Environment

Member Company	Representative
Exxon Mobil Corporation	James Seale (Chair)
EnSCO Offshore International	Mark Burns
Cameron International Corp.	Gary Devlin
BP Exploration and Production, Inc.	James Dupree
Oceaneering International Inc.	Jerry Gauthier
Noble Corporation	Don Jacobsen
Statoil North America Inc.	Kathy Kanocz
IADC	Steve Kropla
Schlumberger	Eric Larson
Shell Energy Resources Company	David Lawrence
NOIA	Randall Luthi
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Diamond Offshore Drilling, Inc.	M. R. Plaisance
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About

The Center serves the US offshore oil & gas industry with the purpose of adopting standards of excellence to ensure continuous improvement in safety and offshore operational integrity.

About the Center for Offshore Safety

Mission and Objectives

The Center for Offshore Safety is designed to promote the highest level of safety for offshore drilling, completions, and operations through leadership and effective management systems addressing communication, teamwork, and independent third-party auditing and certification.

COS will achieve operational excellence by:

- Enhancing and continuously improving industry's safety and environmental performance



Become a member today.

COS SEMS Toolkit: Assess Your Readiness to meet SEMS Requirements

- COS-1-01: Audit Protocol – Checklist
- COS-1-02 : Compliance Readiness Worksheet
- COS-1-02A: Compliance Readiness Instructions
- COS-1-03-1: Terms & Definitions
- COS-1-05: Knowledge & Skills Documentation Worksheet

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Environmental Management
Program for Offshore Operations
and Facilities**

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Center for Offshore Safety: First Annual Forum
29-30 April, 2013
Westin Houston Memorial City, Houston, Texas



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