

# 2011 IRF Summit Conference Summary

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## As Attendees:

- ❑ Obtain an understanding of regulatory impacts from Montara and Macondo.
- ❑ Obtain an understanding of the “avalanche” of response from industry, trade associations, regulators, and other government entities.
- ❑ Obtain an understanding of the tie in between safety integrity and environmental protection
- ❑ Identify gaps that should be followed up on.

## Summit Purposes and Expected Outcomes



# An Expectation As Attendees:

- ❑ As an informed participant, use influence as industry, trade associations, and regulators to push for the common agenda of safety

**Summit Purposes and  
Expected Outcomes**



# An Expectation for IRF:

- Continue to work with fellow regulators (IRF and non-IRF) to establish equivalent safety standards and share learnings in an effort to reduce risk globally.

**Summit Purposes and  
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## IRF:

- ❑ Determine the IRF role as facilitator and coordination
- ❑ Relay information on progress on IRF strategic agenda items
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## Summit Purposes and Expected Outcomes



## Industry Presentation- Shell

- For a company, systems, processes, and culture must work together.
- Shell, one of the founders of Marine Well Containment Corporation, a participant in Center for Offshore Safety. US initiative, but with global participants (international collaboration).
- Hallmarks of good regulations: Performance based, locally relevant, improved over time, based on best practices.
- Shell believes the role of regulator is to challenge industry, hold them accountable, and spur innovation.
- When regulators work with industry groups, they produce better regulations. Collaboration.
- Industry is only as good as the weakest player. This is the issue. Dealing with it is the dilemma. Clear and firmly enforced set of standards is key. Have to sufficiently resource the regulator.
- Continue application of technology to improve safety

## Day 1 Summary- Industry and Trade Assoc.



## Trade Assoc. Presentation- OGP

3 main initiatives:

- (1) Prevention- Wells Expert Committee (WEC)
- (2) Subsea Well Response Project (SWRP), formed by 9 leading global companies. Team is located in Stavanger.
- (3) Oil Spill Response--joint industry project.

Work related to prevention can provide the most effective outcomes.

**Day 1 Summary-  
Industry and Trade Assoc.**



## Trade Assoc. Presentation- IADC

- IADC revising and strengthening WellCap training
- IADC Working with API on Bulletin 97. Combines traditional bridging document plus other information such as well basis of design, well execution plan, critical well activity risk assessments.
- IADC also working with International Well Control Forum on new International Alliance for Well Control (IAWC).
- Competence Assurance Accreditation Program. Revised IADC KSA's.
- More work needs to be done to effectively incorporate lessons learned. Transparency and information sharing. For their part, IADC issues safety alerts, 3-5 per month. Encourage industry to do better in its reporting.
- IADC concerns: Competence and Training. This is challenging. (1) significant crew change looming over many companies. (2) Following on that is the effect of new-builds...many with advanced technological capabilities. May reach critical levels for certain highly specialized rig positions.

## Day 1 Summary- Industry and Trade Assoc.





## Regional Perspective- Industry Associations- O&G UK , OLF , NOGEPa

- Expressed that there are differences regionally and regulations should be determined based on local challenges, legal systems, and societal differences.
- Work is being conducted in three main areas of Prevention ( well design), Intervention (capping system), and Response ( oil spill cleanup)
- Pointed out work done by OSPRAG on capping stack
- Suggest that regulators need to be competent and well resourced, regulators to inspect and verify.
- Believe safety case, NSOAF type organization and NW Europe model is a good one

## Day 1 Summary- Industry and Trade Assoc.



## Regional Perspective- Industry Association- APPEA

- Recognize importance of maintaining “social license to operate”.
- Focus of efforts is: Prevention, intervention, and response capability.
- Self Audit Tool Components - Intended to address Operational, Planning and site personnel. Management of change, risk management processes, competency and training requirements. Barrier definition and integrity, emergency response, well control and contingency planning.
- Discussion on MOU for Mutual Assistance.
- Working with OGP and others on International Capping Strategy to incorporate a regional component---local well capping solution—that can be deployed without wasting a single day of intervention work.

## Day 1 Summary- Industry and Trade Assoc.



## Safety Regulator Presentation- BSEE

- Discussed reorganization of current Bureau into two distinct Bureaus with clear missions
- Addressed the need to increase resources to address these missions
- Implemented new prescriptive regulations through "Drilling Safety Rule"
- Added new performance based "Workplace Safety Rule"- SEMS
- Implemented performance based system for demonstrating well containment plan
- Worked collaboratively with Industry to develop Well Containment Screening Tool- Likely a global solution
- Supporting Ocean Energy Safety Advisory Committee consisting of Government, Industry and Academia
- Supporting Ministerial Forum

**Day 1 Summary-  
Safety Regulators/ GOV**



## Safety Regulator – North Sea Regulators

- General high demand for regulatory reassurance by Ministers/politicians- social licence to operate? Need for moratorium assessed in UK
- Analyzed reports arising from Macondo & Montarra events
- Improved coordination between safety and environmental regulators (few north sea countries have joint regulators)
- North sea offshore authorities forum (NSOAF): founded in 1989. Regional cooperation among regulators. Shared responses to Macondo. Main outstanding concerns include human barriers and organizational barrier
- Proposed multi national audit in north sea in 2012
- Priorities for north sea regulators in future: learn from lessons, ensure industry continue to take forward and improvement improvements, improve coordination fo safety and environmental issues, improved consistency of regulation with north seas and respond to drives for greater transparency.
- North sea pillars for acceptable regulation of offshore safety standards: legislative and standards framework, strong and competent regulator, a committed industry.

## Day 1 Summary- Safety Regulator/GOV



## Government- OSPAR Commission

- Bonn agreement to respond to large events
- Commission +5 main committees: permanent secretariat very small
- Oslo and Paris convention married to form OSPAR
- No support for moratoria but support for prevention of significant acute oil pollution from offshore drilling.

**Day 1 Summary-  
Safety Regulator/GOV**



## Government- European Commission

- Offshore safety challenged in many ways
- EU action after Macondo: commission communication of October 2010 and policy initiative 2011.
- Full scale consequences of an EU major incident not acceptable
- Provisions for financial liability are incomplete
- Objectives: prevent major incident and deal with a major emergency should one occur
- Fill void in Europe through legislative and non legislative measures

**Day 1 Summary-  
Safety Regulator/GOV**



## Government- G20

- Establishment of Global Marine Environmental Protection Working Group
- Believed to be a mechanism for sharing best practices
- High interest in working with IRF

**Day 1 Summary-  
Safety Regulator/GOV**



## General observations –Day one

- Why do we need a catastrophe to move forward? It is an industry with inherent risks.
- Need to reduce duplication
- Common theme of well resourced and competent regulator, industry and contractors
- Sharing of lessons learned
- Common focus areas of Prevention , Intervention, and Oil Spill response

**Day 1 Summary-  
Safety Regulator/GOV**





## General observations –Day one

- Need for clear roles and responsibilities between operators and contractors
  - Share best practices
  - Making Management accountable for management of change
  - Look into KPIs for risk management( what you measure, you monitor)
  - Information overload coming from Industry, Trade Associations, Regulators, and other government entities and investigative bodies.
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- **WE are doomed for failure if we do not coordinate and prioritize efforts**

**Day 1 Summary-  
Safety Regulator/GOV**



## BOP and Well Control Issues

- OGP Wells Expert Committee released report in May with key findings
- Well control incident data base needed
- Certification does not mean qualified
- Are lessons really learned?
- BOP Reliability Team formed
- IADC conducting surveys to determine path forward

**Day 2 Summary- Updates  
on IRF Strategic Agenda**



## Use of Standards

- Promote international standards – avoid duplication
- Harmonization of standards
- Use standards as baseline for industry improvement
- Create IRF Standards sub group

**Day 2 Summary- Updates  
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## Safety Culture and Leadership

- Lessons not learned! Horizon disaster occurred 20 years after Cullen report. Issues and recommendations are similar – doing same things over and over again and hoping for a different outcome.
- Offshore regulators should adopt a common safety culture definitions and conceptual framework, agree on the attributes of a positive safety culture, develop guidance on safety culture eels assessment, conduct a review on how other regulators improve safety culture

**Day 2 Summary- Updates  
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## Fitness to Operate

- Need model that focuses on characteristics of the organization. Past performance may not be the best criteria to use. Need method to score and evaluate organization
- Key questions for IRF to discuss: when would you use an assessment tool? How would you use this tool? Is it only a tool to encourage improvement, could you use the tool in ongoing inspection programs? Could we use the tool to gather and share globally comparable data on operator capability?

**Day 2 Summary- Updates  
on IRF Strategic Agenda**



## General Observations – Day Two

- Are lessons really learned?
- Avoid duplication

**Day 2 Summary- Updates  
on IRF Strategic Agenda**



## **Actions:**

- **IRF will post presentations to IRF website**
- **IRF will summarize key Roundtable discussion points and post to IRF website**
- **IRF will take up various suggestion at its regular IRF meeting**

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**Thank you for your  
attendance and more  
importantly your  
participation in the**

**2011 I RF Summit  
Conference**

