

Drilling Safety Leaders Pilot

Objective:

Promote innovation and continuous improvement by establishing an adaptable regulatory framework for safety leaders.

Drilling Safety Leaders Pilot

- Risk and performance driven management of well operations
- Evergreen standards and practices
- Prestige must have outstanding record to qualify

Drilling Safety Leaders Pilot

- More flexible regulatory regime for operators with outstanding safety records
- Well management plan in lieu of traditional command and control regulatory regime
- Operator (primary) and BSEE (secondary) verify compliance
- •Simplified permitting notification rather than approval

Prescriptive regulations are always incomplete and dated

US Coast Guard Subchapter N (current language):

§140.4 Relationship to other law.

(b) Any apparent conflict between the application of any requirement of this subchapter and any regulation or order of the **U.S. Geological Survey** should immediately be brought to the attention of the Officer in Charge, Marine Inspection.

The US Geological Survey has not regulated OCS operations for over 43 years!

This example is comical; delays in updating important safety standards/regulations are not.

Important regulations lag best practices. Example:

- -Dual shear rams on subsea stacks were not required until 4/29/2021, 11 years after the Macondo blowout
- -Those regulations only require one shear ram to have sealing capability (i.e. complete shear ram redundancy is not required!)
- -Safety leaders use subsea stacks with dual shear rams, both sealing

Important regulations lag best practices. Example:

- -Remote real time well data monitoring required by regulation dated 5/15/2019, 9 years after the Macondo blowout
- -Remote real time monitoring was common practice for safety leaders prior to the blowout

Consensus industry standards are no panacea

- Not always best practices
- lag in incorporating stds into regs

Lag in incorporating important safety standards

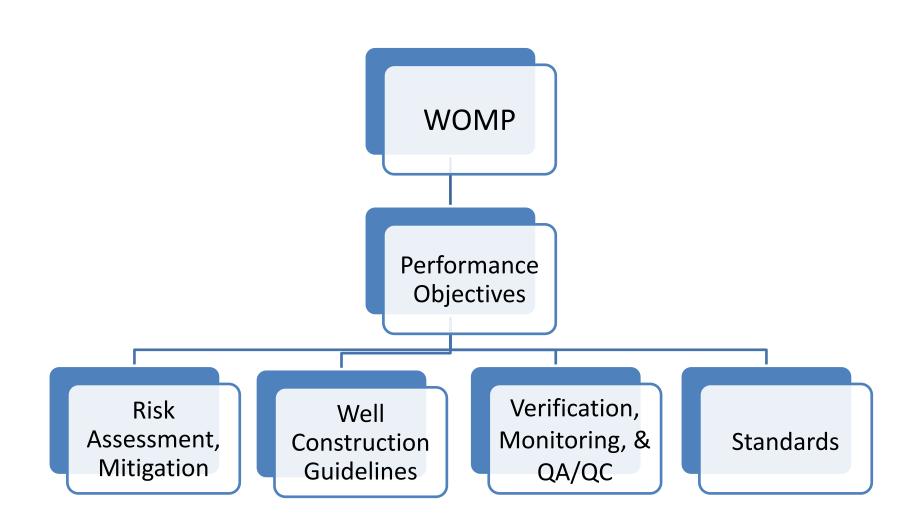
Standard	Latest Update	Regs Version
RP 2A WSD	11/2014	10/2007
RP 2FPS	9/2020	3/2001
RP 2D	12/2020	5/2007
RP 14B	7/2024	9/2015
API RP 14 C	2/2017	3/2007
S 53	12/2018	7/2016
RP 96	3/2013	Not referenced
BUL 97	12/2013	Not referenced
Spec 16A	11/2004	Not referenced
Spec 16D	7/2004	Not referenced

Regulation should spur innovation, not retard it!

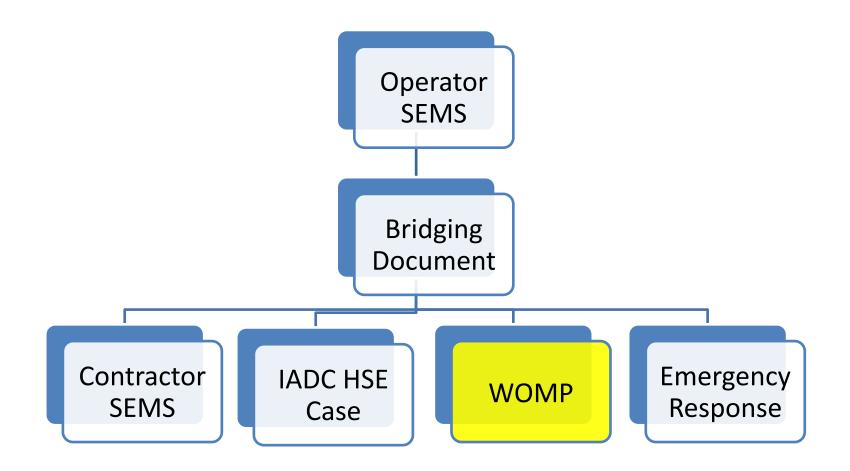
Proposal for Qualified Operators:

Well Operations Management Plan (WOMP) in lieu of permitting approvals

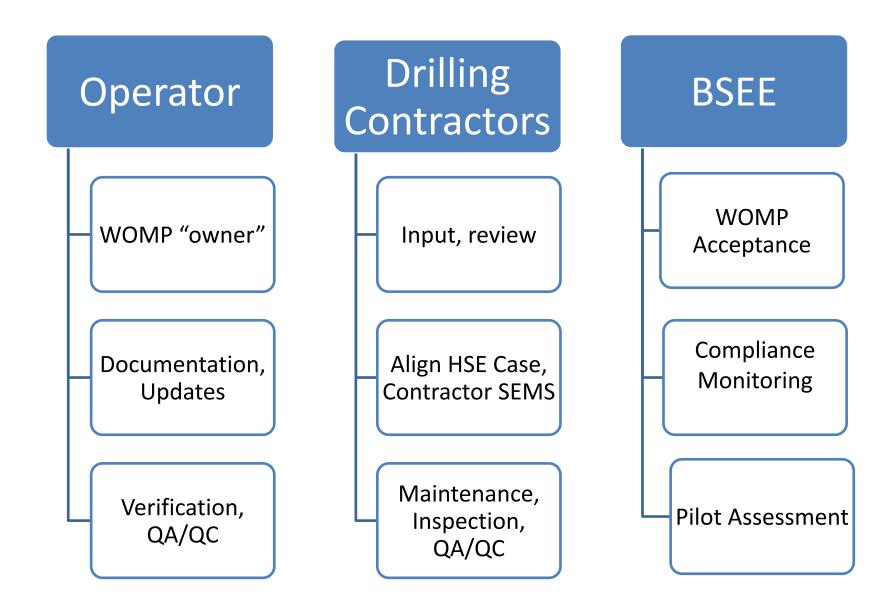
Well Operations Management Plan (WOMP)



Management Regime for Enhanced Drilling Safety



WOMP Responsibilities



WOMP

- ☐ Supersedes prescriptive well construction and drilling requirements
- ☐ Consistent with govt/industry commitment to risk-driven, performance-based regulation
- ☐ Consistent with OCSLA BAST mandate
- ☐ Consistent with SEMS and Safety Culture Policy

Advantages of WOMP approach: ☐ Holistic and comprehensive □ Adaptable Regulations never cover all variables Different approaches work better for different companies Easily updated and revised ☐ Effective without delay Regulations always lag best practices •Simplifies and accelerates the adoption of new standards ☐ Encourages innovation ☐ Focus on managing risks, not interpreting regulations

Pilot vs. Other Well Operations

	Safety Leaders Pilot	Other Operations
Mud, drilling margin, casing, cementing, riser, rig equipment	WOMP	Regulations
Well control equipment, inspection, and testing	WOMP	Regulations
Monitoring – real time and other	WOMP	Regulations
Mooring, DP system, marine systems	MODU HSE case	BSEE and CG regulations
Fire and gas detection, firefighting	MODU HSE case	BSEE and CG regs
P&A	WOMP	Regulations
Standards	Identified in WOMP	Incorporated in regulations
Permitting	No approvals subsequent to WOMP acceptance	APD, APM
Reporting – incidents, WAR, other	Per regulations	Per regulations

Drilling Safety Pilot: Possible Qualification Criteria (example)

- 1. Operating experience
 - a. At least 5 years as an OCS operator
 - b. At least 20 wells drilled as operator on US OCS
 - c. BSEE may accept comparable international offshore experience
- 2. Performance and compliance record
 - a. Drilling INC/inspection ratio < 0.5
 - b. No losses of well control (drilling) during past 5 years
 - c. No civil or criminal penalties in past 5 years

Reg language (draft):

Drilling Safety Leaders (DSL) program:

- 1. The Director may authorize qualifying operators to participate in a Drilling Safety Leaders (DSL) program. Participating operators must develop and maintain a Well Operations Management Plan (WOMP) that describes performance objectives, procedures for identifying and mitigating risks, well construction and drilling criteria, applicable standards, and inspection and monitoring procedures.
- 2. The WOMP must be submitted to the Regional Director for acceptance. The RD must be notified of all changes in the WOMP.
- 3. The WOMP supersedes the well operations and permitting requirements in Subpart G. Participating operators and their contractors must comply with the WOMP and are subject to penalties, as described in these regulations, for noncompliance.
- 4. The Director will determine DSL eligibility based on operating experience, performance and compliance data. Eligible companies may elect not to participate. The Director may revoke eligibility at any time.

Safety Culture – Role of the Regulator

"It is not possible for a regulator to create a culture of safety in an organization by inspection or audit; that culture needs to come from within the organization. The regulator's role is to regulate in a manner that helps the organization be safe."

