



20th IRF Annual Meeting

Mantra on Murray, Perth, Australia, 24-25 October 2013

Summaries of presentations, discussions and action points

Participants:

Australia	Jane Cutler	NOPSEMA	
	Gavin Guyan	NOPSEMA	
	Kerry Gordon	NOPSEMA	
Brazil	Hugo Affonso	ANP	
Canada	Scott Tessier	C-NLOPB	
	Stuart Pinks	C-NSOPB	
Denmark	Katrine Nissen	DEA	
	Peter Ronberg Hansen	DEA	
Mexico	Guillermo C. Dominguez Vargas	CNH	
New Zealand	Brett Murray	DOL	
	Wayne Vernon	DOL	
Norway	Anne Myhrvold	PSA	
	Thor Gunnar Dahle	PSA	
The Netherlands	Jan de Jong	SSM	
	Vincent Claessens	SSM	
United Kingdom	Steve Walker	HSE	
	Susan Mackenzie	HSE	
	Wendy Kennedy	DECC	
United States	Lars Herbst	BSEE	
	Brian Salerno	BSEE	
Guests	Michael Engell-Jensen	OGP	
	Patrick Toutain	OGP	
	Steve Colville	IADC	
	Alan Spackman	IADC	
	Andries Otter	ISO/TC 67	
	David Miller	API	
Observer:			
Canada	Dan Chicoyne	C-NLOPB	
	Con Sullivan	C-NLOPB	
	Patrick Smyth	NEB	
China	Ran Shaochun	CSAWS	Day One only
	Li Xiang	CSAWS	Day One only
	Pan Yunke	CSAWS	Day One only
Germany	Kurt Machetanz	LBEG	Day One – AM only
United States	Doug Morris	BSEE	



MINUTES OF THE 20TH IRF ANNUAL MEETING:

1	<p>Welcome and Introduction of Delegates</p> <p>Jane Cutler, Chair thanked and welcomed all for attending the 20th IRF Annual Meeting.</p> <p>Meeting noted that Jan de Jong and Steve Walker are retiring this year. On behalf of all IRF members past and present, IRF extended their warmest appreciation for their work on behalf of the IRF and offshore safety and wished them all the best for a prosperous and successful retirement.</p> <p>Observers were introduced. China requested details on how to become members of IRF.</p>
2	<p>Review and introduction of agenda</p> <p>The AGM was an opportunity for:</p> <ul style="list-style-type: none">• Dialogue following the conference;• A cohesive IRF expectation of priorities for industry;• Understanding of progress towards global international standards; and• Sharing of progress, learning from offshore incidents and information on proactive initiatives, and updates on IRF strategic projects and next steps.
3	<p>Review of minutes and action items from Rio IRF Annual Meeting</p> <p>Minutes are available on the IRF website. Actions have been incorporated into this Agenda.</p>
4	<p>IRF Business</p> <p>Correspondence & proposals for membership of IRF</p> <p>A proposal for a unified Canadian membership was discussed and agreed.</p> <p>Meeting noted that membership criteria were defined in the charter and agreed that membership criteria must be workable and take into account the variety of regulatory models. Over time IRF would like to see members from all continents.</p> <p>IRF Charter – feedback after 12 months</p> <p>Discussion confirmed that the IRF Management Committee is the mechanism to progress items emerging from the conference and AGM. The committee should seek three monthly updates on IRF projects and provide to members. A Secretariat would be of assistance especially if there are more members but there was little appetite to progress given the funding constraints.</p>
5	<p>Review of 2013 Perth Conference</p> <p>Feedback indicated that the conference was successful with 173 full registrations, 60 attendees at the Safety Culture workshop and 75 at the Acoustic Impacts workshop held alongside the conference. A list of delegates was available on the conference app and website. Papers and conference summary are available on the IRF website.</p> <p>The conference focused on prevention and highlighted:</p> <ul style="list-style-type: none">• Industry's responsibility to share information;• Need to clarify expectations of work required by industry; e.g. technical development of capping arrangements and availability;



	<ul style="list-style-type: none">• More focus on prevention needed, especially by OGP; and• Building competency is the priority for IADC. <p>IRF members discussed what information can be shared and what can't and whether it's too late when it is made available. It was stressed that responsibility for information sharing lies with industry. It is generally well known within days <u>what</u> happened. <u>How</u> it happened may take time, the critical question is <u>why</u> it happened and that may take some time and an independent investigation. What and how major incidents occurred should be shared by the industry very quickly.</p> <p>In the light of the conference, IRF members then explored the topics they felt should be the priority for discussions with IADC/OGP in the following AGM item. The general view was that IADC and OGP seemed to be competing rather than cooperating, so there were issues of how do they talk together and share cooperatively, not separately and competitively. IADC and OGP should be asked to summarise the key outcomes from the conference for their organisations. Discussion should highlight perception of emerging competition rather than cooperation, and challenge them to eliminate barriers to sharing of information.</p>
6	<p>Industry – Future direction & priorities</p> <p>a) Feedback from IRF – priorities for OGP involvement</p> <p>Chair welcomed OGP and IADC.</p> <p>OGP reiterated points from the conference. Deepwater drilling safety and prevention - US government should encourage API to come back to the table. Human factors are important in BOP interventions. Questioned the need for automation.</p> <p>Noted that well control goes beyond BOP design, e.g. early detection of small deviations from the expected. More can be done to improve well control. Highlighted new framework for “Mutual Aid in Large Scale Offshore Incidents”.</p> <p>Decommissioning is an emerging issue and needs to be handled well to avoid accidents, spills, and other safety or environmental calamities.</p> <p>First OGP Process Safety Event Report will be published by year end and include performance indicators against which E&P companies can benchmark their own performance, onshore and offshore for production and drilling. OGP recommends industry and regulators adopt the framework (events definitions and thresholds) established by API & OGP.</p> <p>Helicopter operations remain highest risk, OGP has published Aircraft Management Guidelines to highlight best practice in the aviation industry.</p> <p>b) Feedback from IRF – priorities for IADC involvement</p> <p>Regulators can't create safety but they can create environment where there can be improved safety. IRF should reinforce the role of IADC and OGP.</p> <p>The mindset associated with all wells whether onshore or offshore should be improved. IADC have contributed extensively to pre-rig training but on the rig competency is the responsibility of the company, IADC now provides tools to evaluate competency and training to achieve verified credentials. IADC want to focus on collaboration in non-competitive areas like this. IADC requested support from regulators for the Well Control Institute.</p> <p>Meeting encouraged IADC to cooperate and work collaboratively, focus on safety and prevention as well as consequence management. It challenged IADC to identify the real</p>



	<p>barriers to sharing of information and identify what can be shared quickly and whether the regulator sharing their information is easier.</p> <p>Meeting reinforced the importance of competency and measuring the effectiveness of programs and initiatives as well as engagement of the workforce. Effective communication is required between everyone in the workplace so they have knowledge of the risks and of the task at hand. Good practices, how their effectiveness is measured, and how their use is encouraged is vital. IADC/OGP are best placed to identify areas where the regulators can drive improvements.</p> <p>Discussion</p> <p>IADC/OGP have an important role in sharing of lessons within their sector.</p> <p>If the regulator / regulations are perceived to be preventing improvements, talk to the regulator. Some regimes may have constraints but we shouldn't stand in the way of improvement.</p> <p>Many accidents due to human behavior in safety sensitive roles could be prevented by improved competency, which is industry's responsibility - regulators should continue to require industry to focus in this area.</p> <p>Industry can share BOP equipment data, but BOP manufacturers have the data already and understand the flaws. OGP may be willing to take on Fitness to Operate, particularly concepts of organisational capital, and strategic thinking on interface with human capital.</p> <p>Sharing of information has barriers, with regulators and between OGP/IADC members – will operators pay to further reduce risk, when they fear that regulator will not accept a new concept? There is a need to clearly articulate the real barriers to sharing and innovation.</p> <p>IADC – we operate in a risk industry and the drilling community is risk averse when trying new equipment. There is evidence that smaller contractors are being forced to take on risk they can't handle. Regulator may need to focus on requiring industry to better clarify responsibilities. Safety culture workshop discussed complacency in the context of arrogance of being invulnerable. There are risks at both ends of the market.</p>
7	<p>Progress update towards Global International Standards</p> <p>Chair welcomed ISO & API</p> <p>Feedback from IRF is that concerns continue about impact of US & EU trade regulations on standardisation activities.</p> <p>ISO activities have been successfully carried out with support of OGP. 1500 experts registered. Taskforce meeting monthly and building on the work of last 20 years. Strong milestone achieved with unanimous support for cooperation between API and ISO.</p> <p>General ISO standards need more pointers on how to implement for our industry. These higher level standards have a whole different set of stakeholders, this forum is a good opportunity to learn and help steer the priorities of the work. API have moved from a component based into more a systems based approach.</p> <p>Noted the different philosophy between API and ISO and the importance of informal action to keep networks together. Goal is to bring together essentially two separate groups and not duplicate standards, but recognise different organisations have different ideas.</p> <p>IRF complimented the work API/ISO have done despite the difficulties, good to have annual update and noted their willingness to assist.</p>



9

IRF Strategic Projects

a) Performance Measure Project

The Performance Measures Working Group highlighted the variation in data due to difficulty in obtaining information from all countries. This is linked to level of activity and produced volumes. Major loss of well control is apparently interpreted very conservatively. Hydrocarbon releases are quite stable. Trending for individual countries is difficult due to data and reporting issues. Relative trends that reflect the combined data for the IRF area are possible and would indicate how the IRF countries perform as a whole. Successful results from the Performance Measures Project depend fully on the member countries' willingness and ability to contribute. Combined data – the Working Group is asked to include a graph of total hours worked, total BOE produced, total offshore installations, and total wells drilled to illustrate sample size and activity level.

b) Safety Culture Project

Work done cooperatively by all three Canada regulators. From an IRF strategic perspective, a framework has been developed by Canada and the project is complete. All members can use the work and Canada will continue the work in collaboration with US.

IRF noted that this is a sharing project, and encouraged members to contribute to a potential library. Agreed to upload Mark Fleming's works (and other useful documents/reports) to IRF website library in the member's only section with a one page statement advising the work is a result of an IRF project.

c) Fitness to Operate

Of the three tools for organisational capacity, social capacity and human capacity, only the organisational tool has been developed with question sets. Further clarity is needed on the purpose (screening for participation in the regime or a self-assessment tool to improve performance).

Specifics of tool design – work needed on questions and the meaning of the results, particularly trends over time. Behind the current model are matrices which will generate a score which will print out a spider web graph, no determination of whether that is good or bad, strong or weak. Only way it can be currently used is to run the model over time and compare results.

In some regimes e.g. New Zealand regulator is obliged to provide regular feedback back to licensing authority whether an operator is operating properly. An assessment on their capability is required, Fitness to Operate may be useful in this context.

There is a significant commitment to develop and trial it, which could be used in different systems:

- In some jurisdictions there are varying degrees of qualification / disqualification processes, and it could be used in this context.
- It could be promoted not as a solution for scoring but a help to the process to improve.
- Tool for helping new operators in their application for a license. Not something we would put upon applicants but if they do want to apply for a license they could use the tool to get a feel for it. There will be a big difference between high reliability organisations and smaller operations. We have to be careful but it could help getting the most important things into applications.



	<ul style="list-style-type: none">• Could be developed as a self-assessment tool, to look at trends. <p>Way forward:</p> <ul style="list-style-type: none">• It's reached a good point from an IRF strategic initiative perspective, we have explored this, we think it has some merit but then becomes regime specific.• Some members have some interest and would like to take it further.• Agreed to a phased way forward. NOPSEMA will facilitate a meeting with those that are interested and identify next steps.• As IRF members we should have first opportunity and if we don't want to pursue it we should let UWA (University of Western Australia) to go their own way. <p>d) Standards Project</p> <p>The Chair of the IRF Standards Sub-Group has established an IRF focus with the standards bodies.</p> <p>Whilst waiting for the API/ISO problem to be resolved, the group proposed developing a more proactive approach and developing a process whereby substantial concerns regarding content and gaps in key standards are formally registered and tracked with the relevant parties. This will require increased resource and engagement from all members. This was agreed.</p> <p>e) BOP/Well Integrity Project</p> <p>Received update from OGP at the conference. IRF questioned whether IRF should go further as a strategic priority and noted that its contribution to the Well Control Institute's request to participate in a forum to explore bold ideas may achieve a more comprehensive approach.</p> <p>f) Future of IRF projects</p> <p>There was a discussion around the UK Discussion Paper "Future of IRF Projects", which reviewed the five broad strategic priorities/projects which have been underway since 2010.</p> <p>Although there has been significant progress with the projects, members acknowledged that there were resource constraints on everyone. Each project has often relied on one member progressing it, and participation by some members between IRF AGMs has been limited (although the difficulties caused by the wide time zones was recognised). An alternative put forward in the paper was a larger project taking forward the conclusions from IRF conferences, using the Management Committee to manage that project via its meetings every three or four months.</p> <p>Bearing in mind the more detailed discussion on each project, members felt that the Safety Culture and Fitness to Operate projects were coming to their natural end, and that the BOP/Well Integrity project needed some more work to bring it to a close with a final letter to OGP/IADC.</p>
10	<p>Offshore Incidents</p> <ul style="list-style-type: none">a) Members shared information on offshore incidents and the meeting reinforced the importance of timely sharing by industry to help prevent similar events.b) The meeting noted that there is an emerging risk about the integrity of ageing wells.



11	<p>Exchange of information about proactive initiatives</p> <p>a) NSOAF – multinational audit on safety culture</p> <p>A multinational audit of well operators/contractors was conducted across the North Sea during 2012/13 in response to Macondo. The topics covered were human and organisational factors in well control. The report should be finalised in December, and will give examples of both good and poor practices seen during the audit.</p> <p>b) BSEE noted a range of proactive initiatives</p> <p>A Safety Culture Policy Statement has been published. A Blowout Preventer Rule will be introduced late 2013 or early 2014 which is consistent with the goal of setting higher performance requirements for new technology.</p> <p>Increased data collection & analysis. Anonymous basis for reporting. Wanting industry to take a lead – Centre for Offshore Safety does not want to get swamped with unnecessary data.</p> <p>Quality Control & Failure Incident Analysis - formed a team to look at equipment failures and design defects, want to see if there is a bigger industry problem.</p>
12	<p>Country Updates</p> <p>Members provided updates; common themes included:</p> <ul style="list-style-type: none">• Extensive changes to legislation and regulation in all jurisdictions, particularly around well integrity, source control contingency planning, oil spill contingency planning, financial assurance and increased penalties.• Challenges of attracting, developing and retaining technical and experienced staff particularly in the light of aging workforce, expansion of industry activities and frequent changes to organisations.• Change in the Leadership of regulators with many members attending for the first or last time.• Expanding / change to regulators scope including addition of environmental responsibilities, financial assurance obligations, changes in structure, (including as a consequence of the EU offshore safety directive).• New governments (since September 2013) with changed agendas e.g. reducing regulatory burden, opening up the industry• Ongoing implementation of recommendations arising from Macondo project• Intense interest in 25th Anniversary of Piper Alpha. The Piper 25 Conference was very well attended, and there was a UK industry wide “time out” to reflect on the lessons from this disaster. The DVD is a powerful tribute; Remembering Piper Alpha• Implementation of innovative regulatory practice including:<ul style="list-style-type: none">○ encouraging industry to focus on critical risks e.g. quarterly meetings held between regulator and Managing Directors of companies to convey key messages to help set their agenda○ ensure offshore regulator efforts are well targeted, so the number of strategies and priorities have been reduced, and the focus is on key control systems.



	<ul style="list-style-type: none">○ revitalisation of investigative process, including feeding all investigative reports into a national database, analyzing for trends, and if needed developing new policies to address risk trends. This is a priority area to be pursued in the next couple of years.● Addressing the challenges of industry change including:<ul style="list-style-type: none">○ New discoveries and new projects.○ Modifications to existing facilities.○ Ageing facilities.○ Decommissioning (including in situations of operator bankruptcy).○ Suspended open water wells which need to be abandoned.○ Lifeboats with a high level of testing conducted, development of new standards, positive drive in the industry to get new lifeboats in place which is costly.○ Helicopter ditching's - dominated the offshore agenda and in the UK & Canada.○ Dynamic positioning problem with vessels – more vessels colliding with platforms.○ UK Industry hydrocarbon release reduction of nearly 50% in three years is a major accomplishment.○ Emerging technologies, looking at vast program and how best ensure overall risk is reduced when there are no standards in place. For example higher temperatures in reservoirs (over 400°F) resulting in metallurgical failures remain a critical risk.
13	<p>History of IRF</p> <p>Book was launched at the conference. The Author, Arnt Even Bøe, a Norwegian journalist thanked those that contributed. The book is available in hardcopy and will be available electronically. Members are encouraged to use the book in conversation with political and industry leaders to reinforce importance of offshore safety.</p>
14	<p>Joint Session with IOPER</p> <p>Members of International Offshore Petroleum Environmental Regulators joined the meeting for a joint session. Topics discussed at IOPER AGM included:</p> <ul style="list-style-type: none">● Enforcement options – publication or transparency or penalty or other aspects;● Cooperation and interplay between safety and environmental regulation in context of risk bowtie;● IPIECA met with IOPER focusing on risk based approach to environmental regulation. IOPER will recognize and promote IPIECA's work; and● Consideration of future of IOPER and IRF and opportunities to collaborate or merge within the context of efficiency, effectiveness of outcomes, performance measures, and leveraging effort.



	<p>Discussion.</p> <ul style="list-style-type: none">• Scope and charter of IOPER is similar to IRF Charter with environmental focus. IOPER is modeled on IRF with top level representation, coming together on an annual basis.• IOPER's focus on right side of Bowtie is in synergy with work of IRF. It is useful to understand the diversity of membership as in two years' time European regulators will cover safety and environmental management, therefore it is likely that there will be increased interest in collaboration and closer arrangements.
15	<p>Future strategy & priorities for IRF</p> <p>Meeting noted that the IRF charter is good and the objectives are clear. The IRF will remain an informal organisation in the near term but must continue to leverage its professional reputation and experience in ministerial forums and G20 working group. In the international arena, the IRF is the only organisation where regulators from a number of countries are cooperating. With a clear charter and objectives, we do this very effectively. Our goal is to promote safety. IRF has some influence on priorities of OGP/IADC/ISO which is helpful in progressing our goals.</p>
16	<p>AGM Communique for IRF website</p> <p>Meeting approved a conference communique which foreshadows a reiteration of priorities. Members are encouraged to place link on their websites. A communique for the AGM will be prepared.</p> <p>Chair advised that NOPSEMA hosts IRF and IOPER website, a collaborative tool will be used to share documents/papers for IRF.</p>
17	<p>Future events</p> <p>a) 2014 IRF AGM at Cancun, Mexico</p> <p>Organisation Committee from CNH, assisted by IRF management committee, 26 – 28 November 2014</p> <p>b) 2015 IRF AGM host and location</p> <p>Chair called for volunteer countries to host conference and AGM in 2015 and recommended that Management Committee meet in person alongside OTC to work on agenda for AGM.</p> <p>New Zealand offered to possibly host <u>2016</u> IRF AGM.</p> <p>U.S. indicated they would seek authorisations to host <u>2015</u> conference and AGM, likely mid-September 2015 in Houston, Washington DC or California and will advise outcome.</p> <p>Chair thanked the conference Organising Committee and NOPSEMA staff for organisation of the IRF conference and AGM. AGM closed.</p>