



IRF Annual General Meeting Copenhagen, Denmark, 2-4 October 2017

Summary of discussions and action points

Participants:

Australia

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| Stuart Smith | NOPSEMA |
| Derrick O'Keeffe | NOPSEMA |
| Graeme Waters | NOPTA |

Brazil

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| Marcelo M Borges de Macedo | ANP |
| Alex Garcia Almeida | ANP |

Canada

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| Ed Williams | C-NLOPB |
| Stuart Pinks | C-NSOPB |
| Robert Normore | C-NSOPB |
| Keith Landra | NEB |

Denmark

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| Anne Skov Strüver | DWEA |
| Peter Rønberg Hansen | DWEA |

New Zealand

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| Wayne Vernon | WorkSafe New Zealand |
| Donna Ellis | WorkSafe New Zealand |

Norway

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| Anne Myhrvold | PSA |
| Finn Carlsen | PSA |

The Netherlands

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| Rob van Elsen | SSM |
| Hans de Waal | SSM |

United Kingdom

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| Wendy Kennedy | OPRED |
| Chris Flint | HSE |
| David Walker | HSE |

United States

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| Lars Herbst | BSEE |
| Doug Morris | BSEE |



MINUTES:

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| | <p>Welcome and Introduction</p> <p>BSEE (U.S.) Lars Herbst, Regional Director, Gulf of Mexico Region, delivered the opening remarks and welcomed the IRF members to the Annual General Meeting (AGM).</p> |
| 1 | <p>Administrative Items</p> <p>U.S. led the session, which covered the following:</p> <ul style="list-style-type: none">• Review action items from the 2016 AGM minutes. Items still in progress: review usage of the Asset Integrity template and narrowing the scope of the Decommissioning Network.• Discussion on the next Chair and Executive Secretariat, to be transferred from the U.S. at the end of 2018.• 2018 IRF Safety Conference and AGM hosted by the U.K. (OSDR – HSE and BEIS - OPRED) in Aberdeen, Scotland, U.K. Conference dates are June 5-6 and AGM dates are June 4, 7, 8. |
| 2 | <p>Country Updates: U.S., New Zealand, Australia, Norway, Denmark, Brazil, Canada, The Netherlands, and the U.K.</p> <p>Denmark led the session. Members provided updates; common themes included: decommissioning, new market entrants, bigger players selling to smaller operators, pressure on general maintenance, maintaining safe operations in a low oil price environment, increase in risk-based inspections, public confidence in the regulator, and asset integrity.</p> |
| 3 | <p>IRF Performance Indicators</p> <p>Norway presented the 2016 IRF performance indicators, which identified some increases among members in well control issues and hydrocarbon releases. Brazil agreed to continue gathering this data to present at the next AGM meeting.</p> |
| 4 | <p>Topical Presentation and Discussion: Managing Late Field Life and New Market Entrants</p> <p>U.S. led the discussion on how new entrants, especially low cost operators, play a valuable role in extending field life. The discussion further highlighted issues to regulators, to include prequalification of technical capability and financial resources.</p> |
| 5 | <p>Case Study: Intervention on Vintage Subsea Trees</p> <p>U.S. presented a case study on the potential difficulties with aging well intervention. A summary was provided on casing pressure monitoring, intervention tools, and prevention efforts.</p> |
| 6 | <p>International Upstream Forum Update</p> <p>U.K provided an update on the International Upstream Forum (IUF), held September 2017 in the U.K. IUF topics included: resource management, cost efficiency and building collaboration, licensing requirements, decommissioning liabilities, new market entrants, and big data.</p> |



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| | <p>The IRF, IUF, and the International Offshore Petroleum Environment Regulators (IOPER) overlap in some topic areas, such as decommissioning, but from different perspectives. Members agreed to continue receiving brief readouts from IUF and IOPER meetings.</p> <p>IUF membership expanded to include Italy. Both Ireland and Ghana have expressed interest in membership. IRF plans to invite these three countries to the upcoming IRF conference and as observers to the AGM.</p> |
| 7 | <p>Topical Presentation and Discussions: Decommissioning</p> <p>The Netherlands led the discussion, delivering a presentation on its decommissioning regulations, current operations, and plans for facilities re-use. The Netherlands also delivered a presentation on the North Sea Offshore Authorities Forum (NSOAF) initiative to develop a joint Code of Practice for Well decommissioning (plug and abandonment).</p> <p>An update was provided on the activities of the Decommissioning Network. Participant list and the draft terms of reference (TOR) developed, but activities delayed; plan to restart activities by first updating the TOR.</p> |
| 8 | <p>Industry Association Activities Update</p> <p>Canada provided an update on current activities from API, ISO, IOGP, and IADC.</p> <p>API, IOGP, and ISO Task Force continues effort to coordinate development and revision of global standards, with five guiding principles:</p> <ol style="list-style-type: none"> 1. A single set of industry standards to avoid duplication; 2. Standards that are globally accepted and widely used; 3. Standards that are accepted by the regulatory community; 4. A process that builds on existing API/IOGP infrastructure and allows for increased international participation; and 5. A legally compliant process. <p>In its annual safety performance indicators report, IOGP noted that helicopter incidents contributed to 38% of fatalities.</p> |
| 9 | <p>Topical Presentation and Discussions: Transparency</p> <p>Norway led the discussion on engaging stakeholders beyond industry, building community trust, value of the regulator, and drawing on best practices. Members provided examples of their transparency initiative, to include surveying the community on its perception of industry (Australia) and publishing inspection scorecards (U.K).</p> |
| 10 | <p>Case Study: Dynamic Positioning Systems</p> <p>Australia presented a case study on incidents involving dynamic positioning system failures, noting similar incidents in the U.K and the U.S. since 2005. This issue highlights the importance of data sharing in order to identify trends.</p> |
| 11 | <p>IRF Work Group Updates</p> <p>Each of the four working groups provided an update on current activities:</p> <ul style="list-style-type: none"> • Performance Measures: The working group has been examining existing IRF data related to underlying causes for various barrier failures. Its final report with |



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| | <p>recommendations will be submitted at the 2018 AGM.</p> <ul style="list-style-type: none"> • Asset Integrity: The New Zealand and North Sea regulators have been piloting the use of a standardized template to evaluate maintenance of safe operations in a low oil price environment. The results of the pilot will be discussed at the 2018 AGM. • Standards: The working group has finalized its gap analysis of standards related to well integrity and is sharing its findings with standard development organizations. • Culture of Safety: The working group will conduct a workshop as part of the 2018 conference to gain insight from industry and workers regarding the suite of indicators that may be helpful in evaluating cultural strength and weakness. |
| 12 | <p>Case Study: Offshore Safety Operations</p> <p>Brazil presented a case study on its performance-based Operational Safety Management System Regulation (SGSO), looking back ten years since the publication.</p> <p>Brazil also provided a summary of the 2013 fire at P-20 (Marlim Field / Campos Basin) investigation report.</p> |
| 13 | <p>Case Study: Regulation for Insurance</p> <p>Mexico to lead, but unable to attend. Readout provided, but no questions raised by members.</p> |
| 14 | <p>Case Study: Leak Detection from Subsea Infrastructure – Shell Glider Field</p> <p>The U.S. presented a case study on the Shell Glider field incident, the biggest oil spill since Macondo in the Gulf of Mexico region. The incident noted a lack of training in subsea leak detection.</p> |
| 15 | <p>Topical Presentation and Discussions: Communication Strategy</p> <p>The U.S. provided diagnostic stats for the IRF website. The monthly articles webpage is one of the top pages viewed on the site.</p> <p>Members discussed various outreach strategies, such as RSS feeds and the <i>Share</i> application on a webpage. Members agreed to continue publishing the monthly articles on topics central to the current offshore oil and gas environment on the IRF website.</p> |
| 16-18 | <p>IRF Administrative Items</p> <p>This session covered discussions on the next chairmanship, future AGMs, and the 2018 conference in Aberdeen, Scotland, U.K.</p> <p>The U.S. will continue to Chair until the end of 2018. Norway and Canada have agreed to consider standing for election as the next Chair and Executive Secretariat. Australia was re-elected as a Management Committee member for another two-year term.</p> <p>The 2019 AGM host/location is yet to be determined. Australia agreed to host the 2020 conference and AGM.</p> <p>The 2018 IRF conference session topics to include: Value of the Regulator; Knowledge Sharing and Big Data; Digitalization, Robotics and Cyber Security; Risk Analysis; Management of Change; Asset Integrity; Culture of Safety; Improving and Promoting BOP Reliability; and Asset Transfers.</p> |



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| 19 | <p>Action Items</p> <ol style="list-style-type: none">1. U.S will create a template on pre-qualifications for new market entrants.2. U.S. will share results from the well intervention case study to members.3. The Netherlands will update the Decommissioning Network TOR.4. Standards work group will send a list of gaps in standard for well integrity to standard setting groups.5. Australia will develop a letter to manufacturers on the dynamic positioning systems. The letter will be posted on the IRF website.6. Brazil will share the English version of the Campos Basin report.7. U.S. will share lessons learned from the final Shell Glider investigation report. |
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