

Location: IADC Crown Center 1 & 2 Conference Rooms

Call to Order / Introductions:

The committee was welcomed by the 2013 IADC Maintenance Committee Chairman, Mr. Ken Gardner. A building security and safety briefing was given by Mr. John Pertgen (IADC). The Chairman cordially thanked Diamond Offshore for sponsoring both the breakfast and lunch for the meeting.

The Chairman provided an overview of the proposed agenda for our meeting.

IADC Antitrust Policy and Guidelines and committee Mission Statement:

The Chairman reviewed the committee Mission Statement with the group. This was followed by a short introduction by each attendee at the meeting. Thereafter, Mr. Pertgen provided an overview of the IADC Antitrust Policy and Guidelines.

The Chairman took a moment to point out that the Reliability S/C, which was previously part of the Advanced Rig Technology (ART) Committee, is now part of the Maintenance Committee and is being chaired by Robert Urbanowski.

Regulatory Review:

<u>IADC</u>- John Pertgen provided the Committee with information about two IADC-published semi-annual regulatory reports:

International Standards Activities affecting the Offshore Oil and Gas Industries --

This report provides a handy reference to the standards development activities of various organizations (*e.g.*, the International Maritime Organization, International Labor Organization, the International Organization for Standardization, and various international trade associations).

Federal Regulatory Actions Impacting the Offshore Industry –

This report provides a reference summary that reflects the regulatory actions, announced in the Federal Register by U.S. governmental agencies, which may affect operations in the oil and gas industries.

(Note: Both reports are available at: <u>http://www.iadc.org/iadc-committees/iadc-offshore-operating-</u> <u>division/offshore-reporting/</u>)

Additionally, Mr. Pertgen provided the below highlights from the recent Federal Summary on National issues (for a complete list or further information on any issue, please see the full report via the link above):

USCG:

 Lifesaving Equipment Production Testing and Harmonization with International standards-(77 FR 70390) USCG proposes to amend regulations to address lifesaving equipment harmonization concerning release mechanisms for lifeboats and rescue boats and to further clarify requirements concerning grooved drums on winches. [IADC solicited comments from members by 11 JAN 2013]

- Lifesaving and Firefighting Equipment, Training and Drills on MODUs- (<u>77 FR 70172</u>) The USCG issued Recommended Interim Voluntary Guidance based on report of Deepwater Horizon event with a view towards five main areas (drill floor deluge system, lifeboat carrying capacity, davit launched raft training, dedicated rescue boat, and quarterly man overboard drills. [IADC solicited comments from members by 8 FEB 2013]
- MODU Electrical Equipment Certification Guidance- (77 FR 71607) The USCG issued a notice of policy, which provides guidance on the electrical equipment installed in hazardous areas on foreign flagged MODUs that have never operated, or intend to operate on the US OCS. While the USCG pursues getting Chapter 6 of the 2009 MODU Code changed, they recommended voluntary compliance. [IADC solicited comments from members by 1 MAR 2013 to submit them to the USCG even though they did not request comments on this issue.]
- The USCG issued CG-CVC Policy Letter 12-08 on 15 October 2012 (77 FR 43103), which
 provided guidance to ensure vessel compliance with the International Convention on the
 Control of Harmful Anti-fouling Systems on Ship (AFS Convention). IADC solicited
 clarification of this policy and received a response from the USCG that confirmed "any vessel,
 including foreign flagged MODUs, permitted by the a Federal Agency to operate on the US
 OCS, should comply with the AFS Convention. The USCG further indicated that they expect
 the CG to verify compliance during a Certificate of Compliance (COC) exam.
- The USCG has issued three policy letters (77 FR 60096) regarding guidance to mariners subject to the STCW Convention. They addressed: hours of rest, security duty endorsements and security awareness training.
- The USCG issued another policy letter regarding a proposed policy change regarding medical waivers for merchant mariner personnel with anti-tachycardia devices or cardio-verter defibrillators.
- The USCG issued a Final Rule (<u>77 FR 47544</u>), which indicated that all Classification Societies conducting work in the US must be CG-approved.

BOEM

• Bureau of Ocean Energy Management issued a Final Rule (<u>77 FR 50856</u>), which implemented certain safety measures that were recommended by the Dept of Interior to the President in light of the Deepwater Horizon event. These measures are related to well control, unplanned disconnects, recordkeeping, well completion, and well plugging.

BSEE

• Bureau of Safety and Environmental Enforcement issued an NTL (<u>77 FR 72880</u>) that requires MODUs to be equipped with multiple tracking/location devices so that during a storm event the respondent, as well as the BSEE, will have the capability to monitor their locations.

EPA

• The EPA planned to issue the 2013 Vessel General Permit (VGP) in NOV 2012 but extended taking a final action on issuing it until March 2013, based on additional modifications that needed to be made to it. This will not impact the planned effective date of 19 DEC 2013.

DOJ

• Department of Justice released a Resource Guide to the US Corrupt Foreign Practices Act in November 2012, which covers anti-bribery and accounting provisions.

American Petroleum Institute (API)- Ms. Holly Hopkins provided information on the following topics:

API RP/Standard 53

- new verbiage clearly defines what a BOP is and isn't
- removed sections on stripping operations
- no more stump testing
- Equipment owner best source to determine level of maintenance requirements
- Many tables in standard have changed
- An initial pressure test upon landing of subsea BOP is a new requirement (NOTE: Copies of new Tables 2, 3, 4, 6, 7, 9 & 10 in API S53 can be provided upon request from the presenter using her email listed below)

API RP75 Workplace Safety Rule

• Final rule for SEMS II expected later this year

COS update

- Has five Secondees with four new positions
- BHP joined governing board
- Leadership Site Engagement publication expected 1 Qtr 2013
- Safety Performance Indicators have been selected and planned implementation this year

Future rulemakings

- Expect a proposed rule on Oil & Gas Production Safety Systems and another on BOPs
- Delay in final rule for reorganization of Title 30 due to staff shortage at BSEE

Additional information can be obtain by emailing the presenter hopkinsh@api.org

Main Presentation:

Reliability Based Maintenance Practices by Tim White (Management Resources Group, Inc.)

Mr. White discussed the reliability problem with regards to the US Maintenance perspective, which included the top performers over the past ten years, and the traditional view of equipment behavior as compared to the actual behavior patterns and what they actually tell us. He also presented an explanation of the Potential-Failure to Failure intervals of equipment with a look at the stages involved. Additionally, he reviewed the Physical Asset lifecycle and the concept of lifecycle costs. Thereafter, an overview of the maintenance programs on the Ensco 8500 series rigs was presented by Dirk Kolnsberg (Ensco), who gave the group a real world application of reliability based maintenance.

Additional information can be obtained by emailing the presenter at <u>whitet@mrgsolutions.com</u>

Lunch & Learn:

Oilfield RFID; Potential Pitfalls and Near-Term Values by Ian Binmore (Merrick Systems)

Mr. Binmore discussed how the RFID technology can and is used in the offshore industry. This included a discussion of asset life management and an overview of the basics of how RFIDs function and how they are selected, placed and managed.

Additional information can be obtain by emailing the presenter at <u>lan.Binmore@MerrickSystems.com</u>

Afternoon Portion:

Caterpillar

Caterpillar (Jim Cue) provided an update from their work group meetings that covered the following: -3512 Engine issues discussed with planned improvements being implemented -3600 and C280 Engine issues and improvements being developed

Topic for future meetings-

One member suggested that we have specific presentations from a Drilling Contractor at each meeting about the processes that work well for them.

Another member suggested that we pursue Manufacturer collaboration with the drilling contractors by getting them to attend our meetings.

The Chairman indicated that he would see if the Well Control Committee Chairman (Subsea area) could come to our next meeting to discuss issues from his committee.

Open Forum

The Chairman lead a discussion regarding addressing issues with at least two major suppliers to our industry to better understand their functional organization and support chain. In this regard, the Chairman asked each drilling contractor to provide their unique issues to the Vice Chairman (Frank Breland) by the end of February so that he may review, consolidate and report to the Chairman the specific suppliers that should be asked to attend out next meeting.

Adjourned: 2pm

Meeting lunch sponsors for 2013 committee meetings held at IADC are:

09 January 2013-		Diamond
10April	-	Transocean
10 July	-	SeaDrill Americas
09 October	-	Canrig Drilling Technology

Attendance:

Name		Company Name
Charles	Birkner	Aker Solutions
Mike	Borg	American Block Manufacturing
Sumit	Shah	American Block Manufacturing
Rebecca	Junis	Amerig Solutions
Michael	Wendeln	Canrig Drilling Technology
Jose	Sanchez	Canrig Drilling Technology
Boone	Smith	Canrig Drilling Technology
Kurt	Pedersen	Canrig Drilling Technology
Sean	Komatinsky	Castrol Energy Lubricants
Jim	Cue	Caterpillar
Bob	Gonzalez	Caterpillar
Frank	Breland	Diamond Offshore Drilling
lan	Murdoch	Diamond Offshore Drilling
Mike	Faulkner	Ensco plc
Dirk	Kolnsberg	Ensco plc
David	Balsiger	Ensco plc
Соу	Christoffel	Gulf Coast Reliability
Eddie	Clark	Hess Corporation

John	Pertgen	IADC
Bob	Warren	IADC
Donna	Odegard	Management Resources Group
Tim	White	Management Resources Group
David	Kassing	Noble Drilling Services
Kevin	Warren	Noble Drilling Services
Phillip	Biggerstaff	Noble Drilling Services
Claude	Tomlinson	Noble Drilling Services
Pete	Petry	Noble Drilling Services
Megan	Mollaei	Noble Drilling Services
Greg	Vincent	Noble Drilling Services
David	Fisette	Noble Drilling Services
Tom	Pruss	Noble Drilling Services
Sarah	Clyde	Noble Drilling Services
Jesse	Cunningham	Noble Drilling Services
Karen	Guerrero	Noble Drilling Services
Denis	Adams	Pacific Drilling
Mike	Anatra	Parker Drilling
Jamie	Vargas	Precision Drilling Oilfield Services Corp.
Allan	Cummins	Schroeder Industries
Jack	Green	Seadrill Americas
Jason	Manhold	Seadrill Americas
Geoff	Evans	Transocean
Ken	Gardner	Transocean