

# North Sea Chapter safety case project to aid rig moves

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**IN NORTH WEST EUROPE** (NWE), North Sea IADC Chapter members have reluctantly become accustomed to the cumbersome and expensive practice of submitting different safety cases in every country.

However, recent events gave reason to believe that it might be possible to change this wasteful practice. The most notable of these include:

- The NWE regulators carried out joint international audits to familiarize themselves with each others' regulations and practices;
- Norway changed its regulations, allowing the **Norwegian Petroleum Directorate** (NPD) to talk directly to drilling contractors;
- Several regulators stated they did not like safety cases formulated with references to other countries' legal systems;
- NWE regulators invited the IADC North Sea Chapter to participate in harmonizing regulations across NW Europe;
- The Faroe Islands became a new player and is currently developing its regulatory regime.

It seemed reasonable to believe these events presented an opportunity for action. Thus, the North Sea Chapter embarked on a project to revise and update its 1992 document, *Preparing a MODU Safety Case*, also known as the UK Safety Case Template.

Members believe the new guidelines will assist drilling contractors in preparing a single safety case that will satisfy each coastal state's statutory requirements. Such a safety case will assist in reducing costs and the inconvenience of revising documentation every time a MODU moves to a new sector.

More importantly, it should eliminate much of the associated confusion and waste of the technical specialist's valuable time.

As the existing Safety Case Template is nearly 10 years old, the new guidelines

will also update and consolidate members' experiences and reflect current best practice.

## BASIC SAFETY PRINCIPLES

Before looking at the safety case regime that has evolved in NWE, there are some general truths to bear in mind regardless of the operating location and regulatory regime. The first is that drilling operations inherently have high levels of potential and kinetic energy that can easily cause harm to the unwary or ill prepared.

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- Managers, supervisors and rig crews must put into practice a company safety management system;
- The drilling unit and equipment must be suitable for the operating environment and maintained to recognized standards;
- Procedures must be relevant to—and developed from—recognized good practices.

In an ideal world, drilling contractors committed to safe operations should be able to develop universal arrangements which suit their needs and can be applied uniformly wherever they operate worldwide.

## REGULATORY REGIMES

However, reality is not so straightforward. Mobile offshore drilling units (MODUs) are subject to flag state requirements following from those of the **International Maritime Organization** (IMO) and often administered by the classification societies. In addition, compliance with each coastal state's regulatory requirements is necessary.

These requirements can range from the

relatively inactive, to prescriptive, to goal setting and vary greatly in the recognition afforded the contractor.

While an inactive regulator imposes very few requirements, in the era of the "super major" oil companies, there is a tendency for the operator to assume the role of regulator. This can lead to very different requirements and some confusion. A uniform safety case template might help to convince these operators that there is no need to impose their safety management systems and standards on the drilling contractor.

Operating in a goal setting regime requires a different philosophy. In a goal setting regime, the regulator defines the standards, or goals, that must be achieved. The drilling contractor must demonstrate that the standards and goals are being achieved, hence the need for making a "Case for Safety."

Many without first hand experience with a safety case regime will perceive it as a bureaucratic exercise with little in the way of added benefit. While there is no denying that safety cases are comprehensive documents, they do contain well thought out arguments on the critical safety issues.

Drilling contractors who have actively involved their crews in the development and review of risk assessments and the knitting together of the strong arguments needed to make a case for safety recognize many benefits.

These include rig and office staff with a much clearer understanding of the operational hazards and risk exposure, and more significantly, the relevance of the systems, procedures and personnel input in place to manage the risks.

## NWE SAFETY CASE REGIME

In the UK, the goal setting and safety case regimes were introduced in 1992 following the recommendations of Lord **Cullen** who chaired the public inquiry into the Piper Alpha disaster. While Piper was not a MODU, the Cullen reviews and recommendations were deemed to be relevant to the whole UK offshore oil and gas industry.

Concurrent with the introduction of the new goal setting regulations, the North

Sea Chapter developed the Safety Case Template to assist the members in preparing their own safety cases. The template was seen as an important reference document by both the drilling contractor and regulator and played a major role in ensuring that members could achieve the required acceptance of their safety cases. As the regime in the UK has matured, the relevance and status of the template has diminished as best practice has evolved.

As the safety case regime was being established in the UK, other NWE coastal states were developing their own regimes. While they had the same general objectives, they were not driven by the Cullen Enquiry, so their approach and administration differed considerably, despite intensive efforts at harmonization by IADC.

These different requirements place a considerable and unnecessary burden on members moving their MODUs across North Sea national boundaries.

## **CHANGING ATTITUDES**

**North Sea Offshore Authorities Forum (NOSAF)**, the regulators from 13 countries within Europe, recognizes that the present operating environment is not compatible with the principles in European Union Treaties seeking to remove barriers to free movement across borders within the Community.

Free access and movement between markets is a principle also firmly espoused by IADC.

To reduce barriers and capture best practices, NOSAF has performed 2 joint international audits of drilling contractors. They affirmed the difficulties associated with moving MODUs between sectors and recognize the need for greater harmonization on safety related issues.

NOSAF members have all intimated that they will support any contribution from drilling contractors to rationalization, improvements and economies to be obtained by employing best practices.

The NWE Safety Case project is an excellent example of how drilling contractors can participate in resolving at least some of these issues.

From the time that concept was first discussed, there have been a number of meetings and informal discussions with NOSAF representatives. The results of

these discussions demonstrate their keen interest in the project and a desire by the regulators to actively participate in helping interpret their own regulations and in helping relate their requirements to those of the other countries.

## **THE PROJECT**

Phase 1 of the project began in March with discussions with the North Sea Chapter safety professionals who will benefit from the project. Purpose of these meetings was to gauge the level of support across the membership and to identify examples of good practice and potential threats to project success.

Notwithstanding the inevitable reservations of some outside the region, members were very positive and supportive.

Phase 1 has re-iterated the fact that this project is not only about getting the technical guidance correct, but also ensuring that all interested parties are kept well informed of developments and given the opportunity to contribute.

For the project to be successful all stakeholders need to have some "ownership" of the Guidelines. As part of the project marketing, discussions have been held not only with NSOAF, but also with representatives of the UK and Norwegian operators associations, UKOOA and OLF, and Danish Ship Owner and Norwegian Rig Owner Associations, all of whom showed enthusiasm and support for the initiative.

Work has now begun on drafting of the Guidelines. The proposed structure of the final document will reflect current Safety Case practices.

A key feature of the new Guidelines will be "legislative roadmaps" for each country currently producing in NWE that will cross reference a country's legislative requirements with the relevant section in the Guidelines. A roadmap will also be created to show how the Guidelines address compliance with the International Safety Management (ISM) Code requirements.

The guidelines and legislative roadmaps will be put together during the third quarter of 2001. Formal consultation with all stakeholders will take place from September until the end of the year. The plan is for the guidelines to be formally accepted by the North Sea Chapter and issued in the early 2002.

## **DELIVERABLES, OBJECTIVES**

The project deliverables are standard fare for those with even a passing acquaintance with the safety case principles of identifying hazards and managing risks by means of a well-documented safety management system.

In addition to the deliverables, the underlying objectives of the safety case project are:

- Develop a living process—the guidelines will assist drilling contractors in preparing and reviewing their safety cases and serve as a benchmark for regulators in assessing the adequacy of the case;
- Provide a robust process—the guidelines mean industry can work with NSOAF regulators to achieve common safety standards across North West Europe on a cost benefit basis, i.e. most safety benefit for unit of spend;
- Achieve best safety performance—the guidelines will be a compendium of best practice demonstrating a sector committed to high standards of safety in a challenging environment where NSC members can be shown to be proactive to regulators while lowering the cost of maintaining safety cases, an objective supported by the regulators.

A Project Task Force has been set up with representatives from all 12 of the MODU owning/operating North Sea Chapter members with support from the Norwegian Rig Owners and Danish Ship Owners Associations and IADC's Holland Working Party.

Key members of the project team are:

- **Gert-Jan Windhorst, Noble Drilling**, who is championing the NWE Safety Case;
- **Jay Richardson, Transocean Sedco Forex**, who is championing interfacing with the requirements of the ISM Code;
- **Ian McLean, IM Risk Management**, who is coordinating the development and consultation on the revised Guidelines;
- **Dennis Krahn, IADC Director-European Offshore Affairs**, who is acting as Project Administrator.

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