

EDITORIALS

From the Chairman

EVENTS SHAPE OPERATIONS, IMAGE

AT THE IADC/SPE Conference in Amsterdam, I was invited to talk on the future of the offshore drilling industry in the year 2020. I approached this task by looking at what changes had occurred in our sector in the past 20 years. It is obvious that our industry has made tremendous strides in adapting new technology and applying more effective safety and management. However, we have also been changed by events which occur despite our improvements – the accidents and large scale industrial incidents that not only directly impact our business but lead to longer term changes as well.

To make my point, I listed the following industrial incidents



Lawrence R Dickerson, Chairman

as being the most influential events in the past 20 years. The list starts with the incident which has had the greatest impact and proceeds in declining order of importance. These are my opinions and I'm sure there are plenty of arguments to reorder the list, or to include incidents I've overlooked, but the real value of the list is to focus attention on the systems which are designed to prevent these types of incidents from

re-occurring in the future.

SIX INFLUENTIAL EVENTS

1. Platform A Blow Out, Santa Barbara, California (1969): Although this incident occurred more than 20 years ago, the effects continue to be felt in important ways. The discharge of 80,000 barrels of oil onto the beaches of a scenic California town led to the founding of the modern environmental movement and the virtual shutdown of U.S. offshore access outside of a small core area. A recent decision in the US 9th Circuit regarding MMS permits began with a long recap of this event, showing the continuing influence of this oil spill.

2. Piper Alpha Production Platform Fire, North Sea (1988): This gas fire killed 167 production workers and led to Safety Cases being required in the UK North Sea. Safety Cases are now a part of regulatory requirements in many countries. But more importantly, management's own examination of risks and imposition of preventative measures have spread beyond formal Safety Cases and are now a part of internal management systems of the top drilling contractors virtually all over the world.

3. The Valdez Grounding, Prince William Sound, Alaska (1989): Although a tanker transportation incident, the 260,000 barrels of oil spilled into a largely undeveloped area gave rise to immediate calls for banning offshore drilling. The liability standards and financial responsibility required of US participants offshore under OPA 90 legislation were important outcomes of an incident still very much in the public mind.

4. The Brent Spar Disposal, North Sea (1997): When the environmental community found out about plans to dispose of a no-longer needed production facility by sinking it offshore, the public response was sufficient to cause the Spar owner to change its plans and spend considerably more to scrap the unit on land. Demonstrating that the public has power over these types of decisions will remain with us for some time. Although most would agree that offshore spar disposal would have little environmental impact, when it comes to offshore oil, perceptions are often all that matter.

5. Sinking of the Ocean Ranger, Eastern Canada (1982): This tragedy cost the life of all onboard and led to the adaptation of OIM designations, stringent Canadian rig safety features and a renewed emphasis on offshore emergency drills.

6. Capsizing of the Alexander Kielland, Norway (1980): An offshore accommodation unit which suffered structural failure led classification societies and government regulators to increase emphasis on structural inspection and failure analysis.

It is interesting to look at incidents which I have left off this list: The Prestige tanker incident off of Spain appears, at this juncture, to be a marine transportation incident without impact on drilling; Effects beyond Brazil of the P-36 sinking appear to be minimized since systems worked to prevent wellbore pollution. The rig owner's excellent and open response during the incident also seems to have helped a bad situation.

There is no question that our industry has made tremendous progress in safety and operational integrity. There is also no question that failures in our systems could expose us to incidents which could have huge impacts even beyond immediate loss of life or oil released into the ocean. Therefore the integrity of our operations and redundant safety margins are doubly important. In many ways our future depends upon these systems.

From the President

NO ARGUMENT HERE!

IN THE PRECEDING editorial, IADC Chairman **Larry Dickerson** drives home the importance of responsible, proactive management needed in our industry to eliminate accidents—human and environmental. The impact of such events as those he cites is felt decades beyond the immediate personal tragedy. The consequences of our failures stain our reputation, the shortfall in public trust limiting access to future exploration. The failure of an accident prevention policy or an oversight in a management system goes beyond the remorse that accompanies personal injury, it leaves a regulatory legacy that further constricts the freedom to operate. Larry suggests that some may find room or reason to argue the order of priorities in his list of examples, but no one can argue the cost or consequences of any of these events in shaping the present and future of our industry.



Lee Hunt, President