

**Gulf of Mexico SPU**  
**Operating Plan**  
(OMS Handbook)

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## Introduction

The following document outlines key aspects of how the Gulf of Mexico (GoM) SPU delivers performance and manages risk on a regular basis. It follows the Group prescribed Local OMS Handbook format and the Performance Improvement Cycle, outlined in Section 1.8, and addresses GoM at the SPU level processes only. Each GoM Asset has its own Operating Plan, published separately. This document will be updated, at least annually, in concert with development of the following year's activity plans.

## 1. Intent

### 1.1 Scope

The Gulf of Mexico is a world class hydrocarbon basin with a bright future. To date, approximately 18 billion barrels of hydrocarbon resources have been discovered in deepwater, with an estimated 20 billion barrels of yet-to-find potential remaining. In addition, the fiscal environment in the GoM is one of the most attractive and stable in the world. The GoM SPU is responsible for a lateral geographic area of approx 165,000 sq miles. The SPU holds interest in 567 deep water lease blocks (5,109 sq miles) and 144 deep gas/Continental Shelf lease blocks (1146 sq miles). All leases are from the United States federal government and are controlled by the Minerals Management Service (MMS).

The GoM SPU's strongest and most important asset is our world class team of approximately 1,660 BP employees split 560:1100 between offshore and onshore. Each GoM employee is an integral part of a winning team who is delivering the safety, people and performance agenda for the SPU. Our commitment to our people is to provide them with a safe, simple, efficient and inclusive working environment, where people have equal access to personal growth opportunities and their expertise is valued and their voice is heard.

The GoM SPU major activity areas include the following:

#### Exploration

BP currently has a very strong position in the GoM deepwater, with the most net leases, remaining reserves, exploration successes and discovered volumes of any of our competitors. The map in Appendix 1 demonstrates the expanse of BP's leasehold in the Gulf.

#### Production

BP is on track to become the largest producer in the GoM from 2009 following the start-up of Thunder Horse. GoM's total net production is anticipated to exceed 450,000 barrels of oil equivalent per day and planned to sustain at that level through the next decade. Today the GoM SPU has eight BP-operated platforms: Pompano, Marlin, Horn Mountain, Na Kika, Mad Dog, Holstein, Atlantis, and Thunder Horse. BP also holds interest in a number of other producing and development assets: Diana Hoover, Great White, Europa, Mars, King, Crosby, Princess, Ursa, Ram Power and Mica, a great source of high margin assets which continue to play a significant role in meeting the SPU's functional objectives. These fields are displayed on the map included in Appendix 1. In addition, BP operates two onshore facilities – a Preservation and Maintenance Facility (PMF) and a training facility, both in Houma, LA. These facilities service all of the offshore facilities through materials management and competency development, respectively.

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### Developments

A number of large development projects are in various Major Projects Common Process (MPCP) stages. The BP-operated projects include: Dorado, King South, Galapagos (Isabela + MC 519), Greater Puma/Mad Dog, Tubular Bells/Kodiak, Kaskida, Nakika Phase 3, Atlantis Phase 2, Horn Mountain Phase 2 and the new discovery, Freedom. In addition, BP is partner in development projects at Great White, Mars B and Ursa – all operated by Shell Oil Co. See map in Appendix 1.

### OMS Scope

OMS is being implemented in eight of the BP-operated facilities (both onshore and offshore) and at the SPU level, focusing on cross-GoM processes supported by the Functions, in 2008. Thunder Horse will follow immediately in the 1<sup>st</sup> quarter of 2009 and the Training Facility, now in construction, will start up under the GoM OMS in early 2009. OMS implementation scope and timing for the rest of the GoM SPU will be determined by the Leadership Team and OMS Steering Team.

## 1.2 Vision

### GoM Vision

Our vision is to become "Number 1" in the GoM by both internal and external metrics. Externally, we commit to remain the best explorer and to become the best project deliverer, driller, and operator against external benchmarks. Internally, being the "Number 1" means becoming the winning team which is confident of the future, proud of today and delivers its promises to shareholders.

### GoM OMS Vision

A GoM OMS will provide a **consistent and integrated approach** to running our business while delivering safe and reliable operations:

- **Simplification and standardization** through:
  - Consistent operating requirements across the SPU (one GoM OMS Manual);
  - Clear accountabilities both at the Asset and Function level; and
  - Integration of operating requirements as a whole system that will be sustained rather than fragments that keep changing.
- **Prioritization of activities** that is transparent, consistent, and unwavering across the SPU necessary to deliver the strategy.
- A **continuous improvement culture** where people are motivated and feel ownership for always improving work execution and processes.

## 1.3 SPU Objective Function:

- **OMS:** Implement OMS to deliver safe, reliable and efficient operations with continuous improvement
- **Production:** Grow to 450 mboed and sustain post 2012
- **Execution Machine:** Establish level loaded standardized execution machine to continuously improve efficiency
- **Capability:** Attract, develop, and retain a world class motivated organization
- **Technology:** Develop and implement Deepwater, Sub-salt imaging, and Paleogene technologies
- **Financials:** Sustain average annual RCOP >\$7.5bn & free annual cash flow >\$3.5bn with \$5.5bn capex at \$100/bbl

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## 1.4 Key Strategies

The strategies to achieve our vision are defined as follows:

- **Safe, Reliable and Efficient Operations:**
  - Create an incident and injury free workplace where everyone takes a personal responsibility for the safety of themselves and their co-workers,
  - Embrace OMS and Continuous Improvement as key enablers to the business,
  - Deliver world-class ramp-up for Atlantis and Thunder Horse.
- **Level load the organization for sustainable growth:**
  - Strategically integrate Exploration and Appraisal to replace resources effectively and create a conveyor belt of new projects,
  - Leverage technology to progress resources.
- **Sharpen our Execution Machine:**
  - Create a standardized program of new hubs and subsea tiebacks to drive continuous improvement and learning;
  - Centralize Drilling and Completions (D&C) to drive consistent performance through standardization, learning and efficient utilization of scarce skills;
  - Leverage Procurement and Supply Chain Management to actively manage demand, and
  - Foster an "every \$ counts" culture.
- **Continuously improve organizational capability:**
  - GoM's "People" philosophy is: right people, right place, doing the right things.
  - Energize the organization by giving them growth opportunities, interesting and challenging jobs, valuing their expertise and rewarding them competitively.

## 1.5 Operating Policy/Management Commitment

All personnel in the GoM SPU conform to BP's Commitment to Health, Safety and Environment, as well as the BP Code of Conduct:

BP's  
Commitment to  
health, safety and  
environmental  
performance (HSE)



Our goals are simply stated: no accidents, no harm to people, and no damage to the environment. Everybody who works for BP, anywhere, is responsible for getting HSE right. Good HSE performance and the health, safety and security of everyone who works for us are critical to the success of our business.

Our goals are simply stated—no accidents, no harm to people, and no damage to the environment.

We will operate our facilities in a safe and efficient manner and care for all those on our site or impacted by our activities.

We will continue to drive down the environmental and health impact of our operations by reducing waste, emissions and discharges, and using energy efficiently. We will produce quality products that can be used safely by our customers.

We will:

- comply with all applicable local laws and company policies and procedures.
- consult, listen and respond openly to our customers, employees, neighbours, public interest groups and those who work with us.
- work with others—our partners, suppliers, competitors and regulators—to raise the standards of our industry.
- openly report our performance, good and bad.
- recognize those who contribute to improved HSE performance.
- continuously improve our performance by improving the leadership, capability and capacity of our organization.

Our business plans include measurable HSE targets. We are all committed to meeting them.

Terry Hayward  
Group Chief Executive

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*"The SPU leadership team is 100% committed to the successful design, implementation, and sustainment of OMS; it will become the way we work in the Gulf of Mexico and represents our next material step in our journey to becoming Number 1 in the Gulf. We chose to be one of the three "Wave 1" sites in E&P to help shape the design, but most importantly we needed to begin attacking the significant operating complexities that have entered the business over a decade of unprecedented growth. We have built, installed and operate eight very different facility hubs in the Gulf of Mexico; OMS will enable us to efficiently manage such a diverse portfolio by being very explicit and deliberate in the execution of our underpinning standards, practices and processes.*

*The power of one, consistent operating management system across the company shifts our energy from re-inventing to continuous improvement within our Elements of operating. We each look forward to the journey, and remember, this is a marathon, not a sprint."*

*Neil Shaw on behalf of the SPU Leadership Team*

## 1.6 Governance and Key Roles and Responsibilities

### SPU Governance

The GoM SPU organization model has three main components: the SPU Leadership Team, Assets, and Functions.

- **SPU Leadership Team:** Focused on setting overall SPU strategy and delivering against the SPU's short-term and long-term goals. It has six primary areas of focus:
  - Defining Strategy that translates into Long Term Plans to Annual Plans to Individual Performance Contracts
  - SPU Integrated Operating Plan
  - Performance Delivery
  - SPU Risk Management
  - SPU Organizational Effectiveness
  - External & Segment Interfaces

The SPU Leader has nine direct reports, VPs of Exploration, Production, Developments, Drilling, Human Resources, Finance, Atlantis, Thunder Horse and Organization Capability.

The eight GoM assets and the Preservation and Maintenance Facility (PMF) are led as follows:

- Atlantis – VP Atlantis
  - Thunder Horse – VP Thunder Horse
  - Holstein, Horn Mountain, Marlin, Nakika, Mad Dog, Pompano, PMF – VP Production
- **Asset Teams:** Focused on day-to-day operation of the GoM SPU facilities, infrastructure and subsurface assets. They have two primary roles:
    - Delivery of business performance
    - Compliance with Group and E&P OMS Essentials and Defined Practices, as well as SPU procedures and practices

Each asset under the VP Production is led by an Asset Manager or Logistics Manager (PMF), located in the Houston office, with a multi-discipline leadership team (Offshore Operations, Facilities, Subsurface, HSSE) reporting to him/her.

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- **Functions:** Focused on enabling the work done in the Assets and ensuring processes and systems are in place for complying with Group and E&P OMS Essentials and Defined Practices. They have four primary roles:
  - Ownership of OMS Sub-Elements at the SPU level, common processes and technical assurance
  - Technology development and deployment
  - Delivery of services
  - Functional health and capability building
  - Translation of Group/Segment context

This model has been chosen as a way to help GoM achieve its vision of being "Number 1 in the Gulf of Mexico" and is built from these design principles:

- **Integration:** It includes an SPU Leadership Team with an explicit charter to look at the long-term integrated picture, and to deliver against the goals for the SPU as a whole. It also brings the Functions together to drive an integrated approach to process and technology development
- **Simplicity:** It provides a framework to define clearly the roles and responsibilities of different parts of the organization. It also helps in clarifying the interactions between groups that allow the organization as a whole to run smoothly and to deliver ever-higher levels of performance.
- **Line Delivery Supported by Functional Excellence:** This allows for increased focus on business performance by the Assets, as well as greater intensity to the Functions that are critical to the business.

The following link to the GoM SPU home website provides access to the organization charts for the entire SPU:

[GOM SPU Web Page/Organization Charts](#)

#### **OMS Governance**

The SPU Leadership Team, Asset and Function Managers are instrumental in ensuring the success of OMS in this SPU. They individually and collectively understand the key aspects of OMS and drive the Performance Improvement Cycle as well as conformance to the OMS requirements in the areas under their control. Each of these leaders is supported by the Central OMS team, whose knowledge of the overall management system requirements is invaluable as subject matter experts and to drive activities related to this new system. In addition, each of the producing assets has designated OMS implementation and coordination as a key role for their Operations Support Leads.

- **OMS Leadership Direction & Governance** The OMS Steering Committee was formed in February 2008 to provide direction and governance on the development, implementation, and sustainment of OMS. It is composed of the following SPU leaders: SPUL, VP Production, VP Atlantis, VP Drilling & Completions, VP Thunder Horse, Operations Authority, NaKika Asset Manager, and the OMS Manager. This group has been fundamental to implementation success in the SPU. In 2009, the OMS continued implementation and sustainment guidance role will pass to the SPU Leadership Team as the rest of the SPU transitions to OMS.
- **OMS Central Team** The OMS Central Team is lead by the OMS/IM Manager and reports in through the VP Production. The role of this team has been to lead the implementation of OMS in the SPU and Assets by:

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- Providing a consistent implementation approach and processes
- Developing communications on OMS and leading engagement sessions in the SPU and Assets
- Coordination of the SPU gap assessments and external facilitation and support for the Asset gap assessments
- Developing of the Navigator for GoM
- Representing GoM on the E&P OMS Steering Team and providing support to Wave 2 and 3 sites

- **SPU Level Sub-Element Sponsors and Owners**

Each of the assets utilizes cross-GoM processes that are supported by functional groups within the SPU. Taking the concept of natural ownership, each of the SPU Leadership Team members have been designated for accountability for the health of the Sub-elements that lie within their accountability. These LT members have subsequently designated Single Points of Accountability (SPAs) for each of the Sub-elements (a one-to-many relationship). See the list in Appendix 2.

The Sub-element SPAs will provide an excellent long term structure with clear line of sight to the SPU Leadership Team and Leaders in the organization to continually improve SPU level processes. Each SPA, through their own efforts, and/or with support of a Single Point of Responsibility (SPR) in their team, is responsible for understanding and assessing GoM practices against the OMS Essentials with the help of a cross-GoM team. Their insights have informed the SPU Leadership Team with regard to gaps and prioritization for closure. In addition, these functional leaders are accountable for gap closure, at a pace commensurate with the priority of those gaps and overall SPU integrated plan. It is also expected they will work with the Asset representatives on the improvements.

- **OMS Activities and Accountabilities:** a number of activities associated with system management have been defined for the future, sustaining phase of OMS. These activities and those accountable for delivery are presented on the table included as Appendix 3. The tables follow the Performance Improvement Cycle stages as described in Section 1.8.

## 1.7 OMS Implementation

### Implementation

OMS is being implemented in the GoM SPU in a stepwise fashion as follows:

#### 2008

- At the SPU level, focusing on cross-GoM processes supported by the Functions, utilizing Group Essential Version 1
- At the Asset level (offshore and onshore facilities with the exception of Thunder Horse) (Version 1)
- MOC the SPU + eight assets/facilities as of January 1, 2009

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Implementation in 2008 was based on a project plan described in the GOM SPU OMS Implementation Terms of Reference which can be reviewed via this link:

OMS Implementation Terms of Reference

The detailed plans for standards and system transitions are found at the following link:

Transition plans for GHSEr, IM, CoW, etc.

Since Transitioning to OMS is just the beginning of a journey, there are a number of implementation activities that will continue well into 2009 and beyond, some of which are listed below:

**2009**

- MOC Thunder Horse Asset by March 31, 2009
- Transition the assets to Group and E&P Essentials Version 2 in early 2009, and
- Drilling & Completions, Developments, and Exploration implementation as appropriate at a later date.
- Complete transition of current standards such as ghSEr, IM, CoW to OMS
- Performance Improvement Cycle progress
- OMS Audit preparation
- Navigator administration

A project plan will be developed for this continued implementation, as well as OMS administration in 2009.

Learnings from other Wave 1 site implementations as well as the implementation of the Integrity Management Standard were incorporated into the specific actions taken during implementation. These can be summarized as follows:

From Integrity Management Standard Implementation:

- Need for Terms of Reference
- Need for Steering Team
- Early asset engagement
- Clear communications on requirements
- Central team building common processes and templates

From the other Wave 1 Sites (North American Gas and Alaska):

- The concept of an "Operating Plan"
- Group, Segment and R&M collaboration on "Local OMS" content
- Collaboration on what would be included in the MOC
- OMS Dashboard for performance management
- NAG Planning cycle

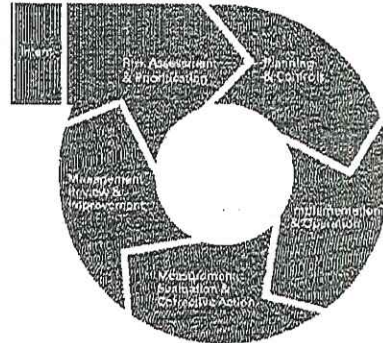
Achieving Conformance

The GoM SPU will be following the Group requirement to develop a conformance plan within two years after the MoC to OMS. This means GoM would define their plan for the Assets and the SPU by January 1, 2011. Inherent in building that plan will be a definition of what conformance level is defined for each of the Sub-Elements.

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## 1.8 Sustaining OMS

OMS will be sustained using the Performance Improvement Cycle (PIC) described below. GOM SPU will be implementing the activities associated with this cycle on at least an annual basis. A timeline with the activities for these stages for GoM is provided in Appendix 4.



1. **Intent: Leaders provide the vision and set the expectations for operating performance through a local operating policy and consistent actions.**
  - Explain objectives and scope of local OMS: provide vision and framework for setting local objectives and targets.
2. **Risk Assessment and Prioritization: Risks (threats and opportunities) are identified and prioritized.**
  - Implement a formal process for review of risks and a system to prioritize actions to close gaps according to risks
3. **Planning and Controls: Plans establish clarity about an intended activity and controls confirm objectives are achieved in a sustainable fashion.**
  - Develop plans with specific objectives and targets to manage identified risks; develop performance measures (key performance indicators – KPIs) and communicate plans and accountabilities.
4. **Implementation and Operation: Activities are carried out consistent with the plan to meet commitments, including legal obligations.**
  - Execute the plan to close gaps and eliminate defects.
5. **Measurement, Evaluation and Corrective Action: Monitoring and measurement are carried out to determine if applicable requirements and plan targets are being met and controls are effective.**
  - Measure and assess progress using KPIs to confirm delivery and effectiveness of planned actions; put in place actions to correct any deviations from the plan.
6. **Management Review and Improvement: Management reviews identify any need for change to the local OMS.**
  - Review all steps and modify the local OMS before its next implementation; determine whether the local OMS is aligned with the initial scope and intent and working effectively; and embed learning from reviews to improve systems, performance and behaviors.

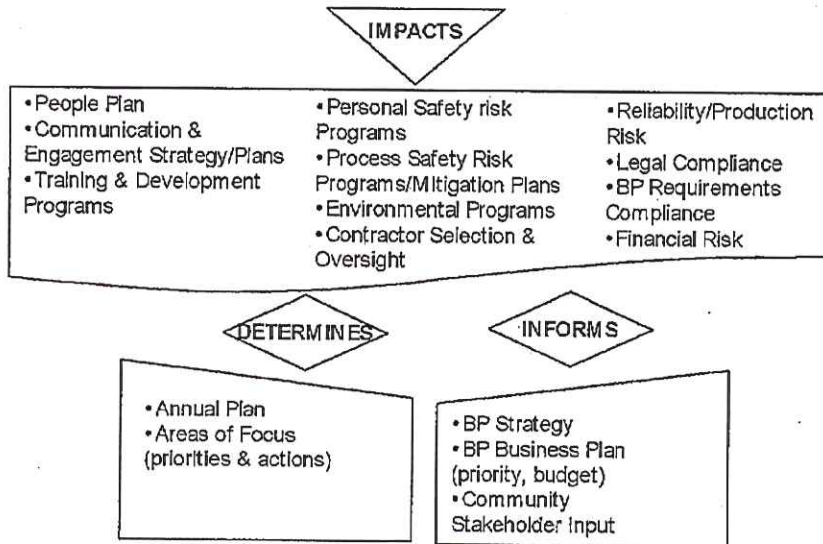
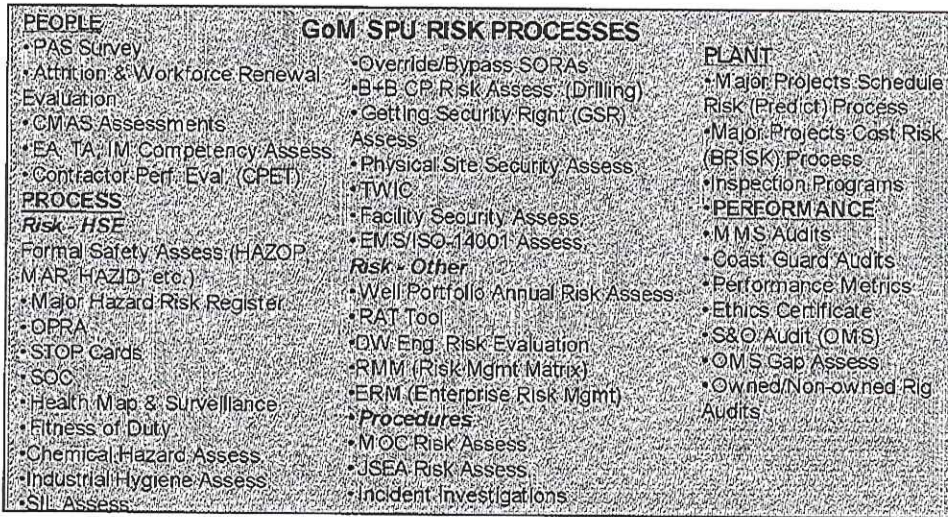
## 2. Risk Assessment and Prioritization

### 2.1 Key Risk Mitigation Assessment & Prioritization Activities in GoM SPU

The following diagram catalogues the various risk assessment process currently in place in the GoM SPU. These risk processes collectively impact many programs within the SPU and ultimately drive the BP Strategy and Annual Plans.

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Risk Assessment and Management in the GoM was defined as a key gap area during the 2008 SPU gap assessment process. As shown above, there are many risk processes in action but they have become too complicated and cumbersome to effectively manage. During 2009, an effort will be underway to look at simplification of these processes to ensure the SPU is gaining the highest value from these efforts and to close this gap.

Appendix 5 outlines, in some detail, several of the key SPU level risk processes.

## 2.2 Six-Point Plan Status

GoM has embraced the requirements outlined in the Six-Point Plan. The following describes the status of each aspect of the Plan. Those actions remaining as the SPU moves into 2009, will be completed as described and progress is tracked through the

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Orange Book and reviewed with the LT in the HSSE QPRs. Those completed previously have become part of the fabric of the GoM operations, so will easily meld into OMS.

### 1. Texas City Actions

#### **Hazardous Cold Vents**

GoM completed a HAZOP review in September 2006 that confirmed that none of 41 vents, identified as possibly having potential for an uncontrolled release of heavier than air gases or liquids, had credible potential for such an event.

#### **Temporary Buildings**

GoM implemented an Offshore Personnel Risk Assessment (OPRA) project in 1Q 2008 to comply with GP 44-32 (Protection of Personnel from Explosion, Fire, and Toxic Hazards on Offshore Facilities). The process was piloted on the Pompano platform; with the other assets to follow sequentially. Based on learnings from the process with Pompano, GoM is moving forward with the rest of the Assets as quickly as practicable with required facility modifications expected to be complete by 2011.

The Pompano QRA was completed in October 2008 and the Select Stage for Pompano will kick off by end 2008. If any modifications to the facility are required, they would commence in 2009. The Appraise Stage has started on Mad Dog and Marlin, with QRAs expected to be complete by June 1, 2009. If any facility modifications are required, these could start for Marlin & Mad Dog in 4Q 2009 or 1Q 2010. Na Kika and Holstein are expected to commence the Appraise Stage late 4Q 2008 to early 1Q 2009 with Horn Mountain and Thunder Horse starting 2Q 2009 and 3Q 2009, respectively with any facility modifications for these four assets commencing in 2010 and likely completed in 2011.

#### **Compliance with Procedures**

A requirement, as set out in the Six-Point Plan, for the review of operating procedures was completed in 2006.

### 2. Major Accident Risk

All eight of the GoM Assets were assessed using the MAR process in 2006. A total of seven recommendations were included in the MAR report; six of the seven recommendations have been closed. The final MAR recommendation required compliance with ETP 04-30, Occupied Portable Buildings. This ETP is no longer applicable to GoM; ETP GP 44-32 (Protection of Personnel from Explosion, Fire, and Toxic Hazards on Offshore Facilities) has replaced it for offshore operations. Status of this work is covered above under Temporary Buildings.

### 3. Integrity Management and Control of Work Standards

#### **Integrity Management Standard**

By the end of 2008, the GoM SPU will be in conformance with the IM Standard with the exception of an extension submitted for Site Operating Procedures. The SPU will be in full conformance by the end of 2Q 2010. The extension is further described in Appendix 8. The three key activities for closure will be entered in the GoM Action Tracker and is also reported through the Orange Book. Progress will be reviewed in the HSSE QPRs.

#### **Control of Work Standard**

The GoM SPU reached full conformance with the CoW Standard in 2Q 2008.

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#### 4. Competence

GoM completed Leadership team competence assessments in 2006.

#### 5. Close Out Audit Actions

GoM completed close out of outstanding audit actions in 2006.

#### 6. Regulatory Compliance (Project Emerald)

GoM completed Project Emerald to ensure regulatory compliance in 2006.

### 2.3 OMS Essentials Gap Assessment Process

One of the key risk assessment processes the GoM SPU will use to inform the Annual Plan each year is the OMS Essentials Gap Assessment. The purpose of this self assessment is to determine conformance and evaluate risks associated with GoM business processes.

#### Gap Assessment Scope

Every BP-operated facility (with the exception of Thunder Horse - due in early 2009) completed a detailed gap assessment against Version 1 of the Group Essentials during 2008. In addition, a gap assessment has been completed at the SPU level against common SPU processes managed at the Function level. In general, the SPU gap assessment tests the programs and processes that are in place to conform to the Essentials, and the operating facility gap assessment tests the execution and effectiveness of those processes.

#### Gap Assessment Process

There is no set way defined by Group on how to carry out the assessments but there is a minimum requirement to convene a detailed gap assessment on all of the Essentials every three years with:

- Use of the Group OMS Gap Assessment Tool (GAT) – used to collect the gaps, comments, risk and conformance level for each of the Essentials
- External Facilitator participation - external to the team or the SPU depending whether it is Asset or SPU

In 2008, the following approach was taken:

#### **SPU Gap Assessment**

The assessments were coordinated by each of the Sub-Element SPAs and conducted with small groups of 5-8 participants, including Extended Leadership Team members, Asset and D&C, Developments, and Function team members, as well as Subject Matter Experts (SMEs). One of the OMS Central Team members facilitated the assessment and used the Group OMS Gap Assessment Tool to record the information. The Sub-Element assessments were either done one-off or sometimes grouped with other similar ones. The gaps identified from each of the assessments, along with names of participants and date, can be found at this site: [SPU Gap Assessment Details](#)

GoM SPU conformance ratings for 2008 from these assessments are captured in summary form on the chart shown in Appendix 7.



#### **Asset Gap Assessment**

Eight of the BP-owned and operated Assets (Atlantis, Holstein, Horn Mountain, Mad Dog, Marlin, NaKika, PMF and Pompano) underwent a 244 Essential Gap Assessment that was verified by an external facilitator. These self assessments (reviewing their current business processes against the Essentials) were done primarily with small groups of leaders and SMEs, in multiple sessions over a 5-month period. Gaps were captured in the Gap Analysis Tool spreadsheet. More specific details on this topic are provided in the individual Asset Operating Plans.

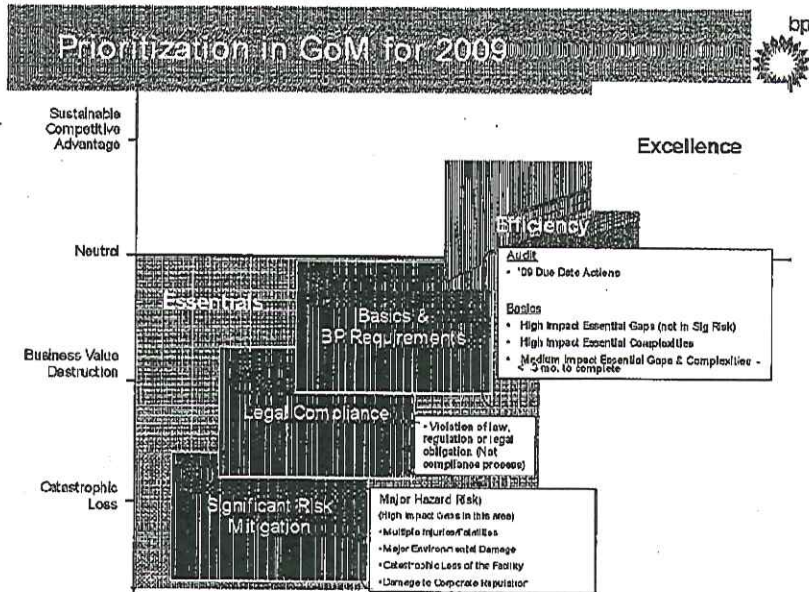
#### **Future Gap Assessments**

The next detailed assessments required for the GoM SPU will be in 2011. For 2009 and 2010, a "lighter touch" gap assessment will be carried out by the Teams in the SPU that have MOC'd over to OMS. In general, they will go back over the high priority sub-elements from the previous year and add any new ones to assess of concern. Because of the change to Essentials Version 2 in late 2008, the 2009 assessment will also include an overview of the new Group Essentials (test against 2008 gap assessment results) and an assessment against the new E&P Essentials.

#### **SPU Gap Prioritization**

The SPU level gap prioritization was a multi-step process. The key aspects of the process are described herein and represented graphically in Appendix 7.

- 1) Once all of the SPU Level Gap Assessments were complete, the gaps were consolidated as needed and prioritized, by sub-element, based on impact to the Annual Plan/Strategy. In addition, S&O audit findings were placed on the appropriate sub-element priority matrix.
- 2) The sponsoring Leadership Team member and SPA responsible for a sub-element, reviewed the prioritization matrix to ensure alignment on the priorities.
- 3) The results of all 49 sub-element assessments were reviewed with the LT over an equivalent of three days of meetings in June and July of 2008. The intent of the review was for the LT to learn about and discuss the current state of each of the sub-elements and add their own perspective as to the prioritization of the gaps that were identified. An external facilitator was in attendance at the sessions to provide additional perspective and challenge to the LT.
- 4) High impact gaps were then placed through an additional prioritization lens to determine which gaps should be supported for gap closure in the coming year or two. The diagram below was used to classify the type of gap for this further prioritization. The result of these prioritization efforts is displayed on the Element tables included in this linked folder: [Gap Prioritization Details](#)



5) The high impact gaps that fell under "Significant Risk Mitigation", "Legal Compliance", and "Basics and BP Requirements" were then reviewed with the LT in late August 2008 for agreement on those to focus on in 2009, plus link to the Annual Plan and objective setting for 4Q 2008. The sub-elements selected to have the highest impact gaps are described below:

Sub-Element	High Impact Gap
Resources & Implementation	Lack of SPU integrated resource & activity plan
Accountability	Unclear accountabilities between Line, Function, D&C, and Major Projects
Metrics & Reporting	Lack of clear, consistent, & integrated SPU performance management system
Risk Assessment & Management/Process Safety	Risk assessment processes/results are not integrated, and need for stronger major hazard awareness
Operating Procedures	Incomplete Site Operating Procedures
Information Management & Document Control	Lack of documented process and consistent, simplified use of the system in place

Details, including Problem Statements that will be utilized to drive continuous improvement projects around each of these gaps is found in Appendix 7.

**Asset Level Gap Prioritization**

The Asset teams, following completion of their gap assessments, utilized a gap prioritization tool that was prepared by the OMS Central Team. This tool allowed the team to preview, sort, clean up, consolidate and ultimately prioritize their gaps using 2 key factors: 1) impact/risk to the business and 2) the type of gap, as defined by the graphic above. This provided a quick way to hone in on the critical gap closure work that

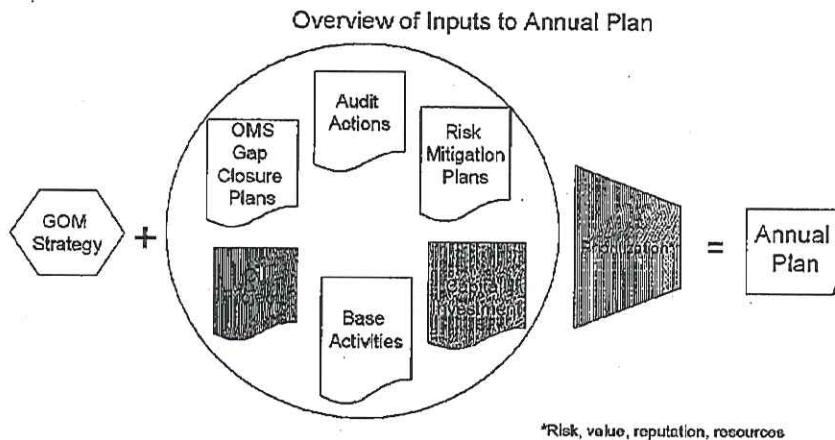
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needed to be scheduled for early 2009. Specifics on the results of the Asset Gap Assessments are provided in their respective Operating Plans.

### 3. Planning and Controls

This section addresses the overall planning process for the GoM SPU, the SPU Annual Plan, the methodology used by the Assets to plan activities, and describes what controls are in place to ensure delivery.

Planning for the SPU and each of the GoM Assets requires pulling together inputs from a number of areas, then prioritizing those activities for implementation. The diagram below illustrates some of the inputs considered as Asset, Function and Projects Annual Plans are developed.



#### 3.1 Annual Plan Development

The GoM Annual Plan includes performance metrics, objective function, activity set and areas of focus intended to optimize delivery of the SPU's promise of key results, plus safe and reliable operations. The Annual Plan development is based on the following principles:

- There is a clear Objective Function for the SPU;
- Resource frames are tested against the Objective Function and capability to execute to provide clear boundaries for activity levels;
- The frame forces clear choices, reduces iterations and allows more space for detailed activity planning and execution optimization;
- The plans are underpinned from the bottom up with no allocated segment overviews, for deep ownership;
- The plan reflects continuous improvement in operational metrics and efficiency (capital and cash cost).

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The GoM SPU Annual Plan process follows these 4 steps:

1. The Long Term Plan (LTP) is the starting place to establish the frame for the following year activities, capex and cash costs. Discussions with E&P Planning around the current status of that plan will drive the resource frame for the SPU.
2. During July and August of each year, bottom-up activity plans are built which align with the agreed frame.
3. The following year plan will be reviewed during September of the current year. This plan review will consist of key input lines (production, capital and cash costs) to ensure consistency with the resource frame, market expectations and the LTP. Areas to target for OMS gap closure, risk mitigation and continuous improvement would be addressed as well.
4. The following year GFO 0 is submitted in early November of the current year.

The timing of the Annual Plan Development and key activities that feed into it is shown in Appendix 4.

### 3.2 SPU Leadership Team 2009 Collective Priorities:

The SPU leadership team, in anticipation of developing clear objectives for their team has selected the following 4 areas to focus on in 2009. These efforts will be integrated with the Function-led SPU OMS gap closure and continued implementation activities.

#### OMS

- Simplification and standardization
- Prioritization of activities
- Continuous Improvement culture

#### Procurement Supply Chain Management

- Leverage scope & scale
- Contracting Excellence
- Cost of Poor Quality

#### Organization Capability

- Recruitment
- Accelerated development
- Deployment through succession planning– right people in the right places
- Retention – financial & non-financial

#### Drilling & Completions

- Resourcing
- D&C Way We Work (OMS)
- LT Communications and Relationships
- Performance Management & Reporting

### 3.3 Annual Plan

The GoM SPU 2009 Annual Plan reflects the actions to be taken to achieve the key priorities noted above. The latest version of the Plan can be found at this link:

[2009 GOM SPU Annual Plan](#)

### 3.4 Key SPU OMS Priorities

GoM SPU's key OMS priorities for 2009 are as follows:

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- Embed OMS in the organization in a way that employees can see how it will improve the business by prioritizing and simplifying our work through a consistent framework, and clear and frequent communications
- Substantial progress toward closure of highest priority gaps from 2008 gap assessment, based on risk and resource capability
- Building Continuous Improvement capability throughout the SPU
- Transition the rest of the SPU to OMS as appropriate and agreed by the SPU LT.

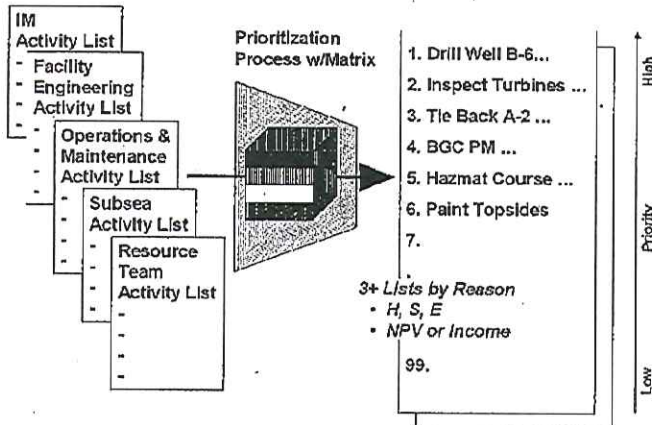
### 3.5 OMS Gap Closure Plans

The SPU level gap closure plans were developed by the Function lead accountable for the gap. Some of the gap root causes and solutions were known and the plans were straightforward. However, some of the gaps are broad and include many smaller specific gaps and related audit actions that were symptoms of the wider gap. Continuous improvement problem solving methodology was used to set out the steps to understand the root cause(s) first and then lay out a prioritized action plan. Therefore, many of the gap closure plans only go through one quarter and will be updated once the root cause is known and the solutions and action plans are developed. One or two assets will jointly work on those gaps with the Function.

The SPU Gap Closure plans can be found at this link:  
[Gap Closure Plans](#)

### 3.6 Integrated Field Planning

All of the producing assets in the GoM SPU utilize a BP common process called Integrated Field Planning (IFP) to define their ongoing prioritized activity plans. This allows them to optimize scheduling of work on the offshore facilities, as well as coordinating contractors and vendors. The basics of the process are outlined on the diagram below and more specifics are addressed in each of the Asset Operating Plans. Activities in the Assets for closing both Asset and SPU gaps will be planned using IFP.



### 3.7 SPU Integrated Plan

Similar to the IFP activities in the Assets, the GoM SPU is moving toward development of integrated planning tools that allow the SPU leadership the ability to have a more holistic

picture of all SPU Asset, Project and Functional activities. This will support closure of the Resources and Implementation gaps found during the SPU Gap Assessment. Information from this tool is expected to provide needed visibility and greatly help with prioritization and sequencing of closure activities that impact broadly across the SPU.

### **3.8 Control Mechanisms to Assess Progress against the Plan**

Each year, as annual plans are poured, the SPU leadership team defines the control mechanisms they will use to monitor progress. At present, there are a number of controls in place through the SPU to assess progress against the plan:

- The GoM SPU Annual Plan targets are tracked through the GFO process at a very high level of detail. The Finance Team has accountability for gathering status from various groups across the SPU, publishing a document that outlines all of the performance measures required by the E&P Planning team. This document is published quarterly, is available through the Performance and Planning Manager and is a leadership monitoring tool.
- Specific SPU Level OMS Gap Closure Plans will be monitored at least quarterly by the designated LT member and SPA to ensure actions are taken as planned. The OMS Central Team will monitor overall progress and provide the SPU Leadership Team with a quarterly high level review. The gap closure activity will be entered into the GoM Action Tracker.
- Daily and weekly monitoring of specific measures is performed at all levels of the organization, using various tools designed to capture those measures.

## **4. Implementation and Operations**

### **4.1 Operational Framework**

Operations in the GoM SPU are fundamentally driven by a series of consistent operating practices, procedures and processes, implemented across the SPU. The only deviation should be for specific operating procedures that account for different equipment onboard a facility, or other activities such as emergency response procedures. The totality of processes, which can be directly identified with each OMS sub-element, was collected during the 2008 gap assessments at the SPU and Asset level. These can be viewed in the Evidence column of the SPU gap assessment tool.

#### SPU Gap Assessment Tool

Key processes have been included in the GoM OMS "Manual" described below.

### **4.2 GoM OMS "Manual"**

The official "library" of GoM-specific operating procedures and practices is accessible via the OMS Navigator. The Navigator is available to all BP employees and contractors who can access the BP Intranet.

This online navigation tool allows users to easily locate documented GoM or Asset procedures, processes, and programs, via an OMS sub-element structure. Group Essentials and Practices/ETPs, plus E&P Requirements and Practices are also included. Information is organized by sub-element but can be accessed through both a tree and standard key word search. In addition, practices from other SPUs will also be visible as a way of sharing with other BP businesses.

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OMS Navigator Link: <http://omsnavigator.bpweb.bp.com>

The Navigator, as an IT application, is managed by E&P IT&S. Within GoM, ultimate accountability for the usability of the tool resides with the GoM OMS Central Team. They work with content managers throughout the SPU to ensure content is up-to-date and relevant for the user community. In addition, there is a strong linkage with the IT&S Team who manages GoM's Documentum system.

### **4.3 Continuous Improvement**

Continuous Improvement (CI) is currently inherent in the Operations Common Processes (PEI and IFP) that have been embraced by the operating leaders and staff. In addition there are pockets of leaders with CI skills who are motivating their staffs to look for opportunities on a regular basis. In general, GoM will be building a stronger CI culture in all areas of its business in 2009 and the future, using the foundations being laid by those who are attending the Operations Academy. One of the key ways this will happen is by using CI problem solving methodology for closing many of the OMS gaps.

CI capability enhancement plans are currently being developed and discussed with the SPU Leadership Team.

## **5. Measurement, Evaluation, & Corrective Action**

### **5.1 Processes Used to Evaluate Progress and Track Corrective Actions**

Performance metrics take on many forms in GoM, dependent on the user and expected usage. Most have, as an ultimate goal, to provide data for continuous improvement, although many are also for reporting to E&P Segment and BP Group. The following sections outline the key metrics utilized by GoM leaders.

### **5.2 SPU Performance Metrics**

The intended use of a performance management system including metrics and reporting is for providing data to inform decisions to continuously improve business performance. The GoM SPU has its own share of KPIs to monitor many of areas of performance. However, there are currently way too many versions of KPI's and metrics across the SPU, preventing one version of the truth. A sampling of these metrics is shown in Appendix 8.

As noted earlier, in Section 2.3, a gap in the area of metrics and reporting has been prioritized for closure in 2009 and further described in Appendix 7.

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The intent of the performance management project is the following:

- Simplify the business through implementing standard monthly SPU Performance Management Reporting
- Automate data collection & reporting; minimize manual process where possible
- Rigorously Performance Manage the Business
- Asset is the 'unit' of performance and asset managers are the key performance managers
- Functions (e.g., D&C, Subsea, logistics) are accountable for operational performance delivery on behalf of the assets
- Primary performance management cycle is monthly underpinned by daily/weekly
- GFO will be based on the last monthly report

**End Goal**

- Use the data to illuminate insights to continuously improve performance
- Know your business — accurate forecasting of outcomes

**GFO**

Group Financial Outlook (GFO) submissions are published regularly (but not monthly) and include a combination of financial and operational measures. The data for the GFO is prepared by each of the groups across the SPU and accumulated and reported by the Planning and Performance team within the Finance organization.

Periodic "deep dive" review of line items and Leadership Team review of each GFO includes major projects and operations data. This becomes semi-annual input to the BP "Purple Book", which is a confidential Group Financial Reporting tool.

**Orange Book and GoM Maroon Book**

BP's "Orange Book" is a repository for Integrity Management plus Safety and Environmental measures as requested by the BP Group leadership. The data is confidential. The "GoM Maroon Book" is the same data as shown in the "Orange Book" but specific to GoM.

Metric	Review Schedule	Preparation	Responsible Party(s)
Group IM and HSSE metrics	Quarterly	HSE data is pulled from Traction and quality controlled IM data is gathered from various asset representatives Reviewed with EA, VP Production, SPUL Submitted via online data gathering tool	HSSE Director IM Manager

### 5.3 Action Tracking Processes & Implementation

Tr@ction and the GoM Action Tracker are the two systems used by the GoM SPU to track, approve and close out action items. The following table contains examples of the sources of action items these systems address. For more detail, please review the GoM SPU Action Tracking Procedure, by accessing Sub-element 4.4 Incident Management, through the OMS Navigator. The GoM OMS gap closure activity and closure date will be entered in the GoM Action Tracker.

**Systems Used to Track Action Items**

Tr@ction	GoM Action Tracker
<ul style="list-style-type: none"> <li>• Incidents</li> <li>• Safety Observations and Conversations (SOCs)</li> <li>• Audits</li> <li>• GoM actions as a result of lessons learned</li> <li>• Regulatory violations (e.g., Minerals Management Service (MMS) INC, US Coast Guard (USCG) 835, Environmental Protection Agency (EPA) NOV</li> </ul>	<ul style="list-style-type: none"> <li>• Project HSSE Reviews (PHSSERs)</li> <li>• Formal safety assessments (FSAs)</li> <li>• Pre-Startup Safety Reviews (PSSRs) for major projects (does not include MOC PSSRs)</li> <li>• Engineering and project peer reviews and peer assists</li> <li>• Technical Risk Assessment Process (TRAP) studies</li> <li>• OMS Gap Closure Actions</li> </ul>

In general, actions from studies and reports primarily concerning field operations (e.g., production, drilling, marine vessels) are tracked using Tr@ction. The GoM Action Tracker system is used primarily for tracking actions from technical studies and reports.

## 6. Management Review and Improvement

### 6.1 Management Reviews & Improvement Processes

The following diagram outlines the various GOM SPU Leadership management reviews. Additional detail follows:



# SPU Collective LT Meetings



Weekly	Weekly Ops – thr HSSE, D&C, Prod → Weekly Report
Monthly	Monthly LT – 1 day or 2 half days What's on your mind? + Collective Priorities & LT Business
Quarterly	HSSEQPR – ½ day LT + Cindl, Curtis, Kevin K
Bi-annual	People Forum – 2x, 1 day LT + FL's
	LT Away Day – 2x Yr, 1 day
	SPU Functional Reviews – 2x Yr, ½ day LT + FL's
Annual	ELT Away Day – 1x Yr, 2 days

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### Weekly Operations Meeting

The SPU Leadership Team convenes a weekly Operations Meeting where Personal and Process Safety, Production and Drilling are the key focus. Measures, as described above are reviewed and actions are taken to further investigate unfavorable trends, with the expectation that those accountable will advise the group of the actions being taken to improve.

### Monthly Leadership Team Meeting

The SPU Leadership Team also convenes a meeting monthly to review the LT Collective Priorities (see Section 3.2) and discuss LT actions to progress their agenda and well as reviewing financials at appropriate timing.

### Monthly OMS Steering Team Meetings

The GOM OMS Steering Team meets on a monthly basis to provide direction for implementation. Progress on the SPU Level high priority gap closure plans will be reviewed in this meeting on a quarterly basis. The Steering Team will transition to the LT in 2009 as plans are put in place for implementation in the rest of the SPU.

### HSSE Quarterly Performance Reviews

The HSSE QPR convenes quarterly with the LT, HSSE Director, Engineering Authority and OMS/IM Manager. The meeting is a management review of SPU HSSE statistics and performance, review of major risk for the SPU, and a review of conformance to bp requirements for IM, Engineering and HSSE. Actions from this session could impact SPU wide processes or a specific asset/function.

### Bi-annual LT Away Day

The SPU Leadership Team sets time aside twice a year to assess progress, and redefine the collective priorities. This session provides an opportunity to problem solve and

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consider continuous improvement and simplification opportunities for themselves and the organization.

**Bi-annual People Forum**

The SPU Leadership convenes bi-annually to discuss various issues related to SPU leaders and staff - succession planning, employee satisfaction surveys, performance and salary management, organizational issues, HR policies, etc. These are facilitated by the HR function, with decisions taken that are implemented by HR or various leaders across the SPU.

**Bi-annual Functional Reviews**

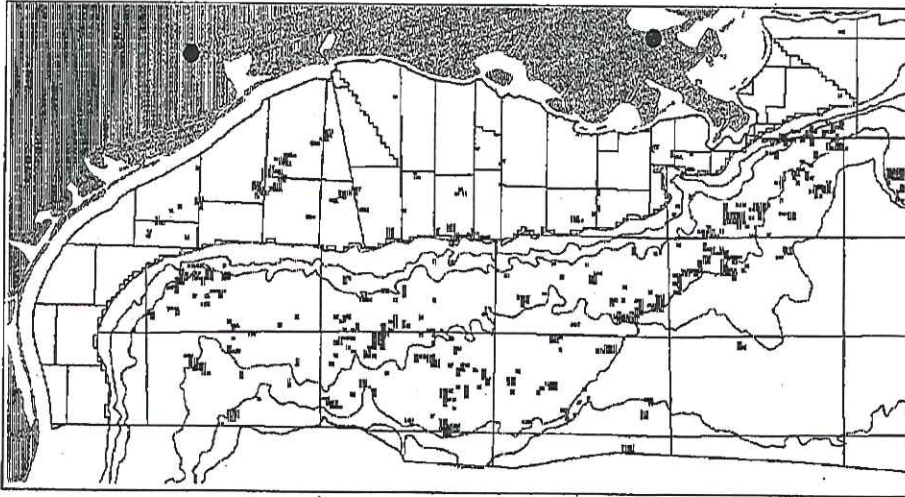
These sessions are convened to check the Functional health, performance and priorities of the various SPU Functions, their role in managing common SPU processes and to ensure consistency of direction across the SPU.

**Annual Extended Leadership Meetings**

The GoM Extended Leadership Team meets annually to provide context on the collective priorities for the coming year. This group consists of the entire SPU Leadership Team, their direct reports, and other key Asset and Function leaders from the business, such as Offshore Installation Managers. Participants have stronger clarity on performance expectations, accountability and their role in implementing the BP Leadership Framework. Leaders utilize this information define actions for the future.

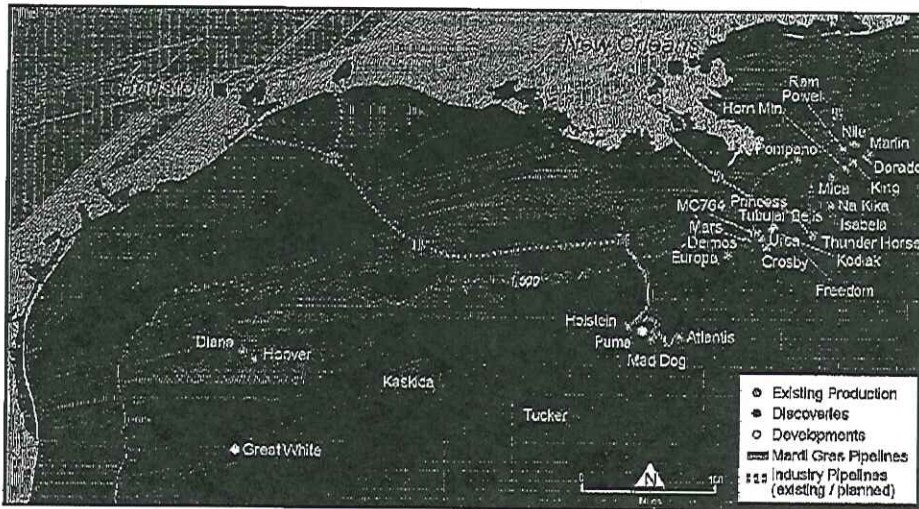
## Appendix 1: GoM Maps

### Exploration



This shows the strong acreage position held by BP for current and future exploration. Green objects are the areas leased by BP from the MMS.

### Production and Development



This shows the location of all fields where BP holds a working interest.

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## Appendix 2: Sub-Element Ownership

OMS Single Points of Accountability/Responsibility				
OMS Sub-Element	Function	LT Member	SPU SPA	SPU SPR
<b>1.0 Leadership</b>				
1.1 Leadership	HR	HR Director	HR Director (Zarina Zeynalova)	Cindy Reyes-Garcia
1.2 Business Strategy	Finance	CFO	Plng and Perf Mgr (Yvonne Prevallet)	Hong Nguyen
1.3 Planning & Controls	Finance	CFO	Plng and Perf Mgr (Yvonne Prevallet)	Yvonne Prevallet
1.4 Resources & Implementation	HR	HR Director	HR Director (Zarina Zeynalova)	John Hill
1.5 Accountability	HR	HR Director	HR Director (Zarina Zeynalova)	Cindy Reyes-Garcia
1.6 Communication & Engagement	Communications	Atlantic VP	Communications Mgr (Jan Cherry)	Jan Cherry
1.7 Culture	HR	HR Director	HR Director (Zarina Zeynalova)	Jill Eberle
<b>2.0 Organization</b>				
2.1 Organization	HR	HR Director	HR Director (Zarina Zeynalova)	Greg Farnham
2.2 People & Competence	HR	HR Director	HR Director (Zarina Zeynalova)	Cindy Reyes-Garcia/ Cesar Ortega
2.3 Operating Discipline	Operations	VP Production	Ops Director (Keith Selhan)	Cesar Ortega
2.4 Organizational Learning	Operations	VP Production	Ops Director (Keith Selhan)	
	Operations	VP Developments	Proj and Engr Dir (Kevin Kennelley)	
2.5 Working with Contractors	PSCM	CFO	PSCM Director (Wilbert Long)	Bob Russell
<b>3.0 Risk</b>				
3.1 Risk Assess. & Management	Operations	VP Production	OMS/IM Manager (Cindi Skelton)	Steve Ruehle
3.2 Personal Safety	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Stan Garner
3.3 Process Safety	Operations	VP Production	OMS/IM Manager (Cindi Skelton)	Steve Ruehle
3.4 Health	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Dennis Johnson
3.5 Industrial Hygiene	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Dennis Johnson
3.6 Security	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Greg Lynch
3.7 Environment	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Virginia Park
<b>4.0 Procedures</b>				
4.1 Operating Procedures	Operations	VP Production	Ops Director (Keith Selhan)	Tom Straub
4.2 MOC	Operations	VP Developments	Proj and Engr Dir (Kevin Kennelley)	Yani Rao
4.3 Info. & Document Control	Info. Mgmt.	CFO	Chief Info Officer (Steve Fortune)	Mark Boothe
4.4 Incident Management	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Dennis Johnson
4.5 Permit to Work	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Tim Church
4.6 Crisis Mgmt. & Emer. Response	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Dennis Johnson
<b>5.0 Assets</b>				
5.1 Plant & Asset Integrity	Operations	VP Production	OMS/IM Manager (Cindi Skelton)	Jon Rogers
5.2 Reliability	Operations	VP Production	Ops Director (Keith Selhan)	Todd Hauser
5.3 Maintenance & Turnarounds	Operations	VP Production	Ops Director (Keith Selhan)	Todd Hauser
5.4 Facility Design & Construction	Operations	VP Developments	Proj and Engr Dir (Kevin Kennelley)	Chris Lally
5.5 Projects & Ops Integration	Operations	VP Devs (new hubback)	Proj and Engr Dir (Kevin Kennelley)	Bob Peloubet
	Operations	VP Prod (brownfield)	Ops Director (Keith Selhan)	Tom Meehan
5.6 Decommissioning/Remediation	Operations	VP Developments	Proj and Engr Dir (Kevin Kennelley)	Bob Peloubet
<b>6.0 Optimization</b>				
6.1 Plant Optimization	Operations	VP Production	Ops Director (Keith Selhan)	Stan Nau
6.2 Energy Efficiency	Operations	VP Production	Ops Director (Keith Selhan)	Stan Nau
6.3 Feedstock & Product Scheduling Inventory	N/A	N/A	N/A	N/A
6.4 Quality Assurance	Operations	VP Developments	Proj and Engr Dir (Kevin Kennelley)	Chris Lally
6.5 Technology	Operations	VP Developments	Technology Mgr (Nick Cameron)	Nick Cameron
6.6 Procurement	PSCM	CFO	PSCM Director (Wilbert Long)	Bob Russell
6.7 Materials Management	Operations	VP Production	Logistics Dir (John Huston)	George Adame
6.8 Continuous Improvement	Operations	VP Production	OMS/IM Manager (Cindi Skelton)	Jerry Filcraft
<b>7.0 Privilege to Operate</b>				
7.1 Regulatory Compliance	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Jim Grant
7.2 BP Requirements	N/A	N/A	N/A	N/A
7.3 Community & Stakeholder Relationships	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Jim Grant
7.4 Ethics & Social Responsibility	Finance	CFO	Controller (Paul Kent)	Paul Kent
7.5 Customer Focus	Finance	CFO	Midstream Manager (Pete Edlund)	Pete Edlund
7.6 Product Stewardship	HSSE	VP Drilling	HSSE Director (Curtis Jackson)	Dennis Johnson
<b>8.0 Results</b>				
8.1 Metrics & Reporting	Operations	VP Production	Ops Director (Keith Selhan)	Keith Selhan/Curtis Jackson
	Finance	CFO	Commercial Mgr (Mike Rosepler)	Mike Rosepler
8.2 Assessment & Audit	Operations	VP Production	Ops Director (Keith Selhan)	
8.3 Performance Review	Operations	VP Production	Ops Director (Keith Selhan)	Keith Selhan/Curtis Jackson
	Finance	CFO	Commercial Mgr (Mike Rosepler)	Mike Rosepler
8.4 Budget Management	Finance	CFO	Commercial Mgr (Kim Myer)	Kim Myer

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### Appendix 3: GoM SPU OMS Activities and Accountability

SPU OMS ACTIVITIES & ACCOUNTABILITIES		
Key Activity	Responsibilities	Accountability
<i>Intent</i>		
OMS Implementation	<ul style="list-style-type: none"> <li>Overall transition leadership &amp; direction, hold entity leaders accountable for implementation</li> <li>Support and assure consistent implementation of OMS across the SPU</li> <li>MOC to Version 2 Essentials</li> </ul>	SPUL OMS Mgr
OMS General Administration	<ul style="list-style-type: none"> <li>Respond to OMS architecture updates</li> <li>Communications</li> </ul>	OMS Mgr
OMS MOC Authorization(2009)	<ul style="list-style-type: none"> <li>Thunderhorse, D&amp;C, and Developments and Exploration as appropriate</li> </ul>	Approval – VP Assurance - OMS Mgr, & SPU Ops Authority Authorization - SPUL
OMS Governance	<ul style="list-style-type: none"> <li>Provide direction &amp; communication on OMS</li> </ul>	SPUL/LT
SPU Vision & Strategy Development	<ul style="list-style-type: none"> <li>Refresh</li> <li>Communicate</li> </ul>	SPUL/LT
<i>Risk Assessment &amp; Prioritization</i>		
Gap Assessment Coordination	<ul style="list-style-type: none"> <li>Set out process &amp; coordinate E&amp;P Essentials gap assessment, &amp; "light touch" on others in 2009 Schedule</li> <li>Set out process, schedule, and provide coordination for gap assessments beyond 2009</li> <li>Selection of external gap assessment facilitators</li> </ul>	OMS Mgr, Sub-Element SPAs OMS Mgr
Six-Point Plan Actions	<ul style="list-style-type: none"> <li>OPRA</li> <li>IM Std Extension – Site Operating Procedures</li> </ul>	Coord - Ops Director Implement – Ops VP's Ops Vp's
<i>Planning &amp; Controls</i>		
SPU Annual Planning	<ul style="list-style-type: none"> <li>Set direction</li> <li>Develop &amp; approve LTP, Annual Plan &amp; SPULT IPCs</li> </ul>	SPUL/LT Head of Finance
SPU OMS Conformance Plan	<ul style="list-style-type: none"> <li>Set OMS Essentials conformance levels for the SPU</li> <li>Coordinate action plan by end 2010 to conform at specified SPU levels to the Essentials</li> </ul>	SPUL/LT, OMS Mgr, Function Mgrs

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SPU OMS ACTIVITIES & ACCOUNTABILITIES		
Key Activity	Responsibilities	Accountability
SPU OMS Gap Closure Planning	<ul style="list-style-type: none"> <li>Develop &amp; monitor plans for closing priority SPU gaps</li> </ul>	Function Mgrs/Sub-Element SPAs & select Line leaders
SPU Integrated Activity Plan Development	<ul style="list-style-type: none"> <li>Develop integrated resource/activity plan for the SPU</li> </ul>	SPULT, Operations Director, Function Mgrs
SPU OMS Operating Plan Update	<ul style="list-style-type: none"> <li>Update SPU OMS Operating Plan on annual basis, coordinate reviews &amp; approvals</li> </ul>	SPULT, OMS Mgr
<b>Implementation &amp; Operations</b>		
OMS Navigator Administration	<ul style="list-style-type: none"> <li>Business requirements for future releases</li> <li>Content mapping and uploading</li> <li>Testing, training and system introduction</li> </ul>	OMS Mgr SPU and Segment IT&S
OMS Navigator Content Management	<ul style="list-style-type: none"> <li>Update/maintain OMS SPU Navigator content</li> </ul>	SPU Content - Designated functional content administrators SPU IT&S
Support adherence to Group Defined Practices and E&P requirements	<ul style="list-style-type: none"> <li>Communication</li> <li>Rollout and adoption</li> </ul>	EA, Function Mgrs, VP's and Asset Managers
Continuous Improvement Plan & Coaching	<ul style="list-style-type: none"> <li>Develop CI strategy/plan for SPU</li> <li>Coaching support</li> </ul>	OMS Mgr
Practices & Procedures	<ul style="list-style-type: none"> <li>Approving, amending and deviating from Segment, SPU and local practices and procedures and put formal process in place</li> </ul>	Practices & Procedures: Engineering – EA Marine - Marine Auth. Drilling – Drilling Auth. Operations – Ops Auth. OMS – OMS Mgr
OMS Competence	<ul style="list-style-type: none"> <li>Maintain specific competence &amp; qualifications in OMS as needed to: <ul style="list-style-type: none"> <li>Deliver quality, consistency &amp; content adoption of OMS</li> <li>Deliver a robust CI process at the</li> <li>Deliver measurable risk reduction over time</li> <li>Assess &amp; manage risks associated with approved deviations from OMS</li> </ul> </li> </ul>	SPUL/LT
<b>Measurement, Evaluation, &amp; Corrective Action</b>		
Coordinate OMS Gap Closure Status	<ul style="list-style-type: none"> <li>Coordinate report out of status for SPU &amp; Asset Gaps</li> </ul>	OMS Mgr
OMS Audit	<ul style="list-style-type: none"> <li>Support to Asset</li> <li>Protocol development</li> </ul>	OMS Mgr Function Mgrs

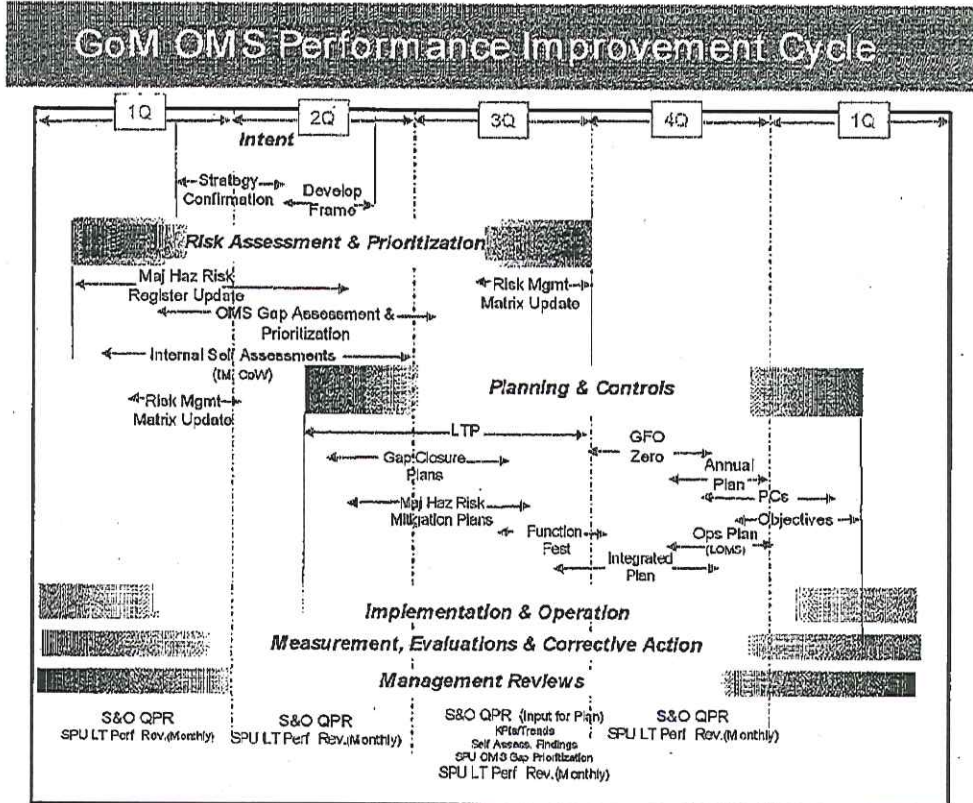
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SPU OMS ACTIVITIES & ACCOUNTABILITIES		
Key Activity	Responsibilities	Accountability
SPU Performance Metrics	<ul style="list-style-type: none"> <li>• Trend data</li> <li>• Report out on findings/recommendations for action</li> <li>• Implement actions</li> </ul>	Appropriate VP's, Function Mgrs
<i>Management Reviews &amp; improvement Processes</i>		
OMS Progress Updates	<ul style="list-style-type: none"> <li>• Reviews on regular basis with Assets &amp; others on alignment, updates, learnings, etc. to ensure consistent embedding in early sustaining phase</li> </ul>	OMS Mgr
SPU LT Meeting Agenda Development & Direction	<ul style="list-style-type: none"> <li>• Weekly Ops</li> <li>• Monthly LT</li> <li>• HSSE QPR</li> <li>• People Forum</li> <li>• LT Away Day</li> <li>• SPU Functional Reviews</li> <li>• ELT Away Day</li> </ul>	SPUL/LT
Progress Verification	<ul style="list-style-type: none"> <li>• Verifying entity progress in risk identification, sustainable risk reduction, legal compliance and performance management</li> <li>• Verify rigorous entity use of the annual Performance Improvement Cycle</li> </ul>	SPUL
GHoO Review	<ul style="list-style-type: none"> <li>• Provide GHoO access to existing Segment OMS implementation &amp; conformance information</li> </ul>	OMS Mgr

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# Appendix 4: GoM OMS Performance Improvement Cycle



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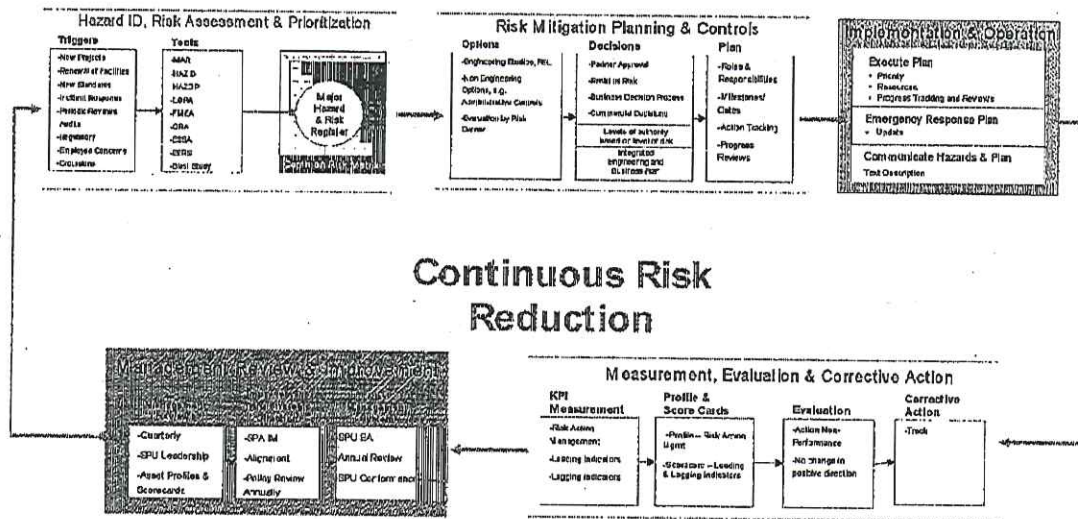
## Appendix 5: SPU Risk Processes Detail

This appendix provides details of some of the key risk processes utilized in the SPU, particularly related to Major Hazard and HSSE risk.

### Major Hazard Risk

Process Owner: Process Safety Manager  
 Frequency: Annual

The diagram below shows the Continuous Risk Reduction process, for Major Hazard Risk, as an example of how Risk is managed within the SPU today.



The GoM Major Hazard and Risk Management Policy defines the framework for managing integrity management and process safety risk within the SPU. The policy establishes risk management objectives and describes expectations for major hazard identification, risk estimation, mitigation plan development, plan approvals, implementation and monitoring. Annual conformance assurances are performed to identify non-conformances for closure. The policy can be found through the OMS Navigator, Element 3.1 Risk Assessment and Management.

### Environmental, Health, Personal Safety and Security Risk

Process Owner: HSSE Director  
 Frequency: Annual  
 Documentation: as outlined below

### Environment

Environmental risks in the GoM are managed via our EMS, which is being mapped to OMS for final transition by mid-2009. The EMS is certified to ISO 14001:2004 and new projects (facilities) are added to the certificate after the projects complete implementation of the GoM EMS before

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first oil. The EMS implementation and the associated environmental performance are communicated via various internal reports as well as through the Verified Environmental Statement, which an externally certified report, produced every 3 years.

New projects follow the requirements of the OMS Practice "Environmental Requirements for New Projects" having completed the following key documents: GoM New Projects Screening & Categorization Process (Deepwater & Deepgas) and the GoM Environmental STP, which includes the design criteria and Environmental Performance Requirements to minimize environmental impacts to the Gulf of Mexico waters associated to our operations and activities. As the practice evolves we are getting a better understanding on how the ERNP applies to subsea tiebacks & wells projects in GoM

GoM operations continuously strive to reduce emissions and discharges via the establishment, monitoring and communication of Waste, Water and Air reduction targets and programs. Examples include: Environmental Compliance Reports; Scorecards; Management Reviews and Sustainability Reports, among other tools.

	EMS – ISO 14001	Legal Compliance	Capital Strategy Review
Process Owner:	EMS Coordinators / FECs	Env. Specialists	Env. Specialist
Frequency:	Audit Schedule/	Daily/Monthly	Annual
Documentation:	Annual Verification; website	Scorecards Web, Essential, Audits	Strategy Review

**Security**

Security risks in the GoM are identified and managed through compliance to internal BP standards and external US Department of Homeland Security (DHS), (Transportation Security Administration – TSA, US Coast Guard - USCG), regulations. The BP Security Standard requires that a Getting Security Right (GSR) assessment be conducted annually at the SPU level. The resulting Security Management Plan (SMP) outlines objectives to address identified gaps and allows sufficient time for gap closure and objectives to become operational. The SMP requires SPU leadership team approval. The Security Standard requires each GoM SPU facility have a Physical Site Security assessment conducted every 3 years and the results addressed within the sites security plan.

Compliance with DHS Maritime Transportation Security Act of 2002 (MTSA) is accomplished through a USCG sanctioned Facility Security Plan (FSP), which includes a Facility Security Assessment (FSA), and acts in accordance with the USCG Area Maritime Security Plan. The MTSA requires quarterly drills and annual exercises. FSPs are classified as Sensitive Security Information (SSI) and must be protected, audited annually and updated every 5 years. Compliance with the MTSA is a USCG Certificate of Inspection requirement.

Security's engagement in new projects is assured through processes outlined in the CVP and MPcp HSSE Guideline documents.

2008 - 2009 plan includes Transportation Worker Identification Credential (TWIC) Enrollment Program to address TSA's regulation and implementing a Facilities Access Control Program to meet both TWIC and MTSA regulations

**Health**

Health risks in the GoM are identified and managed through compliance to internal BP standards and external US Occupational Safety and Health Administration (OSHA) regulations. This is accomplished through a variety of programs, procedures and assessments:

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- Health Map is a BP Group tool used to assess and prioritize activities. Assessments are conducted for the GoM SPU and individual assets.
- The GoM Safe Practices Manual includes numerous health programs/procedures to manage potential exposures (including Benzene, Heat Stress, Hearing Conservation, Respiratory Protection, etc.).
- Site-specific personal protective equipment (PPE) hazard assessments are performed and exposure assessments and audits are performed on a scheduled basis. Additionally, the Hazard Communication/Chemical Hazard Assessment program ensures personnel are aware and protected from the hazardous effects of hazardous materials.
- Health surveillance programs are in place to monitor personnel exposure and capabilities. Areas currently managed include hearing, respiratory fit tests (for those requiring to wear respirators) and vision (crane operators).
- The "Fitness for Duty" program ensures that personnel are physically fit to safely perform their job.
- Each GoM asset undergoes an Industrial Hygiene assessment every 3 years to ensure that potential exposures are properly managed.

#### Personal Safety

Personal safety risks in the GoM are identified and managed through compliance to internal BP standards and external Occupational Safety and Health Administration (OSHA), and US Coast Guard - USCG, regulations. This is accomplished by a variety of programs, procedures and assessments:

- The GoM Safe Practices Manual is a primary tool to address safe working policies.
- The Control of Work policy ensures that tasks are properly planned, risk assessed, permitted and managed through completion. Risk assessments are completed by using the Job Safety and Environmental Analysis (JSEA) which involves all personnel performing the task.
- The GoM utilizes a Contractor Performance Evaluation program to ensure that the contractors we use meet BP's requirements. For contractor owned operations (MODU drilling rigs), bridging documents have been created to compare the safety programs of BP and the contractor and determine whose policies will be followed.
- All personnel participate in behavioral observation programs to identify "safe" and "at risk" behaviors and conditions. These programs are designed to stress the importance of providing timely feedback to personnel.

#### GoM SPU Enterprise Risk Management (ERM) Process

The ERM process encompasses all risks arising from GoM SPU activities and is designed to achieve compliance with BPFM expectations by drawing all existing risk management activities of the enterprise (SPU) together for regular SPULT review. This process is not a substitute for existing SPU specialist risk management processes such as gHSEr, OMS, Major Hazards Risk Management, Code of Conduct, Integrated Business Process Management, and Major Projects Common Process.

The process is stewarded by the Finance Department within the GoM SPU.

The ERM system includes four elements: identify, assess, respond, and control. ERM Risk registers, developed by all GoM assets, satisfy the identification, assessment, and response elements of the ERM process. Risk level, posture, and mitigating actions, where applicable are included, as well as a single point of accountability for each register entry. These risk registers are then consolidated at the SPU level by the Finance team. Once consolidated, the information is reviewed with the SPU Leadership Team, including input from the Legal Department. An SPU Risk Management Matrix (RMM) is prepared from the consolidated Risk Register.

The frequency of the SPULT reviews is driven by a need to monitor risk drift, monitor progress on agreed actions, and provide context for Long Term and Annual Planning. It will be reviewed at least twice per year prior to the 1Q and 3Q Performance Fest.

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## Appendix 6: GoM SPU IM Standard Extension - Site Operating Procedures

### GoM SPU (SOPs) Extension EXECUTIVE SUMMARY

#### Formal Request for Extension

The GoM SPU requests an extension of the IM Standard Conformance deadline for development of Site Operating Procedures (Element 6) from December 31, 2008 to July 31, 2010. This timing aligns with a recent S&O audit action for Holstein, Mad Dog and Pompano requiring development of maintenance procedures.

#### Background

GoM assets have historically developed SOPs based on legal and regulatory requirements, primarily those of the Minerals Management Service and the US Coast Guard. A gap assessment was performed against the Segment IM Implementation Guide for all GoM assets and functions. This information was used to create a plan to close the identified SOP gaps.

A significant amount of effort has been expended to close the identified gaps; the majority of remaining work is for development of Marine SOPs. Marine currently follows the US Coast Guard regulatory requirements for Marine Operations Manuals (MOMs). These manuals primarily contain system descriptions as required by law, but do not contain all required detailed SOPs as defined in the IM Standard. As such, the Marine SOP work has been segregated into a separate stream of work which is being addressed expeditiously.

A formal risk assessment has been performed in conformance with GDP 31-00-01 to estimate the risk of extending completion of SOPs from December 31, 2008 to July 31, 2010. The risk assessment identified many existing safeguards which mitigate the risk of this extension request.

The different SOP aspects—Normal Operations, Start-up, Shutdown, Safe Operating Limits, etc., were prioritized respective to the risks associated with the safe operation and maintenance of the facilities and the gap closure plan directed the highest priority SOP gaps be addressed first.

#### Plan

- By July 1, 2009:
  - All High Priority SOPs (Normal Operation, Safe Operating Limits, Consequences of Deviation, and Control of Emergency) in all areas of the GoM will be complete
  - All Subsea and Measurement procedures will be complete
- By December 31, 2009: all Marine and all Logistics procedures will be complete
- By July 1, 2010: all Production, Drilling, and Maintenance procedures will be complete

#### Discussion of SOP Risks

The introduction of procedures will either have an estimated order of magnitude reduction frequency, or no discernable change because of the robustness of existing safeguards.

#### Conclusions

The following conclusions are drawn and the plan developed based upon the estimated risks associated with Health, Safety, Environmental and Financial impacts:

- The generation of procedures for some aspects of the operations does not result in a discernable reduction of risk since preexisting safeguards are in place to manage the risks of certain hazard scenarios.
- All hazard scenarios that utilize procedures for their management are either orange or yellow level risks on the OMS risk matrix.
- Alignment of IM Standard conformance with the S&O Audit action closure dates for SOPs will allow identification and efficient use of BP and contractor resources to accomplish this work.

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## Appendix 7: SPU Level Gap Assessment Results

### Gap Assessment Results

This appendix provides additional detail concerning the results of the SPU level gap assessments. If interested in reviewing the documents which are discussed below, they can be accessed via: [Gap Assessment Details](#)

### Overall View of Results

The gap assessment spreadsheet tool/table is available for viewing. It includes a complete overview of the information collected during the 49 sub-element assessment sessions. This information was subsequently captured in 49 separate documents to provide input to further SPU and asset level assessments and prioritization. Those 49 documents are accessible via the same location above.

### Conformance Scores

GoM SPU conformance ratings from these assessments are captured in summary form on the chart shown on the next page. This particular chart has the results sorted by average conformance score for a sub-element in an attempt to look for themes as well as to quickly identify where we are not meeting the Essentials at this time. The scale ranges from Dark Green (5 – systematic and in control) to Red (1 – no evidence for this Essential). A score of 3 or above shows good conformance to the Essential. As shown, the GoM SPU is well positioned against the OMS Essentials and Requirements at this time and has made conscious decisions about those that have a conformance rating of less than 3 in terms of gap closure prioritization. The original of this table can be found at the site shown above.

### Gap Prioritization Process

Gaps captured in the gap assessment sessions can be found, as outlined in the Overall View of Results section. However, these gaps were reviewed at least twice following the assessment, to ensure clarity, avoid duplication and prioritize. An overview of the gap prioritization process is found in Section 2.3 of this document. Prioritization Details are located at this link:

[Gap Prioritization Details](#)

**SPU Priority OMS Gaps for 2009**

SPU OMS Gap Assessment Conformance Results  
sorted by sub-element average conformance score

Sub-Element	Essential xx.1	Essential xx.2	Essential xx.3	Essential xx.4	Essential xx.5	Essential xx.6	Essential xx.7	Essential xx.8	Essential xx.9	Essential xx.10	Average
6.3 Feedstock & Product Scheduling Inventory	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.2 Energy Efficiency	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.8 Continuous Improvement	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.5 Technology	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
8.3 Performance Review	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.3 Process Safety	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2.5 Working with Contractors	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.1 Regulatory Compliance	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.6 Procurement	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.4 Budget Management	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.3 Info. & Document Control	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.6 Industrial Hygiene	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.1 Risk Assess. & Management	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
8.2 Assessment & Audit	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
8.1 Metrics & Reporting	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.2 BP Requirements	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.4 Quality Assurance	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
5.4 Facility Design & Construction	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
5.3 Maintenance & Turnarounds	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.6 Security	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2.4 Organizational Learning	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.2 NOC	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.4 Resources & Implementation	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
5.1 Plant & Asset Integrity	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.7 Culture	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.3 Community & Stakeholder Relationships	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.2 Reliability	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2.1 Organization	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.5 Accountability	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.2 Business Strategy	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.4 Incident Management	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.3 Planning & Controls	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
5.6 Projects & Ops Integration	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.1 Operating Procedures	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2.2 People & Competence	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.1 Leadership	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.6 Crisis Mgmt. & Emer. Response	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2.3 Operating Discipline	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
1.8 Communication & Engagement	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.6 Product Stewardship	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.5 Customer Focus	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
5.8 Decommissioning/Remediation	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.4 Health	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.2 Personal Safety	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
3.7 Environment	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
6.7 Materials Management	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
4.5 Permit to Work	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
8.1 Plant Optimization	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
7.4 Ethics & Social Responsibility	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4

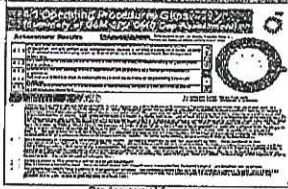
This diagram illustrates the sub-elements with the highest conformance on the left and lowest on the right.

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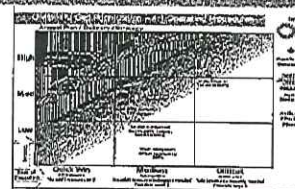
**OMS Prioritization Process Steps**  
How CoM SPU developed and refined the prioritization process



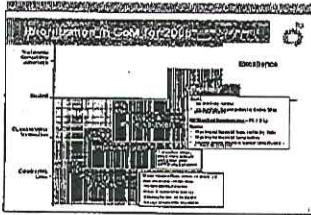
**Gap Assessment Tool**  
Purpose: Identify and document evidence of existing gaps. Essential OEs and other where OEs are not being met (Gaps)



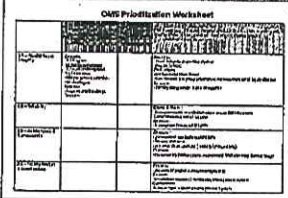
**Gap Assessment Summary**  
Purpose: Provide consolidated view of the Essential, Evidence and Gaps for each Sub-Element



**Prioritization Matrix**  
Purpose: Provide Snapshot View of all Gaps with each Sub-Element including Audit Frequency along with indication of status in place for those specific gaps



**Essential Prioritization Guidance**  
Purpose: Provide guidance and discussion support for how and why gaps will be closed in the future jobsite. These Outlines documents are built for 2008, 09, & 10



**OMS Prioritization Worksheet**  
Purpose: Tool provides opportunity to Group, Categorize, Consolidate, and re-establish gap priority. Also provides view of total number of gaps per priority level. Also intended to be used during Gap Closure Planning



**Categorized Gaps**  
Purpose: Provides view of Highest gap priority within Sub-Element. Closure Plans will be focused on Best and Built into the Operating Plan

\* SPU Leadership Retreat and Workshop Sessions were held throughout the Process to ensure common understanding and promote engagement.  
\* This document is intended to provide members of facilities the Best OMS Implementation and OPU LT candidate in order to effectively narrow gaps. Several of these steps listed above would no longer be needed as part of our ongoing Continuous Improvement effort.

**Priority SPU Level Gaps for 2009**

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Priority SPU Level Gaps for 2009

SPU Elements		
<i>Resources &amp; Implementation</i>	Lack of SPU integrated resource & activity plan	Annual Plan Objectives and Performance Contracts are set without an integrated SPU activity plan laying out priorities and sequencing of activities to ensure resources are adequate to manage the work. This causes high priority objectives not to be completed, requests for additional resources, and work overload on employees.
<i>Accountability</i>	Unclear accountabilities	Unclear accountabilities exist between the Line and Function and Function to Function causing inefficient and often duplicate work, and ineffective business decision making.
<i>Metrics &amp; Reporting</i>	Lack of clear, consistent, & integrated SPU performance management system	Current SPU level performance management processes are inconsistent, lack clear definitions, rely on manual processes, are not reported on a regular monthly cycle, and are not clearly communicated causing confusion, lack of data integrity, and inefficiency.
<i>Risk Assessment &amp; Management/Process Safety</i>	Risk assessment processes/results are not integrated, and need for stronger major hazard awareness	A significant number of risk assessments are carried out by multiple groups in the SPU which are not integrated or planned and the outcomes and mitigation plans are not linked up or visible. As we have started to more deeply investigate process safety incidents, it's become apparent that process safety major hazards and risks are not fully understood by engineering or line operating personnel. Insufficient awareness is leading to missed signals that precede incidents and response after incidents; both of which increases the potential for, and severity of, process safety related incidents.
<i>Operating Procedures</i>	Incomplete Site Operating Procedures	Site operating procedures (SOPs) as defined in the E&P Integrity Management Standard Guide are incomplete in the areas of Production, Marine, D&C, Inspection, Maintenance, Measurement, and Subsea. Lack of procedures results in relying on knowledge, experience and skills which increases risk as workforce experience level declines in the future.
<i>Information Management &amp; Document Control</i>	Lack of documented process and consistent, simplified use of the system in place	GoM information and document governance, procedures, policies, roles and responsibilities are not well understood and used GoM-wide, and until recently, not documented well. Documents are difficult to find because they exist in many places, and have inconsistent numbering systems developed by Contractors during the project phase. There is lack of control on document stewardship. All of this results in inefficient work, frustration, uncertainty on whether the document is the most recent adding to risk, and lack of assurance on confidentiality when needed. It also causes audit findings and actions to close, which further add to workload.

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## Appendix 8: GoM SPU Operations Measures

Guiding Principles	Metrics	Responsible Party	Review Schedule	Tools
<b>People/Org Capability</b> <ul style="list-style-type: none"> <li>• Utilize 360 Degree Feedback to overcome barriers that hinder our ability to work effectively</li> <li>• Create a motivated, positive work environment by fostering engagement, reward and recognition</li> <li>• Develop careers for team member growth and future asset requirements</li> <li>• Establish meetings to review performance measures</li> <li>• Employ the CMAS process to assure all personnel are competent to safely perform assigned duties</li> </ul>	Percent Individual Performance Management conversations completed for defining and closeout Percent PDPs of those required PAS score (ESI) Attrition CMAS competency assessment completion ratio	Team Leaders + HR  Team Leaders BP Group HR + Local HR Local HR OIMs + Org Capability Team	Annual  Annual Bi-Annual  Quarterly Quarterly	Personal Development Planning Process Individual Performance Management Process CMAS VTA
<b>Integrity Management (IM)</b> <ul style="list-style-type: none"> <li>• Complete utilization of the RFA / MOC process</li> <li>• Complete an annual revalidation of operating procedures</li> <li>• Develop, maintain, and execute an asset specific 3-year rolling IM plan</li> <li>• Develop and maintain the documentation of relevant SCE data</li> <li>• Complete work as planned and scheduled</li> <li>• Utilize the MOC process to authorize changes before the work is executed</li> <li>• Ensure proper JSEA utilization</li> <li>• Ensure ISIP is completed every 2.5 years</li> <li>• Establish meetings to review performance measures</li> </ul>	Safety critical equipment work order compliance Integrity related actions closure Number of integrity related incidents Number of uncontrolled releases of gas or hazardous liquid (spills > 1bbf) Number of long term (>90 days) over-rides / bypasses in place Number of past due HAZID / HAZOP / LOPA actions Past due MOC actions Number of process safety incidents related to CoW Number of losses of primary containment Reliability of production critical equipment Availability of production critical equipment	Offshore Operations + Asset Engineering Manager	Accumulated Monthly, Reviewed Quarterly	Bizflow, MAXIMO, BiCycle, Traction, ICAN
<b>Health, Safety, Security and Environmental (HSSE)</b> <ul style="list-style-type: none"> <li>• Establish, communicate and understand HSSE</li> </ul>				

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Guiding Principles	Metrics	Responsible Party	Review Schedule	Tools
<p>performance indicators</p> <ul style="list-style-type: none"> <li>Establish clear goals and objectives</li> <li>Assure enrollment in compliance management system</li> <li>Plan audits in a timely manner</li> <li>Document and close out incident investigations</li> <li>Review continuous improvement opportunities for inputs / outputs</li> <li>Complete all training in a timely fashion and verify the reporting integrity of VTA</li> <li>Establish meetings to review performance measures</li> </ul>	<p>Leadership Team site visits  Number SOC Audits  SOC per 1,000 hours worked  Number of safety observations  Safety observations per 1,000 hours worked  Percent HSE training completed</p> <p>Percent traction actions closed  Number of first aids administered  Number of DAFWC incidents  Number of recordable incidents  Total Recordable Incident Rate Frequency (TRIRF)  Number of safety near misses  Number of HIPCs  Number of MIAs  Number of Fire / Explosion incidents  Total man-hours worked  Number of reportable spills to sea  Air emissions  Fuel gas rate / flared gas rate / diesel usage rate  Waste volumes  EPA Permit Non-Conformances (NPDES)  EPA Permit Exceedances (NPDES)  MMS INCs  Notice of Violations (NOV)</p>	<p>Leadership Team  Offshore CIM + HSE Advisor  HSSE Training team  HSSE Team</p>	<p>All HSSE measures are tracked on a monthly basis  Data is pulled from Traction for the vast majority of the measures. HSSE Advisors offshore are responsible to ensure Traction is always up to date</p>	<p>VTA, classroom training, CBT, EMS Conformance tool, Stop Cards  Stop Card database, Traction</p>
<p>Production</p> <ul style="list-style-type: none"> <li>Implement eLogBook, PUR and PEI common process</li> <li>Utilize RCFA process for loss events</li> <li>Utilize IFP common process to close out actions</li> <li>Utilize Turn-A-Round (TAR) and Projects Team</li> <li>Establish meetings to review performance measures</li> </ul>	<p>Gross MBOED  Planned losses (MBOED)  Unplanned losses (MBOED)  Operations efficiency  Planned versus unplanned ratio  Production efficiency</p>	<p>Offshore leadership + Subsurface Manager</p>	<p>Daily + Monthly</p>	<p>PEI toolset, morning report, Process Net, eLogBook, PUR, MAXIMO</p>
CAPEX				

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Guiding Principles	Metrics	Responsible Party	Review Schedule	Tools
<ul style="list-style-type: none"> <li>Ensure NPV is included with the RFA for smaller projects</li> <li>Ensure NPV is reported as part of the stage gate CVP review for large projects.</li> <li>Establish meetings to review performance measures</li> </ul>	Capital dollars spent Economic Value	Asset Managers/Finance Team	Monthly	Actuals from SAP Econ evaluations
<b>OPEX</b> <ul style="list-style-type: none"> <li>Review OPEX and research costs to verify validity of balances</li> <li>Increase OPEX awareness offshore</li> <li>Utilize graphs to communicate OPEX values</li> <li>Establish meetings to review performance measures</li> <li>Use Budget Responsible Officers (BROs) to increase accountability</li> </ul>	Cost for well servicing Cost for surface repairs and maintenance Cost for energy Contract services cost Transportation costs Labor and field supervision costs Miscellaneous and G&A	Offshore Leadership, Asset Manager	Monthly	Operating Expenses YTD report, IPMS, Maximo, OPEX Model
<b>Drilling and Completions</b> <ul style="list-style-type: none"> <li>Implement consistent and visible performance management system</li> <li>Execute D&amp;C operations to achieve 2009 key performance indicators</li> <li>Complete focused projects to reduce Non Productive Time on key impact areas</li> <li>Continue to build standard processes and best practices</li> <li>Achieve 2009 new development planning key milestones</li> <li>Achieve 2009 people plan key milestones</li> <li>Achieve 2009 technology plan key milestones</li> </ul>	# of Drill wells executed # of Completions executed  Drilling days/10k Completion days % of NPT # of NPT event > 10 days  Major Project New Well Production Development New Well Production Well Work Production  D&C Capital Costs D&C Expense Costs  Number of D&C wells In Execute Number of D&C wells In Define Number of D&C wells In Select  Personnel retention rate  # of Technology milestones delivered	Eng Team Leaders  Wells Team Leaders  Engineering Managers  Wells Operations managers	Monthly  Monthly  Monthly  Monthly  Quarterly  Quarterly  Quarterly	DIMS  SAP  Production databases  D&C performance tracking scorecards

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