

2009 District SAFE Awards Gulf of Mexico Region

4739

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SAFE Award Program Overview

Lars Herbst

Regional Director
Gulf of Mexico Region



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SAFE Award Program

- MMS began presenting the Safety Award for Excellence (SAFE) in 1983
- The SAFE Program recognizes exemplary performance by OCS oil and gas operators and contractors.



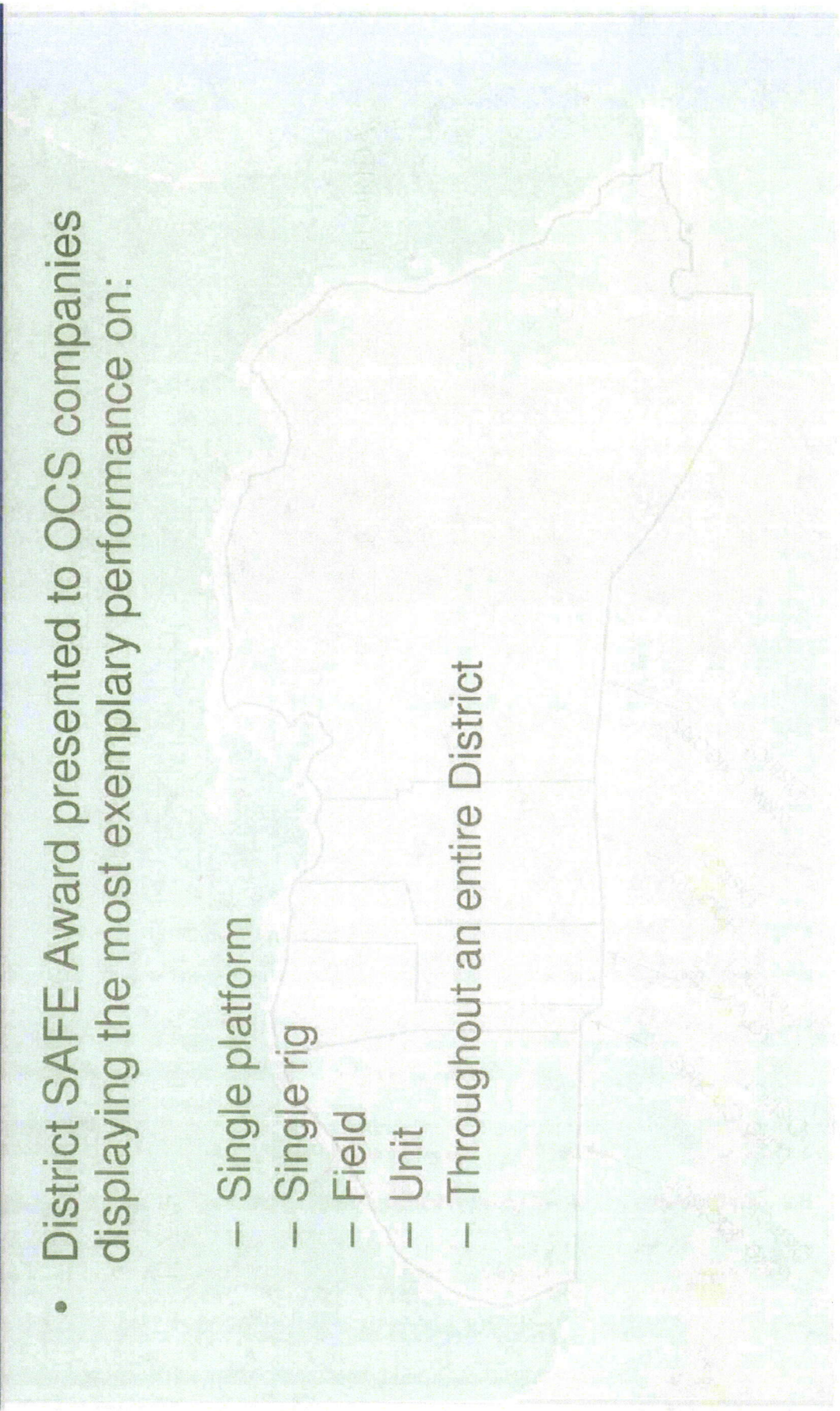
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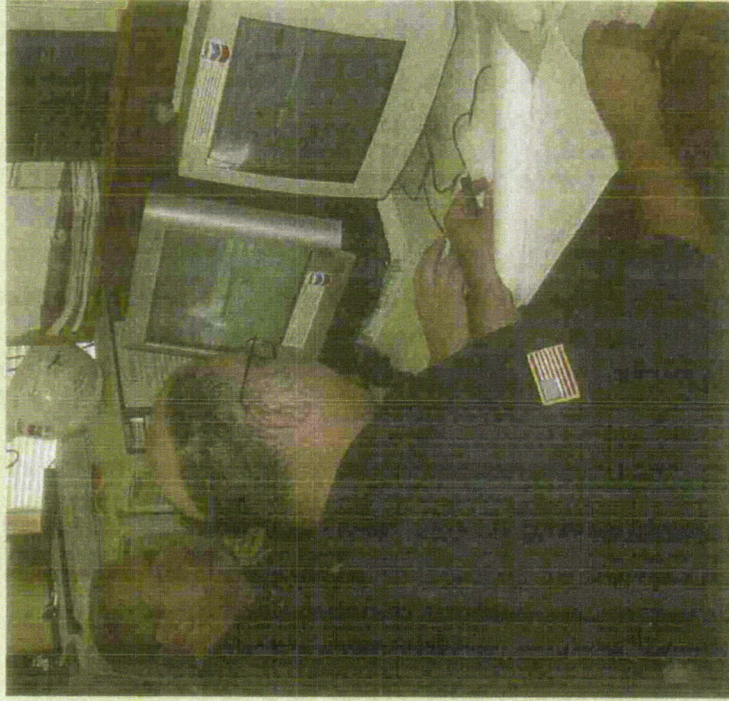
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SAFE Award Program

- District SAFE Award presented to OCS companies displaying the most exemplary performance on:
 - Single platform
 - Single rig
 - Field
 - Unit
 - Throughout an entire District



SAFE Award Categories



- High Activity Operator
 - 10 MMBOE/year & 1,000 components
- Moderate Activity Operator
 - 1 MMBOE/year & 100 components
- Production Contractor
- Drilling Contractor



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SAFE Award Selection Criteria

- Result of MMS Inspections
- Record of Events
- Operational Considerations
- Technology



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District SAFE Award Process

- Inspector Nominations
- District Manager Compliance Review and Recommendation
- Regional Supervisor Review
- Selection Approval



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GOM Performance/Statistics

Mike Saucier

Regional Supervisor
Field Operations
Gulf of Mexico Region



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GOM Safety Statistics

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------|-----------|----------|----------|-----------|----------|-----------|----------|
| Fatalities | 10 (3) | 3 (1) | 5 (2) | 10 (4) | 5 (3) | 11 (5) | 5 (2) |
| Injuries | 39 | 41 | 54 | 275 | 415 | 318 | 213 |
| Blowouts | 4 | 4 | 4 | 2 | 7 | 8 | 4 |
| Collisions | 14 | 19 | 19 | 27 | 20 | 22 | 23 |
| Fires | 104 | 64 | 78 | 132 | 110 | 138 | 129 |



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GOM Region Drilling

| | 2005 | 2006 | 2007 | 2008 | 2009* |
|-------------------------|------|------|------|------|-------|
| Warning INCs | 93 | 124 | 94 | 48 | 58 |
| Component SI INCs | 26 | 80 | 31 | 16 | 34 |
| Facility SI INCs | 33 | 40 | 30 | 7 | 20 |
| Total INCs | 152 | 244 | 155 | 71 | 112 |
| Rig Inspections | 1292 | 1183 | 999 | 870 | 760 |
| INC/Inspection Ratio | .12 | .21 | .16 | .08 | .15 |

* As of January 5, 2010

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GOM Region Production

| | 2005 | 2006 | 2007 | 2008 | 2009* |
|-------------------------|-------|-------|-------|-------|-------|
| Warning INCs | 1268 | 1126 | 1149 | 775 | 958 |
| Component SI INCs | 1030 | 1155 | 1040 | 737 | 1018 |
| Facility SI INCs | 81 | 95 | 91 | 79 | 97 |
| Total INCs | 2379 | 2376 | 2280 | 1591 | 2073 |
| Components Inspected | 54926 | 47144 | 46323 | 51634 | 54315 |
| INC/Component Ratio | .04 | .05 | .05 | .03 | .04 |

* As of January 5, 2010

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Type and Number of Inspections 2009

Inspection Type # Inspections

| | |
|------------------------|--------|
| Production | 3,863 |
| Drilling | 614 |
| Workover | 178 |
| Completion | 118 |
| Abandonment | 63 |
| Environmental | 4,163 |
| Flaring | 1,005 |
| H2S | 21 |
| Accident Investigation | 45 |
| USCG | 4,256 |
| Pipeline | 4,767 |
| Meter | 7,192 |
| Other | 24 |
| Total | 26,309 |



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