

From: MacDonald, John (Houston)

Sent: Wednesday, November 03, 2010 4:02 PM

To: Mike Lindsley; john.pertgen@iadc.org; kbackstrom@frontier-drill.com; mperez@prideinternational.com; eroan@prideinternational.com; dshelton@frontier-drill.com; ssavoy@enscoplc.com; alan.spackman@iadc.org; Mark A. Pointon; pbamber@dodi.com

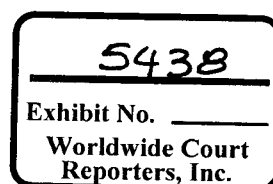
Cc: Brekke, Jim (Houston)

Subject: RE: Nautical Institute Proposals
Mike,

Please see comments that I sent regarding Transocean's thoughts on the proposals. I also sent a graph depicting DP growth in our industry which I omitted in this email.

1. Every DP watch is in essence a bridge watch unless there is a separate bridge watch done elsewhere. It is therefore necessary on that at least one person on each watch be an unlimited mate (OOW). Our normal manning today is two DPO's on duty with at least one being an unlimited mate. Transocean recognizes the value of a licensed person standing the bridge watch and the fact that they are trained in matters such as firefighting, safety, stability, navigation and so forth.
2. Is the Nautical Institute in contact with Flags regarding Minimum Safe Manning Certificates and the inclusion of DPO's?
3. Has the Nautical Institute considered the fact that permitting sea time only after the induction course will impact a company's ability to evaluate some newly hired personnel prior to selecting them to attend a class?
4. If there are any changes to the scheme through these proposals will all existing DPO's be grand fathered?
5. The fact that pure sea time will not be recognized as DP time is a positive step. Personnel credited with DP time should actually be monitoring, operating the DP systems and participating in DP operations.
6. Transocean has a long history of successfully operating DP drilling vessels. Many of Transocean's finest DPO's are not unlimited mates. When our Masters, OIM's, Marine Managers, engineers, and onshore support personnel are asked about successful DP operations almost all attribute the success to a blended team. The blend of unlimited mates, engineers, personnel with electrical backgrounds, some off fishing boats, and so forth has afforded Transocean's DP personnel the ability to cross train one another.
7. The fact that some of the DPO's are not unlimited mates has been critical to Transocean's ability to continue to train and mentor the large numbers of new DPO's required through our new build programs and the industries dilution of talent due to external new builds (please see graph below). Some are concerned that once the aforementioned DPO's have departed through attrition that personnel will move too rapidly through the rank of DPO to chief mate and master. It is believed that this will leave a void in terms of mentorship and experience to handle critical activities. Today the group of Transocean's Senior DPOs that are not unlimited mates are stable professional personnel who have worked hard to achieve DP excellence.
8. In the most recent MTS Annual meeting FMEA's were a point of discussion. The fact that the parties hired to perform them are multi discipline has some merit. Please note that back grounds are usually comprised of electrical engineers, mechanical engineers, and controls engineers.
9. NI DPO certification includes the Nautical Institute's induction class, simulator class, the 6 months of DP watch keeping on a class 2 or 3 vessel, and the statement of the Master. Transocean and others believe that a measurement of competency is also needed. Transocean presently requires in addition to the aforementioned the following: Company DP OJT training, Vessel Specific OJT training, DGPS/HPR classes, an internal DP Lessons Learned Class, and internal DP Power Simulator Class. We are currently

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developing a DP Competency Program to meet Transocean's objective of gaining more consistency and exceeding the IMCA's M 117 present guidance. Pete Fougere heard from Ian Giddings that M 117 will be rewritten in the near future because of problems observed offshore. Any candidate should have proof that they have completed training and passed a skill assessment that verifies adequate professional training in the main areas required to understand DP.

10. Although the DPO may be expected to fill in as a deck officer, and the employer may want to combine the two jobs, a marine license is not a replacement for DP skills and knowledge, nor should it be a requirement.
11. Transocean is anticipating that the USCG will implement further requirements and hopes that the NI and USCG will be in alignment.
12. Just an analogy for thought. When a ship comes into port, there is not an OOW of the watch at the helm, and there is no telling what kind of license the pilot possesses. An AB is on the wheel because he has been in position for an extended amount of time and can be expected to steer well. The pilot is giving guidance from his local knowledge. Neither is required to hold an unlimited license, but both are critical to the safe maneuvering of the vessel. That sounds a bit like an experienced Sr. DPO
13. It is my understanding based on last week's conversation while you were in Houston that the NI is not going to require an unlimited license and the wording of the proposal will be reworked after further input from the group. Is that correct? Is it possible that NI DPO certification be based on verification of competencies presently required by the NI and in line with M 117 without the minimum qualification level of OOW?
14. Once again thank you very much for the opportunity to comment on the proposals. Transocean hopes that the proposals lead to an improvement in the competency of DPO's.

Cheers,
John

John B. MacDonald, Captain
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Please see our new deepwater site at:

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From: Mike Lindsley [mailto:Mike.Lindsley@seadrill.com]

Sent: Wednesday, November 03, 2010 10:30 AM

To: MacDonald, John (Houston); john.pertgen@iadc.org; kbackstrom@frontier-drill.com; mperez@prideinternational.com; eroan@prideinternational.com; dshelton@frontier-drill.com; ssavoy@enscoplc.com; alan.spackman@iadc.org; Mark A. Pointon; pbamber@dodi.com

Cc: Brekke, Jim (Houston)

Subject: RE: Nautical Institute Proposals

John,

What is Transocean's stance on this? We at Seadrill are actually training DPO's and if the trainee does not have a OOW Cert at the time of employment we are letting him do his Marine study concurrent with his DP training. He does not become a DPO with us until he has both a DPO cert and a STCW 95 OOW cert.

The proposed change would halt our present training scheme as it would require the trainee to have an OOW cert at the commencement of his DP training.

Best Regards,

Mike L.

From: MacDonald, John (Houston) [John.Macdonald@deepwater.com]

Sent: 03 November 2010 09:52

To: john.pertgen@iadc.org; kbackstrom@frontier-drill.com; Mike Lindsley; mperez@prideinternational.com; eroan@prideinternational.com; dshelton@frontier-drill.com; ssavoy@enscoplc.com; alan.spackman@iadc.org; Mark A. Pointon; pbamber@dodi.com

Cc: Brekke, Jim (Houston)

Subject: Nautical Institute Proposals

Gentlemen,

Please find the attached Nautical Institute proposals. Some may have already seen them and commented on them. One proposal is to adopt a minimum standard for entry into the NI training scheme. The second proposal is to adopt a policy that no DP time prior to attendance at the Induction/Basic course will be accepted towards a DP certificate. I previously sent these to John Pertgen of the IADC so that he could pass along to other IADC members. John and I spoke yesterday and he asked that I find the marine contacts at the drilling companies. If there are better persons within your company for this information please feel free to convey it to them and other IADC members. Please send any comments to John Pertgen (john.pertgen@iadc.org).

The Nautical Institute plans to review the comments in order to present an amended agenda item at the next DPTEG meeting on December 6th. John Pertgen will need your feedback by November 22nd so that he may send a summary to the NI. Thank you.

Cheers,

John

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