

From: Hgr, BargeSupervisor (HGR)
Sent: Wednesday, September 24, 2008 3:01 PM
To: MacDonald Jr, John
Cc: Hgr, OIM (HGR)
Subject: RE: Watertight Integrity and Compliance

Follow Up Flag: Follow up
Flag Status: Red

Attachments: Pump Rm. Blank.docm; Fit blank in pump room.doc

John,

Attached is the TSTP and risk assessment we put in place to cover the fitting of a blang plate to give additional barriers during the change out of the head on a hydrophone. We think this is a good indication of how we conduct a special operation here on the rig.

Look forward to talking to you in about three weeks.

Please note my email address has changed!!

Paul Creamer ● ●

Barge Supervisor

MODU Henry Goodrich

Phone: (709) 758-2645 Ext. #5

Fax: (866) 917-1323

Email: bargesup.hgr@deepwater.com

From: MacDonald Jr, John [mailto:JMacdonald@mail.deepwater.com]

Sent: Tuesday, September 23, 2008 7:32 PM

To: Hgr, BargeSupervisor (HGR)

Subject: FW: Watertight Integrity and Compliance

Paul,

I think the email I sent you was kicked back to me. I have updated my DL with your new address. Thanks

Cheers,
John

John B. MacDonald, Captain
Manager Marine Operations
North and South America Business Unit
Transocean
c: 713-806-2427 o: 832-587-6099 f: 832-587-8555
jmacdonald@mail.deepwater.com

From: MacDonald Jr, John

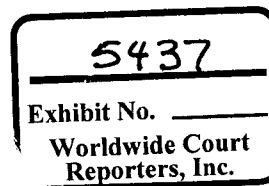
Sent: Friday, September 19, 2008 10:41 AM

To: /o=OFFSHORE/ou=HDC Administrative Group/cn=Recipients/cn=oim-pic.highisland8; /o=OFFSHORE/ou=HDC

Administrative Group/cn=Recipients/cn=rig_710captain; /o=OFFSHORE/ou=HDC Administrative

Group/cn=Recipients/cn=Rig_CAJ, Captain; /o=OFFSHORE/ou=HDC Administrative Group/cn=Recipients/cn=Rig_HGR,

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TRN-MDL-02723284

Marine; Constellation1, OIM-PIC (Constellation1); CRLuigs, OIM-PIC (CRLuigs); Development Driller 1, OIM-PIC (DevDrill1); Development Driller3, OIM-PIC (Singapore - KFELS); DevelopmentDriller2, OIM-PIC (DevelopmentDriller2); Monitor, OIM-PIC (Monitor); Rig_135, Barge Engineer; Rig_707, Captain; Rig_AMI, Marine; Rig_COM, Marine; Rig_DDS, Captain; Rig_DEN, Captain; Rig_DRL, Marine; Rig_DSP, Marine; Rig_DWF, Captain; Rig_DWH, Captain; Rig_DWM, Captain; Rig_DWV, Captain; Rig_FAL, Marine; Rig_LDR, Marine; Rig_LGD, Marine; Rig_MAR, Marine; Rig_SEP, Marine; Spirit

Cc: Sannan, Bill (Houston); Walker, Steven; Brekke, Jim (Houston); Lawson, Mike (Houston); Polhamus, Mac

Subject: Watertight Integrity and Compliance

All,

To date 2008 has been very challenging for all of us. We have diluted crews and in the future we will face even greater challenges in regard to our personnel and our operations. It is for this reason that I must reiterate the importance of our commitment to following Transocean's policies and procedures. Anyone that has worked offshore for a significant number of years understands that the "incidents" don't always happen to other guys. We're all susceptible and most of us have heard about or seen some pretty ugly incidents over the years. Our most important job is to make sure that we all go home safely to our families. I am not telling you anything that you do not already know.

The policies and procedures are not optional, not suggestions, and not guidelines -- They must be understood and followed. You guys have a tough job of ensuring the 100 percent compliance, no doubt about it. The policies and procedures are based on years of experience -- your experiences. We have to get it across to our guys that they are only effective in preventing injuries, incidents, and downtime if we fully comply.

You guys know we've had close calls on some of our rigs lately. Some that come to mind are:

- Loss of watertight integrity on a DP Semi from not following the PTW and Energy Isolation policy. This led to people mustering at emergency stations and the on shore emergency response team being mustered. Thankfully some excellent recovery efforts were made by some very competent individuals on board the vessel which kept this incident from escalating even further. This had many people on edge for a while.
- Loss of watertight integrity on a Jackup. Caused from failure to secure a tank top cover, improper relocation of a bilge sensor, PTW process not in compliance, and checklists that were inadequate. The tank overflow led to the engine rooms beginning to fill with water. All engines and transformers were shut down by emergency stops, personnel went to their muster stations, the shore based emergency response team was informed, heliport informed of possible evacuation ... so it's safe to say that many people were on edge here too.
- Incident on a Semi: Two different welding jobs being done in adjacent compartments. One in the pontoon and one in the column. A hydraulic line was inadvertently struck by the welder while he was changing his rod. This resulted in a spray of hydraulic fluid that then ignited. Contributing factors: different responsible persons for each job, neither responsible person actually visited the work sites before signing the permits to work, to the commencement of the work, and neither the responsible person nor the OIM noted the potentially conflicting task or cross referenced the permits. I remember hearing of a competitor's rig having a similar situation except that the column shell plating ended up with a hole blown through it to the sea.

These incidents were all experienced because certain individuals did not follow company policies and procedures. They didn't follow the Permit to Work and Energy Isolation processes. Things like that or not having realistic damage control drills, an understanding of the backup options (if the primary and secondary systems is not functional) on our systems and good space audits can lead to more dangerous situations. If your personnel have not yet viewed the video "Compliance" done by Rob Saltiel, the Executive VP of Performance, it can be accessed via www.rigcentral.com/hqs/hse.

I know you guys are all busy and doing your best. I feel for you and the crews. We're trying to recruit more people, revamping some of our training, and rewriting the Rig and Well Operations Manual. This will be done

by the guys offshore so that the manuals are more valuable to you guys in operations. We'll be asking for volunteers to participate in this job. Lastly, we're still planning on having a marine seminar. It is planned to have it before the end of the year. This could be tough to pull off before the end of the year. I would appreciate it if each Captain and Marine Supervisor would at your convenience; give me a call so that we can discuss the issue of watertight integrity, PTW process, Isolations, and anything else you care to discuss. It does not have to be a long call; I just want to touch base with you guys. You can call me day or night on my cell. Thank you very much.

Cheers,
John

John B. MacDonald, Captain
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