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# Responsible investor Briefing

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Monday, 30<sup>th</sup> June 2014

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In 2010, we accepted all 26 recommendations made by the Bly Report – our internal investigation into the Deepwater Horizon incident.

BP has committed to providing regular updates on progress towards the implementation of these 26 recommendations.

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## Update on completed recommendations

The total number of completed<sup>1</sup> recommendations is now 15, with 85% of deliverables required to complete all recommendations also now completed. This compares to 70% complete at the time of the previous SRI update in September 2013. Work has progressed on all 26 recommendations in parallel, on a risk prioritised basis. All completed recommendations and deliverables now form a sustainable part of our operating management system within the Global Wells Organisation.

## Progress update

We continue to make progress on all of the remaining 11 recommendations largely in line with our planned schedule.

The following is an update of progress on each of the remaining recommendations<sup>2</sup>

1. **Update and clarify cementing practice and guidelines – Complete**
2. Update requirements for subsea blow out preventer (BOP) configuration
  - BP's Well Control Engineering Technical Practice which incorporates Subsea BOP Configuration has been revised and issued, alongside which a three day training course has been developed and rolled out. 313 people have completed this course as of early June 2014.

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<sup>1</sup> A recommendation is defined as complete when the VP, Technical Functions GWO has concluded that the action has been completed and has submitted to S&OR Audit for verification

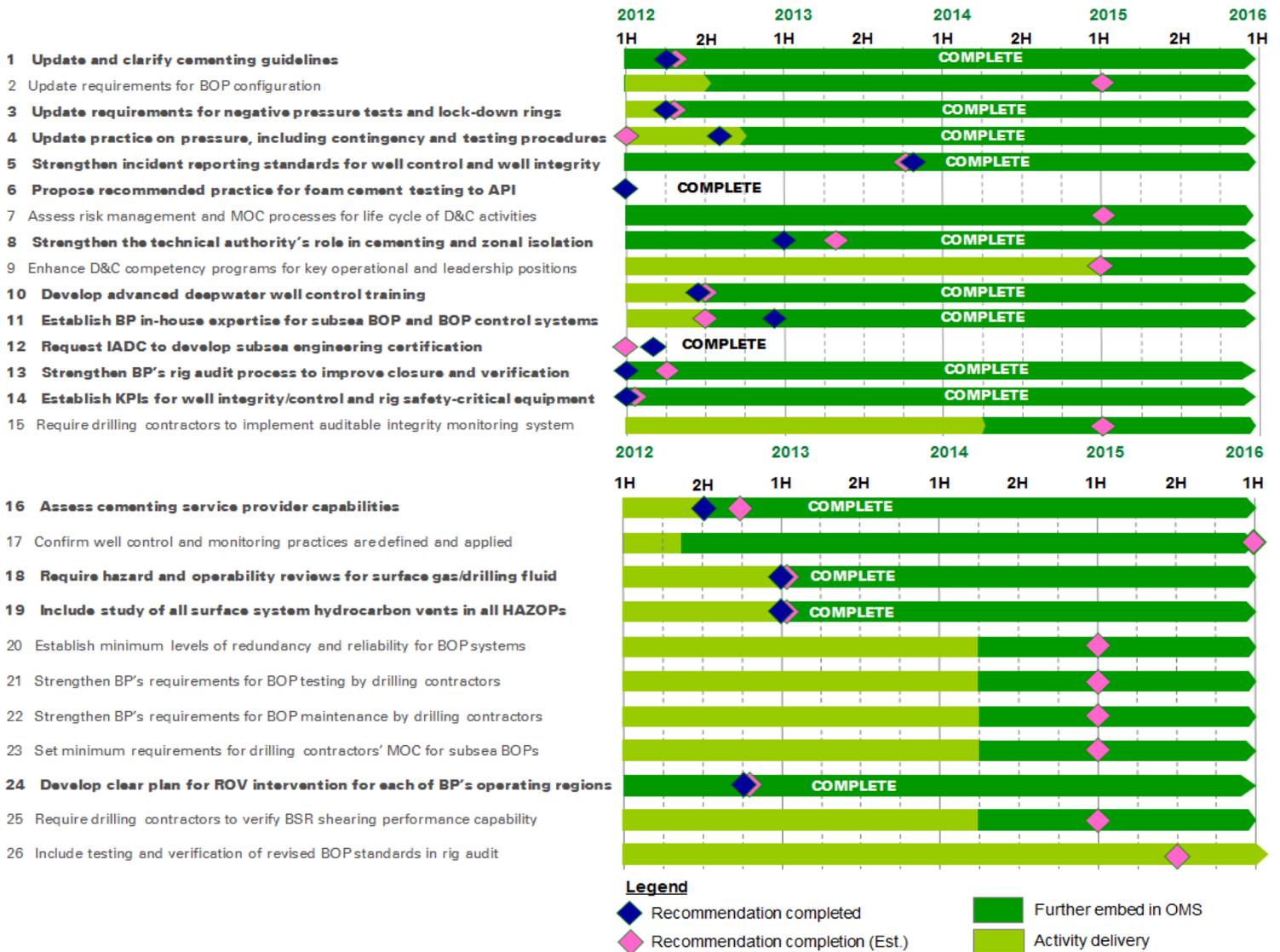
<sup>2</sup> You can find a more detailed description of each of the recommendations at [www.bp.com/26recommendations](http://www.bp.com/26recommendations)

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- Two sets of blind shear rams are now required on all subsea BOP's used on dynamically positioned rigs
  - A gap assessment against the updated BOP configuration requirements has been conducted for all BP-operated and BP-contracted drilling rigs. Gap closure actions are now being compiled and reviewed with regional teams.
3. **Update requirements for negative pressure tests and lock-down rings – Complete**
  4. **Update practice on working with pressure, including contingency and testing procedures – Complete**
  5. **Strengthen incident reporting standards for well control and well integrity – Complete (since last SRI update)**
    - A document to enhance appropriate reporting of well control, well integrity and other process safety incidents was developed and issued. This was incorporated into a training program for key regional drilling personnel implemented throughout 2013.
    - These guidelines identify which BP practices should be followed and define the types of incident and specific information to be reported. They also specify the appropriate electronic system for reporting in order to track action close-out and collect and present data and KPIs.
    - An ongoing review is being conducted by BP's safety & operational risk organisation at key sites to verify that well control and well integrity incidents are being appropriately investigated and any corrective actions closed-out effectively.
  6. **Proposal of recommended practice for design and testing of foamed cement slurries to API – Complete**
  7. Assess risk management and Management of Change (MoC) processes for life cycle of global wells activities
    - MoC and risk management practices have been developed for global drilling operations and issued to the Global Wells Organization
    - A management of change training programme has been developed, and over 90% of the identified audience trained to date.
    - Annual risk action plans for 2014 are being developed in each of the global wells regions using the new risk management procedure.
  8. **Strengthen the technical authority's role in cementing and zonal isolation – Complete**
  9. Enhance drilling and completions competency programs for key operational and leadership positions
    - A well control competency assurance program has been instituted for well site leaders (WSLs), with just over 1000 WSL assessments conducted. Drilling WSL assessments and intervention/completion WSL assessments have been conducted in all 14 Regions. Assessments are also now being applied to the wells team leader population.
    - A Deepwater Drilling Leadership Development program has been developed with implementation underway as of December 2013.
  10. **Develop advanced deepwater well control training – Complete**
  11. **Establish BP in-house expertise for subsea BOP & BOP control systems – Complete**

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12. Request the International Association of Drilling Contractors (IADC) to develop subsea engineering certification – **Complete**
  13. Strengthen our rig audit process to improve closure and verification of audit findings across the rigs we own and contract - **Complete**
  14. Establish key performance indicators (KPI) for well integrity, well control, and rig safety-critical equipment - **Complete**.
  15. Require drilling contractors to implement auditable integrity monitoring system
    - Leading and lagging indicators for integrity performance monitoring of well control equipment have been documented for floating and offshore drilling rigs with subsea or surface BOPs, as well as for onshore drilling rigs.
    - To validate these indicators, a pilot was undertaken in the Gulf of Mexico. Information gathered in this pilot was used to verify the update of BOP engineering technical practices specific to different drilling environments.
    - Drilling contractors working for BP will be required to use the indicators contained in these new practices to assess the integrity performance of their well control equipment, via an auditable monitoring system.
  16. Assess cementing service provider capabilities – **Complete**
  17. Confirm well control and monitoring practices are defined and applied
    - Requirements for well control and well monitoring have been defined and codified in BP practices. BP's Well Control Manual has also been updated and issued.
    - A three day workshop has been developed in order to train key personnel on the updated requirements.
    - Verification and assurance that these well control and well monitoring practices are rigorously applied on BP-operated and BP-contracted rigs will continue through 2014 and 2015.
  18. Require hazard and operability reviews for surface gas and drilling fluid systems – **Complete**
  19. Include study of all drilling rig surface system hydrocarbon vents in all HAZOPS – **Complete**
  20. Establish minimum levels of redundancy and reliability for BOP systems
    - Documents identifying BP redundancy and reliability requirements for BOP control systems have been completed for floating and offshore drilling rigs with subsea or surface BOPs, as well as for onshore drilling rigs.
    - To validate redundancy and reliability requirements, a pilot was undertaken in the Gulf of Mexico. Information gathered in this pilot was used to guide the update of BOP engineering technical practices specific to different drilling environments.
    - Drilling contractors working for BP will be required to implement an auditable risk management process which will confirm that their BOP control systems are operated in line with the updated standards.
  21. Strengthen BP's requirements for BOP testing by drilling contractors, including emergency systems

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- Revised engineering technical practices on BOP testing have been issued, specific to different drilling environments. These updated practices cover requirements for BOP testing including emergency systems on floating and offshore drilling rigs with subsea or surface BOPs, as well as for onshore drilling rigs.
  - Contractors working for BP will be required to demonstrate that their BOP testing protocols meet or exceed the requirements set out in the relevant updated practice.
22. Strengthen BP's requirements for BOP maintenance management systems by drilling contractors
- Requirements for drilling contractors' BOP maintenance management systems have been completed for floating and offshore drilling rigs with subsea or surface BOPs, as well as for onshore drilling rigs.
  - To validate BOP maintenance management system requirements, a pilot was undertaken in the Gulf of Mexico. Information gathered was used to guide the update of BOP engineering technical practices specific to different drilling environments.
  - Drilling contractors working for BP will be required to demonstrate that their BOP maintenance management systems meet or exceed the requirements set out in the relevant updated practice.
23. Set minimum requirements for drilling contractors' MoC for subsea BOPs
- Updated requirements for drilling contractors' subsea BOP MoC systems have been built into a revised and issued BOP engineering technical practice.
  - Drilling contractors working for BP will be required to demonstrate that their MoC systems for subsea BOPs meet or exceed the requirements set out by BP.
24. **Develop a clear plan for remotely operated vehicle (ROV) intervention for each subsea BOP – Complete**
25. Require contractors to verify blind shear ram performance capability
- As previously reported, BP now has a BOP configuration requirement that each Subsea BOP on dynamically positioned (DP) rigs in deepwater drilling operations be configured with 2 blind shear rams and 1 casing shear ram. Moored rigs are required to have 2 shear rams, one of which must be a blind shear ram.
  - BP has completed and approved requirements for contractor qualification processes, covering BOP blind shear ram performance and management of drill pipe inventory. Revised BOP technical practices incorporating these requirements have been issued to the global wells organisation.
  - Drilling contractors working for BP will be required to verify that shearing performance capability of their BOP blind shear rams meets BP's revised requirements.
26. Include testing and verification of revised BOP standards in rig audit
- Due to recent progress with recommendations 20 - 25, work is now underway to amend checklists and appropriate rig audit protocols.

# Updated project timeline<sup>3</sup>



<sup>3</sup> These timelines are estimated and based on existing facts and circumstances. They can shift due to complexity, resource availability, and evolving regulatory requirements. Each recommendation has a distinct set of requirements and conditions for completion. In some cases, this will involve the delivery of key documents (light green bar above) whereas for others additional activity is required to further embed in OMS and/or verify implementation (dark green bar)