



Issue

5

Responsible investor

Briefing

Thursday 31st May 2012

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

Seven recommendations are now complete, with progress continuing to be made against the remaining recommendations.

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Update on completed recommendations

A total of seven recommendations have now been completed and closed out by S&OR audit. These recommendations are:

- **Recommendation 1:** *to update and clarify cementing guidelines and associated Engineering Technical Practices (ETPs).* BP has developed and rolled out nine guides covering key cementing activities (including Plug Cementing, Laboratory Testing and HPHT Cementing), as well as conducted an in depth review and revision of the existing Engineering Technical Practise for zonal isolation (ETP 10-60). Over 320 engineers in BP have now gone through the training for this revised ETP.
- **Recommendation 3:** *to update technical practices to address a) well design consideration of negative pressure testing and b) casing lock-down requirements.* BP has written an updated tubing design manual which includes requirements for negative pressure tests and has also issued a revised casing and tubing technical ETP document to include requirements for negative pressure testing and standardization of installation of lock-down rings. A one day training workshop on this revised ETP has been developed for BP engineers.
- **Recommendation 6:** *to propose a recommended practice for foam cementing to the American Petroleum Institute*
- **Recommendation 8:** *to strengthen the technical authority's role in cementing and zonal isolation.* BP has developed and resourced a community of embedded technical authorities which provide coverage in the areas of cementing and zonal isolation support across BP's global wells operations. In addition, a formalised set of accountabilities has been developed to strengthen the technical authority's role in these areas, along with a robust assurance process to support and verify these new standards.
- **Recommendation 12:** *to request that IADC review and consider the need to develop a programme for formal subsea engineering certification.*
- **Recommendation 13:** *to strengthen our rig audit process to improve closure and verification of audit findings across the rigs we own and contract.* Rig auditing within BP has now been strengthened by incorporating it within the established S&OR audit process. The work stream covered program and individual audit planning; audit protocols; auditor training and defined team roles; field work processes; defined sample and test plans; standardising report format; action identification, tracking and closure verification; and Group reporting.
- **Recommendation 14:** *to establish key performance indicators for well integrity, well control, and rig safety-critical equipment.* Leading and lagging indicators for well integrity, control and construction and rig safety critical equipment have been developed, alongside reporting requirements which have been issued throughout the global wells organisation. Training has been delivered for each region on how to gather the KPI data, with a process now in place to allow quarterly reviews of the data and improvement feedback to the regions.

We continue to make progress against the remaining recommendations largely in line with our planned schedule¹. At this stage, we estimate that a total of 15 recommendations will be completed by end 2012.

Next Update

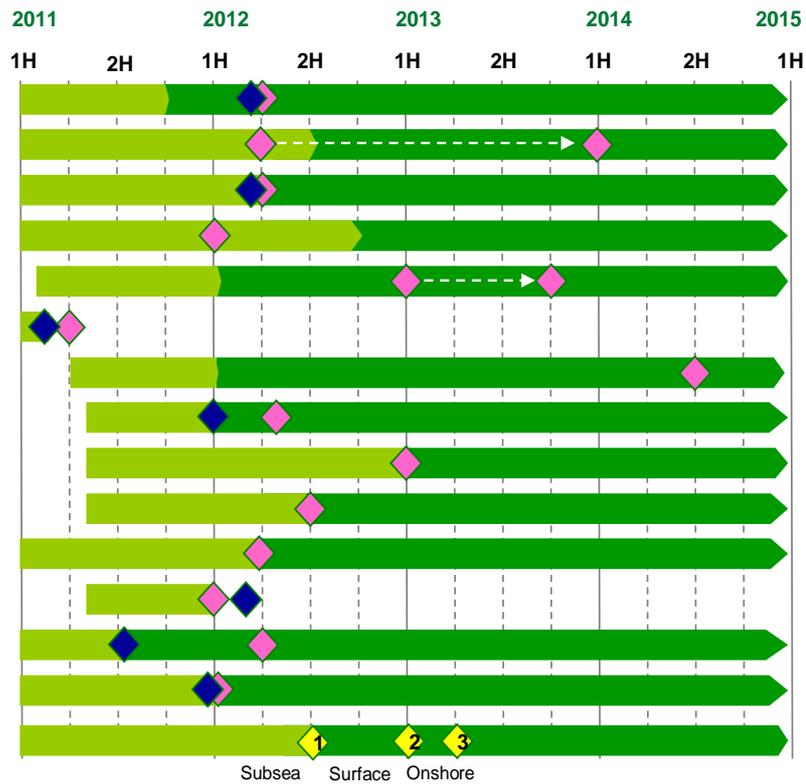
The next update for Socially Responsible Investors will be in July.

¹ You can find a more detailed description of each of the recommendations at www.bp.com/26recommendations

Updated project timeline²

BP's drilling operating practices and management systems

- 1 Update and clarify cementing guidelines
- 2 Update requirements for BOP configuration
- 3 Update requirements for negative pressure tests and lock-down rings
- 4 Update practice on pressure, including contingency and testing procedures
- 5 Strengthen incident reporting standards for well control and well integrity
- 6 Propose recommended practice for foam cement testing to API
- 7 Assess risk management and MOC processes for life cycle of D&C activities
- 8 Strengthen the technical authority's role in cementing and zonal isolation
- 9 Enhance D&C competency programs for key operational and leadership positions
- 10 Develop advanced deepwater well control training
- 11 Establish BP in-house expertise for subsea BOP and BOP control systems
- 12 Request IADC to develop subsea engineering certification
- 13 Strengthen BP's rig audit process to improve closure and verification
- 14 Establish KPIs for well integrity, well control and rig safety-critical equipment
- 15 Require drilling contractors to implement auditable integrity monitoring system



Contractor and service provider oversight and assurance

- 16 Assess cementing service provider capabilities
- 17 Confirm well control and monitoring practices are defined and applied
- 18 Require hazard and operability reviews for surface gas/drilling fluid
- 19 Include study of all surface system hydrocarbon vents in all HAZOPs
- 20 Establish minimum levels of redundancy and reliability for BOP systems
- 21 Strengthen BP's requirements for BOP testing by drilling contractors
- 22 Strengthen BP's requirements for BOP maintenance by drilling contractors
- 23 Set minimum requirements for drilling contractors' MOC for subsea BOPs
- 24 Develop a clear plan for ROV intervention for each of BP's operating regions
- 25 Require drilling contractors to verify BSR shearing performance capability
- 26 Include testing and verification of revised BOP standards in rig audit



Legend – Recommendation Level

Document issue date

Recommendation completed

Sustain in OMS

Recommendation completion (Est.)

Activity delivery

² These timelines are estimated and based on existing facts and circumstances. They can shift due to complexity, resource availability and evolving regulatory requirements.