



WCI Board of Directors Meeting

13:00 – 17:00 CET, Monday, 15 June 2015

Cavalieri Rome Waldorf Astoria Hotel

Rome, Italy

Participants:

Moe Plaisance, Chairman
Claus Hemmingsen, Maersk Drilling
David Williams, Noble Corporation
Don Jacobsen, Shell
Gary Jones, BP (via phone)
João Cabral for Rudimar Lorenzatto, Petrobras
Leif Nelson, Seadrill
Lyndol Dew, Diamond Offshore Drilling Inc.
Michael Engell-Jensen, IOGP
Niels Espeland for Kevin Neveu, Precision Drilling
Simon Drew, KCA Deutag
Joe Rovig, NOV
Steve Colville, IADC
Taf Powell, IADC
Steve Kropla, IADC
Mark Denkowski, IADC

1. Introductions, Safety Briefing and Antitrust Statement

Steve Kropla and Moe Plaisance made welcoming remarks. Steve reviewed the IADC Antitrust Policy & Guidelines. A hotel representative reviewed hotel safety procedures. Introductions were made and the meeting was called to order.

2. Discussion – Priority Topics Ranking and Review of Mapping Exercise

Steve Kropla reviewed the priority topics. Several of the priority topics will be monitored for progress and reviewed at a later time. The Board discussed WCI's general role in reviewing and endorsing industry initiatives, particularly IOGP documents on well control technical training (IOGP 476) and Crew Resource Management (501, 502 and 503). The group elected to review procedures for endorsing recommended practices, standards or other industry practices. Moe and Steve will develop a process and gap analysis. Michael Engell-Jensen noted the IOGP documents are freely available for download on the IOGP website (www.iogp.org).

The Board discussed Subsea Technician Competency Assurance (STCA) being developed by IADC as a follow-up to the IADC KSA program. Mark Denkowski was asked to prepare a white paper for the Board on this subject.

The Board discussed endorsing IOGP Report 476 (first edition; it was noted Report 476 is currently under revision) and determining the alignment to the report's chief recommendations of IADC's WellSharp and IWCF's well control training programs. Moe will undertake the most expeditious means for assessing to what extent the systems are IOGP 476 compliant.

The group also discussed the ongoing revision of IOGP 476, which is not yet ready for endorsement, should be completed by the end of the year. Moe will distribute the draft document to the Board for comments.

The Board discussed procedural discipline and the various groups that could possibly manage a project. Steve will examine activities regarding checklists and bridging documents planned by IOGP's WEC Human Factors Task Force and relay findings to the Board.

Steve reviewed the current status of the BOP Reliability Database. He noted a legal agreement is currently being negotiated between the IADC/Go7 and IOGP for a Joint Industry Project built on the original platform developed by the Go7. The Board will be regularly updated on the status of the JIP.

Steve reviewed the topic "process safety culture". He noted the term holds a variety of meanings for different people and can be referred to as operational risk management. IADC's ORM work group is currently drafting a set of guidelines which will be available later in the year. The group discussed crew resource management's role in this area as well.

Moe noted this is an area in which consolidated effort is key to bring forward lessons learned. The group discussed posting useful links on the WCI web site and having the web site serve as a depository for standardized matrixes and reports. The group discussed the need for support to get companies to supply data.

Moe discussed kick detection automation. He noted the need for a true definition since companies are using more sophisticated equipment – mechanization vs. automation. Joe Rovig noted companies are investing a great deal of time and money in automation. Great strides are being made in this area and the industry is evolving.

3. Industry Developments - BSEE Well Control Rule

Steve gave an overview of the ongoing work on the industry response to the BSEE Well Control Rule. IADC convened eight work groups to examine the rule and provide feedback. A consolidated set of comments from the allied trade association group (API, IADC, NOIA, IPAA et al) will be sent to BSEE by the 16th July deadline. The Board also elected to send an opinion letter to BSEE to make them aware of WCI and the Board's general observations on the Well Control Rule. Moe and Steve will draft a letter and circulate to the Board for approval.

4. Discussion – Review of WCI Preview Web Site

Steve reported on current and future content for the WCI web site. The Board previewed the site. The group discussed limiting information from inventory of initiatives to that of Board company members only on the web site. Procedures need to be in place prior to the site going live to monitor and maintain company information. A recommendation was made to include associations and standards only until such time as procedures are available to review, monitor and update individual company or commercial activities which may be worthy of inclusion. The site will include a feedback form to obtain selections for improvements and additions.

5. Legal/Administrative Update

Steve reported all documents have been sent to the IRS for the WCI 501(c)6 status. He noted the IRS will contact him if additional information is needed. A response is promised before the end of the year. (Postscript: shortly after the meeting, it was learned that IRS had issued a favorable letter of determination to provide WCI 501(c)6 status.)

Steve reported the bylaws had been corrected to reflect changes discussed in the April conference call with the Board. The affected sections 2 & 3 of Article II (Officers) as follows:

2. Selection. The officers of the Corporation shall be nominated by the IADC Executive Committee from IADC senior staff members and ~~elected~~ appointed annually by the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. Removal. Any officer ~~elected or appointed~~ nominated by the IADC Executive Committee may be removed by the IADC Executive Committee whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

The Board nominated Ed Kautz, Ensign, Jean-Francois (J.F.) Popeau, Schlumberger and Richard Lynch, Hess to fill vacancies for a drilling contractor member, a service company member and an operating company member of the Board. Upon approval by the IADC Executive Committee, Steve Kropla will notify the gentlemen and a formal letter of invitation will be sent to each of them by Moe. Several Board members noted during the discussion that all WCI Board members must be IADC members in good standing.

6. Date and Venue of Next Full Board Meeting

The next meeting of the Board will be held on Tuesday, 3 November 2015 at the Hyatt Riverwalk Hotel, San Antonio, Texas from 09:00-12:00 (CST). Audio and/or web teleconferencing will be available. In the interim, a teleconference will be convened if needed.

7. Other Business

The Board discussed a letter submitted by Subsea Systems Institute of University of Houston. The letter proposed a number of projects with which SSI might be able to assist WCI. The Board did not feel that it would be appropriate for WCI to enter into a strategic alliance with SSI or similar groups at this time. In addition, the Board would like Moe and/or Steve Kropla to exclusively represent WCI at any future meetings with such groups. Don Jacobsen volunteered to participate in these types of meetings if needed. David Williams suggested an operator and/or a drilling contractor participate when possible.

8. Adjournment

The meeting was adjourned at approximately 17:00 hours CET.