DROPS from Oilfield Services A Case for Action



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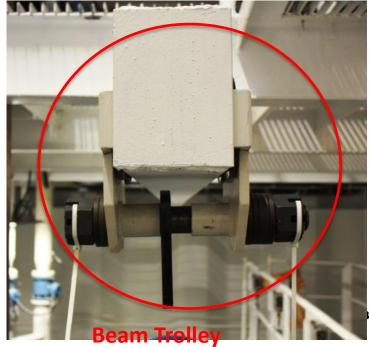
DROPS... still harming

Two instrument technicians were working in the centrifugal pump room on a stimulation vessel. A third-party worker standing on an upper level in the centrifugal pump room was moving a beam trolley.

Suddenly, the trolley detached from the beam, bounced off an electric motor (the dark green device in the photo) during course of the fall, and struck a technician, resulting in a lost time injury.

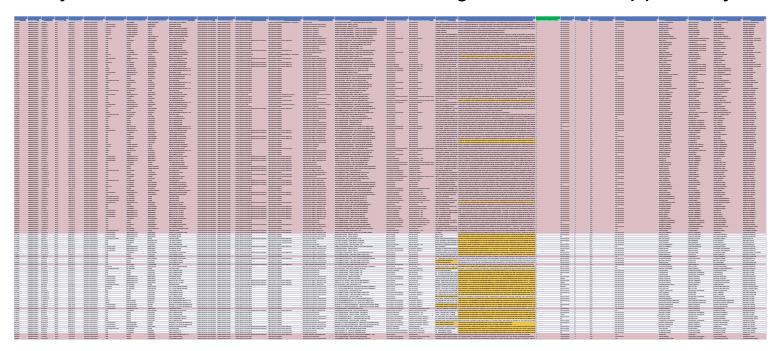
The trolley weighs over 80 pounds and was dropped from over 10 feet high.





A tribute to the injured and...decreased

Year in year out, numerous lives are changed/ lost to dropped objects *



DROPS – present and still harm in O&G!

* Denote: The list only represents a **small portion** of incidents involving dropped objects in O&G industry.



Main Topics

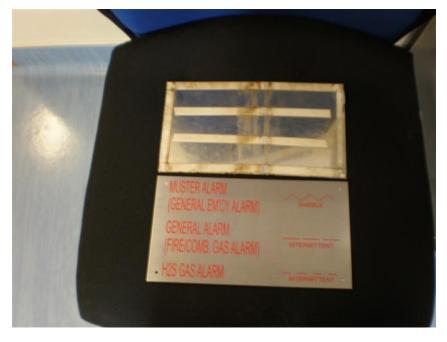
- Dropped Objects
- Data Drilling Principles & Foundation
- 4-year study Learnings & Forward Looking Plan



Before we start...

A "dropped object" is any item that falls from its previous position. This covers all items, materials or objects of any mass / density.





2 types of dropped objects:

- Static Dropped Objects— any object that falls from its previous static position under its own weight.
- Dynamic Dropped Objects any object that falls from its previous position due to applied force from equipment/machinery or moving object.

 MAKE TODAY A PERFECT HSE DAY



Potential Dropped Objects - Rig Env



Wireline tool - 70kg @ 30m from drill floor

Loose pen knife - 100g but sharp edges & potentially fall from over 50m when lifted







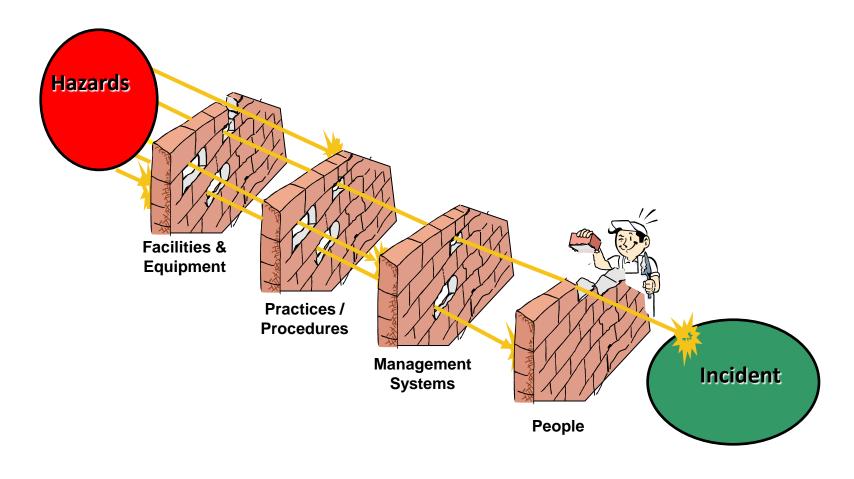
Problem solving?



...starts from understanding the issues

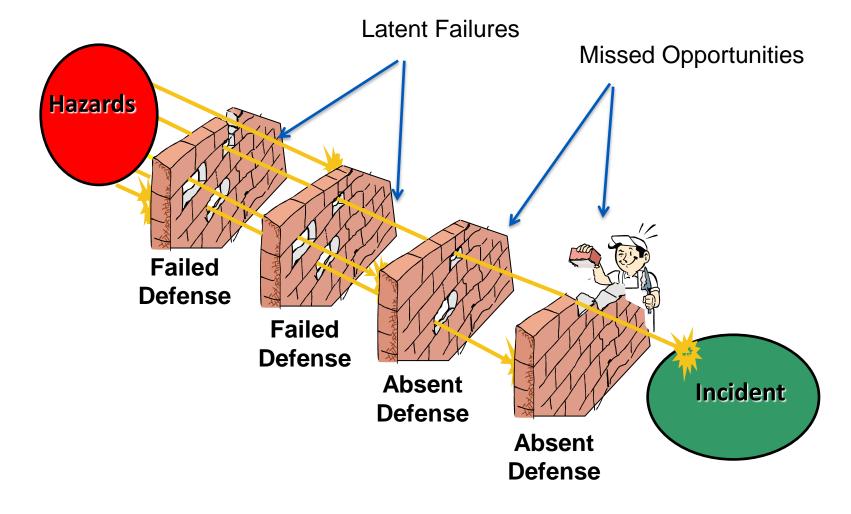


Foundation for Data Drilling





Another View





Overview of DROPS Study

- Analyze dropped objects incidents from 2011 2014
- Involved studies of incidents on
 - Customer (field operations related) &
 - Baker Hughes locations (workshop, warehouse and manufacturing activities related)*
- Apply DROPS consequence calculator to evaluate potential outcome in reasonably worst case scenario
- Leverage granular data to reveal gaps and prompt for organizational learnings
- Map and align strategy with key customer focus areas

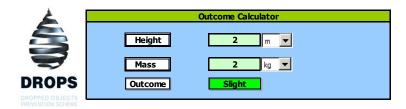


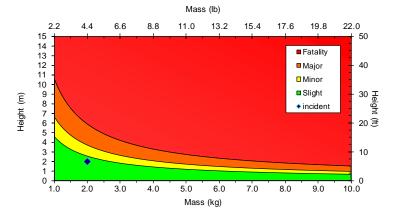
^{*} Denote: Due to time limit, incidents that occurred on Baker Hughes locations are precluded from discussion of this slide deck.

Methodology for DROPS Study

- Use DROPS Calculator to evaluate "Could happen"/ potential outcome severity (Mass x Distance = Potential Consequence)
 - Calculator (endorsed by DROPS workgroup) provides a common benchmark in the classification of the potential consequences of a dropped object.

- Root cause analysis
 - Based on investigation of ~500 incidents
 - Data aggregated to better understand gaps in current DROPS strategy

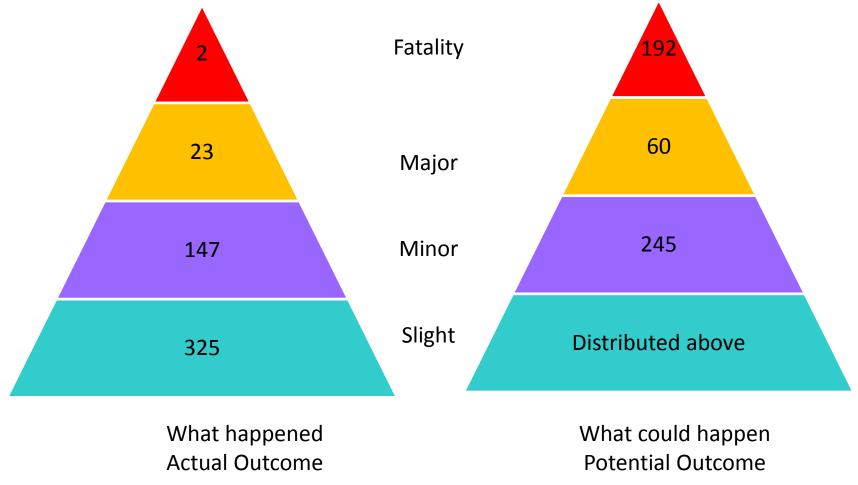






Actual vs Potential

497 incidents involved field operations on customer locations

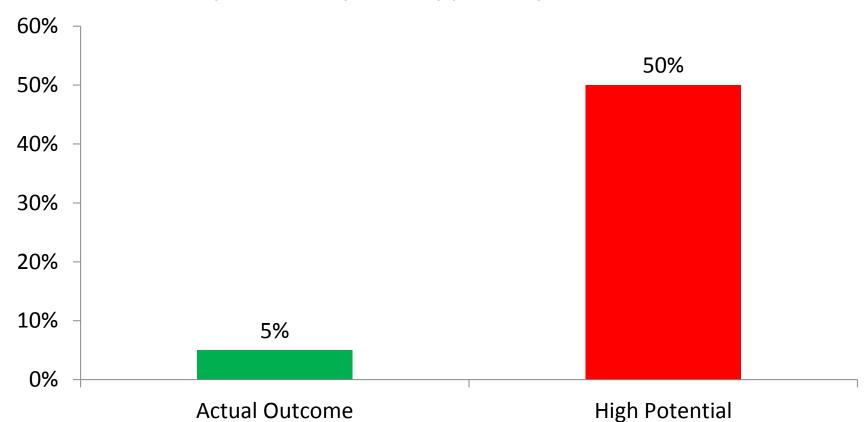




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Another View

Proportionality of Dropped Objects Incidents



DROPS represented 5-10% of all incidents.

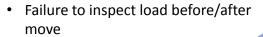
DROPS contributed to ~50% of Hi-Po.



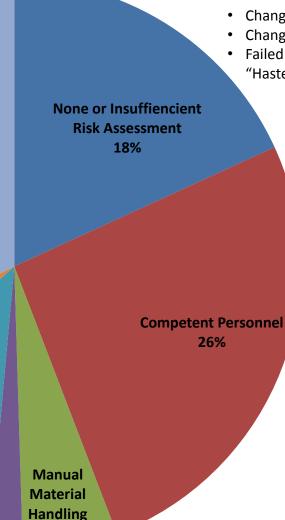
Behind the data... Uncovering the "real" issues



The underlying causes



- Red Zone not established/inadequate
- Wrong equipment used to lift load
- No procedure for specific task
- Operating without authority
- Failed to secure hand tool
- Procedural inadequacy



- Change of job task, supervisor not included in JS
- Change in operation and failed to re-plan
- Failed to conduct HRA/JHA/MOC "Haste"

Failed to communicate with operator Fatigue /Haste/Distracted/Shortcut Improper set-up (splicing/rigging) Improper lifting (forklift training) Saw issue, but did not own it Selected wrong equipment Homemade tool

Third Party 5%

Not Following Procedure 32%

- Complacency
- Failure to inspect load
- Poor quality equipment
- Operating without Authority Equipment Failure
 12%
 - "Poor quality equipment"
 - High vibration loosened bolts
 - Failure to inspect/maintain equipment

Failure to Stop Work 2%

5%

- * 8', 10', and 20' iron dropped while performing two man lift
- Hands directly on load and slipped from grip
- Lost grip of tagline/cable

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We have identified gaps in our process.

How do we take the next step?

IYDWYAD YGWYAG

Note: If you do what you always do, you get what you always get.



DROPS – Precursors

Red Zone Policy Identify and manage restricted zones prior to L&H and working at height.

Reliable securing

Follow reliable securing best practice for routine operations.



Competent Workforce

Embed DROPS into Baker Hughes Rig Certification process.

Identify DROPS Risks

Fine tune MOC/HRA process and supplement with DROPS picture book/ bow-tie.

Inspect & Maintain

Implement risk based inspection/maintenance with track record.

DROPS...two cents for other organizations

- Starts from a change of perception
 - "It's not a big issue"
 - From misperception to full appreciation of actual and potential
- Open mind for a change
 - "Why do we need to change? We've always done it this."
 - Drawing lessons from others including other industry
 - NASA FOD program/ cross corporation/ industry
- Re-position ourselves to be true industry leader
 - —"It's customer/ rig contractor's responsibility"
 - Taking ownership and proactively collaborating with interested parties

