

NAS / TRB
Marine Board Fall Meeting
Safety Culture in Oil & Gas Operations
An Independent Operators Perspective

Arena Offshore, LP
November 7, 2017

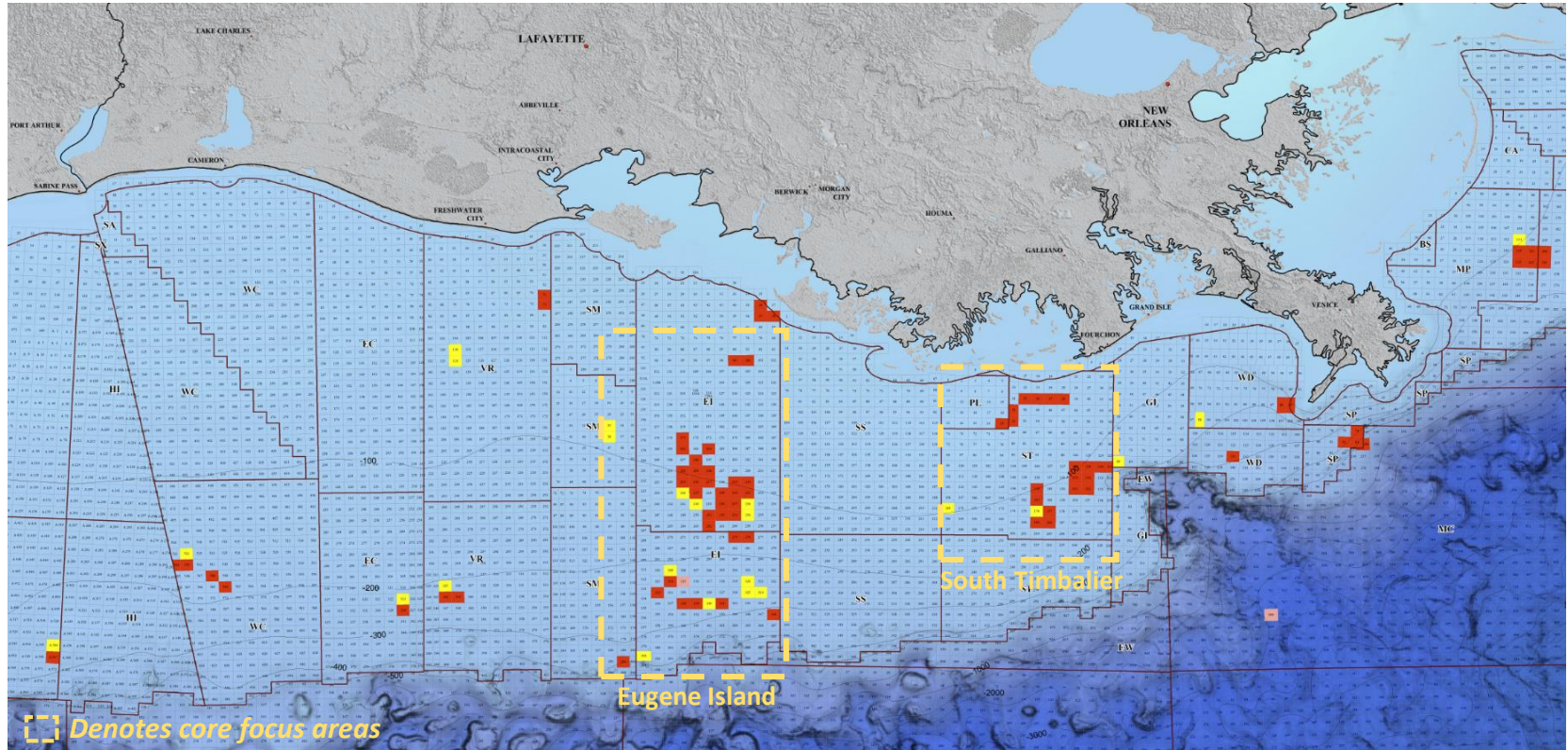


Operating History

- In 2002, Arena Offshore was formed to manage operations in the GOM
 - Currently operates 36 fields consisting of 135 platforms and 400 active wells
- Since inception, Arena has participated in ~272 drill wells (239+ operated) with an average working interest over 76% and invested more than \$3.2 billion of net capital
 - Long-term repeatable drilling success with over 90% of wells drilled resulting in a completed well
 - Arena Offshore has never had an operated loss of well control incident
 - Arena Offshore has never had a loss of life on an operated project
- During the last 8 years Arena Offshore has operated 100% of the drill wells in which the company has participated
- In addition to our full-time employees, Arena Offshore also directs the activities of approximately 270 contract offshore field production personnel and an average of 465 contract offshore drilling and construction personnel

Asset Footprint (107 Total Blocks)

- 79 Operated HBP
- 24 Primary Term leases
- 4 Operated by Others



Operated HBP

Operated Primary

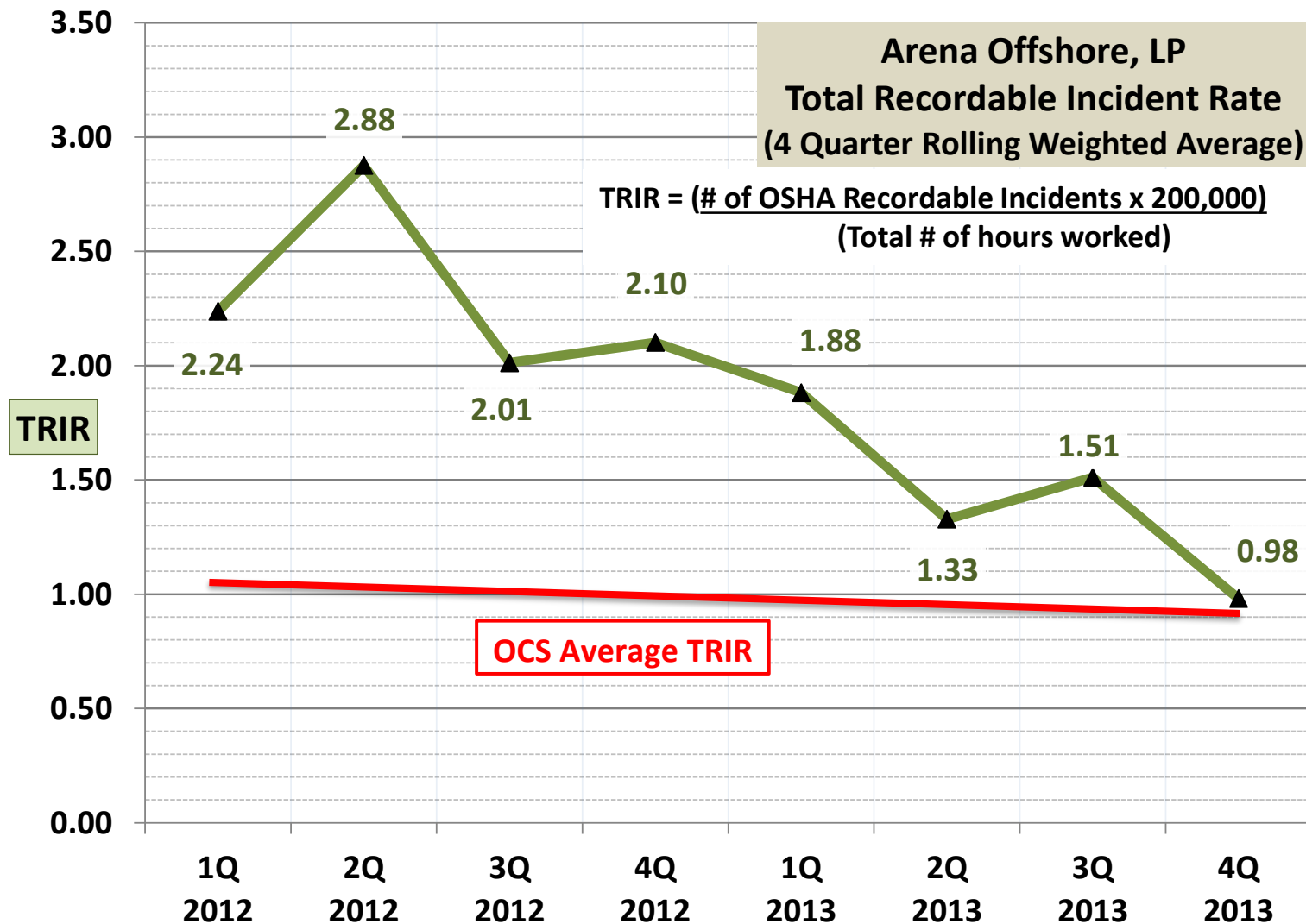
Non-operated HBP

The Man In The Arena...

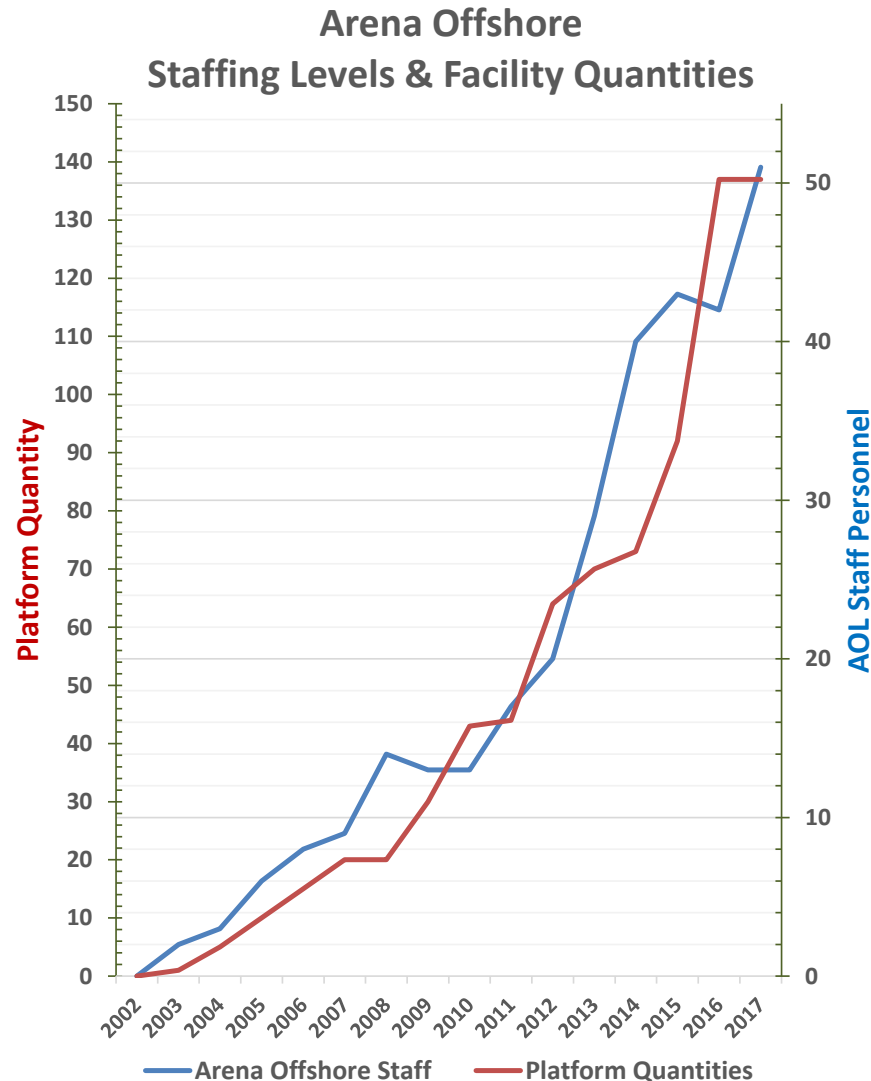
“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the Arena.....”

**Theodore Roosevelt
Paris, 1910**

The Safety Culture Call to Action



Company Growth & Safety Culture Drivers



Our Safety Culture Cues...

- Strong relationships with Key Contracting partners
 - “Top Ten Program”
- Driving a “Planning” culture
- Maintaining alignment with... “The Arena Way”
- Shutting down operations when appropriate
- Encouraging constructive challenges to the status quo
- Providing a formal channel for raising/discussing individual concerns

Perspectives on Safety Culture

- An industry under pressure
 - The resourcing reality
 - A period of cultural trials
 - Experience impacts
- Continuously Improving
 - Asking the Right Questions
 - Intensifying communications
 - Focus on safety leadership
 - Continuously evaluating whether we're doing the right things, the right way



Strengthening & Enhancing Safety Culture



- Enhancing collaborative interactions and relationships
- Seeking solutions together
- Building processes that directly benefit all parties as well as protect the public interests
- Evaluate whether actions promote or retard safety culture improvement
- Incentivize collaborative efforts resulting in performance improvement

Do Industry Standards Have a Role?

Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities

API RECOMMENDED PRACTICE 75
THIRD EDITION, MAY 2004

REAFFIRMED, APRIL 2013



- RP-75 Re-Write Task Group
 - Work in progress since late 2014
 - Over 100 key contributors from industry, trade associations regulatory agencies and NGO's
- Engagement of NAS and CSB on key leadership and cultural element recommendations
- Current approach still being developed, seen as an enhancement to Leadership element

Safety Leadership

Within the Organization

- Leadership Development
- Focus on results
- The Point where “Actual” Safety Leadership occurs
- Support & Sustain Contractor Partner efforts

Within Industry

- 2 Way conversations about performance
- Stronger collaborations among stakeholders
- Finding new and more effective ways to learn from each other and improve results

Strong Safety Culture – The Passport to Offshore

- “Top Ten” Contractor Engagement Initiative
 - Cultural **alignment** is a key objective
 - Less than 50 companies comprise 80% of the man-hours & spend
 - Focus safety culture efforts here
 - Identify select other contractors as needed to enhance cultural alignment
- Industry Efforts
 - OOC/COS Ad-Hoc efforts towards alignment on requirements for SEMS Knowledge & Skills Verification standards
 - Possible plug-in point for cultural alignment assurance

The Dividends of Safety Culture Investment

AOL Total Recordable Injury Rates (Aggregate – All AOL Operations) (2012 – today)

