

Presentation to the IADC Jack-Up Committee

# JRC MOU Location & Move Warranty Survey Scope of Work (A revision on behalf of the JRC)

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# MOU Location & Move Warranty Survey

- What is the Joint Rig Committee ?
- Brief History of Site Specific Assessment of Jack-Ups
- What is the JRC Rig Move Warranty Document
- Why was a revision needed/prompted
- Process of the revision
- Main changes
- IADC Review Request

# What is the Joint Rig Committee?

- The Joint Rig Committee represents the interests of insurers writing offshore energy risks in London. Membership of the Committee comprises energy underwriters drawn from the membership of both the Lloyd's Market Association and the International Underwriting Association (source LMA website: [www.lomalloyds.com](http://www.lomalloyds.com)).
- The Engineering sub-committee of the JRC is tasked with developing scopes and guidelines to mitigate risk in an upstream energy context

# What is the Joint Rig Committee?

- Several documents have been produced including: Offshore Construction MWS Scope of Work; Well Plan Review Scope of Work - widely used and recognised throughout the offshore industry
- Most recent initiative - FUMA (Floating Unit Mooring Assessment), peer reviewed by the Oil and Gas UK Mooring Integrity Committee - issued in early 2014

# Brief history of Site Specific Assessment

- Experience based approach to Site Specific Assessment
- Mid-1980s Shell used own guidelines to assess jack-up suitability
- Late 1980s - JIP on Jack-Up Site Assessment methodology - broad industry support
- Adopt more rigorous approach - foundation fixity, dynamic response, P-delta effects etc. - reflect jack-up operations in more challenging areas
- JIP produced SNAME T&RB 5-5A Site Specific Assessment of Mobile Jack-Up Units Guideline and Recommended Practice plus GoM annex
- ISO 19905-1:2012 Petroleum and Natural Gas Industries - Site Specific Assessment of Mobile Offshore Units - Part 1 Jack-Ups

# What is the JRC Rig Move Warranty Document

- Available via LMA website :  
**JR2012-003 JRC Rig Move - COP and MWS FINAL**
- Provides SOW for rig activities:
  - Jack-Up Rig Activities (SSA and Moving On and Off Location) - *Areas 1 & 2 from previous slide*
  - Wet Tows of MOUs
  - Dry Tows of MOUs
  - Transits of MOUs under own power
- Defines a Code of Practice for the above activities
- Issued in early 2012 - limited current market use, although widely used by Marine Warranty Surveyors

FINAL - 27 JANUARY 2012

## Rig Move Warranty Survey

1) Coverage under this Policy for Rig Move activities fulfilling the criteria below is conditional upon:

a) A Marine Warranty Surveyor (MWS) being appointed by the Assured from the following panel (name of MWS to be inserted below)

b) For each rig move with the criteria below the specific Marine Warranty Scopes of Work (SOW) as stipulated in the table below shall apply:

Activity	Criteria	Scope of Work (SOW)
Jack-Up Rig Activities	Established Oil and Gas Field Area where Operator and/or Marine Warranty Survey Company is aware of any of the following: <ul style="list-style-type: none"> <li>- previous incidence of punch-through within the field</li> <li>- existing jack-up footprint with different rig</li> <li>- Where there have been known problems (leg splaying etc.)</li> <li>- Or if Assured has reason to believe that a punch-through risk and/or shallow gas risk might exist</li> <li>- Or if in a field or area with no previous Jack-Up activity</li> </ul>	SOW 1
Wet Tows of Jack-Up Rigs/Lift Barges/Semi-Submersible and Submersible (MODUs)/Drill Ships	Tows, where the original Tow Plan exceeds 24 hrs duration	SOW 2
Dry Tows / Heavy Lift Vehicle (HLV) Transportation of Jack-Up Rigs/Lift Barges/Semi-Submersible and Submersible MODUs	All activities where the original Tow Plan exceeds 72 hours duration.	SOW 3
Transits of Lift Barges/Semi-Submersible and Submersible MODUs and tender rigs under their own power other than in respect of self-propelled drill ships.	Exceeding 72 hrs duration where the original Transit Plan exceeds 72 hours duration	To be recommended by MWS on a risk assessed basis and agreed by Contract Leader(s)

c) Issuance of the Certificates of Approval (CoA's) by the MWS for each operation as required by the table above and specified in the referenced (SOW) contained herein.

# Why a revision was prompted/needed

- Recent Loss Experience - root causes
- Considered need to simplify qualification criteria - *objective & risk based*
- Raise market awareness
- Refer to latest codes - SNAME / ISO
- Benefit from a wider population of input
  - Lesson from FUMA development



# Process of the revision

- Update managed under JRC Risk Engineering Sub-Committee
  - technical update of SOW & COP
  - engaged and managed external resources - see below
  - client petitioning
  - subject to wider sub-committee review & comment
- Use of Halliard Consulting to provided 'expert' 3rd party opinion
- Use of DNVND & Aqualis Engineering as 'user' peer reviewers
- Reviewed against Industry Standards





# Main changes

- RISK BASED APPROACH
- Standalone Rig Move scope with own COA:
  - **Jack-up Location Approval**
    - 2-stage approach introduced - full SSA unless 5 prescriptive criteria can be met, then Jack-up Location Suitability Assessment
  - **Jack-up Rig Moves**
    - Prompts for MWS to monitor actual leg penetrations during pre-load against predicted penetrations - with hold point, and pre-agreed contingency plan
- Location Approval referenced now to recognised Industry Standards
  - ISO 19905-1:2012, SNAME T&RB 5-5A
- COP - guidance on avoidance of conflict of interest
- Other tows - updated to reflect recent lessons from losses

# IADC Review Request

- Request for review of the revised scope of work (Rev 2.0) from a rig contractor perspective
- Reflective of good practice in the industry?
- Does it capture typical root causes/failure modes?
- Propose feedback to IADC focal point
- Potential for further discussion on matters of interest/concern
- Willingness of JRC/engineering sub-committee to engage with industry
- Intention to issue revised document in 1Q of 2015
- Document will be treated as 'live' to enable future refinement/capture of future loss root causes/revision of industry standards
- Further development - may include SSA of MOUs at a later date in line with planned 2015 draft release of ISO 19905-3



# Thank you

