Presentation at the 16th Jack-Up Platform International Conference ,
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JRC Survey and Engineering Sub-Committee Presentation

JRC Rig Move Code of Practice and Warranty Survey Scope of Work

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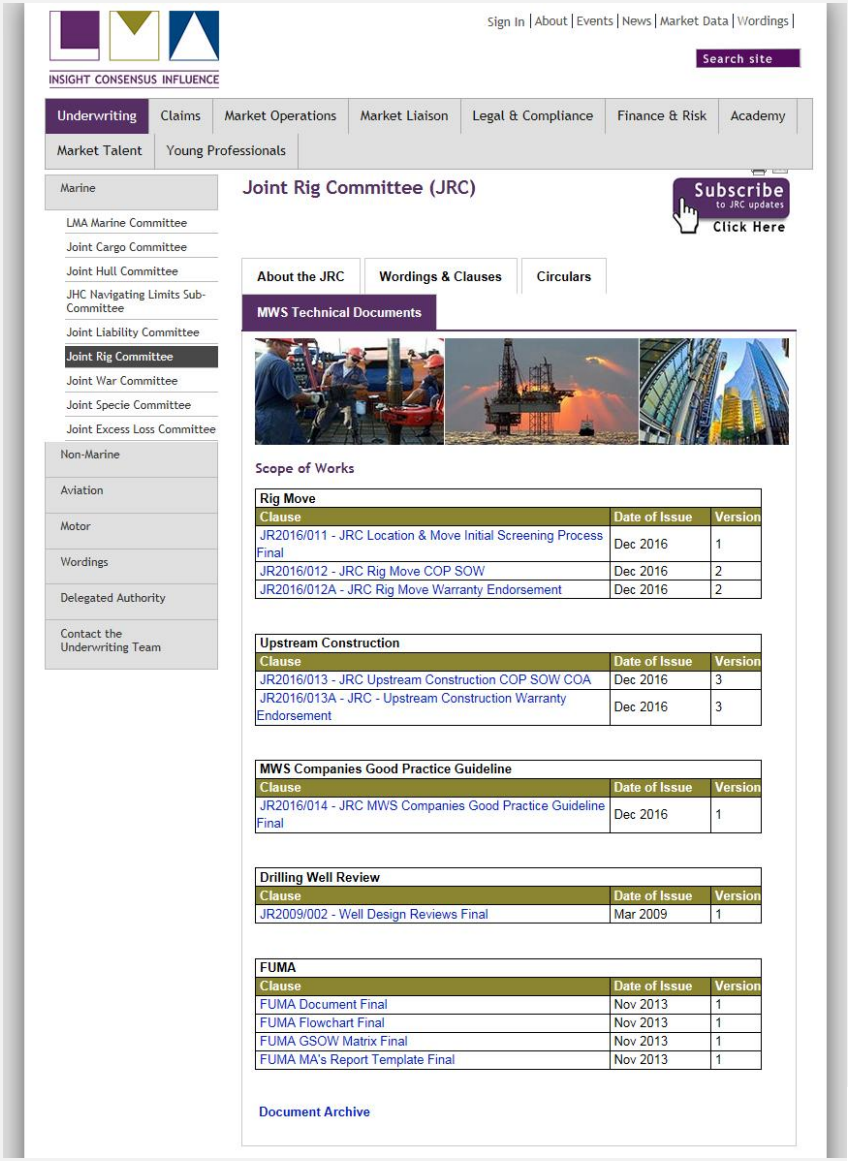
Introduction to
the JRC Survey and Engineering Sub-Committee

JRC & JRC Survey and Engineering Sub-Committee

- The Joint Rig Committee (JRC) represents the interests of insurers writing offshore energy risks in London.
- Membership of the Committee comprises energy underwriters drawn from the membership of the Lloyd's Market Association and the International Underwriting Association
- Representative forum for the London marine energy market which allows, where appropriate, discussion of common issues or concerns
- The JRC Survey and Engineering sub-committee is made up of about 10 members (both engineers and underwriters) with the LMA providing administrative support
  - Engineers have range of backgrounds – construction, drilling, projects, operations
- They work under the instructions of the main Joint Rig Committee and address matters of technical interest within the Upstream Energy insurance market.

JRC & JRC Survey and Engineering Sub-Committee

- Main output are technical guidelines http://www.lmalloyds.com/jointrig and click on the 'MWS Technical Documents' tab – *please subscribe*
- Technical guidelines are used by Underwriters, Brokers, Insureds and specialist third party parties in support of risk management and risk assurance activities within an insurance programme
- 'Live' documents, subject to regular (annual) review and amended and re-issued as required.



Updated & New MWS Documentation Issued December 2016

- JR2016/011 Initial Screening Process – Rig Moves
- JR2016/012 & JR2016/012A Rig Move Documents
- JR2016/013 & JR2016/013A Upstream Construction Documents
- JR2016/014 Good Practice Guideline / MWS Good Practice Guideline

Other JRC Technical Documents

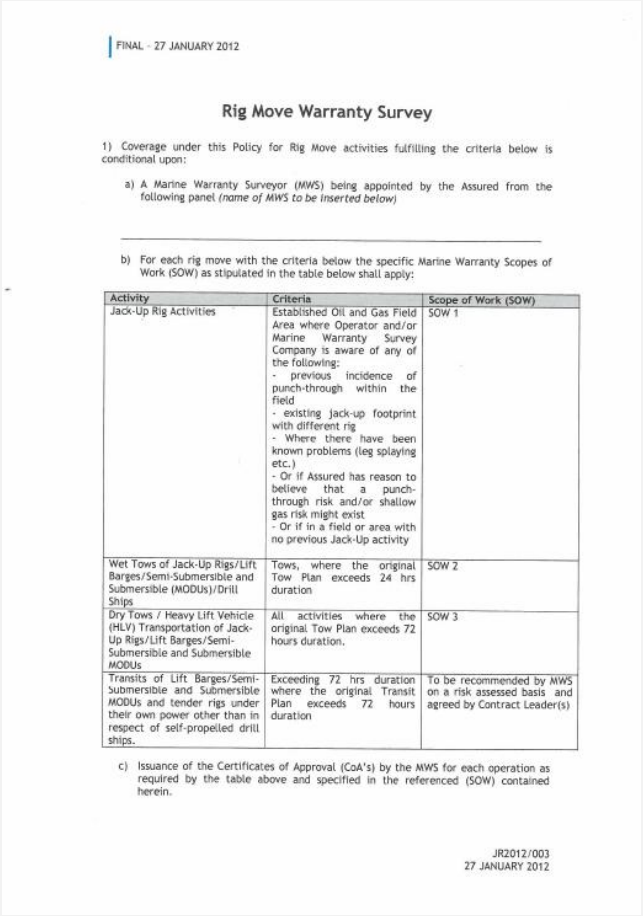
- JR2019/0002 Drilling Well Review – *currently under review*
- FUMA (Floating Unit Mooring Assessments), 2013
- Lay-up, Reactivation and Decommissioning Guideline – *under development*

Rig Move Documents
and
Rig Move Initial Screening Process

(JR2016/011, JR2016/012 and JR2016/012A)

Previous JRC Rig Move Warranty Document

- Available via LMA website : **JR2012-003 JRC Rig Move – CoP and MWS FINAL**
- Provided SOW for rig activities:
  - Jack-Up Rig Activities (SSA and Moving On and Off Location) –
  - Wet Tows of MOUs
  - Dry Tows of MOUs
  - Transits of MOUs under own power
- Defined a Code of Practice for the above activities
- Issued in early 2012 - widely used by Marine Warranty Surveyors & some clients, although lacked penetration with brokers



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: - previous incidence of punch-through within the field - existing jack-up footprint with different rig - Where there have been known problems (leg splaying etc.) - Or if Assured has reason to believe that a punch-through risk and/or shallow gas risk might exist - Or if in a field or area with no previous Jack-Up activity	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.

JR2012/003
27 JANUARY 2012

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 (first edition 1994) plus GoM annex
- ISO 19905-1:2016 Petroleum and Natural Gas Industries – Site Specific Assessment of Mobile Offshore Units , Part 1 Jack-Ups (first edition 2012)

Why a revision was prompted/needed

- Recent Loss Experience – root causes
- Considered need to simplify qualification criteria – *objective & risk based*
- Raise market awareness
- Changes in rig fleet and staffing profile
- 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 Survey and 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 DNVGL & Aqualis Offshore as ‘user’ peer reviewers
- Reviewed against Industry Standards
- Presentation to, and feedback from IADC Jack-Up Committee

Main changes

- **RISK BASED APPROACH**
- Key Premise – 'Right rig at right location', with overriding principles:
  - Demonstration that jack-up has sufficient air gap to safeguard its' operation
  - Demonstration that jack-up has sufficient preload capacity to safeguard its' operation
  - Demonstration that jack-up Marine Operating Manual is the latest version and reflects current rig operating status accounting for any post-construction modifications
- Standalone Rig Move scope with own Certificate of Approval (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**
    - Covers: Jacking Down/Coming Off Location; Tow & Positioning; Going On Location/Jacking Up
    - Prompts for MWS to monitor actual leg penetrations during pre-load against predicted penetrations – with hold point, and pre-agreed contingency plan

Main changes (cont.)

- Location Approval referenced now to recognised Industry Standards
  - ISO 19905-1:2016
  - SNAME T&RB 5-5A
- CoP – updated & aligned with other JRC CoP
  - Defines role of MWS
  - Defines function of the SoW
  - Outlines MWS approval criteria
  - Establishes MWS performance standards
  - Defines line of communication between Underwriter and MWS
- Separate policy endorsement document

Main changes (cont.)

- Other tows – updated to reflect recent lessons from losses
  - Wet Tows of MOUs other than Jack-up
  - Dry Tows of MOUs
  - Transits of MOUs under own power (excluding drill ships)
- Initial Screening Process (ISP) prepared for Underwriter use *based on **Procedure, People, Plant** concept*
  - Early engagement 'robustness' assessment
  - Common question set, with guidance notes for response
  - Not a substitute for MWS involvement

Thank you

Questions