BSEE

1st Annual International and Domestic Standards Workshop
New Orleans, Louisiana
November 14th, 2012

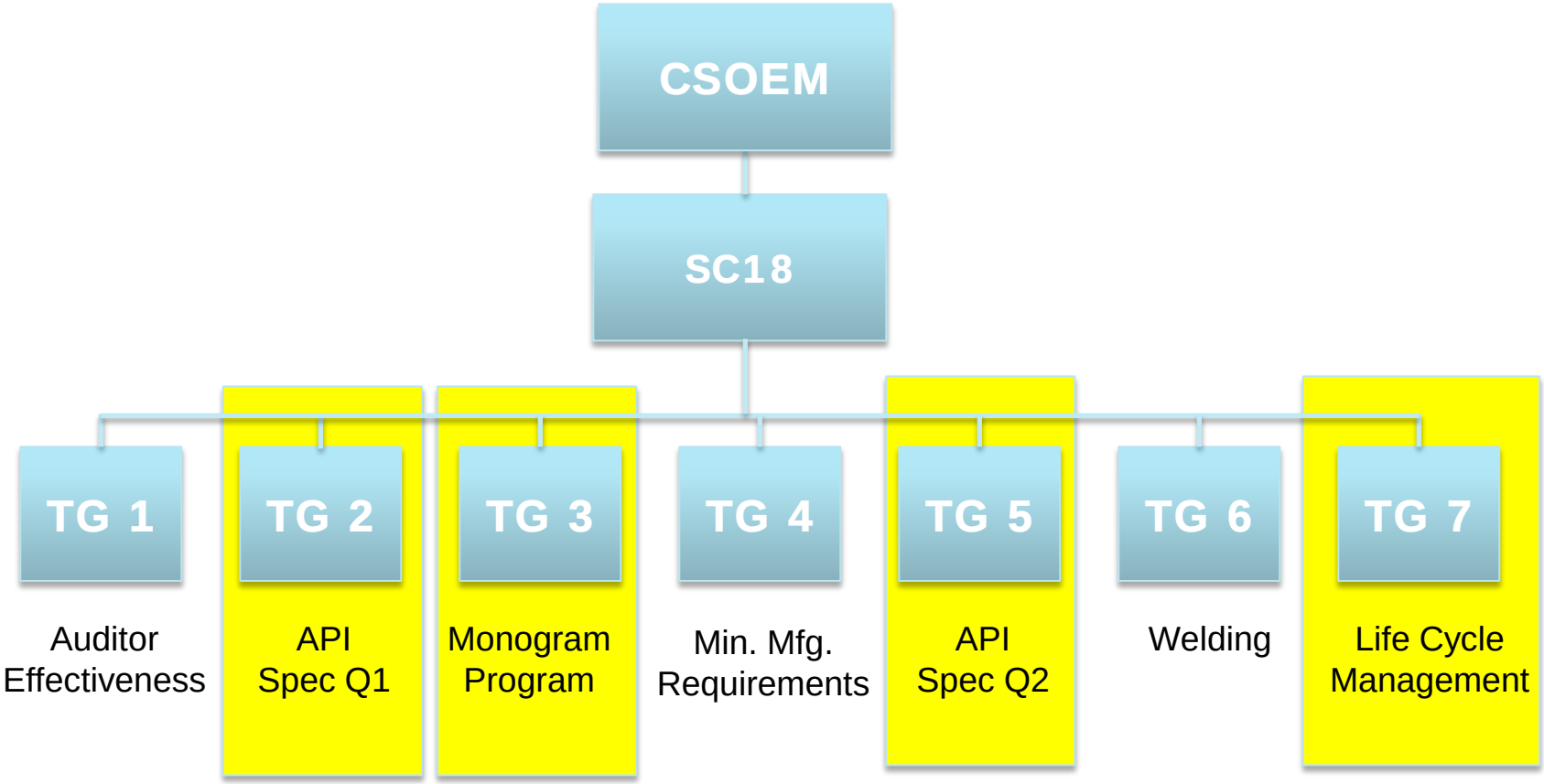
API Subcommittee 18

Subcommittee on Quality

Jim Hood
Chevron
SC18 TG5 Chair

Stacey W. Hagen
ExxonMobil
SC18 Chairman

SC18 – Quality
Chairman: Stacey W. Hagen - ExxonMobil



TG 02 – API Spec Q1
Chairman: Austin Freeman - BP

Revise Q1 independently of TS29001 while meeting or exceeding the requirements of ISO 9001. Re-write is intended to obtain alignment in structure and language with API Q2.

New sections in Q1 include:

- Risk Assessment and Management
- Contingency Planning
- Critical / Non-Critical Supplier Identification and Control
- Product Quality Plans
- Management of Change

Document has reached Ballot Draft status.

Currently in Ballot

TG-03 API Monogram Program Improvement
Chairman: Ed Durante – TIEC

Consider recommendations to the API Monogram Program Board on “Improvements” to the API Monogram Program.

Task Group has identified a need for additional “Categories” for licensing under the API Monogram Program for each API Product Specification:

- Product Manufacturer
- Processor
- Assembler
- Tester

The TG also identified various types of organizations that should not be considered for Monogram licensing.

In Progress

TG-05 API Spec Q2
Chairman: Jim Hood - Chevron

Business Driver

- Increasing complexity of wells requires improved service technology and equipment / tool reliability
- Increasing spread rates on rigs driving need for systems to ensure uninterrupted operations
- API Spec Q1 is specific to the manufacture, inspection and test of equipment and does not address the needs for Drilling Services
- Various User requirements and lack of industry standardization driving variation in expectations and inconsistent implementation of system requirements for Drilling Services
- Macondo - validated the need to standardize industry expectations for Drilling Services and Service Related Equipment

TG-05 API Spec Q2

Task Group Charge

Develop a Quality Management System (QMS) that standardizes the expectations for execution of upstream services including well construction, intervention, production and abandonment

Published on December 15, 2011 with an expectation that Drilling Service Companies can be certified by the end of 2013

- Standardization of industry expectations
- Ensures adherence to a QMS regardless of the customer to ensure the integrity of services and service related equipment delivered to the rig site
- Addresses requirements for Service Companies in regards to compliance with API RP 75 and 30 CFR 250

Service Specific Additions to Q2

- Competency / Training of Personnel
- Risk Assessment and Management
- Service Design
- Contingency Planning
- Supply Chain Controls - Critical / Non-Critical Services
- Service Quality Plan
- Preventative Maintenance, Inspection and Test
- Service Performance Validation
- Management of Change

TG5 Members

Operators:

- ExxonMobil
- BP
- Chevron
- Hess
- Shell
- Total

Service Companies

- Baker
- Cameron
- FMC
- Halliburton
- NOV
- Schlumberger
- Tenaris
- Transocean
- Weatherford

Interested Parties:

- TIEC
- QSI

TG-05 API Spec Q2

Development of a Users Guide:

- Identifies expectations and intent on requirements
- Provides guidance to Industry for implementation
- Utilized to train API Auditors / Staff

Beta Test Site Assessments are being conducted to identify gaps, hurdles, ambiguous requirements and expectations for auditing which will be added to the User's Guide

- Baker Super Center (Cased Hole Completions) – Sep 2012
- Schlumberger (D&M) – Dec 2012
- Halliburton / Weatherford / Transocean – Jan & Feb 2013

TG-07 - Product Life Cycle
Chairman: Gary Delvin - Cameron

Form a task group to create a life-cycle management system document for use in conjunction with products and/or standards used in the oil and gas industry. The document should provide the means of identifying the continued compliance of a product to its original and/or current manufacturing and design requirements and the ability to demonstrate product compliance to original and/or current product standards and industry/product-specific technical and regulatory requirements throughout the product lifecycle.

This API standard defines requirements for a life cycle management system for new, individual, API monogrammed products throughout their functional life cycle. Non-monogrammed API products may be considered as part of the program.

In Progress

QUESTIONS