HUMAN ERRORS START AT THE TOP, OFFSHORE PANEL TOLD

Energy leader says corporate executives must act to ensure ‘a culture of safety’

By Collin Eaton

More offshore oil companies must make safety a cornerstone of their corporate cultures if the industry hopes to curb human errors, which cause four-fifths of all offshore accidents, an Anadarko Petroleum Corp. executive said Monday.

It’s not enough for oil companies to file 1,000-page reports to offshore regulators and call it a day. Some companies fail to take action in setting up safety management systems that run from the simplest procedures up to the highest C-suites. That’s why mechanical and structural failures account for only one in every five offshore accidents, said Jim Raney, director of engineering and technology at Anadarko.

The only way for oil companies to curtail their workers’ lapses is to infuse safety into the fabric of the organizations, Raney said during an offshore safety panel at Monday’s inaugural event of the Ocean Energy Safety Institute.

Some companies have failed to issue a call to action beyond routine reports, he said.

“What’s the answer? A culture of safety. It has to be through leadership and supported through procedures — a safety management system.”

The Ocean Energy Safety Institute — formed by the University of Houston, the University of Texas and Texas A&M, and originally planned by regulators after the 2010 Gulf of Mexico oil spill — is tasked with researching and developing operational improvements in offshore drilling safety and environmental protection.

It is similar in mission and scope to the industry-backed Center for Offshore Safety, which last month hosted its second annual event in Houston. But the Ocean Energy Safety Institute is a collaboration of regulators, academics, scientists and industry players.

Anadarko’s Raney told energy professionals gathered in a lecture hall at UH that while routine offshore risk assessments have undeniable benefits such as enabling operators to outline problematic scenarios, they often have the unintended effect of giving oil companies a false sense of security.

Problems in people

Once operators have completed their risk assessments, he said, many believe they’ve done all the work they need to do, and fail to follow through with protocols that prevent human errors.

A risk assessment is “not sufficient by itself,” he said.

“Are our problems in tools? Are our problems in reliability of structures? No, our problems are in people,” Raney said. “The issue is doing the right thing at the right time.”

Americans wary

Brian Salerno, the nation’s top offshore regulator, told the conference audience that avoiding accidents has become even more important for the offshore industry since the 2010 Gulf oil spill, which made many Americans more wary of expanding offshore drilling to the Atlantic and the Alaskan Arctic.

Failure by one company, he said, can result in more stringent regulations on the entire industry.

“Safety is not cheap — it’s just a whole lot cheaper than failure,” said Salerno, director of the Bureau of Safety and Environmental Enforcement.

After BP’s Macondo well blew out in the Gulf of Mexico, the federal government instituted a three-month partial deep-water drilling moratorium and bulked up safety regulations including weekly tests of blowout preventers — devices that serve as a last defense against loss of well control.

Keeping goodwill

In recent years, the agency Salerno heads has found that some operators have taken offshore safety much more seriously than others, he said.

"Goodwill is as asset that belongs on your balance sheet," he said. "It's hard to attain, easy to lose, but when you have it, it can be very powerful."

The consequences for getting it wrong, however, are severe, said Tad Patzek, chairman of the petroleum engineering and geosystems department at the University of Texas.

Imagine, he said, if the Ma-condo blowout in 2010 had happened to a company with fewer assets than BP.

In a rough estimation, Patzek pegged the possible amount BP will ultimately pay for the oil spill at $50 billion. Many oil companies would be hard-pressed to pay that amount, he said.

"The stakes in this game are absolutely enormous, so we have to be very careful about what we do and how we do it," Patzek said.

Salerno said the safety bureau is studying the characteristics of the most reliable offshore companies and is evaluating emerging technologies for which there are yet no industry standards.

'Near-miss' system

The agency also is developing a "near-miss reporting system" that would require operators to report events that almost result in accidents.

Next year, the agency will require bulked-up offshore safety audits from oil companies under a 2-year-old federal program, part of an effort to increase the amount of data the agency has to work with in forming regulations aimed at reducing risk and accidents. collin.eaton@chron.com