

Title:

DEEPWATER HORIZON OPERATIONS MANUAL

VOLUME 1 of 2

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2. Organization and Responsibilities

2.1 Responsibility and Authority/Operations Support

In accordance with the ISM Code, the Master has overriding authority and responsibility to make decisions with respect to safety and pollution prevention and to request all internal company assistance as necessary. Self-propelled rigs carry a marine crew headed by the Master in addition to the normal industrial function of the vessel headed by the Installation Manager.

At any one time there can only be one individual who is given the full responsibility and authority by the Company as the Person in Charge (PIC). With due regards to International Conventions and National/Flag State Administration regulations, the Company has elected to define the PIC based on the vessel's mode of operation. The Company also elects to define under what circumstances the full responsibility and authority as PIC can be transferred from the Installation Manager to the Master.

Under normal operating conditions, when the vessel is on location and considered in the drilling or industrial operating mode, the Company elects to nominate the Installation Manager (IM) as the Person in Charge (PIC).

During the transit or underway mode, the Company elects to nominate the Master as the Person in Charge (PIC).

Since the safety of personnel, property and the protection of the marine environment is of prime importance, the Company requires the responsibility and authority of the PIC be vested in the appropriate individual depending upon the operational mode and the situation or emergency that exists at the time.

The Company requires that should a situation develop that could endanger the vessel, personnel or environment, the Installation Manager can request the Master to assume the role of PIC at any time, and the Master must not refuse. Similarly, if the Master feels that a situation has developed that is endangering the vessel, personnel or the environment, he can request the Installation Manager to secure the well and disconnect from the wellhead in a safe and timely manner, and that the role of PIC be passed to him, and the Installation Manager must not refuse.

References:

ISM Section 5

2.1.1 Responsibility and Authority of the Person in Charge (PIC)

The commercial administration and industrial operation of the vessel is the responsibility of the Installation Manager.

The functioning of the Company Safety and Quality Management System on board ship is the responsibility of the Master. He is to verify system functions and specified objectives. Under no circumstances shall commercial considerations prevail over personnel/ship safety and pollution prevention.

When under normal operating conditions the responsibility and authority of PIC is transferred between the Master and the Installation Manager, the action shall be noted in the bridge logbook and signed by both individuals. The transfer should also be announced on the P.A. system to ensure all personnel are aware of who is now the PIC.

During an emergency situation, the transfer of responsibility and authority of PIC may be done verbally, the time noted and a formal documented transfer completed when time allows. Whenever possible a P.A. announcement should be made at the time of transfer.

The Master is responsible for the implementation of Company Safety and Quality Management System and Environmental Protection Policies on board ship

The Master is responsible for the motivation of all personnel onboard, to fully comply with all the Company Policies and Procedures. He is to verify that the Safety Management System is functioning and specified objectives are achieved.

The Master will immediately report to the Company possible modifications and assistance that he considers necessary to ensure safety and environmental protection.

2.1.2 Operations Support

Under normal conditions, communication with Shore Based Management will be through normal, site-based management channels. When contacting the Designated Person is necessary, and if possible, Area-Based Management should be informed simultaneously (depending on method of communication). Where necessary, due to communications restraints Area-Based Management will forward "all" relevant information to the Designated Person.

- a. The shore-based Rig Manager is ultimately responsible to R&B Falcon Senior Management for the safe day to day operation of the Rig assigned to him. It is his role to ensure, in so far as is practicable, that all contractual obligations to our client are met, the Company's policies and procedures are followed, and regulatory requirements are complied with in full.
- b. The day to day activities onboard the vessel are managed by the Onboard Management Team (OMT).

2.2 Management Responsibility & Authority on Deepwater Horizon

This procedure is to ensure that every MODU and FPSO is managed in accordance with the President's Safety and Environmental Management Policy Statement, in full compliance with appropriate international and national laws, and operated in full accordance with our customers' safety and commercial requirements. The Senior Vice President Operations require that all employees work towards a safe and pollution-free environment.

References:

- HSE Statement of Policy
- Sections 5.2, 6.4, 7, 8.3 of the ISM Code.
- IMO Resolution A.443(XI)
- Section 14.8 of the 1989 MODU Code.

The shore-based Rig Manager is ultimately responsible to R&B Falcon Senior Management for the safe day to day operation of the deepwater Horizon. It is his role to ensure, in so far as is practicable, that all contractual obligations to our client are met, the Company's policies and procedures are followed, and regulatory requirements are complied with in full.

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The day to day activities onboard the vessel are managed by the Onboard Management Team (OMT).

The Onboard Management Team consists of:

- The Installation Manager (IM)
- The Master
- The Toolpusher(s)
- The Chief Engineer
- The Rig Safety and Training Coordinator (RSTC)

The concept of onboard team management is utilized, whereby each member of the management team is responsible for the administration and control of daily activities of the areas, personnel and disciplines placed under their control.

The Installation Manager (IM) is the onboard manager, who reports directly to the shore-based Rig Manager. It is his role to control the onboard administration and ensure the day to day operations are carried out in accordance with best industry standards as well as the client's and Rig Manager's instructions. He is the principal liaison with the onboard client representative. He is the chairman of the Onboard Management Team (OMT). Although the Installation Manager is the most senior onboard manager, he shall be aware that the Master is assigned the legal requirement to hold overriding authority in situations involving safety and pollution prevention. Under Section 14.8 of the MODU Code, the Company designates the Master or Installation Manager as "Person in charge" as appropriate during an emergency.

The exercise of this authority should not be contemplated in an arbitrary manner, but based on well written procedures and policies, recognized industry safe working practice, relevant codes and standards, the advice of all members of the OMT, and whenever possible the Rig Manager. The Installation Manager, should whenever practical, consult with the Rig Manager prior to initiating a drilling/production operation suspension or a wellhead disconnection. He shall seek the professional advice of the Master in regards to safety, pollution prevention and regulatory compliance to mandatory regulations.

The Master is responsible for DP station keeping, general safety & pollution prevention, regulatory compliance, ship stability, safe navigation and collision avoidance, ISM/MODU Code compliance and implementation, and emergency preparedness training. Under Section 14.8 of the MODU Code, the Company designates the Master or Installation Manager as "Person in charge" as appropriate during an emergency. During an emergency he determines from available situation reports, written procedures, acceptable safe working practices and advice from senior ship management if there is a threat to personnel/ship safety or the environment, and advises the Installation Manager. In advising the Installation Manager of possible actions to take during an emergency situation, the Master must place personnel/ship safety and pollution prevention above commercial considerations.

The Toolpusher is responsible for the industrial operations related primarily to the drilling operation. He directs and manages the drilling personnel and associated contractors. He is responsible for the operation of the drilling equipment, tools and associated stores and materials.

The Chief Engineer is responsible for propulsion requirements, delivery of power, hydraulics, water, bunkers, compressed air etc. for industrial, marine and hotel services. He has overall responsibility for the onboard preventive maintenance system (PMS), covering all industrial, marine and hotel related equipment.

The Rig Safety and Training Coordinator (RSTC) is responsible for coordinating and monitoring the industrial safety and health requirements of the vessel, maintaining safety and emergency training requirements and coordinating the marine safety and environmental protection requirements as they impact the industrial operations.

The Onboard Management Team (OMT) shall ensure that there are "proper authorizations" (certification) and clear written procedures in place for all critical and hazardous operations, and emergency situations. Any contemplated situations, which may require suspending drilling operations and disconnection from the wellhead, should be thoroughly analyzed. All precursors and parameters should be defined and submitted to the Rig Manager for approval. It is the responsibility of the OMT to ensure that the onboard client's representative is made aware of, and is in agreement with stipulated conditions that for the safety of personnel, vessel or pollution prevention, a cessation of drilling/production operations or a disconnection from the wellhead would be initiated.

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The Installation Manager, should whenever practical, consult with the Rig Manager prior to initiating a drilling/production operation suspension or a wellhead disconnection. He shall seek the professional advice of the Master in regards to safety, pollution prevention and regulatory compliance to mandatory regulations.

A full list of the job descriptions is held in the JOB Descriptions manual. Reference must be made to that document to supplement the brief overview given here. Reference must also be made to that document for the responsibilities and job descriptions of all other personnel listed in Figure 2-1.

Figure 2.1: Management Organization Chart on Deepwater Horizon

