FPSO Global Workshop

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GoM's Top Three Priorities for Best Practices in FPSO Design,Operation, Safety and Regulatory Approval

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GOM Status of FPSO's

- Record of Decision
 - Base Case:
 - Purpose-built, ship-shaped double hull
 - Internal, Turret Mooring
 - 1 million barrels storage capacity
 - Ten 100,000 bbl storage tanks

FPSO:

A floating offshore installation (FOI) like we now have in the Gulf - that happens to store and offload oil

Considerations Affecting the Design of an FPSO

- Field requirements
 - Life, environment, reservoir
- Regulatory requirements
- Hull size and form
 - Motions
 - Structural design (strength & fatigue)
- Mooring requirements
 - Turret, spread, compliant
 - Passes, pressures
- Production demands
 - Plant type, size & capacity
 - Oil storage
- Marine installation
- On-site serviceability

GOM Priorities

1. Regulators

2. Risk

3. Operation

GOM Priorities - Regulatory

- A key factor will be early involvement and understanding by all parties
 - USCG
 - MMS
 - Class
 - CVA
 - New and Novel systems kick off meeting
 - Roles of USCG/MMS
 - USCG/MMS MOU

GOM Priorities - Regulatory

- Roles and boundaries of the various organizations
 - USCG
 - Hull, Mooring, Safety features
 - MMS
 - Production Facilities, Hull, Mooring, Risers
 - -CVA
 - Hull, Mooring system, Riser
 - Class
 - Hull, Mooring system

GOM Priorities - Risk

- The FPSO should have an equal or lesser risk profile compared to existing GOM FOIs
 - Risk = likelihood and consequence
 - Risk metrics:
 - Life safety
 - Environmental
 - Financial
 - MMS /OTRC Risk Study demonstrated that equivalency can be achieved

GOM Priorities - Risk

- Risk challenges for the GOM FPSO
 - Life safety
 - no FPSO operating experience in GOM
 - evacuation in advance of hurricanes???
 - Environmental
 - stored oil
 - shuttle tankers vs. pipeline
 - Financial
 - innovative facility downtime???
 - handling gas

GOM Priorities - Risk

• And, in our changed world, we must also now deal with security risk

GOM Priorities - Integrity

- Advanced concepts for integrity management will minimize risk and business interuption
 - Build-in inspectability and maintenance capabilities up-front
 - Risk Based Inspection focus inspection resources where they make the most sense
 - Coatings cargo tanks and ballast tanks
 - State of the art NDE

GOM Priorities - Integrity

- Much like a ship, the integrity of the FPSO must be planned in advance and maintained throughout the full lifecycle
 - Need for much greater lifecycle focus than historically with GOM fixed based and FOIs
 - On site for design period (15 plus years)
 - Three key areas:
 - Structure hull, turret, mooring lines, process deck
 - Marine systems ballast, cargo, emergency systems
 - Production systems

Case Experience

- Synthetic moorings
- Schedule impact in not teaming designers, fabricators, regulators
- FPSO's worldwide

Pending Point to Ponder

- Non-ship-shaped FPSOs (e.g., storage spars)
- Will we be able to count on the "tanker" and existing FPSO experience for these types of facilities???

Summary

- GOM FPSO priorities
 - Regulators early involvement
 - Risk balance risks to that of existing FOI
 - Integrity plan up-front for the lifecycle