API MONOGRAM PROGRAM

API SPEC Q2 UPDATE

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API MONOGRAM PROGRAM UPDATE

1. The monogram program is stable and growing (all data from Dec. 2013 to Dec. 2014)
   – The number of licensed facilities has increased by 14% (3,860 to 4,415)
   – The number of monogram licenses has increased by 3% (6,428 to 6,615)
   – The number of trained API auditors has increased by 6% (155 to 165)

2. Improvements to the monogram program are under consideration. These include:
   – Changes to how the program and its details are communicated to the industry.
   – Changes to how audits are conducted. These potentially include both increasing the
     frequency and duration of monogram audits.
   – We hope to finalize these changes and begin implementation later this year.

3. Advisory 6 on possible design exclusions has been refreshed and re-issued.

4. Users and manufacturers alike are encouraged to use the NCR system to document
   non-conforming monogrammed products as this information feeds into audit planning.
API SPEC Q2
BETA SITE
ASSESSMENT
Industry Collaboration

Beta Test Site Assessments:
- Gaps, hurdles and milestones for auditing to Q2
- Identify competencies / training for API Staff / Auditors
- Identify needed resources
- Types of certifications needed to meet industry needs

- Baker - Completed
- Schlumberger – Completed
- Weatherford – Completed
- Halliburton – Completed
- Orion Drilling – Completed
## Q2 GAP ANALYSIS TOOL

- Column 1 – Paragraph Number of Q2
- Column 2 – Reference or Title of Section
- Column 3 - Requirement
- Column 4 – Level 1 Documentation Reference – Corporate Req.
- Column 5 – Level 2 Documentation Reference – Global / Region Specific
- Column 6 – Level 3 Work Instructions local procedures
- Column 7 – Identified Gap
- Column 8 – Actions / Timing
- Column 9 - Priority
Industry Collaboration

API Spec Q2 Mock Audit:
- Halliburton – Bakersfield, CA
- July 29\textsuperscript{th} – August 2\textsuperscript{nd} 2013

PSL Covered
- Drilling Fluids & Solids
- Cementing
- Completion Tools
- Production Enhancement
- Directional Drilling / MWD / LWD
- Wireline and Perforating
Industry Collaboration

API Spec Q2 Reviews:

• Maersk Drilling
• Transocean
• Orion Drilling
• Akita Drilling
• Parker Drilling
• Seadrill
• Nabors
### Industry Collaboration

#### Section 5.7.2 Service Quality Plan

<table>
<thead>
<tr>
<th>Guidance Document Suggestions / Standard Issues</th>
<th>Auditing &amp; API Application Concerns</th>
<th>TG5 Recommendations/Discussion</th>
<th>WG1, TR, or Auditor Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Should this only be required based on customer requirements / as specified by the customer? The SQPs primary role is to identify and communicate hold points, inspection points and summaries for third parties and the customers.</td>
<td>• The requirement is not intended to mean there is a “standard” service quality plan in place – can be job specific, service specific, customer specific – as long as it meets specific requirements of Q2</td>
<td>SQPs are required for all services. Section 5.7.2.2 (h) requires that the organization identify the SRP and the service activities (see 5.7.2.2 a)) that the organization or customer deems as indispensable or essential, needed for a stated purpose or task, and requiring specific action. “Service quality plan” is defined in API Spec Q2, Section 3.1.15. The documentation identified in API Spec Q2, Section 5.7.1.2 is meant to provide specific details on how to execute the activities related to the service quality plan.</td>
<td>TR – provide guidance on 5 or so different services</td>
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<td>• Clarification on Section 5.7.2.2 (h) and what the specific expectations are – is this meant to be an identification of critical activities / processes relating to the services OR is it services and SRP only?</td>
<td>• Critical services can include an identification of those services that are subcontracted</td>
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<td>• Describe relationships between service execution controls (routers, work orders, checklists, workbooks, etc.) and service quality planning</td>
<td>• The SQP requirements in Section 5.7.2 can be achieved through job specific supporting documentation, process control and planning documents, records, work instructions, etc. – Q2 is not prescribing a specific methodology</td>
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<td>• Additional information in guidance document on why SQPs are important and how to develop SQPs</td>
<td>• The auditor should verify the requirement of a Service Quality Plan in the organization’s customer contracts</td>
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<td>• Clarification on the identification of</td>
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QUESTIONS?