

# Distinguished Lecturer Program

**Primary funding is provided by**

**The SPE Foundation through member donations  
and a contribution from Offshore Europe**

The Society is grateful to those companies that allow their  
professionals to serve as lecturers

**Additional support provided by AIME**



Society of Petroleum Engineers  
Distinguished Lecturer Program  
[www.spe.org/dl](http://www.spe.org/dl)

# **Making Safety Personal In the Oil & Gas Industry**

**Warren Hubler, CSP**

**Helmerich & Payne International Drilling Co.**

**Industry Co-Chairman for NIOSH O&G Extraction Council**

# Presentation Outline

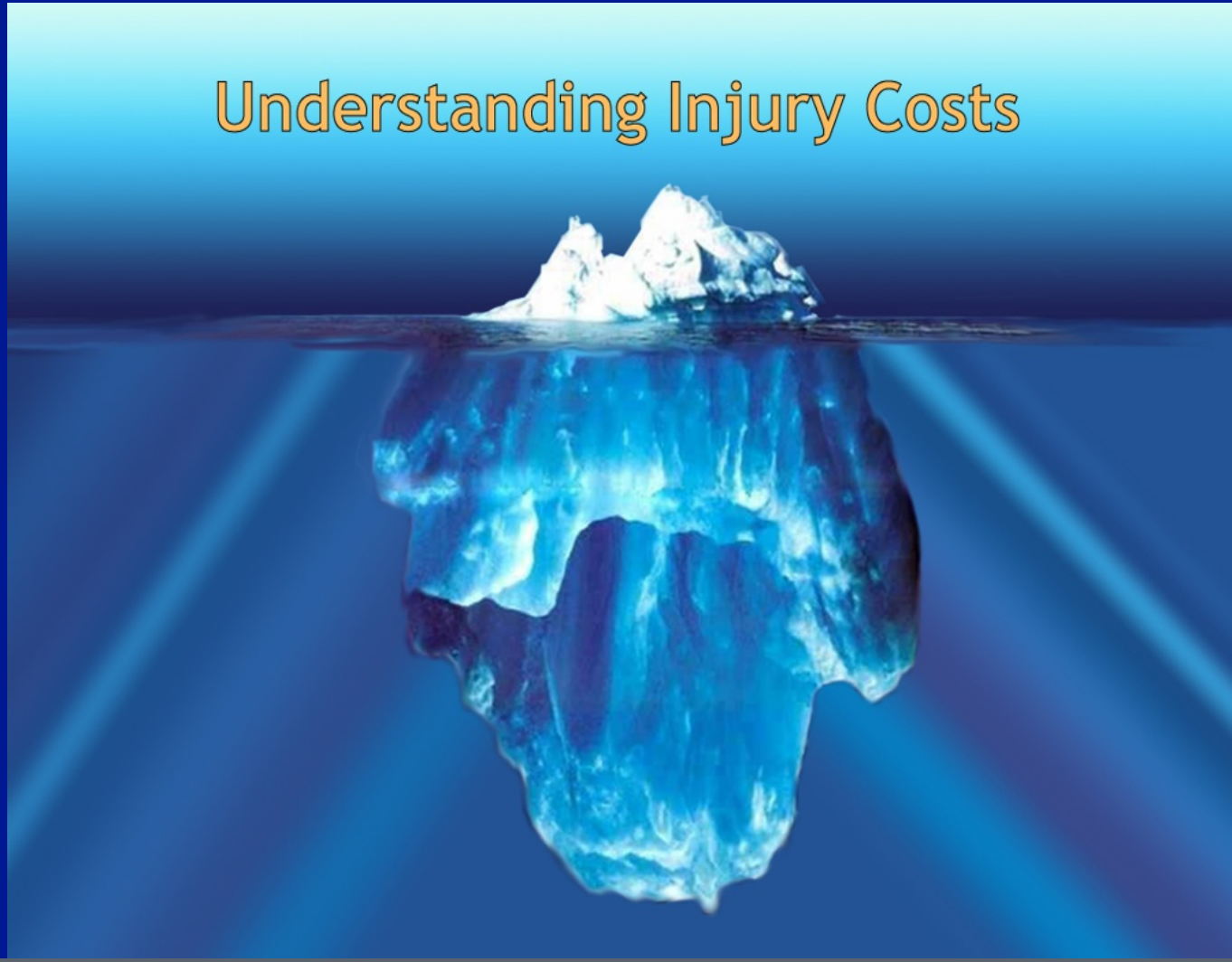
- 1. Tailor safety information to your audience**  
*(Ex: Business Impact of Injuries)*
- 2. Focus on critical issues**  
*(Ex: Top cause of O&G fatalities)*
- 3. Engage their minds with relevant data**
- 4. Engage their hearts with personal stories**

# Business Impact of Injuries

**DIRECT**  
**costs on top**

**INDIRECT**  
**costs on**  
**bottom are**  
**5X-7X larger**

Understanding Injury Costs



# Business Impact of Injuries

- **Source: Workers Comp Loss Run for an international drilling contractor with 250+ land and offshore rigs over a 5-year period**
- **(218) Medical Treatment Cases (MTC) +**
- **(103) Restricted Workday Cases (RWC) +**
- **(27) Lost Time Injury / Lost Workday Cases =**
- **(348) Total Recordable Injuries**

# Cost of Injuries by Severity

- **DIRECT + INDIRECT (5-7x) = TOTAL COST**
- **MTC/RWC \$12,500 + \$62,500 = \$75,000 / Event**
- **LTI/LWC \$200,000 + \$1 MM = \$1.2 MM / Event**

# Business Impact of Injuries

## Question:

**How many days must a rig  
work AFTER a work-related  
injury to cover the TOTAL  
COST of the injury?**

# Tailor Information to Your Audience

## Positive Cashflow for a Drilling Contractor

Market Conditions	<u>Up</u>	<u>Down</u>
Revenue (Dayrate)	\$25,000	\$16,000
<u>- Operating Costs</u>	<u>\$15,000</u>	<u>\$15,000</u>
Cashflow / Margins	\$10,000	\$ 1,000



# Tailor Information to Your Audience

**Answer in ZERO MARGIN Days  
(i.e. no contribution to profits)**

<b>Market Conditions</b>	<b><u>Up</u></b>	<b><u>Down</u></b>
<b>MTC / RWC</b>	<b>7.5 days</b>	<b>75 days</b>
<b>LTI / LWC</b>	<b>120 days</b>	<b>1,200 days</b>

# Tailor Information to Your Audience

**Answer in DOWNTIME Days  
(i.e. off the payroll at ZERO Dayrate)**

<b>Market</b>	<b><u>Up</u></b>	<b><u>Down</u></b>
<b>MTC / RWC</b>	<b>3 days</b>	<b>4.6 days</b>
<b>LTI / LWC</b>	<b>48 days</b>	<b>75 days</b>

# **Now ... Personalize the Concept**

**Q1: How do you measure financial performance in your business?**

**Q2: How much in sales will you have to generate to offset the TOTAL COST of your injuries?**

# Famous Quote for Consideration

***“No margin ... No mission!”***

**M.A. “Pete” Miller**

**former H&P VP U.S. Land Operations**

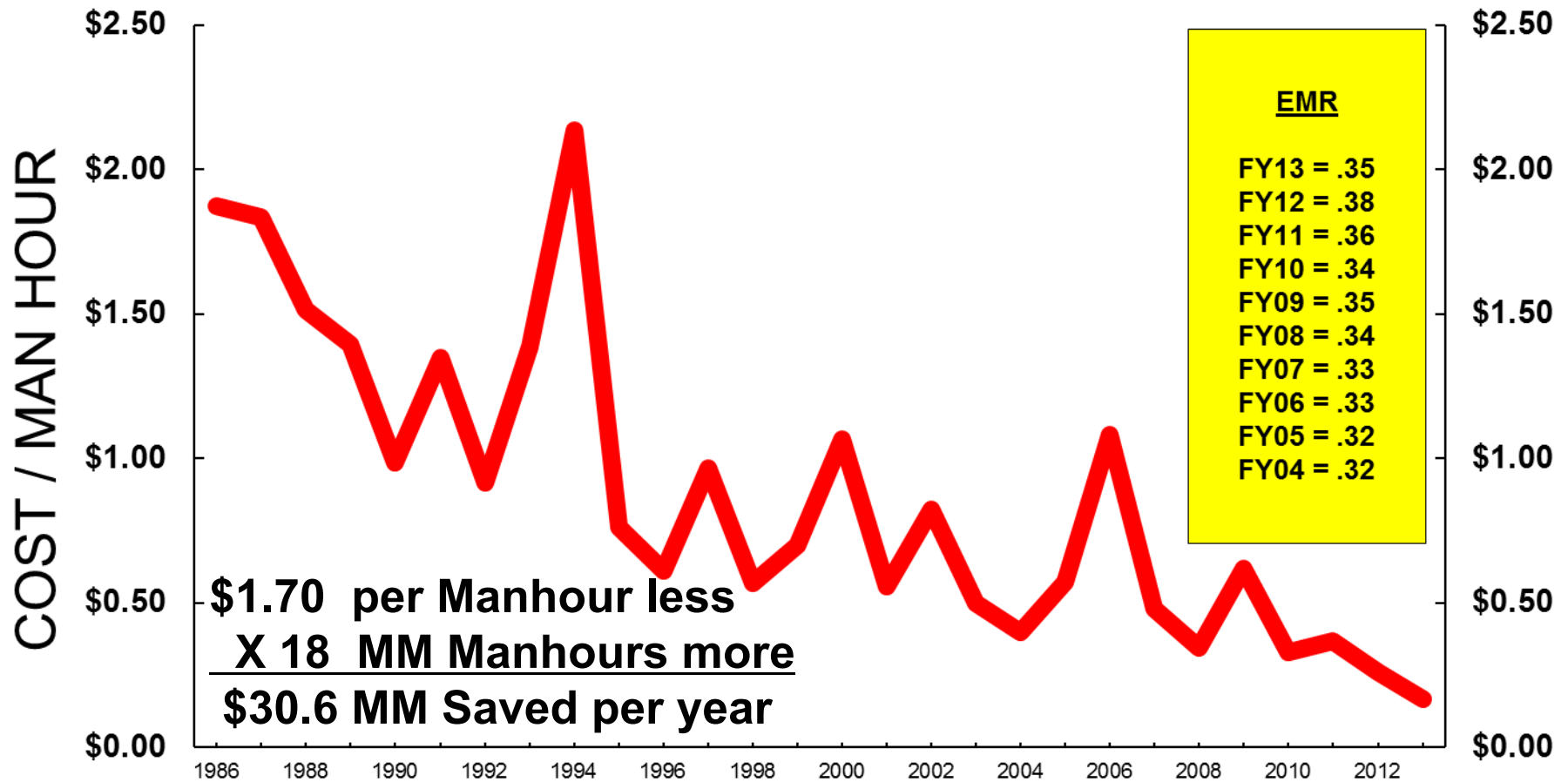
**and former CEO and President of**

**National Oilwell Varco (NOV)**

**Executive Chairman of Distribution NOW**

# The Proof ...

## Actual Cost Per Man Hour Worked



# Focus on Critical Issues

## Question:

**What is the most hazardous  
POSITION in the oilfield?**

# Work-Related Motor Vehicle Fatalities

- **Source: U.S. Census of Fatal Occup Injuries (2003–2012)**
- **40% of all U.S. O&G Extraction Deaths involved motor vehicles. Increasing. Up to 45% in 2012 and 48% in 2013.**
- **50% of all U.S. O&G M/V Deaths involved light vehicles**
- **80% of all U.S. O&G M/V Deaths occurred on highways**

***Motor Vehicle Deaths are our greatest threat !***

# Work-Related Motor Vehicle Fatalities



Source: KZTV



# Engage Their Minds (with Relevant Data)

**72 : 1**

# Engage Their Minds

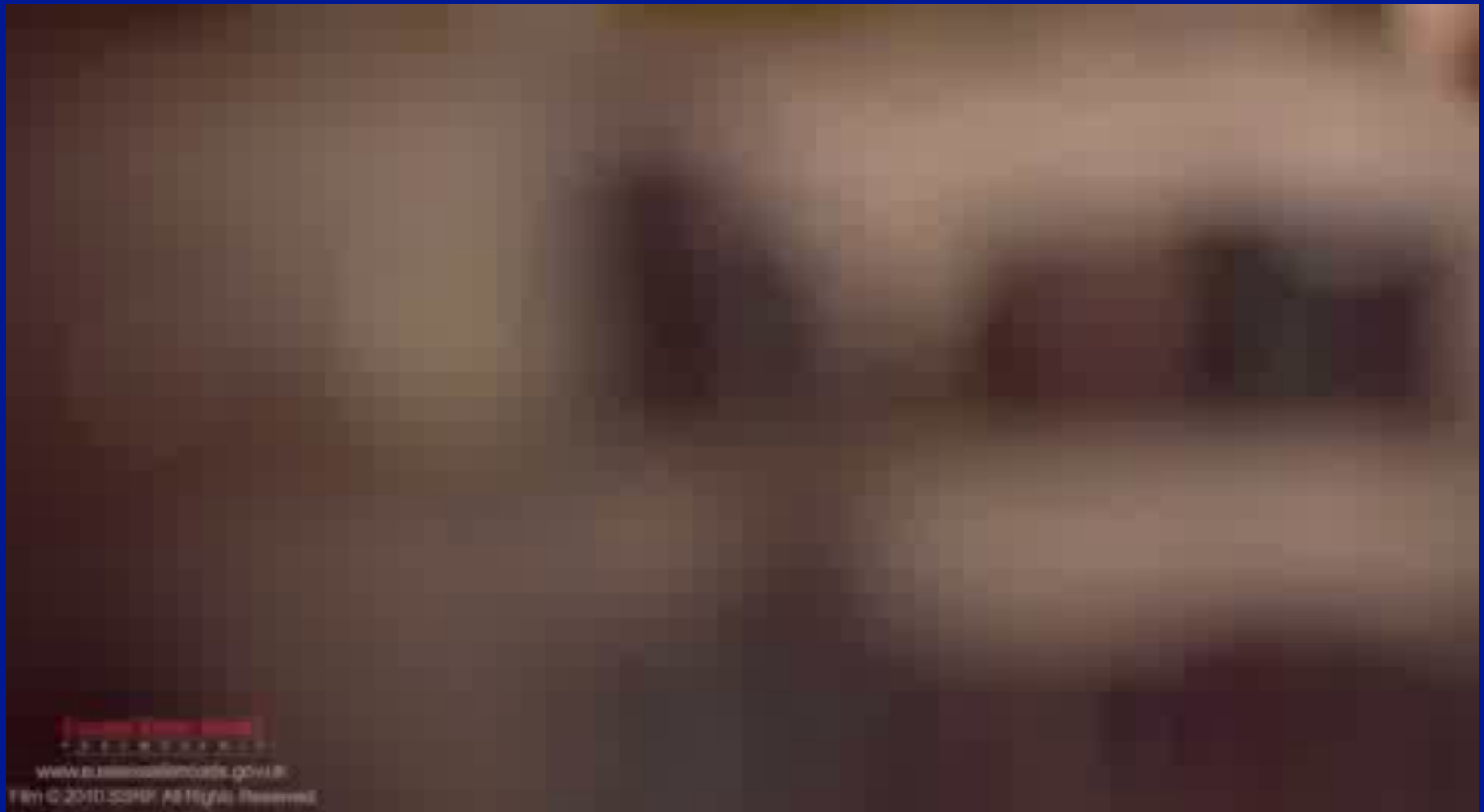
(Motor Vehicle Fatalities at H&P since 2001)

**72 : 1**

**Off-Duty vs. On-duty**

***Q: Where are we REALLY more at risk?***

# Engage Their Hearts



# **Engage Their Hearts (with Personal Stories)**

**My FIRST one ...  
... July 17, 1995.**

# My First One

**Struck by High Pressure Drilling Fluid**  
**due to Mismatched Hammer Unions**

**2" Figure 1502 wingnut installed on  
a 2" Figure 602 or 1002 thread half**

***It's a Deadly Combination !!!***

# Corrective Actions



1. Standardize on 2" Fig 1502
2. Go / No-Go Ring Gauge

# My First One



**Engage Their Hearts  
(with Personal Stories)**

**... then my  
GREATEST DAY  
in the oilfield...**

**February 11, 2011**



# Summary

1. Tailor safety information to your audience
2. Focus on critical issues
3. Engage their minds with relevant data
4. Engage their hearts with personal stories
5. Develop a personal creed

***MAKE SAFETY PERSONAL !!!***

# Additional Resources

1. [www.oshastanddown.org](http://www.oshastanddown.org)

**Making Safety Personal Videos in  
3-parts for 15 minute safety meetings**

2. **Complete NIOSH / NORA O&G Council  
Business Case for Safety powerpoint  
You Tube – Warren Hubler**

# Distinguished Lecturer Program

## Your Feedback is Important

**Enter your section in the DL Evaluation Contest by  
completing the evaluation form for this presentation  
Visit [SPE.org/dl](http://SPE.org/dl)**



Society of Petroleum Engineers  
Distinguished Lecturer Program  
[www.spe.org/dl](http://www.spe.org/dl)

