

Making Safety Personal

**National O&G Safety Stand Down
14 November 2013**

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Presentation Outline

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

Business Case for Safety Investment

- **Source: Workers Comp Loss Run for 5-years
(218) MTC + (103) RWC + (27) LTI = (348) Total**
- **DIRECT + INDIRECT (5-7x) = TOTAL COST**
- **MTC \$6,500 + \$32,500 = \$39,000 / MTC**
- **RWC \$25,000 + \$125,000 = \$150,000 / RWC**
- **LTI \$200,000 + \$1 MM = \$1.2 MM / LTI**

Question

How many days must a rig or service crew work AFTER an OSHA injury to cover the TOTAL COST of the injury?

Business Case for Safety Investment

Positive Cashflow for a Drilling Contractor

	<u>Up Mkt</u>	<u>Down Mkt</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

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

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

Answer in DOWNTIME Days

(i.e. off the payroll at ZERO Dayrate)

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

Business Case for Safety Investment

Positive Cashflow for a Service Company

Revenue (Hourly rate) \$ 250 per hour

Operating Costs - \$ 150 per hour

Positive Cashflow = \$ 100 per hour

Business Case for Safety Investment

Answer in Zero Revenue Hours or Days for a Service Company

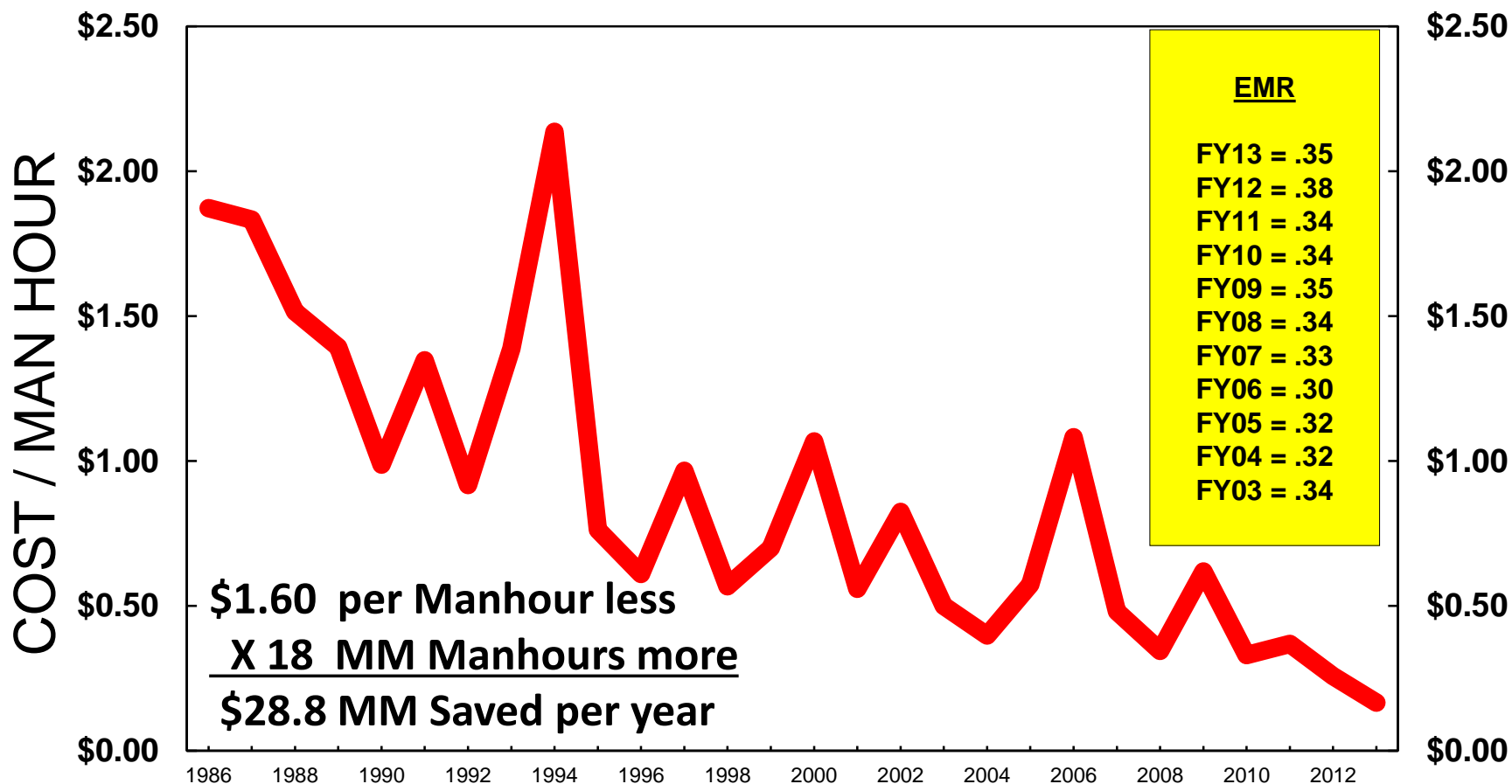
	<u>Hours</u>	<u>Days</u>
MTC / RWC	750	31
LTI / LWC	12,000	500

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?

Actual Cost Per Man Hour Worked



Engage Their Minds

Work-Related Motor Vehicle Fatalities

- **Source: Census of Fatal Occup Injuries (2003 – 2012)**
- **40% of all O&G Extraction Deaths involved M/V.**
- **52% of all O&G M/V Deaths involved light vehicles**
- **79% of all O&G M/V Deaths occurred on public highways**
- **2012 M/V crashes accounted for 45% of O&G Extraction deaths.**

... O&G M/V DEATHS ARE ON THE RISE!

Engage Their Minds (with Relevant Data)

62 : 1

Engage Their Minds

(Motor Vehicle Fatalities at H&P since 2001)

62 : 1

Off-Duty vs. On-duty

Q: Where are we REALLY more at risk?

Engage Their Hearts

Embrace Life ... Promote Seat Belts

Engage Their Hearts

(with Personal Stories)

My defining moment ...

My Defining Moment

(March 3rd, 1990)

Engage Their Hearts

(with Personal Stories)

**... then my FIRST one
on July 17, 1995.**

My First One

Struck by HP Drilling Fluid

Mismatched HP 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 – July 17th, 1995



Engage Their Hearts
(with Personal Stories)

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