



## Enhancing Drilling Rig Efficiencies by Applying Benchmarking and Continuous Improvement Techniques

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### Abstract

Practical and straight-forward application of continuous improvement and benchmarking techniques to monitor, document, analyze and detect best practices during the drilling process can result in improved operational efficiency and well construction performance thus reducing well costs significantly.

### Introduction

Since the early days of offshore drilling when operators mounted land rigs on piers jutting several hundred feet into lakes, bays and coastal waters, mechanization and automation have gradually changed the way oil wells are drilled.

In those days, the rotary table, kelly and rig tongs constituted the basic equipment on the rig floor. Efficiencies were driven more by human factors than by equipment as it was the same on all the rigs.

When the industry began moving into deeper waters, the necessity for more efficient methods, systems and approaches to minimize manual labor and to overcome the exposure to harsh environments was considered a high priority.

Consequently, drilling rig technology evolved from the traditional rig floor configuration of slips and tongs to the highly sophisticated mechanized multi-activity designs found on the latest generation of semisubmersibles and drillships<sup>1</sup>.

Significant improvements in safety have been achieved by using more mechanized and automated equipment along with a higher-skilled work force, but in the Operator's perspective the speed of some critical path operations, particularly those involving moving of steel (drill pipe, casing, and tubing) into and out of the wellbore, have been slowed down to some extent.

In studying this phenomenon, it was noted that rigs with exactly the same capabilities have performed differently when operating under similar conditions. An internal benchmarking program was put in place in order to

continuously identify, understand, compare, measure, and adapt best practices from MODUs anywhere to help a particular drilling rig improve its performance.

This paper describes how a rigorous approach to performance benchmarking with documented target objectives, user-friendly and meaningful reports, critical process and task analysis can help to identify non-value added activities and performance gaps within the well construction process, so proper actions can be taken in order to improve the operational efficiency of a particular drilling rig.

### Benchmarking

Benchmarking is a process of continuously comparing our performance against recognized leaders<sup>2-3</sup>. It is a business practice that leads to increased competitiveness because as soon as one individual or organization realizes there is someone else doing the same thing but better, it becomes a "competitive necessity for survival" to learn 'why' and 'how' and then take steps to change.

### Key Steps

After a thorough analysis of 25 wells drilled in the deepwater U.S. Gulf of Mexico, several variables related to the well construction process were separated, classified and statistically treated in order to detect the degree of influence on overall well construction time and identify who between the operator and the contractor has responsibility for each performance (See Figure 1).

Those components under the control of the drilling contractor, including unrestricted drillpipe tripping, riser running and retrieval, casing running, and blowout preventer (BOP) and surface equipment testing are called "Key Steps" and these represent more than 30% of well construction time<sup>4</sup>. Therefore, material improvement in any of the Key Steps represents an opportunity to reduce critical path timelines and total well costs to the operator (See Figure 2).

### Contractor's Model for Benchmarking

The primary elements of the Benchmarking and

Continuous Improvement methodologies<sup>5-6</sup> were combined to generate the model depicted in Figure 3.

**Collect Performance Data.** Daily operational data is input into the company’s proprietary Intranet-based reporting system, Global Reporting System (GRS).

Communicating the exact definitions to field operations personnel to enable the collection and analysis of comparable data is crucial to ensure the quality and consistency of the information extracted from the system.

Detailed coding entry protocols with precise start and stop times have been defined for each of the Key Steps and distributed to the rig crews (See Figure 4).

**Identify Best-In-Class Performance.** Report routines have been created within GRS to enable personnel at the rig site and at shore-based offices to easily extract the data and convert it to meaningful information through the generation of reports and charts (See Figures 5, 6 and 7).

Performance review can be done on a real-time basis. Preliminary trends and best-in-class performance can be easily identified on the reports and targeted process and benchmarking partners can be proposed for further study.

**Analyze Processes.** Once the process and the benchmarking partner have been selected, a benchmarking project plan is prepared. The plan includes the schedule of activities to be performed, the definition of critical metrics, a more detailed data gathering plan, and a location visit plan.

**Identify Best Practices.** During this stage, the information is processed and thoroughly compared. The team will look for breakthroughs in practices, identifying “gaps” and root causes of better performance so a future state solution (Best Practice) can be defined and implemented.

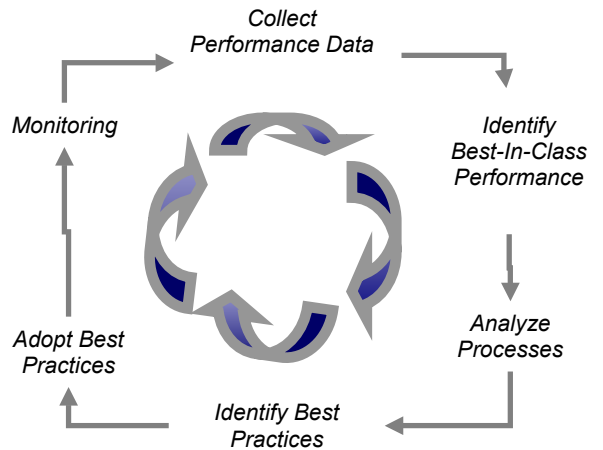
**Adopt Best Practices.** Once the feasibility study has been done and it has been concluded that the future state-solution is viable, then the implementation plan is executed.

Proper coordination of all the areas involved in the implementation is required to ensure a smooth transition to the new process and an incident-free operation once the change is completed.

**Monitor.** The drilling systems affected by the change will have to be observed in an operational environment and a “true” assessment of the system reliability and performance will be made.

By monitoring the progress, new opportunities can be detected and new goals can be established. The entire cycle is then repeated and the loop is completed again

and again in a continuous process.



**Fig.3 - Benchmarking Process.**

**Establishment of benchmarks**

With the early stages of accurate data collection completed, it was possible to establish target benchmark expectations. These targets were defined as a standard or point of reference for measurement.

By providing ranges or averages, benchmarks enable a drilling rig to compare performance in the Key Steps with other MODUs (See examples in Table 1).

Tripping operation	Low (ft/hr)	High (ft/hr)	P10 Benchmark
DP Tripping POOH non-restricted	1600	2800	2400
DP Tripping RIH non-restricted	1400	2500	2100
Run Conductor Casing	55	150	95
Run Surface Casing	270	1000	650
Run Intermediate Csg (<13")	550	1780	1390
Run Riser and BOP (include test)	230	300	280
Pull Riser and BOP	260	420	370

**Table 1. Example of established benchmarks for tripping of tubulars (ft/hr).**

Benchmarks are subjected to periodic revision, typically every year, so the latest information collected can be statistically processed and new targets and performance baselines are identified.

**Case study No.1- Drill Pipe Tripping Improvements on Enterprise-Class Rigs.**

Initial data collected from 25 drilling operations in the Gulf of Mexico showed some interesting differences in performance for each of the Key Steps monitored.

The differences in tripping speed (ft/hr) of three identical Enterprise-Class drillships (DADS1, DADS2 and DADS3) outfitted with the same pipe handling equipment and working under similar operational conditions was of particular relevance (See Figure 8).

We identified the 'Best-In-Class' performing rig for this particular operation (DADS1) and set up benchmarking team to analyze the process in more detail.

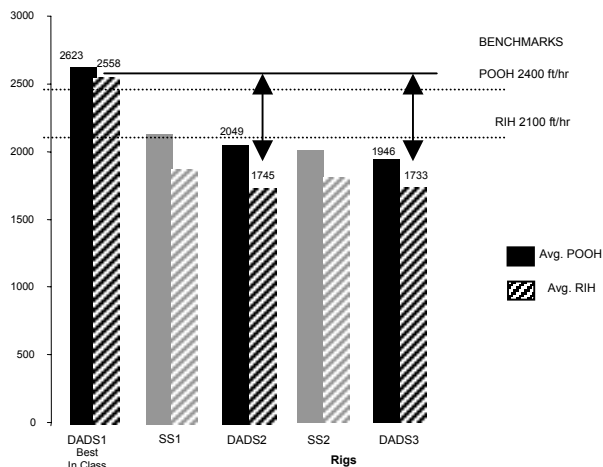
### Process Analysis

The best-in-class rig DADS1<sup>7</sup> was selected as the benchmarking partner by the DADS2 operational team who eventually invited the DADS3 rig team to join the group.

A letter was sent to the benchmarking partner, explaining the details of the project and requesting that an individual be identified as the location interface.

**Benchmarking Team.** The team consisted of five members assigned to benchmark the drill pipe tripping process by assuming the following roles:

- One team leader from the rig interested in the study, in this case DADS2.
- One member of the sister rig invited (DADS3).
- One process expert (Toolpusher).
- One expert from the Engineering Support Group.
- One facilitator.



**Fig. 8 - DP tripping (Non-restricted). Arrows shows the difference in performance for three identical drilling rigs.**

**Project plan.** The members of the team met to elaborate the project plan and the schedule of activities to be performed in order to complete the benchmarking study.

Some of the major activities defined are:

- Definition of key comparisons and critical metrics for the process under study.
- Collection of information from internal sources and 3<sup>rd</sup> party vendors.
- Request for assistance to 3<sup>rd</sup> party vendors on tracking the elements of equipment involved in the process.
- Ensure the equipment calibration parameters are

- kept in good shape and coordinated with the rig.
- Explanation to the rig crews about the purpose of the benchmarking study and request information and data as necessary.
- Visit to the rigs (DADS2 and DADS3) to perform a preliminary analysis of the Tripping Process (See Figures 9 and 10) and document the actual performance of the key elements for future comparison with DADS1.
- Visit to the rig selected as benchmarking partner (DADS1) and look for breakthroughs in practices.
- Identify 'gaps' and root causes of better performance.
- Develop a future state-solution.
- Presentation of the future state-solution to top management.
- Implementation of improvement opportunities.
- Monitor results.

**Critical metrics.** A list of specific key measurements and comparisons was elaborated in order to make a thorough assessment and analysis of the elements comprising the tripping process, e.g., drill line specifications, drill pipe specifications, drawworks speed, PRS traveling time, tripping time slips to slips, etc.

**Improvement opportunities.** After monitoring the process on rig DADS1, it was detected that the main driver of high performance during tripping operations is the consistent use of the retracting capability of the block which allows its hoisting and lowering while the PRS and the Iron Roughneck perform operations concurrently in the well center.

The original design of the Enterprise-Class rigs contemplates the use of this feature without any problem (as demonstrated by DADS1), however the drilling crews on the other two sister drillships showed some concerns regarding the sheave arrangement (driven by PRS and block orientation) and the potential side load induced by retracting the blocks which could result in accelerated wear of the components. They did not recognize that the up/down movement of the empty retracted blocks became the critical path component in the handling process, impacting overall efficiency.

After proper technical assessment and feasibility study were completed, DADS2 and DADS3 proceeded to implement the improvement opportunities (which include the use of a new 6x26 dyform drill line) and started consistent use of the retracting capability of the block

**Results obtained.** Significant improvement in tripping speeds on DADS2 and DADS3 ranging from 25% to 30% (See Figure 11) was observed after implementing the improvement opportunities.

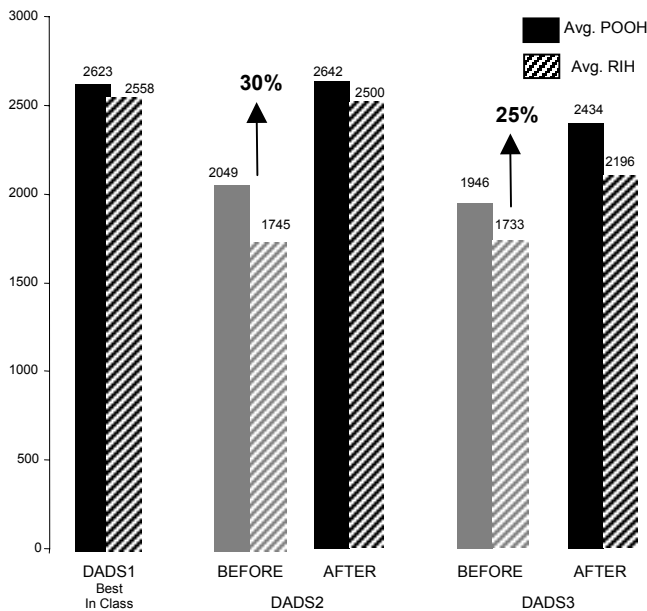
*Savings for the operator.* The benefit to the operator as a result of the benchmarking study was calculated as follows.

- ✧ The rig DADS3; POOH 203,886' of pipe in 83.8 hrs and RIH a total of 200,095' of pipe in 91.1 hrs - this was after 44 days of operations since the rig started retracting on Well #1.

Previous Avg. POOH = 1,946 fph vs 2,434 fph for 203,886' on Well #1 = 25 % Improvement

Previous Avg. RIH = 1,733 fph vs 2,196 fph for 200,095' on Well #1 = 27 % Improvement

Total of 403,981' of pipe tripped on Well # 1 in non-restricted DP category in 44 days of operations.



**Fig.11 - DP tripping (Non-restricted), after implementation of improvement opportunities.**

We calculated the following savings by comparing tripping speeds recorded before and after the implementation of improvement opportunities, assuming \$400K/Day of total "Spread" costs including the drilling rig.:

- ✧ Dollar Savings to the Operator:

POOH Savings = [(203,886') / (1,946')] – 83.8 hrs = 21.0 hrs or 0.88 Days @ \$400K/Day = \$352 K

RIH Savings = [(200,095') / (1,733')] – 91.1 hrs = 24.5 hrs or 1.02 Days @ \$400K/Day = \$408 K

Total Savings = \$760K achieved in 44 days (1.46months).

Therefore, the projected annual cost savings to the operator from improved tripping rates = \$6.2mm.

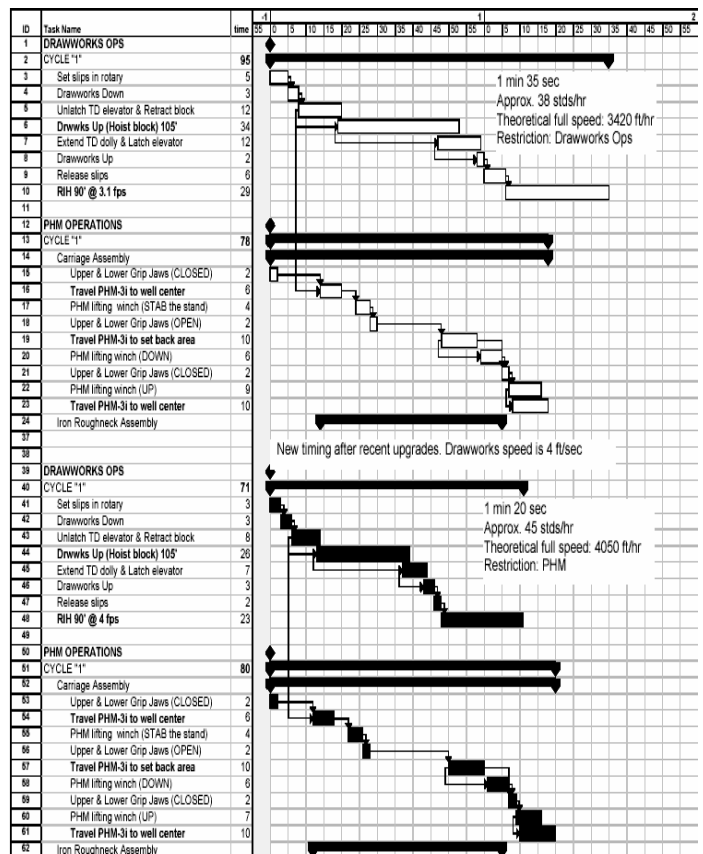
It is important to mention that the savings are for unrestricted tripping only. We can expect additional savings during restricted tripping operations as well.

**Case study No.2 Tripping Drill Pipe Improvements on Pathfinder Class Rigs.**

Similar study was performed by the teams on the Pathfinder-Class drillships (DS1 and DS2) located in the U.S. Gulf of Mexico.

A detailed sequence of tripping operations was developed and represented in a Gantt chart (See Figure 12).

Based on the chart and after several iterations on the sequence, it was noted that drawworks operations constituted a restriction in the process (See upper part on Figure 12).

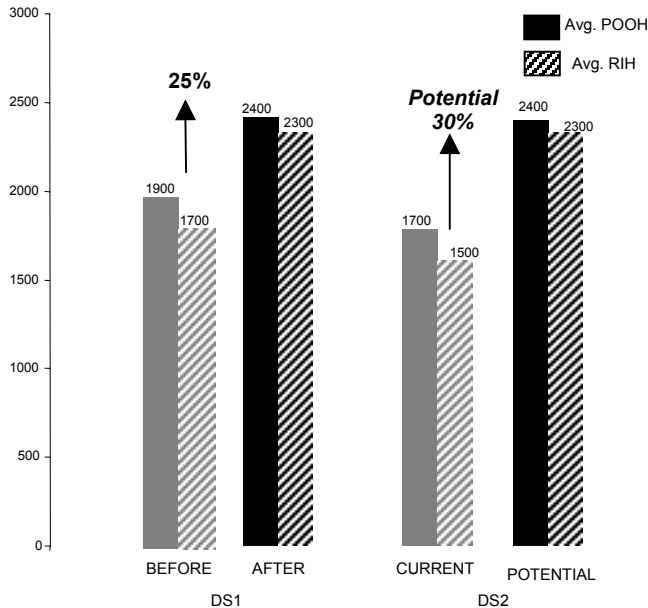


**Fig.12 - Sequence of operations for a single DP Tripping event on DS1 before and after drawworks upgrades.**

With the participation of the Engineering field support group, vendors and the DS1 rig team, several changes

on the drawworks system were suggested in order to make the operation more efficient.

After the implementation of such changes on DS1 the drawworks speed enhanced from 3.1 ft/sec to 4.5 ft/sec (See lower part of Figure 12) and the average DP tripping speed improved by 25% (See Figure 13).



**Fig.13- Improvements on DS1.**

DS2 will implement the same drawworks changes so we estimate the same potential improvement in tripping speed.

### Case study No.3 Process Improvements on Express-Class Rigs.

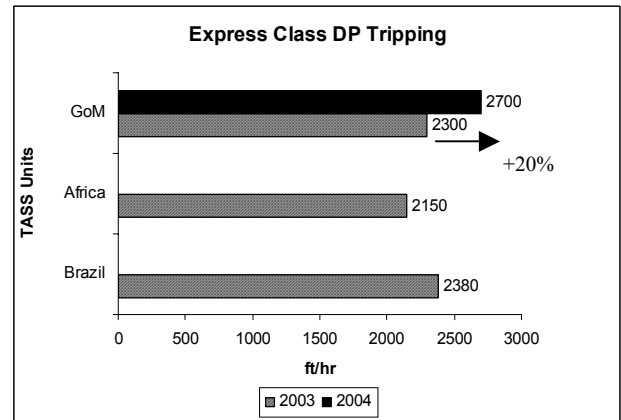
Express-Class semisubmersibles (TASS) were launched in 2001; the three ultra-deepwater rigs were expected to deliver drilling efficiencies through their innovative Tri-Act derrick and other newly designed systems.

Additional efficiencies have been gained after benchmarking the operations of the three rigs in different regions of the world. Several lessons learned and opportunities were discussed in an open forum and specific actions were defined in order to improve the overall efficiency of the units.

The *Cajun Express*, which is located in the GoM, has implemented some of these actions. The rig team supported by the Engineering group, assessed the rig performance during one year of operations and compared it against other two units deployed in Brazil and West Africa.

Drill pipe tripping has been improved as a result of changes in the pipe-handling system and changes to the drawworks software which allows more efficient acceleration and deceleration of the block.

Figure 14 shows the average DP tripping speed for each of the Express Class units as recorded until the end of 2003 and the latest results for the *Cajun Express* after the changes and upgrades.



**Fig. 14 - Express Class rigs - DP tripping (Non-restricted).**

### Drill Pipe Tripping - Regional perspective.

After evaluating the benefit and contribution of individual performance-improvement initiatives, specifically for the DP tripping process, we have noted a positive evolution and an upward trend for the average DP tripping speed for the 59 wells drilled in the GoM between January 2003 and September 2004. Tripping speeds in the overall GoM fleet have improved approximately 20% in 2004 as compared to performance in 2003 (See Figure 15).

Improvements by rig class are also notable during 2004 (See Figure 16). We will set new benchmarks and goals for 2005 based on these new achievements.

### Conclusions

1. Benchmarking is a process that requires extensive planning, measurement, comparison, and analysis. However, implementation of lessons learned and process improvements gained from the process can yield long term positive results.
2. Most lessons learned from other rigs, even if the other rigs have different characteristics and capabilities, can be used in combination to produce ideas and recommendations that represent pragmatic and value-added opportunities for all rigs.
3. MODU operations carried out on a daily basis can benefit from the type of continuous improvement methodology and critical process analysis described above.

4. Rig crew proficiency is enhanced by their being involved in analyzing and improving routine rig operations.
5. Savings to the operator can be significant considering all of the time sensitive costs associated with deepwater operations. Even discrete improvements in selected drilling processes controlled by the contractor can represent an important reduction in total well construction costs.

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Finally, we want to acknowledge the comments and suggestions provided by Steven Newman, Chris Young and Guy Cantwell on some of the concepts and words used in this paper.

### Nomenclature

BHA	=	Bottom Hole Assembly
DADS	=	Dual Activity Drill Ship
DP	=	Drill Pipe
DS	=	Drill Ship
GoM	=	Gulf of Mexico
GRS	=	Global Reporting System
HSE	=	Health, Safety & Environment
KDF	=	Key Drilling Factor
MD	=	Measured Depth
MOC	=	Management of Change
MODU	=	Mobile Offshore Drilling Unit
POOH	=	Pull Out of Hole
RIH	=	Run in Hole
ROP	=	Rate of Penetration
SS	=	Semi Submersible
TASS	=	Triple Activity Semi Submersible
Tri-Act	=	Triple activity
TVD	=	True Vertical Depth
WD	=	Water Depth

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## Performance Tracking Report

*Performance Improvement with Uncompromising Safety*

Performance Set :		KSM-Tripping
Operations Set	Rig name/ Well name	
<b>POOH - Rate -f/h</b>	<b>2222.76</b>	
<b>Section 2</b>	1690.45	
Drilling/POOH: Non-Speed Restricted/ALL	1690.45	
<b>Section 3</b>	2210.29	
Drilling/POOH: Non-Speed Restricted/ALL	2210.29	
<b>Section 4</b>	2371.04	
Drilling/POOH: Non-Speed Restricted/ALL	2371.04	
<b>RIH - Rate -f/h</b>	<b>2204.7</b>	
<b>Section 3</b>	1894.22	
Drilling/RIH: Non-Speed Restricted/ALL	1894.22	
<b>Section 4</b>	2246.41	
Drilling/RIH: Non-Speed Restricted/ALL	2246.41	

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Fig.5 - Example of performance report – DP tripping.

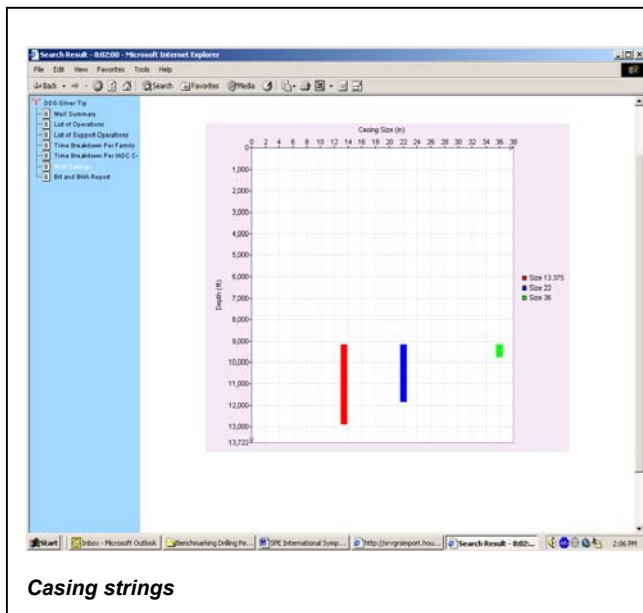
## Performance Tracking Report

*Performance Improvement with Uncompromising Safety*

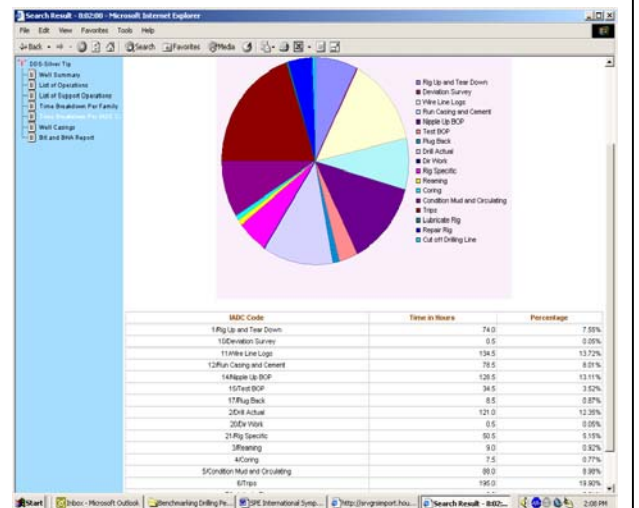
Performance Set :		KSM-Run Riser/BOP
Operations Set	Rig name / Well name	
<b>Rig up to run riser - Time</b>	<b>11</b>	
<b>Section 2</b>	11	
Drilling/Rig-up/Nipple up/BOP/Riser	11	
<b>Run BOP / Riser - Rate -f/h</b>	<b>312</b>	
Drilling/Run Riser/BOP/Riser	312	
<b>Land BOP - Time</b>	<b>0.5</b>	
Drilling/Run Riser/Land BOP	0.5	
<b>Install Diverter - Time</b>	<b>1.5</b>	
Drilling/Rig-up/Nipple up/Diverter	1.5	

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Fig.6 - Example of performance report – Riser operations



Casing strings



Time breakdown per IADC code

Fig. 7 - Example of performance reports on screen.

- o Process Mapping and On site Data Collection
  - Visit to the Rigs (DADS3, DADS2 and DADS1)
    - Map of the Pipe Handling Process.
    - Derrick Management Procedures.
    - Tripping Job Step by Step (Practices/ Metrics/ Enablers)
    - Interviews
- o Detailed Analysis of the Overall Equipment Effectiveness (OEE).
  - Determine Causes of Lower Availability
    - Equipment Failure / Breakdowns
    - Set/up Adjustments
  - Determine Causes of Lower Performance
    - Minor Stopping / Idling
    - Reduced Speed
  - Determine Causes of Lower Quality
    - Process Errors
    - Deficiencies

Considering:  
-Systems and  
-Human Factors

DP Tripping POOH

Typical sequence of Operations (dry trip) / Non-Retractable Mode

Operations	Equipment						Parameters needed from E-Drill
	Drawworks	PS-30	AR-3500	PRS-5	BX Elev	Fingerboard	
1 Pre-Task Safety Meeting							
2 Ensure the working set of elevators and power slips are properly dressed for the appropriate pipe size							
3 Dress the PRS-5 with the correct upper and lower jaw assemblies							
4 Rig Up the Iron Roughneck							
5 Latch the elevators on the stump in the rotary to trip the pipe out of the hole					X		Functioning time (a)
6 Remotely actuate the power slips and unset same		X					Functioning time (b)
7 Hoist the pipe out of the hole and position the connection for the stand at +/- 3' above rotary.	X						Hookload / Block Speed / Travel Direction (up) / Travel time / Pipe Length / Stand Length
8 Remotely actuate the power slips and set same		X					Functioning time (c)
9 Slack off the blocks to verify setting	X						
10 Approach Iron Roughneck to rotary			X				Position / Travel time
11 Drive PRS to the stand in well center				X			Position / Long travel time / Arm travel time
12 Engage the stand and close the lower guide, roller jaws and the upper guide				X			Functioning time (d) / Tubular diameter
13 Open the elevators and continue to slack off the blocks	X				X		Functioning time (e)
14 Engage IR and Break out the connection			X				Break out time
15 Close the PRS lower gripper jaws				X			Functioning time (f)
16 Hoist the PRS and stand of drill pipe to clear the box connection				X			
17 Drive the PRS to the appropriate finger board position				X			Long travel time / Arm travel time
18 When the PRS-5 is clear from the well center zone the block assembly is lowered to rotary	X						Hookload / Block Speed / Travel Direction (down) / Travel time
19 Rack back and close the fingerboard finger to secure the stand in derrick				X		X	Finger position / Finger closed functioning time (g)
20 Latch the elevators on the stump in the rotary to continue POOH					X		Functioning time (h)
21 Remotely actuate the power slips and unset same		X					Functioning time (i)
22 Drive the PRS returning to well center for the next stand.				X			Long travel time

Re-start cycle from Operation No.7

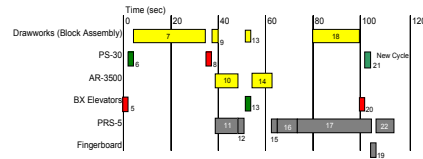


Fig. 9- Data and information gathered from the rigs during the benchmarking study.

Fig.10 - Example of the sequence of operations for POOH in non-retractable mode.

North America Region

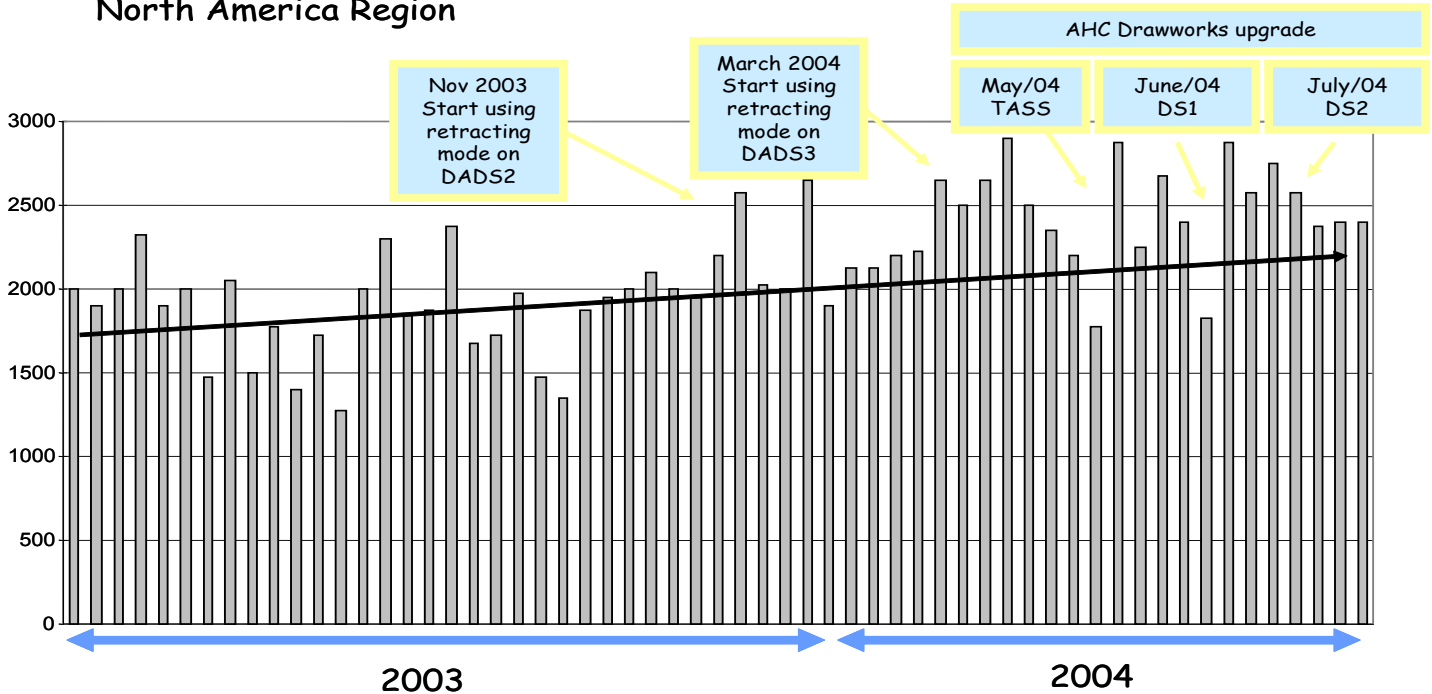


Fig. 15- Drill pipe tripping speed evolution.

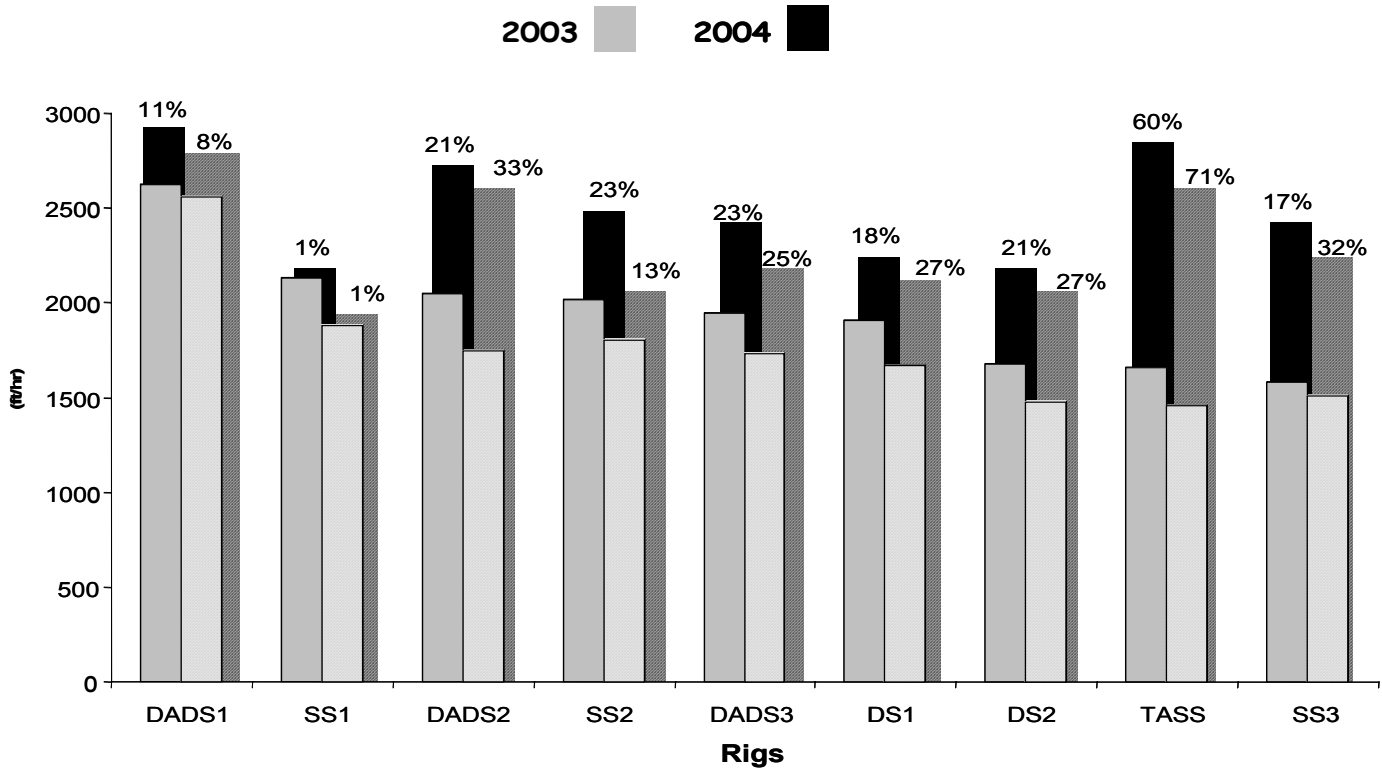


Fig.16- Drill pipe tripping speed improvement by rig class.