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## **Position paper on the development and use of international standards**

*Report No. 381*

*March 2010*



## **Global experience**

The International Association of Oil & Gas Producers (formerly the E&P Forum) has access to a wealth of technical knowledge and experience with its members operating around the world in many different terrains. We collate and distil this valuable knowledge for the industry to use as guidelines for good practice by individual members.

## **Consistent high quality database and guidelines**

Our overall aim is to ensure a consistent approach to training, management and best practice throughout the world.

The oil and gas exploration and production industry recognises the need to develop consistent databases and records in certain fields. The OGP's members are encouraged to use the guidelines as a starting point for their operations or to supplement their own policies and regulations which may apply locally.

## **Internationally recognised source of industry information**

Many of our guidelines have been recognised and used by international authorities and safety and environmental bodies. Requests come from governments and non-government organisations around the world as well as from non-member companies.

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## **I Introduction**

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The petroleum and natural gas industries use a great number of standards developed by industry organisations, through national and regional standardisation bodies, by the individual companies in the industries and by international standards bodies. The use of these standards enhances technical integrity, improves safety, reduces environmental damage, and promotes business efficiencies that result in reduced costs. The current, intensified period of international standards development reflects the global nature of the industry and the imperative to operate more effectively and reduce costs further. International standards for the petroleum and natural gas industries is the area that is the focus of the International Association of Oil & Gas Producers (OGP) through its Standards Committee.

OGP is in a unique position to influence industry attitudes towards international standards development and use through its membership, which includes major operating companies and national oil industry associations. In this respect, OGP welcomed the 1988 re-establishment of ISO Technical Committee (TC) 67 for “Materials, equipment and offshore structures for petroleum, petrochemical and natural gas industries” of which it is a “Category A” liaison member.

## **2 Industry standards**

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The equipment and materials used by the petroleum and natural gas industries are often highly specialised and result from many years of development to cater for specific industry needs. Much equipment and material, as well as the associated operating practices, are addressed by American Petroleum Institute (API) Recommended Practices and Specifications. Although originating in the United States, API standards have traditionally been used globally in conditions and for applications similar to those found in US operating areas.

The petroleum and natural gas industries have also adopted local, national or regional standards for non-specific equipment such as pressure vessels, lifting equipment, materials, electrical gear, *etc.* These include the standards developed by organisations such as the American Society of Mechanical Engineers (ASME), the American Society for Testing and Materials (ASTM) and the National Association of Corrosion Engineers (NACE). Some of these have proved so useful to the industry that they have been adopted for international use along the same lines as API standards.

An original objective of ISO/TC67 was to convert a significant proportion of the globally applicable API industry standards to equivalent ISO standards. OGP has encouraged and supported ISO/TC67, whose work programme has resulted in the publication of some 145 standards, many of them based on API documents. Now TC67 is including the development of ISO standards that are based on several other sources.

### **3 Company specifications**

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The development of company technical specifications (internal company standards, design and engineering practices, *etc* prepared by the company itself for its own repeated use) caters to both general needs and special applications at the project level. This is driven by the need to address oil and gas field development which is very costly owing to unique technical and operating challenges. In many cases, safety and economy are attained by specifying precisely what is needed for the particular circumstances. Therefore, while an industry, regional or international standard such as an API, EN, ISO or IEC standard may provide the basis for a technical specification, supplementary requirements are added to address particular duties and needs for specific applications.

The company requirements represent a source of practical field experience and provide valuable input to the continuing revision of the industry or international standards. Companies are encouraged to make their input directly into the working groups developing international standards.

### **4 Other initiatives**

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The industry is constantly adapting to new types of operations and developing new designs and methods of manufacture. During the initial period of these developments, standardisation may be both difficult to achieve and inappropriate where new technology is being used. However, the continued development of company specifications may be rationalised through initiatives among oil and gas companies and suppliers working together on common specifications and standards. OGP encourages such mutually developed standards to be transparent and maximise references to recognised international standards. These standards should subsequently be offered as input to the international standardisation process.

## 5 Development and use of international standards

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OGP's goal is to foster the development of standards on an international level for the broadest possible application. The aim is to produce one set of words and:

*“Do it once, do it right, and do it internationally.”*

Such standards should be developed in conjunction with the regulators as an alternative to prescriptive national legislation, which may inhibit the supply or movement of equipment and materials across borders. All international standards should be published by the International Organization for Standardization (ISO) or the International Electrotechnical Commission (IEC). OGP primarily supports development and publication by ISO and IEC but appreciates that other standard development organisations (API, ASTM, ASME, DNV, EEMUA, NFPA, etc) publish standards widely used internationally.

The development and revision of international standards will require an ongoing effort by the industry in all areas to unify and standardise oil company and manufacturer requirements. The progressive and systematic revision of standards is also part of the process of adapting to changing requirements as and when they are defined. This will work towards the goal of:

*“Global standards used locally worldwide.”*

## 6 OGP's position on and role in standards development

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OGP believes the industry needs to work towards a cultural change to use international standards and minimise company specifications and the related procurement practices based on them. This minimisation of additional requirements is necessary if the advantages of good international standards are to be fully achieved. Ultimately, the use of supplementary requirements in company specifications must serve a clearly transparent purpose and be by exception only. They may reflect more stringent requirements than set out by an international standard to account for the owners' and operators' responsibilities for health, safety and environmental protection, as is the case in regional standards.

OGP supports the prioritisation of the development of standards based on criteria developed and agreed by the international industry community. The cost saving potential is one criterion for identifying the standards requiring most urgent attention, and effort must be concentrated in areas where international standardisation will yield the best returns. In this way, members will maximise the use of scarce resources to support standards development and maintenance.

Duplication of effort is to be avoided, which implies that, if industry agrees to develop a standard at an ISO level, different parallel standards should not be developed or maintained at a regional, national, or industry level.

OGP will assist in identifying and coordinating existing, worldwide standardisation resources, and ensure that 'user' representation is established and then maintained for all key work groups developing priority standards. OGP will work to improve communications, particularly among international companies operating in different parts of the world. Electronic media is encouraged to facilitate exchange of drafts for review, and for the retrieval and use of standards.

OGP supports the gradual transfer of key standards and specifications necessary for the industry into the international sphere, if by so doing the outcome will be more efficient. In the long term, the aim should be to publish key local, national and regional standards as international standards. International standards should recognise regional requirements either by the use of special annexes, optional supplementary requirements, or by the use of Product Specification Levels (PSLs).

It is realised that, through the development of the single market by the European Union (EU), European Standards (harmonised or not) have to be developed to facilitate non-discriminatory purchasing practices in the frame of the European Directives. In this respect, OGP recognises the Vienna Agreement for the development of those international standards required at European level. Where necessary and by exception, OGP may also support the development of standards required for use in Europe in order to meet specific directives.

OGP will continue to inform the industry and the regulators on the availability of international standards and to encourage their implementation and use as far as possible without modification. It is firmly believed that this will assist in reducing capital and operating costs whilst enhancing safety and quality. The OGP Standards Committee published a catalogue of ISO and IEC international standards (nearly 2,000) currently used in the petroleum and natural gas industries to encourage their use. This publication (Report No: 362, January 2005) is available on the OGP web site (<http://www.ogp.org.uk/>).

Also for these reasons, and while OGP does not develop standards itself, its members are encouraged to support and provide substantial resources to the work of ISO and other international bodies, in particular ISO/TC67, through individual representation, via the national standardisation bodies, and by participation in OGP.

## 7 Conclusions

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OGP strongly supports the internationalisation of key standards used by the petroleum and natural gas industries. OGP's goal is to assist in the development of international standards that can be utilised for the broadest possible application. The following points emphasise the key issues:

- Development and use of international standards should be promoted;
- Simplicity and fitness for purpose should be guiding principles in developing international standards.
- International standards should be used without modification wherever possible, but they should have flexibility to recognise regional variations.
- The identification number of the international standard should remain visible whatever the method of publication.
- Priorities for development of international standards should be based on a consensus of need.
- Available resources should be used in the most efficient way so as to avoid duplication of effort; communication among companies should be improved to this end.
- Company specifications should be minimised and written, where possible, as functional requirements, with supplementary requirements in company specifications being transparent as to why they are required and by exception only.
- OGP encourages its members and other "users" to be well represented on all critical standardisation work groups.



It is OGP's belief that the adoption of this approach will minimise non technical barriers to trade, enable more efficient worldwide operations, and improve the technical integrity of equipment, materials, and offshore structures used by the petroleum and natural gas industries.

OGP supports the ISO/TC67 mission, vision, and goals:

**Mission:**

- To create value added standards for the oil and natural gas industry

**Vision:**

- Global standards used locally worldwide

**Goals:**

- Prepare standards required by industry
- Prepare standards that can be adopted worldwide by bodies such as API and CEN
- Publish standards that enable companies to minimise their specifications
- Deliver standards to the target dates on the agreed work programme

*This report was originally prepared in May 1994 for the then E&P Forum's Engineering and Operations Committee by its Standards Subcommittee. That document has now been revised and updated three times (in 2001, 2007 & 2010) by OGP's Standards Committee to produce this Position Paper. This OGP position on the development and use of international standards has largely been unchanged since its initial publication in 1994.*





**International  
Association  
of Oil & Gas  
Producers**

209-215 Blackfriars Road  
London SE1 8NL  
United Kingdom  
Telephone: +44 (0)20 7633 0272  
Fax: +44 (0)20 7633 2350

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165 Bd du Souverain  
4th Floor  
B-1160 Brussels, Belgium  
Telephone: +32 (0)2 556 9150  
Fax: +32 (0)2 556 9159

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Internet site: [www.ogp.org.uk](http://www.ogp.org.uk)  
e-mail: [reception@ogp.org.uk](mailto:reception@ogp.org.uk)