

OHS IMPROVEMENT NOTICE

To: Atwood Australian Waters Drilling Pty Ltd.

In conducting an OHS inspection in relation to the Atwood Osprey facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the Act, am satisfied on reasonable grounds that the person named above as the responsible person is contravening, or has contravened and is likely to contravene again, clause 9 of Schedule 3 to the Act.

at: Atwood Osprey Facility

The reasons for my opinion are:

The integrity of the Halliburton supplied separator, surge tank, and steam heat exchanger (pressure vessels) to be used by ConocoPhillips for well testing at the Atwood Osprey facility had not been adequately demonstrated. Annual 100% MPI/NDT of pressure vessel welds had not been conducted on the three pressure vessels, and 5 Year major maintenance documentation and certification was unavailable for the surge tank. Atwood's QA/QC process failed to identify these maintenance deficiencies prior to mobilization of the equipment by the third party supplier, Halliburton. As such, Atwood Australian Drilling Pty Ltd did not take all reasonable practicable steps to ensure that the pressure vessels to be used for well testing at the Atwood Osprey facility were safe and without risk to health.

As a result of this contravention I am satisfied that there is, or may be, the following risk to the health or safety of any person:

Inadequate control of maintenance of safety critical equipment could lead to a loss of containment and major accident event (MAE).

You are required to take action within **60 Days** of the date of this notice to prevent or reduce the risk.

The following action must be taken by the responsible person within the period specified above:

1. Complete a management review of the auditing and acceptance process for third party safety critical equipment and address any actions from this review.
2. Implement processes and procedures to ensure the following:
 - All third party safety critical equipment to be used at Atwood facilities offshore facilities (as defined by the OPGGS Act 2006), have been inspected maintained and certified to the standards described in the facility scope of validation and safety case.
 - That this equipment has comprehensive documentation detailing that it has been inspected, maintained and certified.
 - That this documentation is reviewed by a competent technical authority and this review is documented prior to the equipment being mobilised to the facility; or

Implement such other controls as required to reduce risk to a level that is as low as reasonably practicable.

Signed: [REDACTED]

[REDACTED]

NOPSEMA inspector

Dated: 5 April 2017

NOTES: (Please see back of notice)

When the required improvement has been completed, return this part of the notice to the following person at the address below:

Name:



Position:

NOPSEMA Inspector

Address:

Send in electronic format via email to:

submissions@nopsema.gov.au

Telephone number:

+61 8 6188 8700

Specify the action that has been taken to comply with this notice in the space below.

Improvement Notice No. **640** has been complied with by:

Signed: _____

Date: _____

NOTES:

1. Under clause 78 of Schedule 3 to the Act, a person who fails to ensure that this notice is complied with, to the extent that it relates to a matter over which the person has control, may be liable to a penalty of 300 penalty units or a civil penalty of 400 units.
2. This notice must be displayed in a prominent place at or near each workplace at which work affected by the notice is being performed and, must not be tampered with or removed before the notice has ceased to have effect.
3. If the notice is not issued by being given to the operator's representative at the facility, the responsible person (unless the responsible person is the titleholder) must cause a copy of the notice to be given to the operator's representative.
4. If the responsible person is the operator or an employer (other than the operator) of members of the workforce, the operator's representative at the facility must give a copy of the notice to each health and safety representative for a designated work group having group members performing work that is affected by the notice.
5. If the responsible person is the titleholder, as soon as practicable after issuing the notice, the NOPSEMA inspector will take reasonable steps to give a copy of the notice to the operator and, if the NOPSEMA inspector is at the facility when the notice issued, the operator's representative at the facility.
6. If the responsible person is the titleholder, but the inspector is not at the facility when the notice is issued, the operator must give a copy of the notice to the operator's representative at the facility.
7. As soon as practicable after issuing the notice, the NOPSEMA inspector will take reasonable steps to give a copy of the notice to, where applicable:
 - (a) the employer of an employee who is a member of the workforce if the notice is issued to the employee, and in connection with work performed by the employee, and
 - (b) the owner of any workplace plant, substance or thing that the notice relates to, unless the owner is the responsible person or an employer referred to in (a), and
 - (c) if the responsible person is the owner of any workplace, plant, substance or thing because of which the contravention has occurred, or is likely to occur: the operator of the facility, and if the employer of employees who work in that workplace or who use that plant, substance or thing is a person other than the operator—that employer; and
 - (d) the titleholder, if the responsible person is the operator, and the contravention relates, or is likely to relate to, the titleholders' well related obligations.
8. Under item 8 of subclause 80A(1) of Schedule 3 to the Act, any of the following persons may in writing request the reviewing authority to review the NOPSEMA inspector's decision:
 - the operator of the facility
 - the titleholder, if the notice is issued to a titleholder;
 - any other person to whom the notice has been issued;
 - an employer, if affected by the decision;
 - a relevant health and safety representative;
 - a relevant workforce representative, if requested by a member of the workforce affected by the decision;
 - a person who owns any workplace plant, substance or thing to which the NOPSEMA inspector's decision relates.
9. An improvement notice ceases to have effect when the responsible person takes the action specified in the notice.