



Improvement Notice

(paragraph 3.30(e))

*Offshore Petroleum and Greenhouse Gas Storage Act 2006
Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009*

Notice Number: 366

IMPROVEMENT NOTICE

To: EnSCO Australia (Pty) Ltd

I, [REDACTED] an OHS inspector appointed under section 680 of the Act, am satisfied that the person named above as the responsible person is contravening, or has contravened, and is likely to contravene:

(a) clause 9 (2) (e) of Schedule 3 to the Act;

at:

EnSCO 104 (MODU)

The reasons for my opinion are:

- The OES survey report (No. 11-1125R) identifies equipment which is deemed deficient and / or does not meet the established hazardous area classification for the expected gas group (methane including H₂S). Each item could be an ignition source, if energised. The loss of hydrocarbon containment coupled with these potential ignition sources could result in a fire and/or explosion impacting the rig, personnel on board and potentially the Stag CP facility.
- OES's finding was known, the report was issued on 13 December 2011 and there was no definitive feedback from engineering. There was no risk assessment, no additional controls identified to manage risk to ALARP and there is no timeline specified for remedial actions to appropriately close out all of the OES findings.
- The operator continued drilling operations over the Stag platform with known non-conformances and did not communicate these with Apache Energy Limited including the OIM of the Stag CP facility.

You are required to take action within the 30 days of this notice to prevent further contravention or likely contravention of the clause or regulation.

- Obtain an Engineering assessment of the corrective actions required to address all of the equipment deficiencies identified in the OES report (No. 11-1125R) for all items of equipment used in H₂S service and for all items of equipment used in established hazardous zones. The assessment should determine the suitability of these items of equipment based on the latest guidance, codes and standards. The assessment should also include the hierarchy of controls required to reduce the risks to ALARP. A copy of the engineering assessment should be provided to NOPSEMA.
- Develop a plan of work that will appropriately address all of the equipment deficiencies identified by the OES report. The plan of work should also include the resolution of any certification issues and verification of completion of the work by an independent competent inspector. A copy of the plan of work should be provided to NOPSEMA.
- If any of the equipment deficiencies identified include items of safety critical equipment, a means of communication should be implemented that will regularly

notify all relevant stakeholders of the current status of the items of safety critical equipment, until the identified corrective actions have been satisfactorily completed.

- NOPSEMA should be notified of any matters identified during the implementation of the plan of work that may directly affect the integrity of any safety critical system or safety critical element. The notification should include the results of the risk assessments carried out that were used to justify the continuation of operations. The notification arrangement should be in place.


Signed:


OHS inspector


Dated: 16 Jan 2012

[*Omit if inapplicable]

NOTES: (Please see back of form)

This notice was delivered to: 

(insert name)

in the office or position of 

(insert office or position)

at: 1155 am/pm on  11/18/12

(insert time)

(See notes on page 3)

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


Name: 

Position: OHS Inspector

Address: Lev 8, Alluvion Building, 58 Mounts Bay Road, Perth WA 6000

Telephone number: (08) 6188 8719

Improvement Notice No. 366 has been complied with.

Signed: 

Date: 4/7/12

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 100 penalty units.
2. This notice must be displayed in a prominent place at the workplace and, under clause 79 of Schedule 3 to the Act, must not be tampered with or removed before the notice has ceased to have effect.
3. Under subclause 78 (11) of Schedule 3 to the Act, an operator, or an employer of a member of the workforce to whom this notice is given must:
 - (a) give a copy of the notice to each health and safety representative for a designated workgroup having group members performing work that is affected by the notice; and
 - (b) display a copy of the notice in a prominent place at or near each workplace at which the work is being performed.
4. Under subclause 81 of Schedule 3 to the Act, any of the following persons may request Fair Work Australia to review the OHS inspector's decision:
 - the operator of the facility or an employer who is affected by the decision;
 - any person to whom an improvement notice has been issued;
 - the health and safety representative for a designated work group that includes a group member affected by the decision;
 - a workforce representative in relation to a designated work group that includes a group member affected by the decision;
 - if there is no designated work group — a workforce representative in relation to a member of the workforce affected by the decision;
 - the owner of any plant, substance or thing to which the OHS inspector's decision relates.
5. An improvement notice ceases to have effect when the responsible person takes the action specified in the notice, or if no action is specified, takes the action that is necessary to prevent the contravention, or likely contravention, with which the notice is concerned.