



Successful prosecution over Montara platform blowout

Thailand-based petroleum operator PTTEP AA has been fined \$510, 000 in the Northern Territory Magistrate's Court over the Montara wellhead platform blowout on 21 August 2009.

At a sentencing hearing in Darwin today, PTTEP AA was convicted and fined for three occupational health and safety offences and one non-OHS offence.

The blowout is the Australian petroleum industry's most significant offshore incident in terms of impact on community confidence, expectations for environmental management and far-reaching reform to offshore industry regulation.

The outcome is NOPSEMA's first successful prosecution under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA) and follows a lengthy and technically complex investigation process into the incident. NOPSEMA is considering options for appeal against the level of the fines.

NOPSEMA CEO, Jane Cutler, said the Authority is resolved to pursue breaches of the OPGGSA legislation, regardless of how time-consuming or difficult the process may be, in the interests of a safe and environmentally responsible Australian offshore petroleum industry.

"Our priority is to ensure that operators are effectively managing risks to the health and safety of workers on offshore petroleum facilities to a level that is as low as reasonably practicable," Ms Cutler said.

"NOPSEMA is prepared to dedicate significant time and effort to prosecute petroleum operators who have breached the OPGGSA and associated regulations," she said.

The OHS offences comprised failures by PTTEP AA to verify barriers in the well, which increased the risk of an uncontrolled hydrocarbon release, causing the wellhead platform to be unsafe and a risk to the health of any persons at or near the facility.

The non-OHS offence comprised a failure by PTTEP AA to carry out operations in a proper and workman-like manner and in accordance with good oilfield practice.

Contact details: Alison Carter, NOPSEMA Communications

e: alison.carter@nopsema.gov.au

p: 08 6188 8752

m:+61 407 076 041





NOPSEMA

Background

On 21 August 2009 the Montara Wellhead Platform and the West Atlas Mobile Offshore Drilling Unit (which was positioned over the platform) were evacuated after an uncontrolled release of oil and gas from the H1-ST1 well. The flow of oil and gas continued without interruption until 1 November 2009, when fluid was pumped into the well from a relief well, however a fire started on the platform a short time later and continued until 3 November 2009 when the flow of hydrocarbons (oil and gas) was contained.

At the time, the structural integrity of the well was covered by the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004, and was administered by the relevant Designated Authority, which was the Northern Territory Department of Resources.

The Montara incident is the Australian petroleum industry's most significant offshore petroleum incident in terms of its impact on community confidence, expectations for environmental management, and its far-reaching reform to state and national offshore safety regulation.

The *Montara Commission of Inquiry Report (2010)* into the incident included 105 recommendations for the Australian offshore petroleum industry - one being that a single national regulator take responsibility for offshore safety, well integrity (including wells and well-related activities) and environmental management in all Commonwealth waters, and in coastal waters where powers are conferred.

In April 2011, following the Commonwealth Government's Final Response to the *Montara Commission of Inquiry Report*, legislation was amended extending the National Offshore Petroleum Safety Authority's (NOPSA) responsibilities to include well structural integrity and well-related activities.

On 1 January 2012, environmental management was added to the authority's regulatory remit, resulting in the inception of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

