

OHS IMPROVEMENT NOTICE

To: Atwood Australian Waters Drilling Pty Ltd.

In conducting an OHS inspection in relation to the Atwood Falcon 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:

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

at: Atwood Falcon Facility

The reasons for my opinion are:

1. Atwood Falcon Ballasting system is listed as safety critical in the facility safety case and is listed as a control for the Major Accident Event Loss of Rig Stability or Capsize.
2. The safety case cites 1989 MODU Code as the governing standard for ballast systems. 1989 MODU code indicates that two independent systems for ballast tank level measurements should be provided.
3. The safety case commits to the ability to manually sound each ballast tank for leak detection.
4. Inspection Report 0783, April 2013 detailed the reduced operability of the electronic ballast monitoring system (two ballast tanks with no electronic monitoring) and the degradation of the ballast tank manual sounding tubes (three ballast tanks unable to be manually sounded),
5. Recommendation 783-19 was issued April 2013 to repair defective level sensors and sounding tubes in the ballast system. The agreed date for these repairs to be completed was June 2013. Atwood twice requested an extension to the completion date, culminating in an agreed completion date of February 2015.
6. The ballast monitoring system has further degraded since inspection 0783. Now, 50% of the ballast tanks cannot be monitored from the ballast control room and 3 manual sounding tubes are blocked. There is currently no method of checking the ballast tank level in Starboard Tank #3 by any means, either manual or electronic.

The operator has therefore failed to take all reasonably practicable steps to implement and maintain appropriate procedures and equipment for the control of, and response to, emergencies at the facility.

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:

The ability of the Atwood Falcon facility crew to respond to a damage stability scenario is impaired by the degradation of the ballast monitoring system, thus increasing the likelihood of vessel loss of stability or capsizing, leading to personnel injury or fatality.

You are required to take action during the next available 'between well' period, not to exceed 180 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:

Atwood is to ensure there are two independent functional systems for ballast tank level measurements at the Atwood Falcon 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: 16/03/15

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: [REDACTED]

Position: OHS Regulatory Specialist

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. **0577** 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.