

OHS IMPROVEMENT NOTICE

To: Expro Group Australia Pty Ltd

In conducting an OHS inspection in relation to the Ocean Monarch 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 (“EXPRO”) is contravening, or has contravened and is likely to contravene again clause 11 of Schedule 3 to the Act at the Ocean Monarch facility.

The reasons for my opinion are:

A NOPSEMA OHS inspection was conducted on the Ocean Monarch facility while well abandonment activities were being undertaken for titleholder, BHP Billiton Petroleum Pty Ltd (BHP Billiton), in permit areas WA-10-L and WA-12-L. The activities were conducted under the Diamond Offshore General Company (facility operator) safety case in force comprising of the following documents:

- Ocean Monarch Mobile Offshore Drilling Unit Safety Case (Document No. OM-SC-001, Revision 0-C, 25 March 2015); and
- Safety Case - Part 8 BHP Billiton Griffin Abandonment Campaign (2017) (Document No OM-SCR-005), Revision 0, dated 21 April 2017, jointly prepared between BHP Billiton and Diamond Offshore General Company.

BHP Billiton was responsible for selecting and managing client-specific service contractors (‘third party contractors’) and associated equipment under the provisions and commitments made within the safety case in force.

Well fluid handling services and equipment was be provided by BHP Billiton through a service contract with EXPRO.

Documentation reviewed as part of the inspection, noted a “controlled gas venting” activity was logged on a daily drilling report for the Griffin-6 Well (Permit WA-10-L) on 11 August 2017.

On request, further documentation provided by the facility operator confirmed that hydrocarbon gases had been discharged via the EXPRO equipment through the facility’s overboard vent lines into areas that presented risks to personnel on board the facility. The drilling reports showed that hydrocarbon gas was vented through the same venting arrangements on at least four well abandonments (i.e. Griffin-1, Griffin-4, Griffin-6 and Griffin-9) between 11 June 2017 and 13 August 2017.

Further, it was noted that the amount of gas vented from these four wells within the period described above (especially during Griffin-6 and Griffin-9 wells); and through the EXPRO supplied ‘Well Fluid Handling Package’ and the facility overboard vent lines; was significantly greater than had been described in the safety case and as analysed in the formal safety assessment. The suitability of the EXPRO equipment for the hydrocarbon gas venting undertaken during the BHPB well abandonment campaign had not been demonstrated.

EXPRO personnel on the facility and in control of this activity for all wells within the Griffin abandonment program, failed to recognise the significant change in risk resulting from the suitability of the EXPRO equipment for the gas vented, and the risk posed by venting the gas into non-hazardous rated areas and in proximity to the engine room air intakes. No decision was taken to stop work and re-assess the risk. As such, EXPRO being in control of part of this activity, failed to take all reasonably practicable steps to ensure

that the physical environment at that part of the facility, or at the place where the work is carried out, is 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:

Injury or death to personnel at the facility during well abandonment activities as a result of a loss of containment of hydrocarbons and the associated risk of fire and/or explosion.

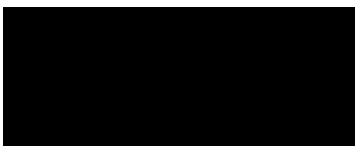
You are required to take action within **60 days** of the date of this notice to prevent or reduce the risk.

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

1. Strengthen processes and procedures to ensure the following:
 - Operations and activities outside the scope of work or contracted activities are appropriately identified, risk assessed and communicated to all relevant stakeholders including senior management and relevant regulatory authorities; and
 - operations and/or activities outside the scope of the safety case are appropriately identified, risk assessed and communicated to all relevant stakeholders including the operator's senior management and accepted by relevant regulatory authorities prior to commencing or continuing these operations and activities; and
 - appropriate training and competency related to these process and procedures, is to be undertaken by all EXPRO operational personnel to ensure sound understanding of operational boundaries and equipment suitability for contracted activities; or

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

Signed:



NOPSEMA inspector

Dated: 13 December 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. **685** 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.