

ENVIRONMENTAL IMPROVEMENT NOTICE

To: Timor Sea Oil and Gas Australia Pty Ltd (TSOGA)

In conducting a petroleum environmental inspection to monitor compliance with petroleum environmental law of the Northern Endeavour Floating Production Storage and Offloading Facility at the regulated business premises used for the facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the Act, am satisfied on reasonable grounds that the titleholder named above has contravened and is likely to contravene again:

- (a) regulation 7 of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Environment Regulations)

at: Northern Endeavour Floating Production Storage and Offloading Facility (FPSO)

1. The reasons for my opinion are:

- 1.1. The contractual arrangement with Upstream Production Solutions does not provide for personnel needed to resource TSOGA's Incident Management Team (IMT) upon immediate notification of a spill as required by Northern Endeavour FPSO Operations Environment Plan, Document No. 01-HSE-PL03 Revision 6, dated 3 October 2016 accepted by NOPSEMA on 12 December 2016 (the EP).
- 1.2. The arrangement with Jacobs Group (Australia) for operational and scientific monitoring services has expired, and therefore not been maintained and does not provide for IMT personnel as described in the EP.
- 1.3. Arrangements with RPS Asia Pacific Applied Science Associates and [REDACTED] for spill trajectory modelling and IMT personnel specified by the EP have not been maintained.
- 1.4. As a result, TSOGA does not have the appropriate capacity as described in the EP to coordinate and manage an oil spill in its initial stages, or oil spill response resources in place to combat and monitor the oil spill as described in the EP.

2. As a result of this contravention I am satisfied on reasonable grounds that there is, or may be, the following significant threat to the environment:

- 2.1. In the event of oil spill, increased exposure of spilled oil to the environment due to significant delays in the implementation of oil spill response strategies and techniques. This results from TSOGA's insufficient capacity to coordinate and manage oil spill response due to arrangements with third parties for oil spill response strategies not being accessible or maintained.

3. The environment that is subject to the threat is:

- Matters protected under Part 3 of the Environment Protection and Biodiversity Conservation Act 1999, including the Commonwealth marine area, listed threatened species and listed migratory species that may occur, in the operating area and surrounds as shown in Section 4 of the EP.
- The social and economic features of the environment as described in section 4.3 of the EP.
- Marine resources as described in Subsection 4.4 of the EP.

4. The titleholder is required to take the following action(s) to remove the threat.

4.1. within 30 days of the date of this notice:

- 4.1.1. Establish a contractual arrangement with Upstream Production Solutions, or an equivalent

third party oil spill response service provider, for the IMT oil spill response services as described in Table 7.6 of the EP.

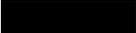
4.1.2. Establish an arrangement with Jacobs Group (Australia), or an equivalent third party oil spill response service provider, for the Operational and Scientific Monitoring Services as described in Table 7.6 of the EP.

4.2. within 60 days of the date of this notice, establish a new or adapt an existing system to attain the following:

4.2.1. A state of assurance that all incident management and third party oil spill response arrangements described in the EP are current and maintained.

or

5. Comply with regulation 7 by any other suitable means as required to remove the threat.


NOPSEMA Inspector
wA210622

12 November 2018

NOTES: (Please see the last page of this notice)

When the required improvement has been completed, the NOPSEMA Inspector requires Timor Sea Oil and Gas Australia Pty Ltd to submit the completed part of the notice under Clause 8, to the contact details below:

Name: 
Position: NOPSEMA Inspector
Address: Send in electronic format via email to:
submissions@nopsema.gov.au
Telephone number: +61 8 6188 8700

By signing below, I confirm on behalf of Timor Sea Oil and Gas Australia Pty Ltd that the specified action described in Improvement Notice No. RMS 728 has been undertaken within the period specified.

Signed: _____ Date: _____

NOTES:

1. 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 (Schedule 2A, Clause 11D of the Act).
2. This notice must be displayed in a prominent place at the premises and, must not be tampered with or removed before the notice has ceased to have effect. (Schedule 2A, Clauses 11D and 12 of the Act)
3. The notice may be issued to the titleholder by being given to the titleholder's representative at the premises who is nominated for the inspection. (Schedule 2A, Clause 11C of the Act)
4. 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 (Schedule 2A, Clause 11D of the Act):
 - (a) the operator's representative at the facility if the premises are a facility, and
 - (b) the vessel master if the premises are a vessel under the command or charge of a master, and
 - (c) the owner, if the premises are owned by a person other than the titleholder or operator.
5. An improvement notice ceases to have effect when the responsible person takes the action specified in the notice.
6. NOPSEMA must publish on its website an environmental improvement notice within 21 days after the notice is issued, unless NOPSEMA is aware that the decision to issue the notice is the subject of an application for review by a court. (Schedule 2A, Clause 12A of the Act)
7. For the purposes of submitting the completed part of the notice under Clause 8, the titleholder's representative is the person to whom this notice was given.