

OHS IMPROVEMENT NOTICE

To: Vermilion Oil & Gas Australia Pty Ltd – “VOGA”

In conducting an OHS inspection in relation to the Wandoo B 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 has contravened and is likely to contravene clause 9(2)(c) of Schedule 3 to the Act at the Wandoo B facility.

The reasons for my opinion are:

During the planned inspection 1682 conducted at the Wandoo B facility between 1 and 3 October 2018 surface corrosion was observed on a number of plant and equipment, including safety systems. The surface corrosion observed on plant and equipment included on the active firewater system, deluge system, safety-critical valves, hydrocarbon process flanges and valve assemblies, areas of the blast wall, handrails, pipe racks and supports, cable trays and equipment supports for process metering and instrumentation, emergency lighting, manual call points and alarm annunciators. As a result of these observations, the following recommendation was raised:

“VOGA to:

1. *conduct a facility corrosion assessment on the issues identified in the planned inspection report as a minimum; and*
2. *develop a corrosion remediation and refurbishment plan.”*

During a subsequent planned inspection (2054) conducted at the Wandoo B facility from 14 to 16 October 2019 similar surface corrosion was also observed on many of the same plant and equipment.

As a result, the inspectors followed up the progress on actions arising from the above recommendation with the operator. Although some surface corrosion assessments had been conducted on some identified systems, equipment inspections required for the corrosion assessments of the following equipment and systems had yet to be completed; active firewater system, deluge system, safety-critical valves, hydrocarbon process flanges and valve assemblies, piping, cable tray and process metering and instrumentation supports. Consequently, VOGA was unable to demonstrate a full corrosion assessment had been conducted for all safety systems and equipment identified as corroded as detailed in inspection report 1682.

Therefore, it is considered that the operator has not taken all reasonably practicable steps to ensure, as a result of the identified surface corrosion, the identified plant and equipment 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 safety of persons at the facility:

- The surface corrosion observed on the fire water system, increases the risk of equipment failure that could result in a loss of fire water pressure. The fire water system is required to function and protect personnel in a fire related emergency. A loss of fire water could therefore result in injury or death to personnel.
- The surface corrosion observed on the deluge fire water system, increases the risk of losing deluge water coverage. The deluge water system is required to function and protect personnel and in a fire

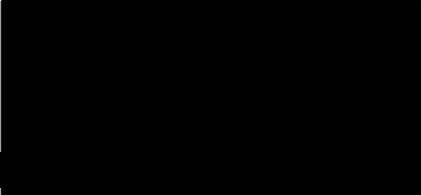
related emergency and also prevent escalation of the fire by cooling hydrocarbon containing equipment. A loss of deluge water could therefore result in injury or death to personnel.

- The surface corrosion observed on the safety-critical valves and hydrocarbon process flanges and valve assemblies increases the risk of loss of containment. The loss of containment of hydrocarbons, if ignited, could result in injury or death to personnel.
- The surface corrosion observed on piping supports and cable trays increases the risk of dropped objects which could result in injury to personnel.
- The surface corrosion observed on cable trays and cable and electrical fitting supports, increases the potential of cable damage and /or loss of effective electrical earthing, which increases the risk of ignition sources and electric shock. In a loss of containment of hydrocarbons ignition sources can result in a fire or explosion. Fire, explosion or electric shock can result in injury or death to personnel.

You are required to take action within **180** days of the date of this notice to prevent or reduce the risk arising from the potential for surface corrosion to impact safety systems and equipment at the Wandoo B facility.

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

- For surface corrosion on plant and equipment identified in inspection reports 1682 and 2054 yet to be risk assessed, implement interim risk reduction measures to ensure the plant and equipment is safe and fit for service; and
- Complete an assessment of the risks associated with surface corrosion on plant and equipment identified in inspection reports 1682 and 2054; and
- Develop and implement a preventative planned inspection, maintenance and remediation strategy to ensure that all plant and equipment identified with surface corrosion in inspection reports 1682 and 2054 is fit for service; or
- Implement such other controls as required to reduce risk to a level that is as low as reasonably practicable.

Signed: 

NOPSEMA Inspector

Dated: 14 February 2020

NOTES: (Please see back of notice)

The following section is to be completed if serving the notice to the responsible person by giving it to the operator's representative or titleholder's representative at the facility, or the identified responsible person onshore.

This notice was delivered to: _____

(insert name)

in the office or position of _____

(insert office or position)

at: _____ am/pm on _____

(insert time)

(insert date)

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. **783** 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.