

## **OHS IMPROVEMENT NOTICE**

To: PTTEP Australasia (Ashmore Cartier) Pty Ltd

In conducting an OHS inspection in relation to the Montara Well Head Platform (WHP) 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 again clause 9(2)(d) of Schedule 3 to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (the Act).

The reasons for my opinion are:

A NOPSEMA inspection was conducted on 5 September 2018 at PTTEP Australasia (Ashmore Cartier) Pty Ltd business premises in relation to a dangerous occurrence notification concerning the H3ST1 Well located at the Montara Well Head Platform.

The dangerous occurrence took place on 27th August 2018 when pressure on the B annulus on the H3ST1 well reached its upper operating envelope of 1700 kPa (247psi), suggesting migration of gas (from gas lift) from the A annulus to the B annulus after gas lift was introduced into the (H3ST1) well (A Annulus) to bring it into production. The B annulus pressure continued to build to 6473 kPa (939psi) at which point it was initially manually bled down on 31 August 2018.

Records sighted during the inspection indicated that on two consecutive opportunities on 31st August 2018 and 2nd September 2018, venting/blow down of the H3ST1 Well B Annulus and both B plus A Annulus respectively, was undertaken at the Montara WHP.

The NOPSEMA inspectors established during the inspection, that if not appropriately managed, the venting/blow down activities associated with the Montara H3 well annulus communication (conducted by personnel attending the Montara WHP) had the potential for adverse OHS consequences including a Major Accident Event (MAE), as a result of loss of containment of hydrocarbons and the associated risk of fire and explosion.

When the B annulus blow down / venting at the H3ST1 well was carried out there were two known well integrity problems with the well; (1) a B annulus pressure the root cause of which was not understood, and (2) the SCSSV had failed a leak off test.

PTTEP failed to demonstrate that the conduct of this activity has been appropriately managed under the operator's safe systems of work and risk management standards outlined within the safety case in force, for example:

- Inadequate implementation and adherence to the operator's permit to work (PTW), management of change (MOC), simultaneous operations (SIMOPS) and risk management procedures;
- Temporary equipment (i.e. synthetic rubber hydraulic hose use) for the B annulus venting /blow down was not demonstrated to be fit for purpose; and
- Insufficient assurance documentation for the temporary equipment utilised in the B annulus venting/blow down activity.

PTTEP also failed to demonstrate whether the "A" Annulus venting / blow down activities were managed within the reliability, integrity and operational envelope for the relevant WHP cold vent system as outlined within the facility safety case in force, for example:

- risk assessment and operating procedure for this activity was not demonstrated;
- no evidence of nitrogen purging was provided; and
- the inspectors did not receive any evidence of assurance documentation, maintenance history or integrity checks on the WHP cold vent system prior to its use for the A annulus venting / blow down activity.

As such, the operator failed to take all reasonably practicable steps to implement and maintain systems of work at the facility that are 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 Montara WHP facility during gas cold venting activities from H3ST1 Well A & B Annulus 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:**

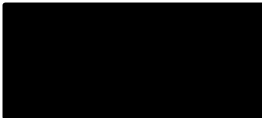
Strengthen processes and procedures to ensure the following:

Requirements and commitments within PTTEPs safety management system and the safety case are complied with for all future well integrity issues and related activities at the Montara WHP facility, including but not limited to the following standards and procedures:

- Operational Safety Management (e.g. Hazard and Risk Assessment, Job Hazard Analysis).
- Management of Change (MOC).
- Simultaneous Operations (SIMOPS).
- Permit to Work (PTW).
- Integrity Management.
- Operating Procedures. ; or

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

**Signed:**



**NOPSEMA Inspector**

**Dated:** 1 November 2018

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: NOPSEMA Inspector  
Address: Send in electronic format via email to:  
[submissions@nopsema.gov.au](mailto: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. **0729** 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.