

## Direction – section 574

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*Offshore Petroleum and Greenhouse Gas Storage Act 2006*

Direction number: 811

### Direction

To: Chevron (TAPL) Pty Ltd,

### Issue of Direction/s - Section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

Attached is a written notice of Direction/s made under s 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*.

Please provide written acknowledgement of receipt of this Direction. Please refer to the information regarding s 575 in the attached *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)* explanatory statement for notification of Direction requirements.

A person commits an offence if:

- (a) the person is subject to a Direction under s 574; and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the Direction.<sup>1</sup>

Please provide this office with documented evidence of your compliance with the notice of Direction/s.

If you have any questions relating to the content of the instrument, please contact Derrick O'Keeffe.

Yours sincerely

Signed:



Derrick O'Keeffe  
Head of Division

Dated: 14 December 2020

NOTES: (Please see explanatory statement)

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<sup>1</sup> Section 576 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

Direction number NOPSEMA 811

I, Derrick O’Keeffe Head of Division, Safety and Integrity, make this instrument under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) pursuant to a CEO instrument of delegation dated 6 October 2020.



Derrick O’Keeffe  
Head of Division

National Offshore Petroleum Safety and Environmental Management Authority

**Dated: 14/12/2020**

## **DIRECTION**

### **1. Commencement**

This Direction take effect on the date of signature.

### **2. Application**

This Direction applies to Chevron (TAPL) Pty Ltd, (ABN 18 081 647 047) the registered holder of title WA-3-IL (the titleholder).

## **AND**

### **3. Extended Application**

Pursuant to subsection 574(3)(a) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, this instrument also applies to a specified class of persons, being the operator of the facility, Chevron Australia Pty Ltd (ACN 29 086 197 757).

### **4. Direction**

- (1) The titleholder is given the Directions contained in Schedule 1.
- (2) Each Direction in Schedule 1 is a separate Direction.

## **Schedule 1 – Directions**

### **Direction 1**

Inspect, by means of Non-Destructive Examination, all nozzles on in-service heavy walled pressure vessels on the Wheatstone Platform, and take immediate actions in response to any anomalies detected. Implement controls to protect members of the workforce until such time as the inspection work is completed.

### **Direction 2**

Determine the root causes of any defects identified on the heavy walled pressure vessels, identify remedial actions and implement a plan to address these actions.

### **Direction 3**

For all times when Direction 1 and Direction 2 are in effect, ensure that all heavy walled pressure vessels are safe and fit for service in accordance with a recognised standard e.g. API 579, at all times when the equipment is in service.

**Explanatory Statement:**

*Offshore Petroleum and Greenhouse Gas Storage Act 2006*

**Directions 811****Legislation**

Part 6.9 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (the Act) provides that NOPSEMA has functions in relation to the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations; the structural integrity of facilities, wells and well-related equipment; and environmental management.

Under subsection 574(2) of the Act, NOPSEMA may issue a Direction about any matter in relation to which regulations may be made.

Section 666(2) of the Act gives the CEO of NOPSEMA the power to issue a Direction under section 574 of the Act. The power may be delegated by the CEO under section 675 of the Act.

Under sub section 576(1) of the Act, if a person is subject to a Direction under section 574 and the person engages in conduct that breaches that Direction, the person commits an offence:

- **Fault-based offence** – 5 years imprisonment or 2,000 penalty units, or both (10,000 penalty units for a body corporate).
- **Strict liability offence** – 100 penalty units (500 penalty units for a body corporate).
- **Civil penalty provision** – 525 penalty units (2,625 penalty units for a body corporate).
- **Continuing offences** – a person who commits a fault-based or strict liability offence commits a separate offence in respect for each day during which the offence continues. The maximum penalty for each day that the offence continues is 10% of the maximum penalty that can be imposed in respect to that offence.
- **Continuing contraventions of civil penalty provisions** – a person who contravenes the civil penalty provision commits a separate contravention in respect for each day during which the contravention continues. The maximum civil penalty for each day that the contravention continues is 10% of the maximum civil penalty that can be imposed in respect to that contravention.

**Note:** the value of one penalty unit is \$210 pursuant to section 4AA(1) of the *Crimes Act 1914* (current as of 6 September 2017).

**Background**

1. Chevron notified NOPSEMA on 03/12/2020, of a 'Dangerous Occurrence' relating to a defect on a level gauge nozzle of a heavy wall pressure vessel on Train 1 at the Wheatstone offshore platform during a planned inspection. The Train 1 was subsequently shut down and a program of inspections initiated.
2. NOPSEMA initiated an investigation on 03/12/2020 to review Chevron's actions in relation to the 'Dangerous Occurrence' notification, including the ongoing operation risks to continue operating Train 2.
3. NOPSEMA inspectors noted the following during the investigation:
  - a. The defect had compromised the integrity of the heavy walled pressure vessel such that if failure had occurred, the resulting loss of containment could lead to a potential Major Accident Event (MAE).
  - b. The root cause of the anomaly that caused the defect is yet to be concluded.
  - c. Other heavy walled pressure vessels at the facility have been manufactured and operated in a similar manner to the equipment in which the defect has been identified. As a consequence there is the potential for similar defects to exist. Chevron has implemented a program in response to the identified risk.

**Instrument of Direction**

Direction number: 811

**Notification of a Direction that has an extended application**

Pursuant to section 575:

(1) If a Direction under section 574 applies to:

- (a) a registered holder; and
  - (b) a person referred to in paragraph 574(3)(a);
- the registered holder must cause a copy of the notice by which the Direction was given to be:**
- (c) given to that other person; or
  - (d) displayed at a prominent position at a place in the offshore area frequented by that other person.

OR

(2) If a Direction under section 574 applies to:

- (a) a registered holder; and
- (b) a person referred to in paragraph 574(3)(b);

the registered holder must cause a copy of the notice by which the Direction was given to be displayed at a prominent position at a place in the offshore area.

**OR**

(3) If a Direction under section 574 applies to:

- (a) a registered holder; and
- (b) a person referred to in paragraph 574(3)(b);

NOPSEMA may, by written notice given to the registered holder, require the registered holder to cause to be displayed:

- (c) at such places in the offshore area; and
- (d) in such manner;

as are specified in the notice, copies of the notice by which the Direction was given.