

Environmental Improvement Notice

Offshore Petroleum and Greenhouse Gas Storage Act 2006, Schedule 2A Clause 11C and 11D

Notice No: 1952

Date: 12/09/2024

To: Esso Australia Resources Pty Ltd

In conducting a petroleum environmental inspection in relation to the offshore premises, Marlin B facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act), am satisfied on reasonable grounds that:

Esso Australia Resources Pty Ltd (Esso) has contravened a provision of an environmental management law and is likely to contravene that provision again

AND

As a result, there is, or may be, a significant threat to the environment.

The contravention that I am satisfied has occurred and is likely to occur again is a contravention of regulation 18 of the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023* (Cth) (The Environment Regulations).

The reasons for my opinion are:

1. The Bass Strait Environment Plan (Document No. AUGO-EV-EMM-012) (Environment Plan), states that an Environmental Performance Outcome for platform operations is "No spills to the environment" (Volume 4 Table 1-1). The controls provided in the Environment Plan include the maintenance and testing of open and closed skimmer piles, and the Environmental Performance Standard is that scheduled maintenance and inspection work occurs and to ensure that potential risks posed by any deferral of work is mitigated or alternative controls are in place to prevent potential environmental incidents.
2. On 8 August 2024, Esso notified NOPSEMA by the duty phone that:
 - i. On 7 August 2024, Esso commenced transferring diesel from a main storage tank (MBT-1411) on Marlin-B to a Firewater Pump Diesel Day Tank (MBT-1405) by opening a manual valve connecting it to the main tank; and
 - ii. On 8 August 2024, the Esso operator found the MBT-1405 valve was still in the open position and closed the valve. Esso personnel later observed an oil sheen at the north side of Marlin B.
3. During the inspection, I observed that Esso had failed to rectify known defects in the environmentally critical system which resulted in overfilling of a diesel storage tank and approximately 21,000L of diesel being directed to the open pile (MBT-1306).
4. The failure of the control systems in place to prevent overfill of the firewater pump diesel storage tank and for controlling the level of hydrocarbons held in the open pile, resulted in hydrocarbons being released into the environment.

5. As a result, these operations did not comply with the Environment Plan as there was a spill to the environment.

I am satisfied that Esso is likely to contravene regulation 18 of the Environment Regulations again because:

6. the failures identified with the diesel system and open pile equipment have not been addressed;
7. the open pile was not inspected in a timely manner; and
8. the implementation of the maintenance and testing plan for the open pile equipment has not ensured that this equipment remains in full operational order.

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

9. The direct discharge of hydrocarbons from the open pile into the environment which can cause lethal or sub-lethal effects to marine fauna such as disruption to feeding or breeding behaviour and, skin and eye irritations.


The environment that is subject to the threat is:

10. The Environment Plan presents a description of the Bass Strait environment. The Bass Strait marine ecosystem provides habitat for a range of species including but not limited to fish, sharks and rays, marine reptiles, birds and marine mammals including species listed under the *Environmental Protection and Biodiversity Conservation Act 1999*.

You are required to take action within 60 days from the date of this notice to remove the threat.

The actions that must be taken by Esso Australia Resources Pty Ltd within the period specified include:

11. Repair or reinstate the float valve in the firewater pump storage tank (MBT-1405);
12. Modify the manual filling valve for the firewater pump diesel storage tank to reduce the risk that it is inadvertently left in a non-closed position to as low as is reasonably practicable;
13. Review the design of the firewater pump diesel storage system to identify possible means of preventing a release of diesel to the open pile;
14. Repair or reinstate the open pile equipment, including the pile pump (MBP-0406), level indicators and instrumentation so that they are in full working order;
15. Identify an alternative supplier to replace the obsolete model of the second pile pump (MBP-0407) and provide NOPSEMA with a plan for procuring, installing, testing and maintaining this pump.


NOPSEMA INSPECTOR
wA869528

12 September 2024

When the required action(s) has been completed, the titleholder is to submit this part of the notice to the following person via:

Post: Level 8, 58 Mounts Bay Road
Perth WA 6000

Email: submissions@nopsema.gov.au

Name: [REDACTED]
Position: NOPSEMA INSPECTOR
Contact number: +61 8 6188 8700

By signing below, I confirm on behalf of Esso Australia Resources Pty Ltd that the specified action(s) described in Improvement Notice 1952 has been undertaken within the period specified.

Signed: _____

Date: _____

(to be signed only when the notice has been complied with)

Notes

1. Under clause 11D of Schedule 2A to the Act, a titleholder who fails to ensure that this notice is complied with:
 - a. commits an offence and may be liable to a penalty of 300 penalty units for the offence; or
 - b. contravenes a civil penalty provision and may be liable to a civil penalty of 400 penalty units.
2. For every day proceeding the initial offence or contravention the notice is not complied with, the responsible person commits an offence or contravention in respect of each day (including a day of a conviction under this clause or any later day) during which the offence or contravention continues.
3. A copy of this notice must be displayed in a prominent place at the premises. It is offence to tamper or remove it until the notice has ceased to have effect.