

OHS Improvement Notice

Offshore Petroleum and Greenhouse Gas Storage Act 2006, Schedule 3 clauses 78, 78A and 78B

Notice No: 2005

Date: 15/05/2025

To: EnSCO Australia Pty Limited (a subsidiary of VALARIS)

In conducting an OHS inspection [REDACTED] in relation to the VALARIS DPS-1 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

EnSCO Australia Pty Limited (EnSCO) is contravening a provision of a listed OHS law

AND

As a result, there is, or may be, a risk to the health or safety of a person at the VALARIS DPS-1 facility.

The relevant listed OHS laws that I am satisfied is being contravened is Clause 9(1) of Schedule 3 to the Act.

The reasons for my opinion are:

The findings from the planned inspection [REDACTED] of the VALARIS DPS-1 facility, which is currently undertaking Scarborough and Pluto PLA08 well construction activities in Woodside's title areas WA-61-L and WA-34-L respectively, include that EnSCO's safety management system (SMS) policies and procedures (including the application of the Management of Change (MOC) Procedure, Operational Risk Assessment (ORA) and the "BOP Decision Tree") that influence management and decision-making for:

1. Blow Out Preventer (**BOP**) pre and post deployment assurance activities (including: Inspection, Maintenance, Testing and Repair) and;
2. Unplanned BOP retrieval determination after deployment (i.e. determination whether a problem with the subsea BOP warrants retrieval of the full BOP stack or the Lower Marine Riser Package (**LMRP**) to the surface),

do not meet the requirements of the standard described in the facility safety case (API Standard 53, 'Well Control Equipment Systems for Drilling Wells', Fifth Edition, 2018, "the **Standard**").

The instances where these findings were observed include:

- Deployment and prolonged use of the BOP during well operations without completing a full set of pre-deployment assurance activities (e.g. checks and tests) including wet test of the BOP emergency disconnect system (EDS) and other associated BOP tests as per Table C.7 of "the **Standard**", outside of compliance with the same.
- Use of the BOP during well construction activities with degraded functions and conditions including loss of pressure integrity (leak) on the BOP Kill Line, outside of compliance with "the **Standard**".
- Lack of definite requirements, with too much flexibility, within the relevant EnSCO procedures to ensure that all pre-deployment and initial subsea BOP testing (after deployment) pass the requirements of "the **Standard**" prior to commencing well operations.

- Lack of definite requirements, with too much flexibility, within the relevant Ensco procedures including within the “BOP Decision Tree” to retrieve the BOP after deployment due to a failure or a degraded condition to comply with “the **Standard**”.
- Ambiguous and subjective implementation of Ensco’s MOC Procedure to justify deviations from “the **Standard**” to continue well operations with a non-compliant BOP.

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:

A non-compliant BOP may be deployed and used during well operations at the VALARIS DPS-1 facility, presenting a safety critical equipment failure risk, during a well control and/or blowout event.

I am satisfied on reasonable grounds that the following action(s) must be taken by the responsible person to reduce or prevent the risk:

1. Complete a review of the Ensco SMS documentation governing the management and decision-making process for BOP assurance and for unplanned BOP retrieval, and implement measures to:
 - a. Ensure that all Ensco procedures referencing compliance to “the **Standard**” have no deviations from “the **Standard**”, as committed to in the accepted safety case.
 - b. Ensure that Ensco have processes and procedures in place for the Valaris DPS-1 facility so that all pre-deployment and subsequent subsea testing for the BOP is completed to a pass level, prior to and after BOP deployment for new and/or continuing well operations, in alignment with the obligations set out in the accepted facility safety case and the associated codes and standards (e.g. “the **Standard**”).
 - c. Ensure that Ensco’s MOC, ORA, BOP decision tree, and associated processes and procedures are used to inform decision-making and establish risk mitigations in situations or events where the BOP is out of compliance with “the **Standard**”, in a manner consistent with its principles and objectives regarding BOP integrity and reliability—that is, to safely return the BOP to compliance at the earliest opportunity.

You are required to take action to reduce or prevent the risk within 60 days from the date of this notice.


NOPSEMA INSPECTOR


15 May 2025

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

Post: Level 10, 58 Mounts Bay Road
Perth WA 6000

Email: submissions@nopsema.gov.au

Name: [REDACTED]
Position: **NOPSEMA INSPECTOR**
Contact number: [REDACTED]

By signing below, I confirm on behalf of Ensco Australia Pty Limited (Ensco) that the specified action described in Improvement Notice No. 2005 has been undertaken within the period specified.

Signed:

Date:

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

Notes

1. Under clause 78A of Schedule 3 to the Act, a responsible person who fails to ensure that this notice is complied with, to the extent that it relates to any matter over which the responsible person has control:
 - 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 or near each workplace which work affected by the notice is being performed. It is an offence to tamper with or remove it until the notice has ceased to have effect.
4. The recipient of this notice must ensure that all relevant requirements for giving copies of the notice to certain persons and representatives are complied with in accordance with cl 78b to Schedule 3 to the Act.
5. Under clause 80A of Schedule 3 to the Act, any of the following persons may request the reviewing authority in writing to review the NOPSEMA inspector's decision:
 - the operator of the facility;
 - the titleholder, if the notice is issued to a titleholder;
 - any person to whom an improvement 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.