



### CEO's Message



Welcome to this edition of the CEO Newsletter, marking my first anniversary as CEO of NOPSA since my appointment on 22<sup>nd</sup> September last year.

The August 2009 blowout at the Montara wellhead platform in the Timor Sea off Australia's northern coast stands as one of the industry's worst in Australian waters. Together with this year's Macondo Deepwater Horizon tragedy in the Gulf of Mexico, these incidents serve as a wake-up call to Australian and global Operators; a point reiterated at September's extraordinary meeting of the International Regulators Forum, held specifically to discuss lessons learned from offshore events.

The global industry is already committed to learning from past incidents but with the recent rise in hydrocarbon release rates in Australia reflecting similar trends in UK and Norway there is still much to be done. This deterioration in performance is simply not good enough. The industry has shown that it can do better and it must do better in the future. I have written to Operators who have contributed to this decline in performance and alerted them to their responsibilities and the need to improve their performance.

With the confirmation of the new Australian Government, and Martin Ferguson's reappointment to the Resources, Energy and Tourism portfolio, we have already seen important steps to improve the health and safety regime of Australia's offshore industry. NOPSA has already made significant progress implementing key recommendations from the Government's recently released final response to the 2008 Review of NOPSA Operational Activities and the 2009 Offshore Petroleum Safety Regulatory Inquiry.

This week the Minister reintroduced the Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Miscellaneous Measures) Bill 2010 into Parliament. This bill contains important measures to strengthen the functions of NOPSA, increase the effectiveness of compliance through strict liability provisions, and clarifies titleholder's duty of care (under OHS provisions) related specifically to wells. NOPSA has commenced preparation to regulate well integrity in anticipation of the passage of the Bill.

As I reflect on my first year with NOPSA and contemplate the challenges ahead I am reminded that NOPSA's success as a regulator relies on the commitment, skills and experience of our Inspectors and the support of the teams around them. As NOPSA prepares to take on new responsibilities and continues to improve its ways of working I am very encouraged by the calibre and number of people who have responded to our recent recruitment campaign. I believe this interest in working for NOPSA reflects both the important contribution that independent and professional regulation makes to offshore safety and NOPSA's reputation as a capable regulator.



## Spotlight on emergency response preparedness

Following last year's successful programme of topic-based inspections which focused on industry leadership in Major Accident Event (MAE) prevention, asset integrity / ageing facilities, contractor management and emergency response, the programme has been expanded to include maintenance management and process safety culture.

In this month's newsletter, we highlight aspects of these topic-based inspections. Last month we looked at ageing facilities. This month we turn the spotlight on emergency response preparedness.

Emergency events are not planned, however the extent of anticipation and recognition of risks, coupled with response planning, drills and exercises, can mitigate the consequences of an emergency with regard to the safety of workers on board the facility.

The Operator of a facility has a duty to take all reasonably practicable steps to implement and maintain appropriate procedures and equipment for the control of, and response to, emergencies at the facility. Regulations outline the contents of a Safety Case with respect to emergencies, in areas such as: Evacuation, Escape and Rescue Analysis (EERA); Fire and Explosion Risk Analysis (FERA); emergency communication systems; control systems; and emergency preparedness.

In particular, with respect to emergency preparedness, regulations require that the Safety Case for a facility must:

- Describe a response plan designed to address possible emergencies, the risk of which has been identified in the formal safety assessment for the facility; and
- Provide for the implementation of that plan.

The plan must ensure the safety of persons likely to be on the facility at the time of the emergency and specify the performance standards that apply.

All aspects of the emergency plan need to be realistic, workable and agreed upon by the relevant parties. This includes assumptions regarding actions required, timing, effectiveness of detection methods and decision making processes. The plan should be robust and take into account the less than ideal conditions that may prevail in a real emergency, which often make it difficult to achieve optimal responses in practice.





The regulations also address drills and exercises. Exercises such as escape drills and fire drills must ensure that people on the facility are trained to act in the event of an emergency with an adequate degree of knowledge, preparedness and confidence concerning the relevant emergency procedures.

NOPSA's programme of inspections addressing emergency response preparedness is currently underway and examines elements of the Operators' schedule of drills and exercises; coverage of the drills and exercise programme with reference to the FERA and EERA; and processes for evaluation of drills and exercises in relation to the performance standards specified in the emergency response plan.

For more information visit our website at [nopsa.gov.au](http://nopsa.gov.au).

## Major search and rescue response exercise

Western Australia's north-west played host recently to a major test of emergency response systems.

Conducted off Exmouth, two emergency response exercises, both involving offshore helicopter-based scenarios, were designed to test various aspects of the Operator's emergency response and marine capability including recovery and response times and the use of Personal Locator Beacon (PLB) technology.

The goal of both scenarios was to test response times against the Operator's Search and Rescue Performance Standards and to assess the search and rescue competencies of participants, equipment, systems and processes.

Subsequent to the exercises, an APPEA Search and Rescue Working Group was formed to investigate a consortium approach with other Exmouth Sub-basin Operators, furthering the establishment of a standby emergency rescue and recovery vessel and opportunities for mutual support in emergency events.

There are many benefits to conducting realistic emergency response exercises on a large scale and in a controlled environment. NOPSA encourages Operators of all facilities to test their own emergency response plans under simulated real-life conditions.



Mannequins, used to simulate passengers, were each fitted with PLBs



## International / Industry News

### IRF holds extraordinary meeting on global offshore safety

In the first of its kind in the 17-year history of the International Regulators Forum (IRF), an extraordinary meeting was convened on September 9 this year to discuss topical issues and challenges facing safety regulation in the global offshore industry.

Held in Washington DC and hosted by the US Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), NOPSA CEO, Jane Cutler, attended the two-day meeting which was called specifically to review recent offshore oil and gas incidents, particularly the loss of well control related to the Montara well off northern Australia and the Macondo well in the Gulf of Mexico.

The IRF is comprised of offshore oil and gas regulators from eight countries, and meets periodically to share experiences and to compare regulatory approach, safety, and performance. During the meeting, each member country discussed key regulatory processes, lessons learned and case studies on their response to recent incidents. Additionally, the American Petroleum Institute, the International Association of Oil and Gas producers, the International Association of Drilling Contractors, and the Offshore Operators Committee briefed the Forum on industry initiatives to improve safety on offshore operations.

The Forum resolved to:

- Provide a working agenda for discussion at the next IRF meeting in October in Vancouver;
- Develop an audit protocol aimed at blowout preventer integrity and operational issues, for adoption by all IRF members to promote consistency of approach; and
- Continue to strengthen the sharing of regulatory practice and experience amongst members, and provide a sounding board for key initiatives.

The [IRF 2010 Offshore Safety Conference](#) will be held in Vancouver, British Columbia from October 17-20.



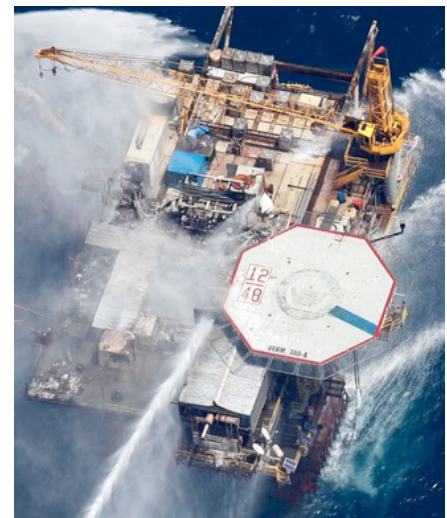
## International

### Fire on Gulf of Mexico production platform

In early September this year, Mariner Energy Inc confirmed that a fire had occurred at one of their production platforms located on Vermilion Block 380, approximately 160 km from the Louisiana coast.

All 13 members of the crew were rescued from the ocean and accounted for, with no injuries reported. The oil rig was apparently not producing any oil or gas at the time of the incident and was in fact undergoing maintenance. Investigations are still underway as to what might have caused the oil rig to explode.

In an initial flyover, no hydrocarbon spill was reported and the cause of the fire remains unknown. Mariner is working with regulatory authorities in response to this incident and an investigation is underway.

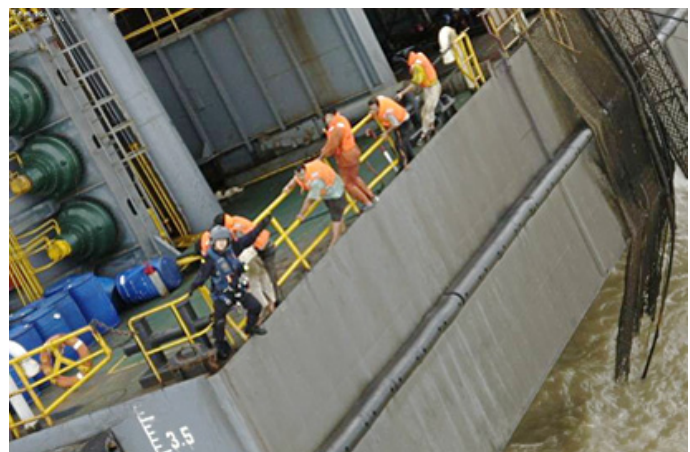


The rig from above.

### Jack-up platform incident in East China

Emergency teams recently rescued 34 workers from an oil platform in Bohai Bay near eastern Shandong Province in the East China Sea, after Typhoon Malou swept through the area, severely damaging the facility.

Gale force winds reaching between 76 and 87 kilometres per hour created waves as high as four meters which are thought to have contributed to the platform tilting and subsequently pitching to rest at 45 degrees to the sea. The platform, operated by the China Petroleum and Chemical Corp (Sinopec), lies in seven metres of water.



Workers being rescued by helicopter from the platform.

The incident caused four workers to fall into the water and trapped 32 on the platform. Helicopters were called in to rescue the workers but two people were reported missing.

According to a spokesperson at Sinopec, the accident did not cause any oil leakage, as the platform drill valve was instantly closed after the tilt. The cause of the accident is still under investigation.



### Darwin's SEAAOC conference continues to appeal

Leading Australian and Southeast Asian resources professionals attended this year's South East Asia Australia Offshore Conference (SEAAOC) in Darwin, including NOPSAs CEO, Jane Cutler.

Speaking at SEAAOC on Friday 24 September, Ms Cutler underlined the importance of prioritising safety in the offshore oil and gas industry in the wake of announcements by Minister for Resources, Energy and Tourism, Martin Ferguson, of sweeping changes to the industry's health and safety remit.

Minister Ferguson's proposed reforms would see NOPSAs take on the responsibility for the structural integrity of pipelines, wells and well-related equipment including the environmental aspects of petroleum development.

"Expanding NOPSAs's role means one central agency will have the capacity to monitor the safety of our offshore workers and the environment from exploration to decommissioning," said the Minister.

"That means NOPSAs will be responsible for the regulation of safety and environment as well as integrity of facilities and day-to-day operations," he said.

A new statutory authority, positioned alongside NOPSAs, will also be created to advise on title decisions and administration, and major questions of resource management and development.

NOPSAs welcomes the announcement and strongly believes that legislative change will allow for a more coordinated and better resourced administration for regulating the integrity of wells.

For more information about the Minister's announcements, visit [ret.gov.au](http://ret.gov.au). For more information about the conference, visit [seaaoc.com](http://seaaoc.com).





## Regulatory activities

*As at 29th September*

The following assessment activity was undertaken in September.

SEPTEMBER 2010	Submitted	Accepted / Agreed	Rejected	In Progress
Assessment Type				
Safety Case NEW	2	1		15
Safety Case REVISED	4	6	2	10
Diving SMS NEW		2		
Pipeline SMP NEW*		1		
Scope of Validation	5	4		5
Field Development Plan		1		
<b>Total</b>	<b>11</b>	<b>15</b>	<b>2</b>	<b>30</b>

\*State waters.

## Inspections

Seven planned inspections were conducted in September.

Scope items covered included:

- Loss of Containment
- Noise Management
- Themed Audit - Asset Integrity
- Mitigation measures for Loss of Well Control
- Inspection, maintenance and repair of well control equipment
- Training and competency
- Permit to work
- Simultaneous operations
- Emergency management



### Incidents

25 incidents (Accident and Dangerous Occurrences) were reported, comprising:

MAJOR INCIDENTS	No.	SIGNIFICANT INCIDENTS	No.
<b>Accidents</b>		<b>Accidents</b>	
Serious injury	-	Incapacitation LTI >3 days	5
<b>Dangerous Occurrences</b>		<b>Dangerous Occurrences</b>	
Could have caused death or serious injury	3	Could have caused an LTI >3 days	3
Fires or explosions	1	Hydrocarbon gas releases >1 to 300 kg	2
Collision marine vessel and facility	-	Petroleum liquid releases >80 to 12 500 L	1
Hydrocarbon gas releases >300 kg	-	Well kick >50 barrels	-
Petroleum liquid releases >12 500 L	-	Unplanned Event - Implement ERP	4
		Damage to Safety - Critical Equipment	4
		Other needing immediate investigation	2
<b>Major sub-total</b>	<b>4</b>	<b>Significant sub-total</b>	<b>21</b>
<b>INCIDENT TOTAL FOR SEPTEMBER</b>			<b>25</b>

### Enforcement

One improvement notice was issued in relation to an unguarded food waste macerator.

Disclaimer: Activity and incident quantities identified here may vary as further information becomes available.





## Upcoming Events

### 2010

- IRF Safety Conference, Vancouver, 17-20 October

### 2011

- APPEA 2011 Conference and Exhibition, Perth, 10-13 April

## Feedback

NOPSA welcomes your comments and ideas on offshore health and safety regulation, NOPSA's role and your preferred communication methods and publications.

Please direct media enquiries, requests for publications, and enquiries about NOPSA events to [communications@nopsa.gov.au](mailto:communications@nopsa.gov.au).

All other enquiries may be addressed to [information@nopsa.gov.au](mailto:information@nopsa.gov.au).

Operators and other employers are encouraged to circulate this newsletter to their workforce. [Past issues of this newsletter](#) are available from the NOPSA website at [nopsa.gov.au](http://nopsa.gov.au).

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