

**COMMISSION OF INQUIRY
MONTARA WELL HEAD PLATFORM
UNCONTROLLED HYDROCARBON RELEASE**

PTTEPAA

TERM OF REFERENCE NO 6

“Assess the adequacy of regulatory obligations applicable to the title-holder of AC/L7, the owner and/or operator of the Montara Wellhead Platform, and the owner and/or operator of the West Atlas drilling rig in relation to the response to the incident and make any recommendations necessary to improve the regulatory obligations that may be applicable to future incidents”

A What regulatory obligations applied in relation to the response?

| Obligation | Source | Obligation relevant to? | Date approved/complied |
|----------------------------------|---|--------------------------------|--|
| Report the incident to NOPSA | OPGGS Act Sch 3, CI 82(1) and 82(6) MOSOF Regulations Regs 46(1) and 46(2) | PTTEPAA | Uncontrolled release orally reported 21 August 2009 Lodged written report in relation to Uncontrolled Release on 25 August 2009 Lodged detailed report in relation to Uncontrolled Release on 2 October 2009 Fire orally reported on 1 November 2009 Lodged written report in relation to fire on 6 November 2009 Lodged detailed report in relation to fire on 4 December 2009 |
| Report the incident to NTDRDPIFR | MOE Regulations Reg 26 and Reg 26A | | Reported Uncontrolled release orally on 21 August 2009 Lodged written report on 26 August |

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|--|--|--|---------------------------------------|
| | | | 2009 |
| Report the incident to AMSA and AMSOC | OSCP Sections 1.15 and 1.2 | | 21 August 2009 |
| Environmental approval to drill the relief well | EPBC Act Section 158 | DEWHA to approve or grant exemption | Exemption granted 5 September 2009 |
| Revision to drilling environment plan to permit drilling of the relief well | MOE Regulations Regs 17 and 21 | PTTEPAA to submit proposed revision NTDRDPIFR to accept, refuse or give notice of a proposed timetable for consideration of revised plan within 30 days | 10 September 2009 |
| Revision to construction and installation environment plan to cover water deluge activities | MOE Regulations Regs 17 and 21 | PTTEPAA to submit proposed revision NTDRDPIFR to accept, refuse or give notice of a proposed timetable for consideration of revised plan within 30 days | 10 September 2009 |
| Notification of deaths of fauna | EPBC Act Sections 199, 214, 232, 256 | DEWHA to be notified | Through out incident management |
| Approval to drill the relief well | WOMP Regulations Reg 17(1)(a) | NTDRDPIFR to approve drilling | 10 September 2009 |
| Approval of Well Operations Management Plan for the relief well | WOMP Regulations | NTDRPIFR to approve | 10 September 2009 |
| Acceptance of revision to the West Triton facility Safety Case for the drilling of the relief well | MOSOF Regulations Regs 34(1), 38 and 39 | Operator of West Triton, Atlas Drilling (S) Pte Ltd, to submit revision NOPSA to accept | 7 September 2009 |

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|---|---|--|-------------------------------|
| | | revision | |
| NOPSA approval to do any work involving personnel being at any workplace at the West Atlas or Montara Wellhead Platform or an associated offshore place | NOPSA Prohibition Notice issued under the OPGGS Act | NOPSA | 20 November 2009 |
| Acceptance of revision to the Montara WHP facility Safety Case for the work relating to the H1 well plugging operations | MOSOF Regulations | Operator of WHP, PTTEPAA, to submit revision NOPSA to accept revision | 20 November 2009 |
| Acceptance of revision to the West Atlas facility Safety Case for the work relating to the H1 well plugging operations | MOSOF Regulations | Operator of West Atlas, Atlas Drilling (S) Pte Ltd, to submit revision NOPSA to accept revision | 20 November 2009 |
| Quarantine approval to bring the West Triton into Australian Territorial Waters | Quarantine Act Section 20AA | AQIS to give approval | 14 September 2009 |
| Hand over control of the oil spill response to the incident to Designated Authority (NTDRDPIFR) who hand over control to AMSA | National Plan | PTTEPAA and NTDRDPIFR | 21 August 2009 |
| Compliance with approved plans (so far as is applicable and possible) | EPBC Act, MOE Regulations, MOSOF Regulations and WOMP Regulations | PTTEPAA | Through out incident |
| Approval for H1 Well plugging operations | WOMP Regulations Reg 17(1)(e) | NTDRDPIFR to give approval | 25 November 2009 |

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| Obligation | Source | Obligation relevant to? | Date approved/complied |
|---------------------------------------|----------------------------------|--------------------------------|-------------------------------|
| Approval to sidetrack the relief well | WOMP Regulations Reg 17(1)(a) | NTDRDPIFR to give approval | 7 October 2009 |
| | | | 14 October 2009 |
| | | | 17 October 2009 |
| | | | 20 October 2009 |
| | | | 23 October 2009 |
| | | | 26 October 2009 |
| Approval to suspend the H1 well | WOMP Regulations 17(1)(d) | NTDRDPIFR to approve | 25 November 2009 |
| Approval to abandon the relief well | WOMP Regulations 17(1)(d) | NTDRDPIFR to approve | 25 November 2009 |

1 PTTEPAA was exempted from the need to obtain an EPBC Act approval to drill the relief well by Minister Garrett.

2 PTTEPAA obtained all of the required approvals and made all of the required notifications during the Uncontrolled Release response.

B PTTEPAA's comments on the adequacy of the regulatory obligations and recommendations for improvements?

3 The expertise to handle an oil spill of the magnitude of the Uncontrolled Release resides within AMSA. PTTEPAA agreed immediately control of the incident was handed over to AMSA that it would pay AMSA's costs of dealing with the oil spill. Given this agreement there was no commercial conflict in the oil spill management of the incident.

4 PTTEPAA recommends that consideration should be given to making any required regulatory changes to facilitate the development of an emergency response group contained within one of the government department to streamline the process and facilitate the obtaining the required approvals to enable the necessary work to be done to stop an Uncontrolled Release. In relation

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to the Montara Incident, DRET informally took on this role and the Minister wrote to each of the relevant ministers responsible for the departments that PTTEPAA needed to obtain approvals from requesting that they expedite approvals and it monitored the obtaining of those approvals. This assisted PTTEPAA in obtaining the required regulatory approvals as quickly as possible whilst still following the required regulatory due process. PTTEPAA is of the opinion that the role that DRET played in this regard assisted in managing the Uncontrolled Release in the most effective manner possible in the circumstances.

- 5 Whilst the safety case regime established by the MOSF Regulations is not prescriptive-based and instead involves the operator of the facility documenting its case for safety for NOPSA's acceptance against the conceptual requirements of the regulations, inherent in the structure of that regime is a reasonable likelihood of gaps as between the regulator's Inspectors expectations and the approach of the writer of the document in relation to matters such as writing style and level of detail included within a document that is by its nature a summary of a risk management process undertaken by the operator. This is a factor that influences the timing of NOPSA's ultimate response to the submission.
- 6 Due the emergency nature of the circumstances, PTTEPAA asked NOPSA to consider raising the Inspectors' questions about items in the Safety Case as they arose rather than following normal NOPSA process of obtaining all documentation, taking several weeks to consider it, responding with one set of questions and then taking several weeks to consider the responses before either asking further questions or accepting the Safety Case revision. PTTEPAA is grateful to NOPSA for its agreement to adopt this more consultative approach to review between operator and regulator and to raise questions as they occurred to the Inspectors. PTTEPAA is of the opinion that this agreement assisted in obtaining acceptance in a more expeditious manner than might otherwise have been the case.
- 7 During the course of the incident PTTEPAA requested that NOPSA consider having its Inspectors who had to accept the Safety Case for the work at the WHP work at PTTEPAA's offices with the team preparing the Safety Case revisions. The idea behind this request was to enable the Inspectors' questions to be raised and addressed immediately to facilitate expeditious obtaining of the required acceptance to permit activities to take place as quickly and safely as possible. NOPSA did not agree to this PTTEPAA does not know if adopting this approach would have expedited the acceptance process or not.

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- 8 PTTEPAA suggests that consideration be given to:
- (a) encouraging NOPSA to at least adopt the alternative process used in relation to the Montara Incident in relation to future incidents and perhaps also to permitting the NOPSA inspectors to work directly with those who are working on designing the response process as this may further expedite the obtaining of the required regulatory approval for the safety aspects of the process; and
 - (b) DRET and NOPSA consider establishing some guidance for NOPSA as to the level of detail to which it is required to consider each item contained in the Safety Case during an event such as an Uncontrolled Release to assist it in exercising judgment in relation to the level of questions it needs to raise and satisfy itself of before accepting a Safety Case in such circumstances.
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