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Dear Sirs

Montara Inquiry - Response to other parties submissions on cause and circumstance

Atlas Drilling Submissions

We refer to Mr Jacob's evidence at T1748, T1764, T1855-1858 and paragraphs 33 - 37 of his amended statutory declaration (WIT.1001.0005.0001) where Mr Jacob outlined the safety responsibilities of the rig operator and the Commissioner's reference/acceptance of that evidence at paragraphs 1.143 - 1.44, 1.153 - 1.154 and 1.265 in the draft report on cause & circumstance.

In its submission, Atlas Drilling does not recognise its safety obligations under the *Offshore Petroleum and Greenhouse Gases Act 2006* (**OPGGSA**) and *Petroleum Safety Regulations 2009* and how those obligations impose a duty on it to take all steps necessary to ensure the safety of persons on the facility.

In light of this apparent misunderstanding on the part of Atlas, despite the Inquiry having correctly confirmed these duties in the draft report, PTTEPAA considers it might be of benefit to the petroleum industry as a whole if the Inquiry were to make a recommendation that NOPSA should take steps to ensure the rig operators understand that drilling rigs are "facilities" under schedule 3 of the OPGGSA and what that means for the extent of their safety duties. This is consistent with the Commission seeking to achieve improved safety by ensuring a "fallback check" by a second facility operator.

Noel Treasure's Submissions

PTTEPAA has considered Mr Treasure's submissions dated 18 May 2010 responding to the Inquiry's draft report on the circumstances and cause(s) of the blowout and the email received from the Solicitor Assisting the Inquiry dated 20 May 2010.

PTTEPAA confirms that the telephone number (08) 6311 2400 identified in the revised table (EXH 0007.0002.0001) as possibly the rig phone, is a VOIP number using a telephone exchange based in Perth .PTTEPAA is satisfied with the Inquiry's preliminary analysis set out in points 1 - 3 of the email dated 20 May 2010.

Further, PTTEPAA submits that Mr Treasure's construction of the evidence of Mr Wilson on page 5 of his submission is not consistent with the transcript (T970) and the sequence adopted by Mr

Treasure in his submission is itself inconsistent with the objective evidence. PTTEPAA accepts the finding of the Inquiry at 1.96 of the draft report on circumstances and cause(s) of the blowout, that the first telephone call from the rig to Mr Wilson's mobile phone occurred at 15.01 on 7 March 2009, after the 16.5 bbls were pumped beneath the float collar.

Tool to measure pressure under the PCCCs

PTTEPAA had anticipated that it would have been in a position to provide the Inquiry with the relevant information relating to the in situ testing tool for PCCCs prior to the provision of a response to the draft chapter on circumstances and likely cause(s) of the blowout. PTTEPAA apologises that the delay has resulted in a mistaken reference in its response to the draft chapter to the prior provision of this information to the Inquiry.

Further to the email received from the Solicitor Assisting the Inquiry dated 21 May 2010, PTTEPAA is now in a position to provide information in relation to the in situ testing tool.

PTTEPAA has developed the Hydraulic Actuation Tool to permit the testing of the 13 3/8" (340mm) PCCC in situ, ie in the absence of a rig, derrick, top-drive, drill-string, fluid circulation system and cement unit. It is PTTEPAA's position that PCCCs offer pressure containment when the check valve (poppet valve) is installed in the stem.

The PCCC running and retrieval tool has a probe that can be installed, which depresses the poppet valve and pushes it off seat. This allows two way fluid communication between the drill string and the space below the PCCC. The running and retrieval tool has twin O-ring seal to seal on the outside of the neck of the PCCC. With communication achieved between the drill string and the space below the PCCC, a pressure test can be made to verify pressure integrity.

PTTEPAA has designed modifications to the tool to enable manual deployment (see diagram attached). The modifications involve the removal of the probe from the running tool and the replacement with a hydraulically deployed probe. This will allow for the installation of the tool without opening the poppet valve. Once the running tool is engaged, a chain tong is used to turn it slightly to use the pins on the top of the PCCC neck to long the tool into position using the J slots. PTTEPAA has introduced a 1/2" test port in the side of the tool to connect a pressure test line attachment to the running tool. A low pressure test of the running tool O ring seals can be done at that time. PTTEPAA has confirmed with GE that this modification will not materially reduce the strength of the running tool.

The hydraulically actuated probe can then be utilised to open the poppet valve, allowing communication with the fluids below the PCCC. This will allow PTTEPAA to measure any pressure below the PCCC. This will also enable the operator to pressure test the barriers that are currently unverified.

Note that the proposed pressure test afforded by the modifications outlined above will check the integrity of the PCCC, cement in the 9 5/8" x 13 3/8" annulus, and barriers within the 9 5/8" casing in a single test.

PTTEPAA has advised GE Oil & Gas of the modification to the running tool and how it works. GE Oil & Gas has not raised any concerns over the proposed modification or its purpose.

Yours faithfully

[Sgd] Mallesons Stephen Jaques