

# THE REGULATOR

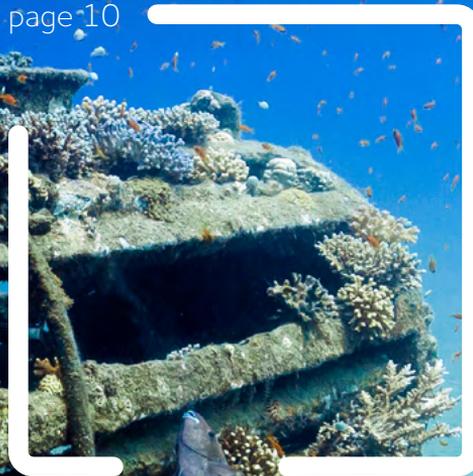
2020 - ISSUE 4



## REINFORCING RESPONSIBILITIES

Offshore decommissioning obligations and compliance receive greater scrutiny

page 10



**NOPSEMA**

Australia's offshore  
energy regulator

[nopsema.gov.au](http://nopsema.gov.au)

## ABOUT NOPSEMA

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is Australia's independent expert regulator for health and safety, environmental management and structural and well integrity for offshore petroleum facilities and greenhouse gas storage activities in Commonwealth waters.

By law, offshore petroleum activities cannot commence before NOPSEMA has assessed and accepted detailed risk management plans that document and demonstrate how an organisation will manage the risks to health and safety to as low as reasonably practicable (ALARP) and the risk to the environment to ALARP and with acceptable environmental impacts. For more information, visit our website at [nopsema.gov.au](http://nopsema.gov.au).

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## FEEDBACK

NOPSEMA welcomes feedback from our stakeholders. Please direct all enquiries about this publication to [communications@nopsema.gov.au](mailto:communications@nopsema.gov.au).

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# THE REGULATOR

## In this edition

04

MESSAGE FROM THE  
CHIEF EXECUTIVE  
OFFICER

06

FAILURE TO MAINTAIN  
PROPERTY POSES  
RISKS

08

SELLING SEASON

10

IN FOCUS:  
NOPSEMA'S  
APPROACH  
TO STRATEGIC  
COMPLIANCE

14

REINFORCING  
RESPONSIBILITIES

OFFSHORE  
DECOMMISSIONING  
OBLIGATIONS AND  
COMPLIANCE RECEIVE  
GREATER SCRUTINY

18

ENFORCING LONG-  
TERM PLANNING FOR  
DECOMMISSIONING  
AND REMOVAL

19

ACHIEVING  
CONSISTENCY IN  
WELL OPERATIONS  
MANAGEMENT

20

NOPSEMA SUPPORTS  
MENTAL HEALTH  
RESEARCH





# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**Welcome to this latest quarterly edition of *The Regulator*, the fourth for 2020. In this edition, we highlight NOPSEMA’s role in ensuring industry compliance with the legal requirements for maintaining and removing offshore property and equipment no longer in use. As you will discover from the pages within, NOPSEMA is increasing its focus on decommissioning.**

While oil and gas companies have always had a legislative requirement to demonstrate acceptable plans for the safe removal of all offshore property and equipment at the end of a project’s life, Australia’s offshore petroleum sector is in its infancy when it comes to decommissioning.

Unlike countries such as Norway and the United Kingdom, where numerous offshore projects have progressed through to decommissioning, only a small number of decommissioning activities have taken place in Australia.

As the sector continues to mature, decommissioning activity will increase, bringing challenges and opportunities. This includes up to 300 non-operational wells in Commonwealth waters awaiting permanent abandonment.

In anticipation of increased decommissioning activity, the Department of Industry, Science, Energy and Resources (DISER) has been reconsidering Australia’s policy and legislative frameworks to ensure they remain fit for purpose.

NOPSEMA has been communicating its expectations of industry and requirements for responsible asset stewardship through its “promote and advise” function. This communication has included reminding duty holders of their obligations under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act). The OPGGS Act requires petroleum companies to remove all equipment and property when it will no longer be used, and if an alternative is proposed, to demonstrate how equal or better safety and environmental outcomes will be achieved.

“ **NOPSEMA is currently seeking feedback on new industry guidance.** ”



A draft policy was released by NOPSEMA for consultation regarding maintenance and removal of property. The policy outlines the duty to remove equipment and property from the title area. After considering feedback from stakeholders, this policy has now been finalised and published on our website. The policy aims to improve titleholders' understanding of their obligations regarding decommissioning, highlighting the need to plan well in advance to remove property when no longer in use.

NOPSEMA is currently seeking feedback on new industry guidance. The guidance discusses ageing assets and life extension in the Australian regulatory context, and promotes the review of management systems used on offshore oil and gas facilities, with a focus on managing the risks associated with ageing.

The intent of the new guidance is to promote practices that ensure risks associated with ageing assets are managed to be as low as reasonably practicable (ALARP). Informed by international research and experience, the guidance recognises that the age of a facility and equipment is less important than its condition and the effects of material deterioration and damage over the lifetime of a project. To reduce risks associated in later life, the guidance reinforces that duty holders'

management systems should incorporate lifecycle management principles to asset ageing and life extension.

Under relevant legislation, companies are required to have in place accepted risk management plans which include safety cases, well operations plans, offshore project proposals and environment plans. Plans are assessed by NOPSEMA's teams of technical and scientific experts against requirements set out in the OPGGS Act and associated regulations.

Interested stakeholders are strongly encouraged to review the ageing assets and life extension guidance note and provide feedback to be considered in its finalisation and subsequent use.

Read on to learn more about these and other initiatives.

I trust you find this latest edition of *The Regulator* informative.

**Stuart Smith**  
Chief Executive Officer

# FAILURE TO MAINTAIN PROPERTY POSES RISKS

**NOPSEMA has developed and is seeking feedback on new industry guidance. The guidance discusses ageing assets and life extension in the Australian regulatory context, and promotes the review of management systems used on offshore oil and gas facilities, with a focus on managing the risks associated with ageing.**

Under relevant legislation, companies are required to have in place accepted risk management plans, which include safety cases, well operations plans, offshore project proposals and environment plans. Plans are assessed by NOPSEMA's teams of technical and scientific experts against requirements set out in the *Offshore Petroleum Greenhouse Gas Storage Act 2006* (OPGGs Act) and associated regulations.

To be accepted, a plan must clearly demonstrate how a duty holder will undertake a proposed activity to protect the health and safety of offshore workers and the integrity of wells while reducing environmental impacts. Once a risk management plan is accepted, NOPSEMA will monitor the compliance of offshore energy resource companies as part of ongoing regulation.

The intent of the new guidance is to promote practices that ensure risks associated with ageing assets are managed to be as low as reasonably practicable. Informed by international research and experience, the guidance recognises that the age of a facility and equipment is less important than its condition and the effects of material deterioration and damage over the lifetime of a project. In other words, just because equipment is old, doesn't mean it's unsafe. It depends on how well it has been maintained throughout the life cycle.

When a new gas or oil field is developed, the anticipated production life is a factor in the design of the associated facilities and equipment, such as pipelines. Research reinforces that facilities must continue to be maintained throughout the entirety of their field life to avoid accelerated deterioration.



The requirements of the regulatory regime comprehensively cover the activities required to manage the effects of ageing. Duty holders are required to explain how they are maintaining property in good repair and condition and planning to execute the removal of property when no longer in use in environment plans. Operators with accepted safety cases should already have a framework in place for managing the challenges arising from ageing assets.

Another important aspect of maintenance is consideration and management of changes to the operating environment over time. Duty holders are required to revise safety cases under certain circumstances and periodically over five years. This must include a description of the means by which the operator will ensure the ongoing integrity of the technical and other control measures identified by the formal safety assessment for the facility.

Over time the nature of potential major accident events and the magnitude of their consequences can change. The composition of product can vary as fields mature, with increased gas, water fraction or sulphide content, as well as the inventory and location of hydrocarbons stored. All these changes should be identified within the review of the safety case, and their impact on the adequacy of the safety critical elements assessed. For example, a fire protection system designed for oil may not be sufficient where there is a certain amount of gas.

As equipment ages, the actual performance of safety critical elements and the ability to achieve their performance standards, in relation to functionality, availability, reliability, survivability and interdependence can decline. There is potential for all aspects of performance to be affected. Functionality can be reduced, sometimes progressively or predictably, but also spontaneously or rapidly with little warning. Availability of safety critical elements tends to reduce as equipment ages due to a need for increased maintenance.

Spare parts may become more difficult to obtain and maintenance teams may lose familiarity with the equipment, with the result that the equipment may be awaiting repair or

take longer to repair and therefore be in a failed state for longer periods.

Reliability tends to decline as ageing occurs, as safety critical elements will become more likely to fail to respond on demand, or fail during operation. Failures tend to occur more frequently as individual components wear out at about the same time, and accelerate wear-out elsewhere. Some systems can suffer longer term deterioration, thus becoming less resistant to the effects of a major accident event such as fire or explosion, and overload, therefore the survivability of safety critical elements could then be compromised.

There are also organisational effects that are more likely to impact ageing assets with the passage of time. Critical information required to properly understand equipment may have been lost through a combination of staff turnover, change of operator, or changes to information storage systems. The knowledge required to maintain equipment in a safe condition, or to identify the early signs of degradation may have been lost through retirement or staff turnover.

Once ageing damage becomes significant, rapid and widespread, existing approaches to managing safety critical elements may not be sufficient and a more proactive and integrated approach is required. Often, the new approach requires duty holders to evaluate the actual condition of the elements and establish what resources, including skills and knowledge are needed to rectify the problem. A framework of management processes can help organisations assess whether their response is appropriate to match the scale and dynamics of the ageing threat.

To reduce risks associated in later life, the new guidance reinforces that duty holders' management systems should incorporate lifecycle management principles to asset ageing and life extension. Interested stakeholders are strongly encouraged to review the ageing assets and life extension guidance note and provide feedback via our by no later than Thursday 24 December, 2020 to be considered in its finalisation and subsequent use.

# SELLING SEASON

While not responsible for determining the awarding or transfer of petroleum titles, NOPSEMA is cognisant of heightened community interest in the current number of mature offshore oil and gas assets on the market.



Given the average age of offshore assets in Australia, challenges in the operating environment due to COVID-19 and low oil prices, and the recent independent review into the circumstances leading to the administration of Northern Oil and Gas Australia (NOGA) after buying an ageing facility, NOPSEMA expects there will be greater scrutiny on the transfer of titles moving forward.

Publicly announced assets on the market include Chevron's stake in the North West Shelf project in Western Australia and ENI's Australian portfolio of projects, including interests in the Barossa gas field project off the coast of Darwin.

While prospective buyers may see value in remaining oil and gas reserves, they should also be aware and knowledgeable of the outlay required for upkeep and decommissioning.

“ **NOPSEMA expects there will be greater scrutiny on the transfer of titles moving forward** ”

NOPSEMA's Head of Safety and Integrity Derrick O'Keeffe says the costs of maintaining and decommissioning an ageing asset shouldn't be underestimated.

**“In Australia, the law requires oil and gas companies to permanently plug wells, remove**

**all equipment no longer in use and ensure sites are returned to their original state unless otherwise approved. It's the expectation of the Australian Government that any current or future owner or operator has the financial and technical capacity to comply with Australian legislation, manage the ongoing operations safely and meet all future liabilities to ensure these do not fall to the Australian taxpayer,” Mr O'Keeffe said.**

**“The Walker Review into the circumstances leading to the administration of Northern Oil and Gas Australia (NOGA) highlighted decommissioning obligations and associated costs as a serious consequence of NOGA entering liquidation.**

**“As a result of the Walker Review, NOPSEMA and all government agencies involved in regulatory processes associated with investment in late-life assets are paying greater attention to titleholders' meeting their obligations under Section 572 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.**

**“During the sales process and transition to a new owner or operator, all assets must be fully maintained, with owners expected to ensure that all future financial obligations in relation to decommissioning obligations can be met.**

**“Based on experience in the North Sea, it must be expected that the costs associated with decommissioning could span well into the hundreds of millions, if not billions, of dollars.”**



# IN FOCUS: NOPSEMA'S APPROACH TO STRATEGIC COMPLIANCE

NOPSEMA's Compliance Committee meets regularly to give strategic consideration to emerging issues and matters of regulatory concern for the offshore oil and gas sector. The Compliance Committee has an important function in ensuring that offshore oil and gas activities are being carried out in a safe and environmentally responsible way. We spoke to NOPSEMA's Strategic Compliance Manager Alice Turnbull about the evolving nature of strategic compliance in response to challenges such as COVID-19 and low oil prices.

## 1. What does your role as Strategic Compliance Manager involve?

My role, as Strategic Compliance Manager, is to support and facilitate a strategic approach to compliance issues that don't quite fit the 'norm'; those tricky issues that have a range of threads or knots that need to be undone to get to the heart of the issue. NOPSEMA's inspection and other compliance processes are world class process-based systems, designed to identify and address non-compliance (and associated risks) systematically where it matters – at each facility and each well and each activity. Sometimes though, the root cause of a problem is more complex. Perhaps it reaches further up the 'food chain', perhaps there's a systemic problem across industry, perhaps there are external factors affecting performance – it's those types of problems where strategic compliance comes in.

## 2. How does "strategic compliance" differ from general "compliance"?

Strategic compliance aims to take a holistic look at an issue through a 'problem-centric' lens. We will usually look at a collection of individual issues that have some common factor, examine the underlying causes and develop a strategy to address those causes that uses a wider range of regulatory interventions and tools than would normally be the case on a standard inspection. This includes considering tools across our promotion, advice, inspection, enforcement, investigation and assessment functions as well as looking externally when collaboration with other organisations is required (be they government, industry, or other stakeholder groups). We also draw on other contemporary regulatory models and methods, drawn from disciplines such as behavioural science, organisational psychology and regulatory intelligence.



### **3. Would you describe ageing assets and their maintenance as a strategic compliance issue?**

Ageing assets and their maintenance is certainly a strategic compliance issue and one that we've been working on for a while (for instance, see *The Regulator 2020:1* and the draft guidance recently released for public review). There are a number of factors that affect the whole of industry in this space and there is a balance to be struck between finding and addressing specific risks on individual facilities and ensuring that industry has the guidance, steer and level playing field they need from the Regulator to ensure continuous improvement across the board. We are very conscious of the financial and

other factors that affect decision making around ageing assets but, as always, our primary focus remains on assuring the protection of lives and the environment.

### **4. How important is NOPSEMA's promote and advise function as a key regulatory activity in addressing common strategic compliance concerns across the oil and gas sector?**

NOPSEMA's promote and advise function is a key component of any strategic compliance effort – be this public communication or behind-the-scenes discussions. The way we employ that function will depend on the circumstances of the issue at hand and the behaviour and attitude of the duty

holders and other stakeholders involved. For example, different communication is required for duty holders that are willing to comply but are experiencing some structural barrier or lack of information versus duty holders that may appear unwilling to comply or unwilling to appropriately prioritise safety, integrity or environmental management controls (as required by law). Whatever the case, NOPSEMA's regulatory actions will almost always be made more effective by having a complementary 'promote and advise' plan in place.

### **5. Would you say NOPSEMA has been successful in addressing and resolving strategic compliance issues?**

Yes, I would say that we have been successful but I also think we can do more to fully integrate and bed down the strategic compliance approach with our more established processes, and have them really work together like a well-oiled machine. The past 18 months to two years has been a learning curve and being able to tap into established and emerging regulatory knowledge and practice via the ANZOG National Regulators Community of Practice, the AELERT Regulatory Intelligence Community of Practice as well as having Malcom Sparrow (the author and chief proponent of using a problem-centric approach in regulation) come and work with us for two days in 2019 has been invaluable. I would never have thought it when I joined NOPSEMA, over eight years ago now, that I would turn into something of a regulatory nerd. The theory is all fine and fascinating though – but if you can't translate that theory into tangible improvements to safety, well integrity and environmental protection, then there's not much point.

### **6. Have NOPSEMA's priority areas changed as a result of current challenges to the offshore operating environment?**

2020 has been a whirlwind ride for everyone. For NOPSEMA, the twin impacts of COVID-19 and historically low oil prices caused us to rethink our regulatory priorities and ask 'how are these macro-factors likely to affect the offshore oil and gas industry and subsequently influence safety, environmental and well integrity risks?' There are two key imperatives in relation to COVID-19: first assure the protection of lives by testing the performance of offshore infection prevention and response plans and second, ensure that industry is appropriately managing the psychosocial effects of the pandemic on their offshore workforce, including fatigue from extended rosters (see "NOPSEMA supports mental health research" article further in). Beyond this, NOPSEMA is particularly interested in issues around decommissioning (including the entry and exit of duty holders into and out of the regime) and ageing assets, as described elsewhere in this issue. We are also concerned about the increased potential for latent risks to creep in. Latent risks are insidious as they are often hidden and may only become apparent in hindsight. We have already highlighted deferred maintenance as an area of potential increased risk in offshore operations. We are also keeping a close eye on training and competency of the workforce, given recent announcements in industry of large-scale redundancies, plus maintaining scrutiny on decision making processes that support management of change. We are also conscious that accountability and oversight of safety, environmental and well integrity risks at an executive level can have a large influence on the management of risk.

**7. How do you see NOPSEMA's approach to managing strategic compliance issues evolving in the coming months and years?**

Over the coming months and years industry can expect to see changes, or rather evolution, in NOPSEMA's inspection and other compliance practices. We discussed the introduction of integrated, or combined, inspections in the last issue of *The Regulator*. You can also expect to see changes in the way NOPSEMA focusses inspections, with increased coordination across the agency, increased scrutiny at the executive level and of third-party suppliers, and changes in the way we communicate and manage the conclusions that we reach during inspections regarding instances of non-compliance. In addition, I would expect to see our strategic compliance processes and techniques improve and mature with compliance matters and risks increasingly being viewed from a 'problem-centric' perspective.

**8. How will these changes result in a safer and more environmentally responsible offshore oil and gas sector?**

Well, the proof will be in the pudding, but if other regulators, both in Australia and around the globe, are anything to go by, these changes should better enable NOPSEMA to tackle the key risks to the environment, well integrity and safety, enable us to identify and take action on emerging issues more effectively and, ultimately, better enable us to more effectively and more efficiently meet our vision of a protected offshore workforce and environment.



**Alice Turnbull**  
Strategic Compliance Manager

An underwater photograph showing a vibrant coral reef on the right side, with various colorful fish swimming in the clear blue water. The scene is bright and clear, suggesting a healthy marine environment.

## REINFORCING RESPONSIBILITIES

# OFFSHORE DECOMMISSIONING OBLIGATIONS AND COMPLIANCE RECEIVE GREATER SCRUTINY

**For the past few years, Australia's regulatory framework for decommissioning offshore oil and gas infrastructure has been under review.**

While oil and gas companies have always had a legislative requirement to demonstrate acceptable plans for the safe removal of all offshore property and equipment at the end of a project's life, Australia's offshore petroleum sector is in its infancy when it comes to decommissioning.

Unlike countries such as Norway and the United Kingdom, where numerous offshore projects have progressed through to decommissioning, only a small number of decommissioning activities have taken place in Australia.

As highlighted previously in *The Regulator* magazine, few of Australia's oil fields have been depleted to the point of decommissioning but more than half of Australia's offshore

petroleum assets are older than 20 years, with some exceeding 50 years. As the sector continues to mature, decommissioning activity will increase, bringing challenges and opportunities. This includes up to 300 non-operational wells in Commonwealth waters awaiting permanent abandonment.

In anticipation of this increased activity, the Department of Industry, Science, Energy and Resources (DISER) has been reconsidering Australia's policy and legislative frameworks to ensure they remain fit for purpose. The Department plans to release a revised Decommissioning Framework for public consultation.

NOPSEMA's CEO Stuart Smith says the framework is being revised to further clarify the legislative obligations imposed on the sector.



“NOPSEMA is supportive of any reforms which aim to strengthen requirements for asset maintenance and ensure that titleholders are held to account for decommissioning facilities,” Mr Smith said.

NOPSEMA has been communicating its expectations of industry and requirements for responsible asset stewardship and has initiated early actions in line with these expectations.

NOPSEMA’s Head of the Environment Division, Cameron Grebe, said this had involved reminding duty holders of their obligations under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act).

“The OPGGS Act has always required petroleum companies to remove all equipment and property when it will no longer be used and if an alternative is proposed, appropriate justification is necessary” Mr Grebe said.

In October 2019, the federal Minister for Resources and Northern Australia issued NOPSEMA with a Statement

of Expectations in which he made clear his expectation that NOPSEMA would heighten its focus on industry compliance with the existing legislative requirement for offshore petroleum companies to maintain and remove all property and equipment.

“**NOPSEMA is supportive of any reforms which aim to strengthen requirements for asset maintenance**”

In response to the Minister’s policy direction, NOPSEMA released a statement of intent in November 2019 announcing an increased focus on its efforts in challenging the robustness of how petroleum companies plan to comply with the requirement, with timeliness a particular focus.

“NOPSEMA released a draft policy for consultation, Section 572 Maintenance and removal of property, outlining the duty to remove equipment and property from the title area. After considering feedback from stakeholders, this policy has now been finalised and published on our website,” Mr Grebe said.

“The policy aims to improve titleholders’ understanding of their obligations regarding decommissioning, highlighting the need to plan well in advance to remove property when no longer in use or required for production purposes. The policy also supports DISER’s position and proposed framework and provides a pathway to ensure ongoing compliance with Section 572.”

In increasing its focus on decommissioning, NOPSEMA is taking a holistic approach to managing risks associated with removing offshore infrastructure.

As NOPSEMA’s Head of Safety and Integrity Derrick O’Keeffe explains, this involves careful consideration of implications for not only the environment but the safety of the offshore workforce and the integrity of wells.

“Research and experience reinforces that facilities must continue to be maintained throughout the entirety of their field life because a lack of maintenance leads to accelerated deterioration. As equipment ages, the actual performance of safety critical elements and the ability to achieve their performance standards, in relation to functionality, availability, reliability, survivability and interdependence can decline,” Mr O’Keeffe said.



**“In this vein, risks with ageing infrastructure need to be understood and addressed throughout the lifecycle of an activity and methodically managed to ensure they are as low as reasonably practicable.”**

**“ NOPSEMA is taking a holistic approach to managing risks associated with removing offshore infrastructure**

Under legislation, ageing assets can be managed well into extended late life. However, this outcome relies on both the operator and the owner having detailed knowledge of the condition of the whole asset and the consequences of any shortfalls – such as overdue safety critical maintenance – and ensuring a systematic approach to identifying and managing risks. As the asset gets older, those challenges increase.



The Northern Endeavour is an example of an ageing facility that changed ownership in later life. Instead of being decommissioned, the Northern Endeavour was bought by a company that believed the facility could continue oil production operations.

The new owners of the Northern Endeavour, the Northern Oil and Gas Australia (NOGA) group of companies entered into voluntary liquidation in September 2019. In March 2020, independent expert Steve Walker was appointed by the Australian Government to conduct a review into the administration and liquidation of the NOGA group.

The Walker Review found that NOGA's financing, experience and

reliance on a single asset as its only income source presented challenges. Key recommendations of the review relate to legislative changes and clarifications to strengthen the decommissioning framework under the OPGGS Act, with the DISER Decommissioning Framework and the DISER Offshore Oil and Gas Safety Review identified as the most appropriate mechanisms to deliver recommended reforms.

**“In light of recent experience, an increased level of scrutiny is required to ensure that duty holders are meeting their requirements to properly maintain all equipment and property and then remove it when it's no longer in use,” Mr O’Keefe concluded.**



# ENFORCING LONG-TERM PLANNING FOR DECOMMISSIONING AND REMOVAL



**On 4 September, 2020, NOPSEMA issued a General Direction to Eni Australia after being notified of an object floating on the sea surface of Eni’s Woollybutt offshore field, about 80 kilometres off the northwest coast of Western Australia.**

Eni Australia confirmed that a bus-sized, mid-depth mooring buoy, weighing approximately 40 tonnes and designed to be tethered by chains at a depth of 50 metres subsea, had risen to the surface, presenting a collision hazard to shipping.

Under the Direction issued by NOPSEMA, Eni was instructed to mitigate the risks associated with the floating buoy until the hazard to shipping was removed. Commencing an investigation, NOPSEMA was of the opinion that the failure of the tethering system and physical presence of an object of this size threatened the safety of vessels in the area and potentially the integrity of the subsea infrastructure, including the wells.

The Woollybutt field ceased oil production operations in 2012. Eni had planned to decommission the subsurface equipment by 2021. However, reported incidents and compliance enforcement history for the Woollybutt field led NOPSEMA to commence an investigation.

Under Section 572 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, the titleholder must maintain property in good condition and remove all property that is no longer in use from the title area.

Despite any sale of the Woollybutt operation, these requirements continue to apply to the relevant parties in the event of a company sale.

In the case of all asset sales, NOPSEMA has highlighted the need for transparency with potential buyers of all NOPSEMA regulatory materials, including inspection reports and enforcements. NOPSEMA believes that this would help to ensure that relevant parties are aware of NOPSEMA’s regulatory expectations and the full extent of owners’ environmental, safety and well integrity obligations under the OPGGS Act.

To avoid the risk of regulatory non-compliance, NOPSEMA advises that potential buyers should engage as early as possible with NOPSEMA and gain familiarity with NOPSEMA’s expectations, as outlined in published guidance material regarding changes to the titleholder with operational control.

NOPSEMA also advises that arrangements described in permissioning documents such as the safety case, well operations management plan, and environment plan, relating to technical resources and capacity, may be affected by a transfer of operational control of the facilities, wells and petroleum activities.

Guidance is available on NOPSEMA’s website to assist with the regulatory requirements associated with asset sales in support of companies choosing to transact.



# ACHIEVING CONSISTENCY IN WELL OPERATIONS MANAGEMENT

**As part of NOPSEMA’s heightened focus on the existing legislative requirement for offshore oil and gas companies to maintain and remove all property and equipment, NOPSEMA has issued further guidance specific to well operation management plans, commonly known in the industry as WOMPs.**

There are approximately 900 regulated wells in Commonwealth waters. Around two-thirds are operational, with the remainder shut-in or awaiting permanent abandonment.

“ **NOPSEMA has issued further guidance specific to well operation management plans**

While petroleum companies responsible for each well must have an associated WOMP, submitted to and accepted by NOPSEMA, duty holders are being reminded that their plans must include a description of the arrangements that will be in place for suspension and abandonment of the well, and a timetable for carrying out the activities.

A NOPSEMA Guidance Note published in June 2020 regarding the content and level of detail required in a WOMP, refers to Commonwealth regulations which require a description of the arrangements that will be in place for

suspension and abandonment of a well.

The description is expected to show how, during the process of suspending or abandoning the well, risks to the integrity of the well will be reduced to as low as reasonably practicable. Also, the description should demonstrate how the actions taken during that process will ensure the integrity of the well is maintained while the well is suspended or abandoned.

The guidance stipulates that there must be a WOMP in place for any well, including a suspended well, until it has been abandoned in accordance with Commonwealth regulations. The WOMP must include a monitoring plan for each suspended well.

In addition to publishing guidance, NOPSEMA is preparing a policy specific to the arrangements for suspension and abandonment of wells to further clarify the legislative requirements of titleholders. The policy is intended to reinforce NOPSEMA’s oversight of titleholders’ compliance with Section 572 of the OPGGS Act in relation to the maintenance and removal of equipment and property.

NOPSEMA refers to accepted industry standards and guidelines to define the duration that a well may be suspended before it is fully abandoned in ensuring risks are as low as reasonably practicable.

# NOPSEMA SUPPORTS MENTAL HEALTH RESEARCH

**NOPSEMA is supporting research being undertaken by Curtin University to lead the development of tailored approaches for managing mental health risks affecting the offshore petroleum workforce.**

As part of the research, Western Australian offshore oil and gas workers will be interviewed to identify specific workplace mental health hazards and risk control measures. Interview responses will be analysed to identify common themes related to offshore psychological hazards, effects of COVID-19 and employee mental health.

NOPSEMA's Technical Officer for Human Factors, Joelle Mitchell says the study is expected to pinpoint common workplace causes of mental health issues for offshore workers, which will inform recommendations to improve risk control measures at work.

**“The research findings will be shared with NOPSEMA to provide insight into workers’ perceptions of offshore psychological hazards. Recommended risk control measures will be used by NOPSEMA, as the offshore energy regulator, to help improve the working environment and minimise psychological hazards,”** Ms Mitchell said.

“The potential outcomes of this research centre on improved quality of life for offshore workers and employee retention. Improving workplace practices for managing psychological issues ensures

employees can continue to work comfortably and productively without unnecessary levels of stress.

**“Based on the research findings, NOPSEMA will aim to deliver guidelines to offshore oil and gas companies to assist them with providing mentally healthy workplaces, work processes and management practices.”**

NOPSEMA is also joining the Australian Petroleum Production and Exploration Association and the Australian Council of Trade Unions in supporting research to assess the mental health and overall wellbeing of offshore workers during the COVID-19 pandemic. As part of a joint initiative, NOPSEMA is collaborating with researchers at the Psychology at Work Lab at the University of Western Australia, and the Centre for Transformative Work Design at Curtin University to generate insights into the state of mental health and the experiences of offshore workers during COVID-19.

The research project focuses on worker experiences via a survey targeted at offshore workers. It complements a survey of operators conducted by NOPSEMA during the COVID-19 pandemic to gauge the types of initiatives and changes



to offshore workplaces that have occurred in response to COVID-19 related restrictions.

Researchers propose to employ a survey tool that has been used extensively in “fly in fly out” worker populations in Australia to generate information about wellbeing. The research team is in a position to contextualise the responses from offshore workers via a comparison with responses from other types of remote workers, both during and prior to COVID-19 restrictions.

The insights generated from the research will provide a snapshot of the state of mental health and wellbeing of offshore workers. The insights will also identify the key issues that are shaping worker health and wellbeing and in doing so, provide tangible insights for NOPSEMA, operators and workers.

In previous editions of *The Regulator*, NOPSEMA has highlighted that key concerns relating to COVID-19 and the effects on people and human fragility will require careful and

continuous management. NOPSEMA has an important role in supporting the sector throughout the pandemic and is well aware that factors such as anxiety, fatigue and disruption to learning and application have contributed to the risks associated with COVID-19. Greater stress among the workforce leads to greater risk of accidents and injuries, magnifying the psychological effects of COVID-19.

NOPSEMA hopes that by supporting important research into the health and wellbeing of the offshore workforce, it can help to ensure evidence-based approaches to appropriate management of risks associated with mental health. The results will inform further industry advice and guidance prepared by NOPSEMA for sharing with Australian offshore facility operators, state regulators, international regulators through the International Regulators’ Forum, health and safety representatives and members of the offshore petroleum industry workforce.

# NOPSEMA ONLINE RESOURCES



## Published Notices and Directions

As part of its regulatory functions to increase transparency, NOPSEMA publishes directions, prohibition notices and improvement notices. Under Part 6.2 of the OPGGS Act, NOPSEMA and the responsible Commonwealth Minister have powers to issue directions to petroleum or greenhouse gas titleholders. NOPSEMA can issue three types of directions: general directions, significant incident directions and remedial directions.

These regulatory enforcement actions are published within 7 days and no later than 21 days of issuance.

All published notices and directions are available at [nopsema.gov.au](http://nopsema.gov.au).

## “ Report an incident

To notify NOPSEMA of an accident, dangerous occurrence, environmental or well integrity incident call:

**1300 674 472**



**NOPSEMA**

Australia's offshore  
energy regulator

[nopsema.gov.au](http://nopsema.gov.au)

**National Offshore Petroleum Safety and  
Environmental Management Authority (NOPSEMA)**

ABN 22 385 178 289