



Joint Onshore Operator Audit Program 2014 update

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JOOAP 2014

When an audit is conducted on your systems and assets and there are action items arising from the audit, you should consider this as an advantage to your organisation.



JOOAP provides:

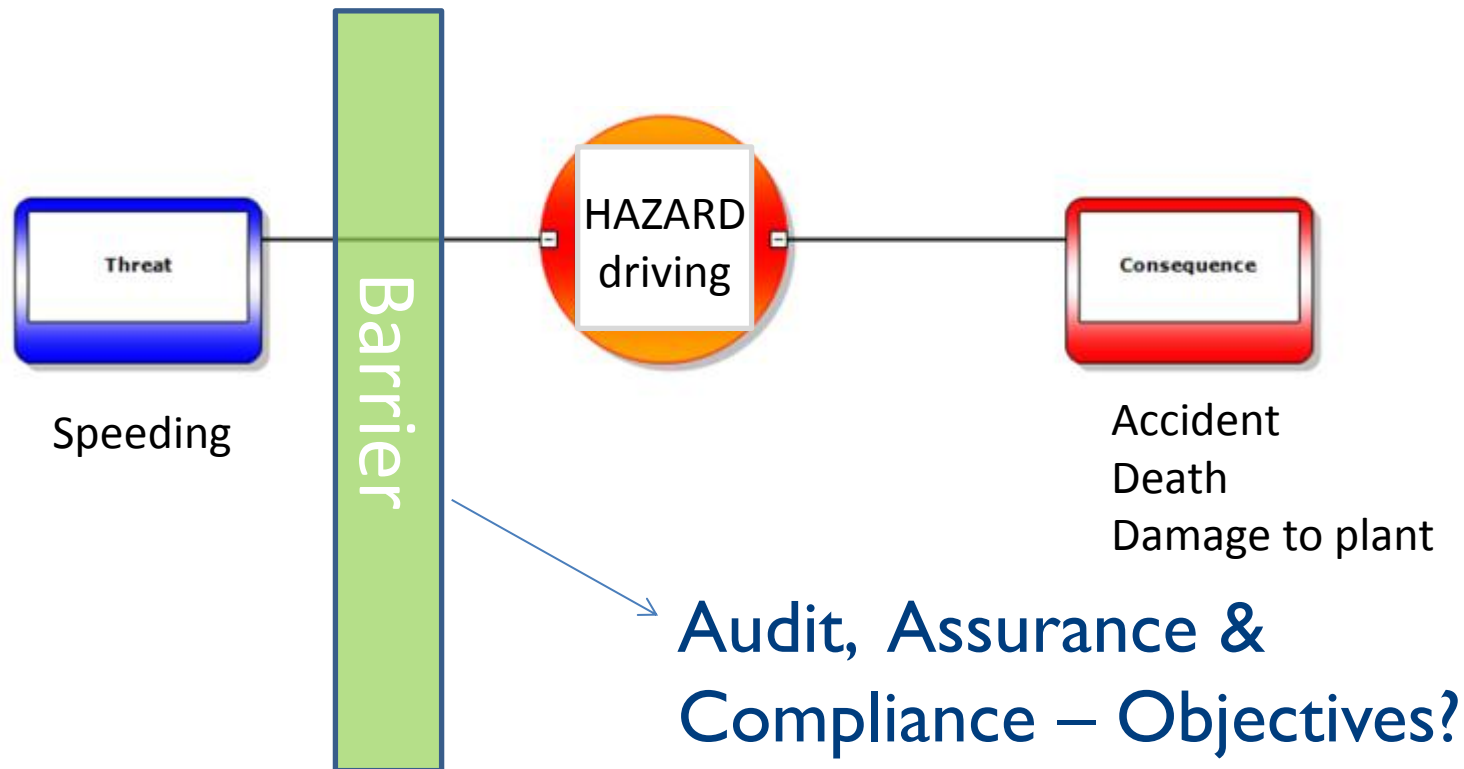
- Collaborative industry approach to safety
- Continual Improvement and duty of care

Audit, Assurance &
Compliance
The Check Process?

JOOAP 2014

Check – The Review Process

Is Audit, Assurance & Compliance a barrier in your organisation??



JOOAP Objectives for 2014

- Facilitate continuous improvement to Operator and Contractor Safety Management Systems (SMS)
- Facilitate Operator and Contractor compliance with state and federally administered legislation and regulations
- Supplement Operator pre-qualification processes
- Monitor the implementation of the Contractors' internal SMS

JOOAP Objectives for 2014

continued

- Focuses on the implementation of Contractor SMS on site with the emphasis on high risk activities
- Provides an opportunity for an independent third party audit of Contractors
- Allows Tenement Holders to focus on common CSG industry issues and provides a consolidated approach to addressing those issues.

Audit Scope - 2014

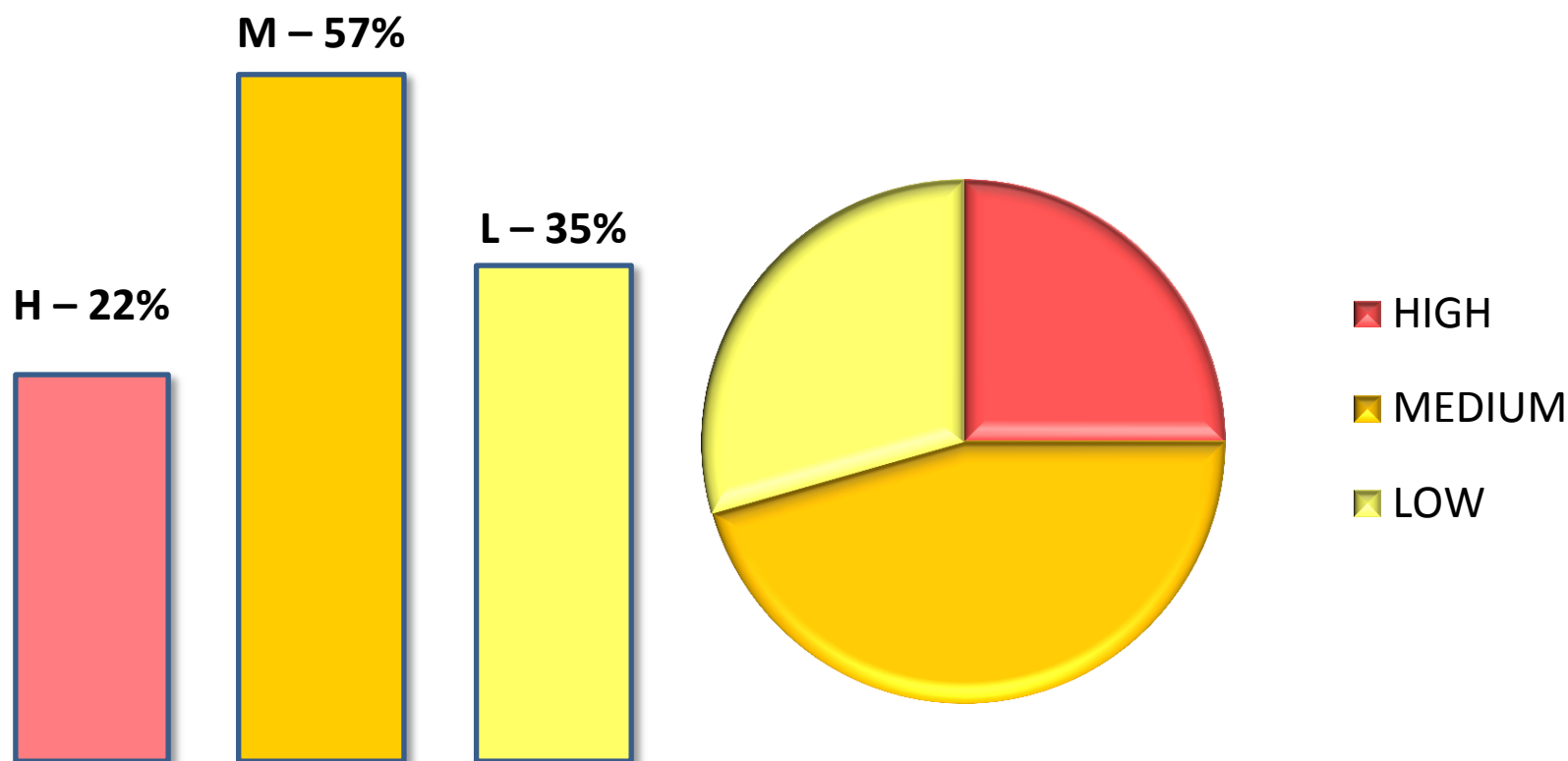
- Well Control
- Rig Moves
- Driving (Journey Management)
- Cementing
- Pressure Testing
- Working at Heights
- Confined Space
- Contractor Interaction
- Tubular Handling
- WPTW Revision 3
- Management of Explosives.

* Scope items were adapted for audits of non-drilling services contractors such as Transport and Civil Engineering Contractors

2013: Close-out status report

Action Items Identified

+500



Challenges – 2014

Some challenges that we face are:

- Rain delays for field audits
- Arranging the location of audit
- Administrative requirements such as accommodation and access
- High turnover of key Contractor HSE positions (staff retention).

JOOAP findings - 2014

Well Control

Audit tool development from client documentation, Best Industry Practice, API Standards, IADC Chapters and Australian Standards (AS)

- Industry needs a review of well control procedures
- No evidence of well control program review prior to start of operations
- Rig Managers indicate they review the well program from an “experienced based” approach.

JOOAP findings - 2014

continue

Pressure Testing

AS 4343 - Pressure equipment - Hazard levels

- Not part of MS, limited understanding of AS 4343
- Pressure equipment hazard levels not assessed
- Hazard levels not incorporated in plant risk assessments
- Escape routes in vicinity of pressure equipment.

Plant Risk Assessments are an issue as identified during latest audits

- Standard PRA's for all loaders
- Also issue with electrical compliance and safety

JOOAP findings - 2014

continued

Not comfortable that all pressure equipment is identified on Rigs

- Pressure Vessel Register (PVR) not up to date (not available)
- Pressure Relief Valve (PRV) registers not up to date
- Pressure vessels and relief valves not identified and tagged
- Gauge registers are not complete – limited understanding
- Hose registers not complete or available (kelly hoses, risk assessment)

Disconnect between NDT procedures and PVR / PRV in relation to process, documentation to be kept on site and registrations / certificates (not available).

There are multiple moving parts on a rig and they all need attention!

JOOAP findings - 2014

continue

Wellsite Permit to Work Rev 3

- Blanket permits common in frac / drilling / wireline operations
- Poor permit review by Rig Managers / Sign off of incomplete and substandard permits
- WPH not managing work party adequately (not sighting quals, work party sign off etc.).

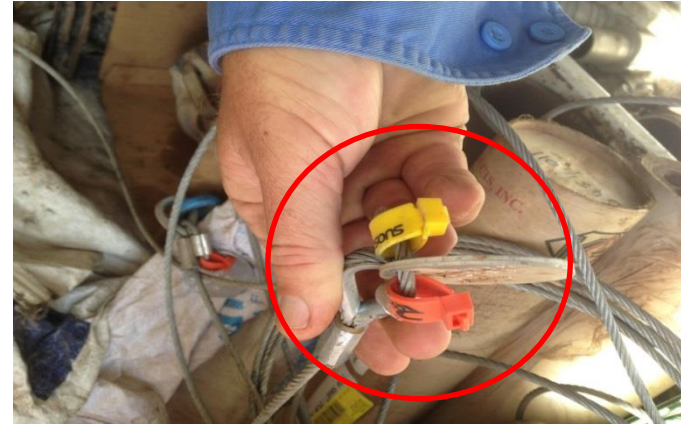
LOTO Procedures in some cases are not adequate

JOOAP findings - 2014

continued

Rig Moves (Rig Up/Rig Down)

- Management of lifting and slinging equipment not documented and tracked via a register
- Damaged and unusable equipment 'stashed' away rather than being taken out of service
- Contractor interaction and management during rig moves is considered a 'high-risk' operation by Drilling Contractors, yet it is not suitably documented and not regularly audited.



Positive findings - 2014




- Willingness to participate and be audited – good engagement
- Close-out of 2013 Action Items are on track
- 2014 Action Items are being closed immediately or action taken to address these action items
- Action Items are communicated to crew as well as higher management and decisive action taken
- Taking ownership of issues.

JOOAP website

- The back office for Drilling Contractors and Third Party Contractors is operational
- Progress for close-out of Action Items can be tracked by Operators and individual contractors
- Individual contractors can only see their specific Action Items – secure database.

Joint Onshore Operators Audit Program

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Contractor	Action #	Priority	Status	Responsibility	Due Date	Date Closed By Contractor	Image	Supporting Documentation
[REDACTED]	1	Medium	Open	[REDACTED]	07/11/2014			
	Description: AS/NZS 31000:2009 Management policies, procedures and practices are available for review (reduce the level of risk, by providing the basis for risk evaluation and decisions about risk management).							
	Comments:							
[REDACTED]	3	Medium	Open	[REDACTED]	24/12/2014			
	Description: Pressure equipment—Hazard levels AS 4343 (This Standard) is intended to provide a uniform, practical, generic system for assessing the level of hazard associated with various pressure equipment, i.e. the potential to harm people, property and the environment as a consequence of pressure equipment loss of containment by rupture or serious leakage. These hazard levels may be used for a number of purposes including— (a) selecting the appropriate levels of control for safety purposes; (b) providing a basis for registration or notification of boilers and pressure vessels with authorities; and (c) providing a basis for in-service inspection of pressure equipment.							
	Comments:							
[REDACTED]	4	Medium	Open	[REDACTED]	24/12/2014			
	Description: AS 4343: Positioning of pressure containing equipment must be risk assessed, with consideration given to adjacent personnel traffic and escape routes.							
	Comments:							

This concludes the JOOP 2014 update.

If you have any questions please feel free to contact any of the individual Operators or alternatively feel free to contact Marius Landman.

Thank you