

Chief Safety Officer Decision - Revised
(Application for Substitution, Equivalency, or Exemption)

Date: August 3, 2017

C-NLOPB Reference: 2017-RQ-0036

Applicant: Transocean Canada Drilling Services Ltd.

Applicant Reference: TBR-RQ-031

Installation Name: MODU Transocean Barents

Authority: *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, subsection 151(1) & section 205.069*
Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act, subsection 146(1) and section 201.66

Regulation: *Subsection 8(2) and 8(3) of the Newfoundland Offshore Petroleum Drilling and Production Regulations*

Decision:

The Chief Safety Officer accepts the Applicant's, the owner of the Transocean Barents, proposal to deviate from Subsection 8(2) and 8(3) of the *Newfoundland Offshore Petroleum Installation Regulations* and concurs with the following in respect of the Applicant's proposal to conduct hot work operations onboard the *MODU Transocean Barents*. In all circumstances, hot work should be deferred to periods when the installation is not connected to the well unless otherwise permitted in this decision (Condition 3.0). Where this is not practical or is not the lowest risk approach, hot work may only proceed as defined below and subject to a risk assessment process with appropriate mitigations/precautions in place. For exploration wells, the necessity for hot work must be critical in nature and conducted only when exceptional circumstances exist:

- Hot work is of an unplanned nature that could not have been reasonably foreseen and completed while previously disconnected;
- The risk of not completing the work is unacceptable and/or it is not possible to progress the operation without completing the hot work scope;
- There is no alternative or temporary means of achieving an acceptable level of safety without the use of hot work; and
- The scope of the hot work is limited to the extent required to safely resume operations.

1.0 Development Well

1.1 Riserless Drilling Operations/Not Connected to the Well:

Hot work while conducting riserless drilling operations, shall be aligned with the following conditions:

- When the rig is positioned directly above the well prior to commencing (spudding) the well; or
- When the rig is positioned with rotary centre > 50m from the well center; or

- When the rig is positioned directly above the well that has been spudded, and both of the following conditions are met:
 - the well has a cemented casing string in place with no open hole exposed and;
 - the string is out of the well; or
- When the string is in the hole to cut and recover the well head from a well that is abandoned in accordance with the approved Notifications to Abandon a Well and will not be cutting into an open annulus

1.2 Connected to the Well (Marine Riser and BOP Connected)

Hot work while connected to the well is allowed:

- While drilling up to 200m True Vertical Depth (TVD) before the shallowest hydrocarbon bearing zone; and
- If the gas measured in the fluid returning from the well in the gas trap is less than 10% (background gas) and no gas levels are detected in any part of the installation; or
- When operations are being conducted where hydrocarbon bearing zones are present provided the well is isolated from the formation by two verified barriers.

2.0 Exploration and Delineation Well

2.1 Riserless Drilling Operations/Not Connected to the Well:

Hot work while conducting riserless drilling operations, shall be aligned with the following conditions:

- When the rig is positioned directly above the well prior to commencing (spudding) the well; or
- When the rig is positioned with rotary centre > 50m from the well center; or
- When the rig is positioned directly above the well that has been spudded, and both of the following conditions are met:
 - the well has a cemented casing string in place with no open hole exposed and;
 - the string is out of the well; or
- When the string is in the hole to cut and recover the well head from a well that is abandoned in accordance with the approved Notifications to Abandon a Well and will not be cutting into an open annulus

2.2 Connected to the Well (Marine Riser and BOP Connected)

Hot work while connected to the well shall be aligned with the following conditions:

- The well is suspended to a state where immediate disconnect of the marine riser is possible using two tested barriers and the overbalanced fluid column is actively monitored as a third barrier

3.0 Interior Non Hazardous Locations

Hot work in interior non hazardous locations as outlined in the application, is permitted if work is conducted in accordance with the installations permit to work system, is not conducted in the vicinity of other sources of ignitable vapor and the following systems are fully functional:

- Ventilation system capable of being sealed at both the supply and exhaust inlets
- Sealed fire/blast protected boundaries
- Fire and gas detection system tied into ventilation shut-down
- Fire suppression systems

No other hot work activities are approved.


Chief Safety Officer (Acting)