

Your ref: Our ref: Enquiries: A472843 A1018/201401 Ross Stidolph

Mr Ian Blayney, MLA Chairman Economics and Industry Standing Committee Parliament House PERTH WA 6000

Dear Mr Blayney

INQUIRY INTO SAFETY-RELATED MATTERS CONCERNING FLNG FACILITIES - REQUEST FOR FURTHER INFORMATION

Thank you for your letter of 13 November 2014 requesting further information from the Department of Mines and Petroleum (DMP) as an outcome of evidence provided at the hearing of 7 November 2014.

Below is the information requested of DMP in relation to questions asked during the hearing.

Background

The proposed Shell Prelude FLNG facility falls under the jurisdiction of NOPSEMA. NOPSEMA has not yet received the full Safety Case for the Prelude FLNG facility. The Department of Mines and Petroleum (DMP) can therefore only comment on information that is generally available and what it would typically expect from the project proponents in the Safety Case.

 Given the difference between an FPSO and a FLNG facility – for example, a FLNG facility is not de-manned and stays in place during a major weather event – what is the level of the Department's preparedness for a major incident on an FLNG facility?

DMP does not consider there are substantive differences (from a risk perspective) between a FPSO and a FLNG facility. On this basis, DMP's level of preparedness is high and essentially no different than for a FPSO. DMP is checking with NOPSEMA as it understands some FPSO stay on station during major weather events and are not de-manned. If this is the case the relevant Safety Case for a FPSO should reflect this and therefore should be similar to one for a FLNG facility.

2. What requirements, for example, in relation to firefighting, evacuation, land based infrastructure and the like, does the Department see as necessary for maximum preparedness by the state?

The Safety Case for a FLNG facility would include an Emergency Management Preparedness (EMP) component. The EMP is a major component of the Safety Case. For a Safety Case to be accepted by DMP it would need to demonstrate that the operator recognised it carried primary responsibility for incident management including the capacity to deal with fire and evacuation as well as necessary land based infrastructure. This is currently the case for existing offshore facilities.

3. What planning is in place to ensure there is adequate capacity to respond to emergencies and major incidents on an FLNG facility off the West Australian coast?

Any changes to emergency preparedness by the Western Australian Government required by the commissioning of a new FLNG facility would be addressed during assessment of the EMP of the Safety Case and how it impacts on existing plans and capabilities.

Any significant impacts would need to be addressed and provided for by the proponent in the Safety Case before it was accepted.

DMP would continue to work closely with NOPSEMA to ensure all issues are addressed to provide a consistent approach to Safety Cases for FLNG facilities. Other government agencies such as the Department of Fire and Emergency Services, Department of Health, Department of Transport, and Department of Fisheries would be consulted where appropriate during the assessment process.

4. In relation to well management and real time data acquisition. Please advise whether the Department has the authority to require a data feed from the drilling operation or if the data feed can only be obtained if the company agrees to provide it?

As Shell Prelude is outside the jurisdiction of the DMP, we have no ability to require this information to be provided. Shell 'may' choose to keep the DMP informed of its operations and progress, but has no obligation to do so. Data on drilling programs is normally provided by operators on a daily basis to the drilling section of the relevant authority.

I hope this extra information is of use to the Committee and if you require any further information, please contact Mr Ross Stidolph, Executive Director, Resources Safety

Yours sincerely

Richard Sellers Director General

2 W November 2014