

NOTICE OF NON-COMPLIANCE AND ORDER

August 17, 2023

BY E-MAIL

Steve Edwards
President
Hibernia Management and Development Company Ltd.
20 Hebron Way
St. John's, NL, A1A 0L3

Dear Mr. Edwards,

Re: Non-Compliance with the *Newfoundland Offshore Drilling and Production Regulations – Pressure Safety Valve Inspection*

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) hereby issues this Notice of Non-Compliance and Order in relation to information that was provided on August 1, 2023 by Hibernia Management and Development Company Ltd. (HMDC) in the Regulatory Query (RQ) application *RQF-HIB-492* to extend the recertification frequency for fluid service pressure safety valves (PSVs) from six to eight years. Part 4, paragraph 25(b) of the *Newfoundland Offshore Petroleum Drilling and Production Regulations* requires a maximum recertification frequency of five years; however, it was determined that HMDC did not obtain C-NLOPB approval to deviate from the noted regulatory requirement prior to implementing the change in PSV recertification frequency from five to six years.

Factual Information:

HMDC is the Operator of the *Hibernia* platform, having been granted Operations Authorization No. 22020-020-OA12 on April 28, 2022.

In 2016, Lloyd's Register (LR), the certifying authority for the *Hibernia* platform, approved a Management of Change submission from HMDC to increase the PSV recertification frequency from five to six years for non-hydrocarbon service PSVs and to five years for hydrocarbon service PSVs. HMDC has confirmed that C-NLOPB approval to extend the recertification frequency for all existing fluid service PSVs from five to six years under paragraph 25(b) was not obtained at that time (or since).

The following facts have been identified and relate to the following instances of non-compliance:

1. failure to submit an RQ for approval to extend the recertification frequency for PSVs from five to six years prior to implementing a change in PSV recertification frequency that exceeds the five year regulatory requirement; and
2. failure to demonstrate maintenance and recertification activities for PSVs have been conducted in accordance with the prescribed dates for PSVs.

Specific Non-Compliances:

It is a finding of the Chief Safety Officer (CSO) that:

1. The Operator failed to obtain an approval to deviate from the requirement of the *Newfoundland Offshore Petroleum Drilling and Production Regulations*, Part 4, paragraph 25(b) as required by the *Accord Acts*, Part III subsection 151(1), which states:

"[...] the Chief Safety Officer and Chief Conservation Officer may

- (a) authorize the use of equipment, methods, measures or standards in lieu of any required by any regulation made under section 149 [...]*
- (b) grant an exemption from any requirement imposed, by any regulation made under section 149, in respect of equipment, methods, measures or standards".*

2. The Operator failed to comply with the *Newfoundland Offshore Petroleum Drilling and Production Regulations*, Part 4, paragraph 25(b), which states:

The operator shall ensure that...a comprehensive inspection that includes a non-destructive examination of critical joints and structural members of an installation and any critical drilling or production equipment is made at an interval to ensure continued safe operation of the installation or equipment and in any case, at least once in every five-year period.

Accordingly, the Operator is hereby issued this **Notice of Non-Compliance**.

Order:

In accordance with subsection 189(1) of the *Accord Acts*, it is hereby ordered by the CSO that the Operator shall provide the following to the satisfaction of the CSO no later than September 1, 2023:

- a list of all PSVs and their last recertification dates;
- a plan, to the satisfaction of the CSO, to return to full compliance with respect to paragraph 25(b) of the *Newfoundland Offshore Petroleum Drilling and Production Regulations* as soon as is reasonably and safely practicable;
- a report into the failures in the management system that led to this non-compliance, how the operator plans to address any management system gaps that contributed to this non-compliance, and
- details of the necessary corrective measures to prevent recurrence.

Confirmation is required that this Notice of Non-Compliance and Order has been provided to the Workplace Committee and posted in a public place on the *Hibernia* platform. This Notice of Non-Compliance and Order will also be posted to the C-NLOPB website.

Should you have any questions or wish to discuss these matters further, please contact me at [REDACTED] or in my absence, Andrew Reddy, Safety Officer, at [REDACTED].

DocuSigned by:



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Chief Safety Officer