

Shelf Drilling (Norway) AS
Koppholen 23

4313 Sandnes

Our representative
Ingvil Håland

Your ref.

Our ref. (please quote in correspondence)
Havtil 2023/909/ITH

Date
3 June 2024

Dear Sirs

Rejection of application for Acknowledgement of Compliance (AoC) for the facility Shelf Drilling Barsk

Introduction:

We refer to a letter dated 21 June 2023 containing an application for Acknowledgement of Compliance (AoC) for the facility Shelf Drilling Barsk, as well as documentation received and meetings in connection with this issue.

Two audits have been conducted in connection with the processing of this AoC application, including one related to maintenance management. A revised version of this audit report was sent on 31 May 2024.

During the audit, a total of 13 regulatory nonconformities were identified linked to maintenance management issues. These nonconformities related to issues such as the identification of technical, operational and organisational barriers, the classification of equipment and systems, maintenance schedules and the safety clearance of activities. For detailed descriptions of these nonconformities, we refer to the audit report.

On 26 May 2024, Shelf Drilling sent an updated response to the audit report. The response states that certain observations, which constitute parts of the basis of a nonconformity, have been addressed during the period following the audit. However, the response also states that extensive work must be carried out in order to remedy all the nonconformities described in the audit report.

Legal basis:

An AoC is a decision issued by the Norwegian Ocean Industry Authority expressing the authorities' confidence that petroleum activities can be carried out by the facility in question within the terms of reference provided by prevailing statutory regulations governing health, safety and the environment in connection with petroleum activities and certain onshore facilities (ref. Section 25 of the Framework Regulations).

Such a decision must be based on the information submitted in the AoC application regarding the technical status of the facility, the applicant's organisation and management system, as well as verifications carried out and other matters considered by the authorities.

Assessment:

Our processing of the application has identified several regulatory nonconformities of a safety-critical nature. These nonconformities are linked to such issues as the identification of technical, operational and organisational barriers, the classification of equipment and systems, and maintenance schedules. We have also identified nonconformities linked to the safety clearance of activities that are crucial to the safe operation of the facility.

The work that remains to address the identified nonconformities is extensive and time-consuming. Completion of this work while the facility is in operation will most likely cause it to take more time than it otherwise would.

In total, the identified nonconformities are of such a character that the conditions for granting an AoC have not been met. On this basis, the AoC application is rejected.

Decision:

The application for Acknowledgement of Compliance (AoC) for the facility Shelf Drilling Barsk pursuant to Section § 25 of the Framework Regulations is rejected herewith.

This decision may be appealed pursuant to Section 28 of the Norwegian Public Administration Act (*forvaltningsloven*). The deadline for appeals is three weeks from your receipt of this letter. The Norwegian Ministry of Energy serves as the appeals body, but any appeal must first be sent to Havtil. We can supply more details regarding your right of appeal on request.

This decision must be made known to your employee representatives, including health and safety representatives, pursuant to Section 18-6, subsection 8, of the Norwegian Working Environment Act (*arbeidsmiljøloven*).

Yours sincerely,

Ingvil Tveit Håland, by authority
Head of supervision


Senior Adviser

This letter is authorised electronically by the Norwegian Ocean Industry Authority and is thus not endorsed with a signature.