

20 FEBRUARY 1995

GUIDELINE NO. 3150.002

OPERATOR'S SAFETY PLAN

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1. Purpose

The purpose of this Guideline is to outline the principles of a Safety Plan to be established and documented by companies operating in the Nova Scotia offshore area to achieve a safe operation. These guidelines demonstrate one way of achieving the desired goal. Alternative means may be used so long as the goal of the operator having in place a prudent regime for safety is achieved.

The legislation and any regulations made thereunder will prevail in the event of any inconsistency with the contents of this Guideline.

2. Applicable Legislation

Section 138.1 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, S.C. 1988, c.28, as amended, and Section 133 Section 133A of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act*, S.N.S. 1987, c.3, as amended (Accord Acts) state:

" The purpose of this Part is to promote, in respect of the exploration for and exploitation of petroleum,

(a) safety, particularly by encouraging persons exploring for and exploiting petroleum to maintain a prudent regime for achieving safety"

An important aspect of this safety regime is that the persons exploring for or exploiting petroleum (the Operator) maintain a Safety Plan to achieve this objective.

Section 51(1) of the *Nova Scotia Offshore Area Petroleum Production and Conservation Regulations* (March 17, 1994) requires that a safety plan be submitted for all production operations to ensure that operations are conducted in a safe manner.

3. Contact Person

Inquiries regarding the subject of this Guideline may be directed to the Manager Offshore Operations at the Canada-Nova Scotia Offshore Petroleum Board.

4. Definitions

Safety Plan:

All documented policies, standards and practices which the Operator shall initiate to ensure the activity is planned, organized, executed and maintained to achieve safety and protect the environment in accordance with the acts or regulations

Quality:

A product, service or activity's ability to fulfill specified requirements.

Quality Assurance:

All systematic actions that are necessary to ensure that quality is planned, obtained and maintained.

Quality Control:

That part of the Quality Assurance which, through measurements, tests or inspections, ascertain whether a product, service or activity is in accordance with specified requirements.

Procedure:

Established and documented step by step activity which allows a specific task to be completed.

System:

Formalized collection of mutually coordinated procedures.

System audit:

Planned and systematic examination of systems to ensure that these have been established, followed and maintained as specified.

Verification:

Examination to confirm that an activity, product or service is in accordance with specified requirements.

Contractor:

Person, company or other association that performs work for an Operator or in other ways is a supplier of products or services to the Operator.

5. Safety Plan Objective

The Operator shall, through a Safety Plan, ensure that activities are carried out in a manner designed to achieve safety and protect the environment and in accordance with the acts and regulations.

6. Safety Plan Organization

The Operator's activity and structure shall be organized in such a way that the Operator can ensure safety, protection of the environment and compliance with the acts and regulations.

Responsibility for the monitoring and enforcement of the Safety Plan shall be assigned to a designated unit within the Operator's organization. This organizational unit shall have a structure which ensures the necessary freedom to monitor and enforce all subordinate control systems and to perform system audits on these. This organizational unit shall normally be placed outside operative responsibility. The Operator shall arrange the organization in such a way that the said organizational unit normally reports to a higher organizational level than those units it is responsible to monitor.

Functions and areas of responsibility of personnel responsible for monitoring the Safety Plan shall be identified in the Operator's organizational plan. The duties and responsibilities of these personnel shall be described.

The Operator shall specify requirements for independent verification on different levels in the Safety Plan.

The Safety Plan shall be kept up to date in a systematic and controlled manner. The CNSOPB shall be informed about updates.

The Operator shall otherwise ensure that updating information is made known and distributed in an acceptable manner within the Operator's organization, to the employees involved, contractors and any other relevant parties.

7. Contractor's Safety Plan

If a contractor has a Safety Plan in place, the Operator may, as far as possible, incorporate this as a component of the Operator's Safety Plan. The Operator shall ensure that possible deficiencies in the contractor's Safety Plan are corrected or that any necessary modifications are undertaken.

8. Requirements of Safety Plan

The Operator's Safety Plan shall, among other things, ensure:

- that the Operator has in place an acceptable corporate safety policy
- that competent personnel are used during the planning and implementation of the separate phases of the project, including design, fabrication, installation, operation and maintenance;
- that the Operator's and contractors' employees have or receive all necessary training;
- that the Operator implement an acceptable work permit system;
- that all required information and documentation is presented to the authorities on time in accordance with the laws, regulations and guidelines;
- that workers be advised of their right to know, participate and refuse;
- that lines of responsibility, authority and communication are clearly defined and understood;
- that safety evaluations are undertaken prior to the start of exploration drilling, prior to the final selection of project plan and in subsequent phases, including the operating phase. The safety evaluation shall also cover protection of the environment;
- that administrative systems are established for the control of documentation during all phases including planning, implementation and execution of exploration drilling, and production programs;
- that purchase documents, specifications, etc. contain sufficient Quality Assurance requirements;
- that the contractor's Quality Assurance system is evaluated and assessed, and is subject to system audit;
- that it can be documented by test reports, certificates, or comparable means that supplies have the specified quality;
- that the Quality Assurance, including Quality Control during construction, installation and operation, functions effectively;

- that corrective actions take place when the Quality Control indicates deviation from established specifications;
- that satisfactory operations programs (such as programs for diving, drilling, start-up and production, and programs for simultaneous activities, inspection and testing, maintenance, etc.) are prepared and complied with, and that their functional capability can be verified;
- that specification for repairs are established and that specifications give sufficient basis for and sufficient requirements for their execution;
- that an operator implement an effective preventative maintenance program;
- that any temporary equipment utilized will be installed and operated in a reliable and safe way and in accordance with established specifications;
- that modifications or changes in equipment do not reduce the degree of safety originally specified;
- that procedures are formulated in such a way that the safety requirements will still be satisfied if the facilities must be used in an alternate manner;
- that changes in personnel are managed to ensure that the safety of personnel, equipment and the environment are not compromised;
- that the safety of any activity will be maintained during labour conflicts and abnormal operational conditions;
- that an emergency preparedness system is established and maintained so that the necessary measures can be activated effectively and the proper authorities notified;
- that there will be a continuous control and mapping of the danger of pollution of the external environment, and that the personnel at all times will perform their tasks in such a way that pollution damage is avoided or minimized;
- that a structured system is established to identify deficiencies or other safety concerns and to document and track the actions taken to address these concerns;
- that the Operator's employees and the employees of contractors are made aware of the potential danger of accidents, and inherent health and pollution aspects, and that they are given the necessary information, education, training and exercises, and
- that worksite Health and Safety Committees are established in accordance with the Occupational Health and Safety Act, Nova Scotia, with defined roles relating to composition, frequency of meetings, lines of communication and mandate of operation;
- that risk analysis is used actively in the planning and implementation of activities

9. Documentation Required to be Submitted

The Safety Plan should be a reference document which includes as much detail as the stage and level of activity permits. As long as the requirements are adequately addressed the actual format of the submission is left to the discretion of the Operator. The Operator may wish to reference various manuals, policies or procedures as a means of addressing specific requirements of the Safety Plan.

In support of an exploration activity that does not include a drilling or diving activity, the Operator should submit a short summary of the Safety Plan covering the exploration activity to be undertaken in the Nova Scotia Offshore region.

In support of a **Drilling Program Authorization** or a **Diving Program Authorization** the Operator should submit a thorough description of the Safety Plan covering the drilling or diving activity. If a thorough description of the Safety Plan, relating to the drilling activity, is not available at the time of the Drilling Program Authorization application a general description may be submitted however the final Safety Plan must be submitted before an **Application to Drill a Well** will be approved.

In support of a **Development Plan** the Operator should submit a general description of the Safety Plan that will be in place for the total project. The portion of the Safety Plan that relates to the design and construction phases should be described thoroughly at this time.

In support of a **Production Operations Authorization** the Operator is required to submit a safety plan pursuant to section 51(1) of the *Production and Conservation Regulations*. The Safety Plan should be thoroughly described.

The descriptions as mentioned above shall refer to possible base documentation, including the contractors' documentation. The description shall indicate the organizational placement of the unit assigned responsibility regarding the implementation of the Operator's Safety Plan, both from the main organization, the organization for exploration, drilling, diving, development or production operations. Furthermore, safety objectives and the assignment of responsibility, authority and channels of communication at the different levels shall be described.

10. Safety Plan Binding

The Safety Plan outlined in the documentation provided by the Operator shall be binding for the Operator when the activity the documentation was provided in support of is approved by the CNSOPB. The Operator shall forward any changes of the Safety Plan to the CNSOPB. The CNSOPB will undertake periodic audits of the Safety Plan to verify compliance.

11. Confidentiality

Section 122 and 121 of the Accord Legislation outlines the confidentiality provisions for information submitted to the Board. It requires the Board to maintain the information submitted as confidential unless consent is given in writing by the person submitting the information to release it, excepting the Board may release it if necessary for administration or enforcement of the legislation.

The Board views one of its administrative duties to provide access to the public to information related to significant aspects of offshore activities. Due to the importance of

the safety of the activities, the Board feels it appropriate to release the information submitted in relation to the Safety Plan and requests that the operator submitting the information provide in writing consent to do so.

If there are aspects of the information submitted that the Operator wishes to keep confidential, this should be indicated and the reasons provided. The Board will consider the reasons given, and determine if the information should be maintained in confidence or released for purposes of administration.