



Offshore Environmental Inspectorate Overview of Inspector Powers, Inspection Strategy and Inspection Aspects

Introduction:

A core function of the Oil and Gas Environmental and Decommissioning Unit's Offshore Environmental Inspectorate is to inspect oil and gas installations to ensure compliance with relevant Regulation and permit conditions. It is also to gain assurances that operations are undertaken with due consideration of environmental aspects and impacts and with effective controls to minimise the likelihood of releases to the environment.

The following provides a brief overview of the powers afforded to DECC Inspectors, the approach used by DECC to determine its inspection priorities and also identifies specific aspects of offshore operations which will be subject to inspection.

It should be noted that the following information is intended to be a generic guide as to the aspects an Environmental Inspector may examine when on board an oil and gas installation. It is neither prescriptive nor exhaustive and an Inspector may choose to examine all or some of these aspects during their inspection, or they may decide to examine different aspects of the operation not referenced below.

Powers of Inspectors:

Environmental Inspectors are appointed by the Secretary of State and are afforded certain powers. These powers are fully described in each of the relevant Regulations. To summarise, they include inter alia, powers to:

- Board any offshore installation, accompanied by any other person, taking any equipment they may require
- Examine or investigate activities as considered necessary
- Give a direction requiring any part of the installation be left undisturbed
- Take any measurements, photographs or make any recordings as considered necessary
- Take samples of any articles or substances on the installation and/or cause such articles or substances to be dismantled or subjected to any process or test
- Take possession of any articles and substances and detain for as long as necessary
- Require any person, whom the Inspector has reasonable cause to believe is able to provide any information, to attend at a specified place and time, to answer questions and to sign a declaration as to the truth of any answers provided.
- Examine and take copies of any records which is considered necessary

- Require any person to afford such facilities and assistance as the Inspector considers necessary to enable them to exercise any of the powers conferred on them by the relevant Regulations.

Inspection Strategy (Production Operations):

The frequency at which an oil and gas installation is subject to inspection is determined using a risk based approach. Various parameters relating to the installation are considered and an inspection schedule of all manned installations is then determined according to the outcome of the risk assessment. Inspectors are allocated a portfolio of operators and each Inspector will plan their inspections accordingly, ensuring that inspections of installations that fall within the highest risk category are given priority. Factors which influence the priority of an inspection include, but are not limited to, the following:

- Hydrocarbon type produced (oil, gas, condensate)
- Quantity of permitted discharges/emissions (oil, chemicals, combustion emissions)
- Location of installation
- Age of installation
- Time period since last inspection
- PON1 and Non-Compliance frequency and severity
- Investigation and enforcement history

Inspection priorities are determined on an annual basis and the information is used to identify inspection schedules for that calendar year. The prioritisation may change during that period if circumstances on a particular installation change. Changes which may influence inspection frequency include:

- Commissioning of a new installation
- Change of operator
- Change of key third party contractors
- Significant changes to infrastructure or operations
- Significance or frequency of incidents

Inspection Strategy (Drilling Operations):

The inspection strategy relating to mobile drilling rigs/vessels is also determined using a risk based approach. Factors which influence the priority of MODU inspection include, but are not limited to, the following:

- Location of drilling activity
- Hydrocarbon type
- Flow rate of well
- Technical complexity of well (eg HPHT)
- Well type (exploration, appraisal, development)
- Water depth
- Previous UKCS experience of operator/licence holder/key contractors
- Previous UKCS experience of the MODU proposed for use

- History (or lack thereof) of the operator/drilling contractor relationship

An assessment of these factors will determine not only the priority of a MODU inspection but also whether the inspection should be undertaken before the issue of permits and consents (pre-spud), before the commencement of higher risk operations (pre-reservoir), or at any other stage of the operation.

Inspection Agenda:

It should be noted that inspections are not necessarily limited to offshore installations. Onshore offices and facilities can also be subject to the inspection process.

Each inspection will differ and be tailored by the individual Inspector undertaking the inspection. A number of factors will determine the areas to be focussed upon during an inspection, and these will vary from installation to installation. If an installation has had issues with a specific area of permit compliance, has had a significant environmental incident or reported a number of PON1s regarding smaller but related incidents, then it is likely that the Inspector will focus in detail on these areas. The Inspector will look for information regarding the circumstances of the issue and ensure that any identified corrective actions have been completed or are being progressed appropriately.

An inspection agenda may also be influenced by findings during the inspection. If Inspectors find an issue of particular concern they may chose to focus specifically on that aspect for the remainder of the inspection. The inspection could effectively become an investigation with the Inspector taking copies of documents and obtaining statements from personnel should circumstances require it.

The Department may also undertake an inspection campaign which focuses on an area of specific concern. If trends relating to environmental incidents are observed across industry, then a specific inspection campaign to examine this area may be undertaken.

The inspection programme is primarily focussed to confirm regulatory compliance. Nevertheless, the inspection can lend itself to the provision of advice and also the sharing of best practice encountered/observed during the inspections of other installations. It is an expectation that such advice and information on best practices will be fully assessed by the operator and their key contractors and acted upon where appropriate.

Inspection Aspects:

An inspection will always commence with an opening meeting where the Inspector will outline to senior installation staff how the inspection is likely to progress and what their requirements will be. When the inspection is completed a similar closing meeting will be held where the inspection findings will be discussed.

Inspectors can choose to inspect a variety of aspects relating to offshore oil and gas activities. It is not possible to provide an exhaustive list, but such aspects may include:

Regulatory and Permit Compliance: An Inspector may choose to inspect against a variety of Regulatory or permit requirements to ensure operations are compliant. This could include, but is not limited to, aspects such as:

- Process configuration and operation (ensure configuration and operation of process equipment corresponds with information provided within permit applications)
- Compliance against permit schedule conditions (e.g. OPPC, OCR, EU ETS and PPC permits)
- Compliance with requirements of regulations (e.g. F-Gas, ODS, REACH, OPRC, MCAA etc.)

Prevention and Minimisation of Oil and Chemical Releases: Inspections will examine the processes and procedures in place to prevent the release of oil or chemical to sea. This may include, but not be limited to, the following:

- Maintenance management systems
- Identification and management of environmentally critical elements
- Provision of training, supervision and operating procedures
- Configuration and operation of process equipment
- Hydraulic control fluid management
- Vessel, tank, pipework and hose integrity
- Control of temporary and third party equipment
- Oil and chemical storage arrangements
- Control of higher risk equipment and activities (bunkering, crude offloading, pigging, slip joints etc.)
- Testing of permit holder/contractor interfaces and bridging documents
- Implementation of Environmental Management Systems, including interface with key contractors

Previous Inspections and Investigations:

During inspections, an Inspector will examine all findings identified during previous inspections. They will look to ensure that commitments made by the operator have been met, or are progressing appropriately. Similarly, Inspectors will examine commitments made by operators as a result of incident investigations and also following PON1 and non-compliance submissions.