



Chief Safety Officer Decision
(Application for Substitution, Equivalency, or Exemption)

Date: 2024-May-13 | 8:26:36 AM NDT

C-NLOPB Reference: 2024-RQ-0007

Applicant: Stena Drilling

Applicant Reference: SDM-RQ-024-005– Rev1

Installation Name: MV-Stena DrillMAX

Authority: *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, subsection 151(1) & section 205.069*

Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act, subsection 146(1) & section 201.66

Regulation: Section 8 (2) and (3) of the *Newfoundland Offshore Petroleum Installations Regulations*

Decision:

The Chief Safety Officer approves the Applicant's, the owner of the *MV-Stena DrillMAX*, use of control measures in place through permit-to-work and associated procedures as detailed in the application to provide an equivalent level of safety for hot work, in lieu of the requirements in Subsection 8(2) and 8(3) of the *Newfoundland Offshore Petroleum Installations Regulations*, which state:

- (2) No person shall create or cause to be created any unprotected flame or source of ignition within 50 m of a well, an oil storage tank or other source of ignitable vapour; (3) No flame-type equipment shall be placed or operated within 25 m of a well, an oil storage tank or other source of ignitable vapor, except*
- a. where the well is*
 - i. a water supply well, or*
 - ii. a water injection well equipped with a suitable packer and with the surface casing annulus vented outside any building; or*
 - b. where emergency works requires the use of flame-type equipment and the wellhead valves and blow-out preventer, if any, are closed.*

This decision is subject to the following conditions in respect of the Applicant's proposal to conduct hot work operations onboard the *MV-Stena DrillMAX*:

1. In all circumstances, hot work shall be deferred to periods when the installation is not connected to the well unless otherwise permitted in this decision. Where this is not practical or is not the lowest risk approach, hot work may only proceed as defined below and subject to a risk assessment process with appropriate mitigations/precautions in place:
 - Hot work is of an unplanned nature that could not have been reasonably foreseen and completed while previously disconnected;
 - The risk of not completing the work is unacceptable and/or it is not possible to progress the operation without completing the hot work scope;



- There is no alternative or temporary means of achieving an acceptable level of safety without the use of hot work;
- The scope of the hot work is limited to the extent required to safely resume operations; and
- All expectations addressed in the associated C-NLOPB Hot Work Interpretation Note 14-01 apply to this RQF decision.

2. Hot Work During Well Operations

Prior to performing hot work during drilling operations, consideration shall be given to:

- well design;
- well barriers available or in place;
- type of ongoing well operations activity (e.g., riserless drilling, completions activity, wellhead cutting); and
- well classification (e.g., exploration, delineation or development).

3. Riserless/Top-Hole Drilling Operations

With respect to a floating drilling installation, the following measures shall be considered when conducting hot work:

- Positioning the installation a safe distance from the spudded well centre with consideration given to physical and environmental conditions (e.g., winds, currents) at the time;
- Positioning the installation directly above the well when the casing is cemented, with no open hole exposed and the string is out of the well; and
- Positioning the installation directly above the well when the string is in the hole to cut and recover the wellhead from a well that is abandoned and will not be cutting into an open annulus.

4. Riser Connected Drilling Operations

- The recent fluid returns from the well in the gas trap is less than 5% (background gas) and the atmospheric LEL is below the detection levels in the area of hot work;
- Logging-while-drilling/formation evaluation (LWD/FE) tools confirm no hydrocarbon bearing formations are present;
- Active drilling up to 200m Total Vertical Depth (TVD) before the shallowest prognosed hydrocarbon bearing zone may occur however deferring hot work after this point shall be considered; and/or
- If operations are being conducted where hydrocarbon bearing zones are present, the well shall be isolated from the formation by two verified barriers envelopes with no active drilling occurring (or circulating).

5. Interior Non Hazardous Locations

Hot work in interior non hazardous locations as outlined in the application, is permitted if work is conducted in accordance with the installations permit to work system, is not conducted in the vicinity of other sources of ignitable vapor and the following systems are fully functional:

- Ventilation system capable of being sealed at both the supply and exhaust inlets;
- Sealed fire/blast protected boundaries;
- Fire and gas detection system tied into ventilation shut-down; and
- Fire suppression systems.

DocuSigned by:

A handwritten signature in black ink, appearing to read 'Paul Allen'.

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Chief Safety Officer