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Regulator stops Santos' Barossa drilling because of 'degraded' BOP on Valaris rig

Australian offshore watchdog Nopsema issues Prohibition Notice after inspector finds incident could prove fatal



Drilling crew on boad the Valaris MS-1 at Santos' Barossa field offshore Australia. (Photo: VALARIS)

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Santos' US\$4.6 billion Barossa gas project has been dealt another blow after Australia's offshore regulator found a "degraded" blowout preventer (BOP) on board the rig performing the development drilling campaign.

The National Offshore Petroleum Safety & Environmental Management Authority (Nopsema) has slapped a Prohibition Notice on the Valaris' semisubmersible rig Valaris MS-1, which has effectively halted drilling operations at the project.

The Nopsema inspector wasted no time in stopping drilling operations when he was satisfied on reasonable grounds that an activity may occur on the rig that, if it occurred, would involve "an immediate threat" to the health or safety of a person.

The rig, which is being operated by Valaris' subsidiary Ensco Australia, has well control equipment that is non-compliant to the standard specified in the facility safety case.

"Ensco have previously been informed that Nopsema considered the BOP to be non-compliant and at the date of this notice (5 May) have not advised Nopsema that any action has been taken," the offshore regulator said.

Upstream has approached Valaris and Barossa operator Santos for possible comment on the Prohibition Notice and any implications for the project itself. Neither company had responded at the time of publishing.

The Nopsema inspector said that the BOP is degraded and may not function as intended in an emergency scenario, such as a well blowout, resulting in a potential major accident event with serious or fatal health consequences to workers.

Also, the lower pipe rams on the MS-1's BOP failed the API STD 53 pressure test required once the BOP had been landed subsea.

"The BOP ram functionality in an emergency is reduced to one set of pipe rams (tested to hold pressure on the ram locks), where a minimum of two sets of fully functional and tested pipe rams with locking capability are required by API Standard 53," he noted.

Ensco has been instructed to secure the current well (BR N11) as soon as possible using the most suitable method, and to retrieve the BOP to surface to return it to compliance.

Santos in late April said the MS-1 has moved to the sixth well in the development drilling campaign, with well construction operations continuing. The Australian company has the semisub on charter until August this year, according to Valaris' most recent fleet status report. No dayrate is given for the contract, which commenced in January 2024.

The Barossa project was seen its fair share of Nopsema interventions. In **January the regulator slapped Subsea7 with an improvement notice** relating to its multipurpose vessel Seven Pegasus, after some workers onboard claimed that fatigue was affecting their work.

Last year, Nopsema <u>issued an improvement notice on Allseas</u> after a "dangerous occurrence" when the Netherlands contractor was working on pipelaying operations at Barossa.

The Barossa giant gas and liquefied natural gas project is already running behind its original start-up date of first half 2025 after the MS-1's development drilling programme was suspended back in September 2022 — leaving Santos racking up a bill totalling millions of dollars while the semisub rig was on standby for months off the coast of Darwin, Northern Territory.

This suspension was due to a Federal Court ruling resulting from a legal challenge to Nopsema's earlier approved Environment Plan for drilling and completion operations at Barossa.

A subsequent Federal Court injunction <u>delayed the start of Allseas'</u> installation of the Barossa Gas Export Pipeline (GEP)