

EXECUTIVE COUNCIL

RESTRICTED

Title: Ocean Guardian Safety Case

Paper No: 26/10

Date: 03 February 2010

Report of: Director of Mineral Resources

1. Purpose

- 1.1 To advise the Governor in Executive Council to approve a safety case for Diamond Offshore's semi-submersible drilling rig, Ocean Guardian to operate in Falklands' waters.

2. Recommendations

- 2.1 Honourable Members are advised to recommend that the Governor accepts the Safety Case for the drilling rig, Ocean Guardian to allow the rig to move into the North Falkland Basin and drill wells for Desire Petroleum plc and Rockhopper Exploration plc.

3. Summary of Financial Implications

- 3.1 None.

4. Background

- 4.1 Desire Petroleum plc agreed a contract with Diamond Offshore Drilling (UK) Limited in October 2009. Falkland Islands Government (FIG) Offshore Health and Safety legislation requires the duty holder of a rig to seek the approval of the Governor to a safety case before the rig can be moved into the relevant area and drill wells.
- 4.2 The Offshore Installations (Safety Case) Order 2008 regulation 8 sets out the need for a safety case to be accepted by the Governor and regulation 12 and Schedule 3 outlines the information to be included in the case.

- 4.3 The Ocean Guardian already had an approved safety case to work in the UK North Sea and Diamond Offshore wrote to the Health and Safety Executive (HSE) on 29 October 2009 with revisions to their case that they believed would be required to work in the Falkland Islands. HSE has undertaken a full assessment of the safety case even though the requirements under Falkland Islands legislation are those required for the North Sea. The assessment has taken three months to complete.
- 4.4 HSE wrote to FIG on 29th January confirming that they are content for the duty holder to deploy the Ocean Guardian to drill wells in the Falkland Islands in water depths up to 500 metres. No wells planned to be drilled by the operators are in water depths greater than 500 metres. (The deepest water depth in the North Falkland Basin where an application to drill a well has been received is the Rachel prospect which is in 410m).
- 4.5 The Governor is now advised to accept the safety case for the Ocean Guardian to drill in the North Falkland Basin and Diamond Offshore need to be informed by letter that consent has been given for them to operate in the North Falkland Basin.

5. Financial Implications

- 5.1 None

6. Legal Implications

- 6.1 None

7. Human Resources Implications

- 7.1 None