

# PETROLEUM CSG

## HSEC MANAGEMENT PROCEDURE

### HSEC JURISDICTION

<b>Petroleum HSEC Procedure No: PP13.2</b>	<b>Revision No: 1</b>
<b>Date: June 2006</b>	<b>Approved by: David Walker, President, UK NA and ME Development and Operations</b>
<b>Reference:</b>	<b>HSEC Management Standard 13 – Incident Reporting and Investigation</b>



## PP13.1. HSEC Jurisdiction

### 1. PURPOSE

This Procedure provides a common approach to determining HSEC jurisdiction and classification of sites and activities across BHP Billiton Petroleum (BHPBP). It is intended that this procedure be used at the planning and contract preparation phases to assign HSEC classification prior to activities commencing and for ongoing classification of HSEC incidents.

### 2. SCOPE

This procedure applies to the HSEC jurisdiction and classification of all BHPBP's activities for internal reporting purposes. Local legislation, regulatory, insurance and workers compensation requirements may differ to this internal classification. This procedure does not set standards for the appropriate level of supervision of sites and activities.

### 3. REFERENCES

- BHPB HSEC Reporting Manual

### 4. DEFINITIONS

Controlled Activities	These are work-related activities where BHP Billiton can set HSEC standards and directly supervise and enforce their application.
Monitored Activities	These are activities where BHP Billiton can influence but cannot set HSEC standards and cannot directly supervise and enforce their application.
Uncontrolled Activities	If an activity is not controlled or monitored it is an uncontrolled activity. These are activities where BHP Billiton does not set or influence HSEC standards and does not supervise HSEC performance.
Work Environment	The "work environment" is defined as the establishment and other locations where one or more BHP Billiton employees are working or are present as a condition of their employment.
Work Related	An injury or illness is work related if an event or exposure in the Work Environment either caused or contributed to the resulting condition or significantly aggravated a pre-existing injury or illness.

Note: Refer to BHPB HSEC Reporting Manual for company-wide injury and illness definitions.

### 5. APPLICATION

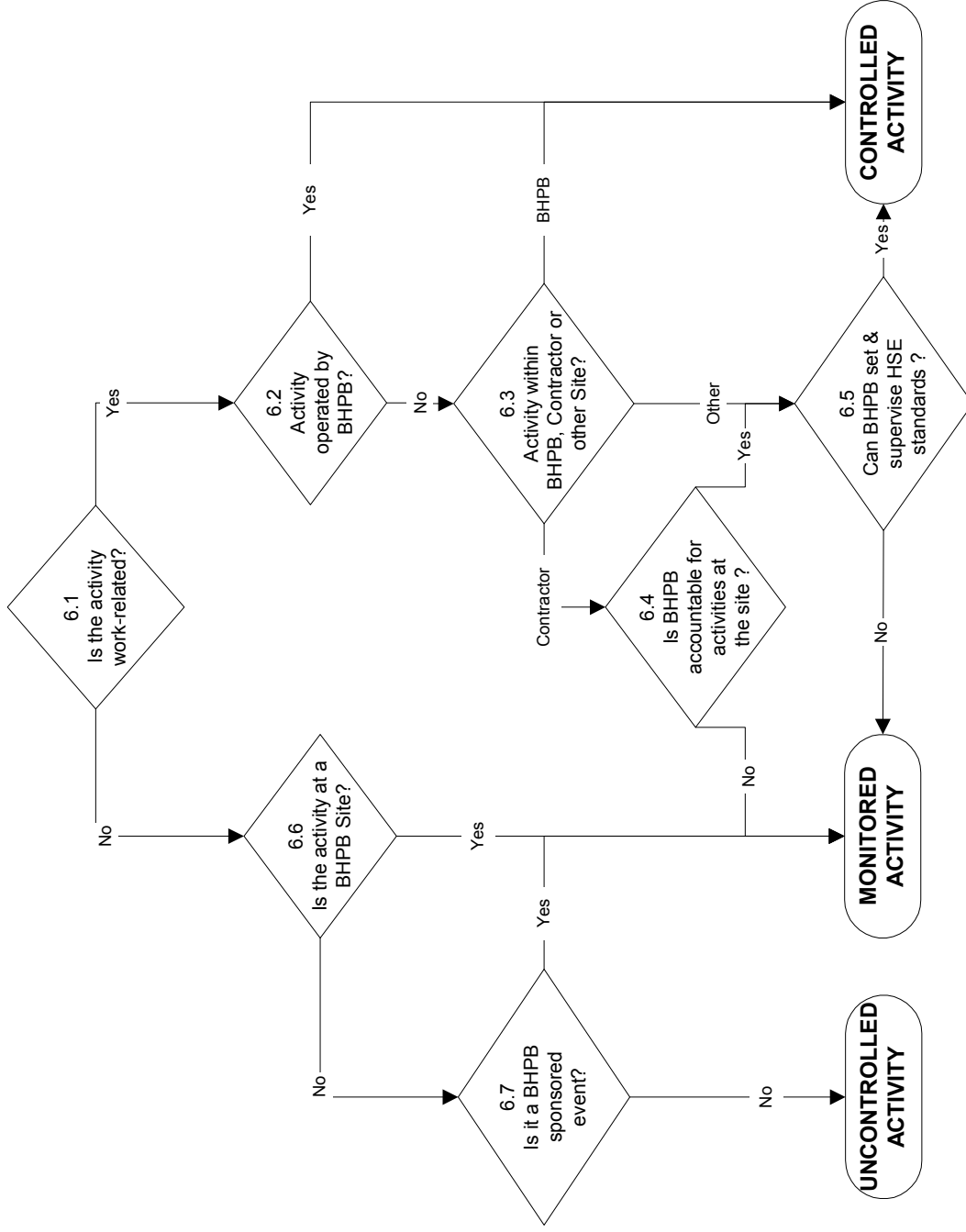
The classification of activities will determine the requirements for reporting, investigation and inclusion within BHPBP HSEC performance measures ie

- Incidents arising from controlled activities are reported, investigated, tracked and included in BHPB HSEC performance measures;
- Incidents arising from monitored activities are, where possible, reported, investigated and tracked but are not included in BHPB HSEC performance measures; and
- Incidents arising from uncontrolled activities are not reported, investigated or tracked although these incidents should be assessed for potential learnings that could be applied within BHPB.

### 6. PROCEDURE

The following flowchart shall be used to determine HSEC classification of activities. The process steps in this flowchart are explained in clauses 6.1 to 6.7 and worked examples of the application of this flowchart are shown in Section 7.

**Figure 6.1: HSEC Jurisdiction - Classification Process**



### 6.1. Determine if the activity is work-related

The activity is work-related if it is a BHPB approved scope of work that is directly associated with the primary function of the asset or resource team and covered by a contract, order or agreement. This is irrespective of the person's role, the location of the site and any other local legislative definitions. Examples:

Activity	Work-related Activity?
Performing normal work task ie maintaining, operating, supervising, office duties	Yes
Fabrication of standard equipment at vendor site (eg valves, instrumentation, standard vendor equipment packages etc)	No
Visit to vendor site for inspection, review, meetings etc for current or potential BHPB work scope	Yes
Having lunch at site lunchroom	No
Using the gym at a BHPB site	No
Attending a BHPB business presentation at a hotel function room	Yes
Socialising after a BHPB business presentation	No
Personal activities outside of working hours at BHPB site ie sleeping, showering, hobbies	No
Visitors to BHPB sites eg JVPs, media reps, community reps.	No
BHPB visitors to non-operated partner sites	Yes
Activities at non-operated sites where BHPB is a joint venture partner	Yes
Construction/conversion of major facility (eg platform, FPSO)	Yes

### 6.2. Activity operated by BHPB

Activities operated by BHPB are controlled, as BHPB is directly setting and supervising the HSEC standards. BHPB operated includes activities where BHPB has contracted out day-to-day operations. Examples:

Activity	Controlled?
Performing work-related task at a BHPB operated site	Yes
Contractor performing task at a Contractor site working to their own HSEC systems and supervision	No
Contractor performing task using contractor owned facilities (eg MODU, DSV, FPSO etc) within a BHPB licence area or permit working to their own HSEC systems and supervision but bridged to BHPB HSEC systems	Yes
Contractor performing task at a Contractor site working under BHPB's HSEC systems and direct supervision	Yes
BHPB visitor to a non-operated site	Yes
Non-operators activities at their own site	No
Activities conducted under a PSC or joint operating arrangement where the BHPB HSEC System is used or bridged to and BHPB management and supervision is provided	Yes
A Standby Vessel conducting normal operations whilst on location at a BHPB operated facility (independent of distance from facility)	Yes
Supply Vessel whilst on location at a BHPB operated offshore facility or at a BHPB operated shore base.	Yes

### 6.3. Activity within a BHPB, Contractor or Other site

Determine where the activity is to take place and, if appropriate, break down the activity to multiple locations. For offshore locations, the term 'on location' includes the surrounding 'safety' or 'exclusion' zones around the facility, MODU or subsea equipment and any other location within BHPB permit or licence areas where a vessel is directed by BHPB. Examples:

Activity	Location?
Supply vessel at a BHPB operated facility or when on location at a BHPB operated facility	BHPB
Supply vessel en-route between a BHPB operated facility and a shore-base or other facility	Other
Supply vessel at a Contractor operated shore-base	Contractor
Vehicle driving off-site or between BHPB sites	Other
Activities at a non-operated site	Other
Construction activities at Contractor site (eg shipyard, fabrication yard)	Contractor
Construction activities at a BHPB site	BHPB

### 6.4. Is BHPB accountable for activities at the site

Consider whether the Contractor site has a specific BHPB area/section, a dedicated BHPB representative/contact or whether the site is non-specific in its activities. Consider whether the site is identifiable as a BHPB site by regulators, community etc. Examples:

Activity	BHPB accountable?
Contractor that provides services for multiple clients	No
Construction activities at Contractor site (eg shipyard, fabrication yard) using Contractor's HSEC System and supervised by Contractor	No
Shore-base with a section/location dedicated for BHPB activities	Yes
BHPB representative supervising activity(s) at contractor site	Yes
Vendor site conducting BHPB specific factory acceptance and system integration testing under BHPB supervision using either BHPB procedures or BHPB approved procedures	Yes
Preliminary site assessments – contract activity on non-BHPB land but with high reputation issues and community issues (Level 3 or above as per the BHPB HSEC Consequence Severity matrix)	Yes
An off site activity where the primary regular would consider BHPB accountable and would face prosecution for a serious HSEC breach.	Yes

## 6.5. Can BHPB set & supervise HSEC standards

Determine whether BHPB can control the activity (including whether BHPB has the expertise to effectively supervise the activity). A risk-based approach is to be used when making this determination, considering potential impacts to personnel, equipment, environment, community, company reputation, licence to operate etc. Consider whether a contract is in place (or should be) and how HSEC control can be achieved by the implementation of HSEC Plans and Bridging Documents. A HSEC Bridging document is an appropriate tool to set HSEC standards and define at what point(s) we determine that direct supervision of HSEC is required.

HSEC Management processes to consider here include whether BHPB or the Contractor is providing:

- HSEC Standards/System
- Permit to Work process
- Task level procedures and instructions
- HSEC Supervision
- 'Person in Charge' of the site or activity?
- Regulatory approvals and to whom will licences and permits be issued?

Examples:

<b>Activity</b>	<b>BHPB Control?</b>
BHPB site office at a contractor's yard/facility	Yes
Shore-base supporting multiple clients, irregular work for BHPB, working to contractor systems with no BHPB personnel involved	No
Supply vessel en-route without BHPB supervisor on board	No
Shipyards construction and refit activities working under contractor's HSEC systems and supervision	No
Activities of BHPB personnel involved in Shipyards construction and/or refit activities working under contractor's HSEC systems and supervision	Yes
Offtake tanker piloting and hydrocarbon loading operations under supervision of BHPB	Yes
Offtake tanker general marine activities	No
Activities where legislation vests control of an activity to a 3 <sup>rd</sup> party and agreement to comply with BHPB HSEC Standards cannot be obtained eg incident investigations by Police or Regulators	No
BHPB employee driving to or between BHPB sites	Yes

**6.6. Is the non-work related activity at a BHPB site**

Determine whether the non work-related activity is being conducted at a BHPB site.

Example:

Activity	BHPB site?
Social event at a BHPB site	Yes
Socialising after a BHPB business presentation at a conference venue	No
Voluntary sports or recreational activity associated with a BHPB site (eg gymnasium)	Yes
Social/recreational event at a park, restaurant, sporting venue etc	No
Social event at a BHPB Managers residence	No
Contractor facility on location at a BHPB offshore facility	Yes

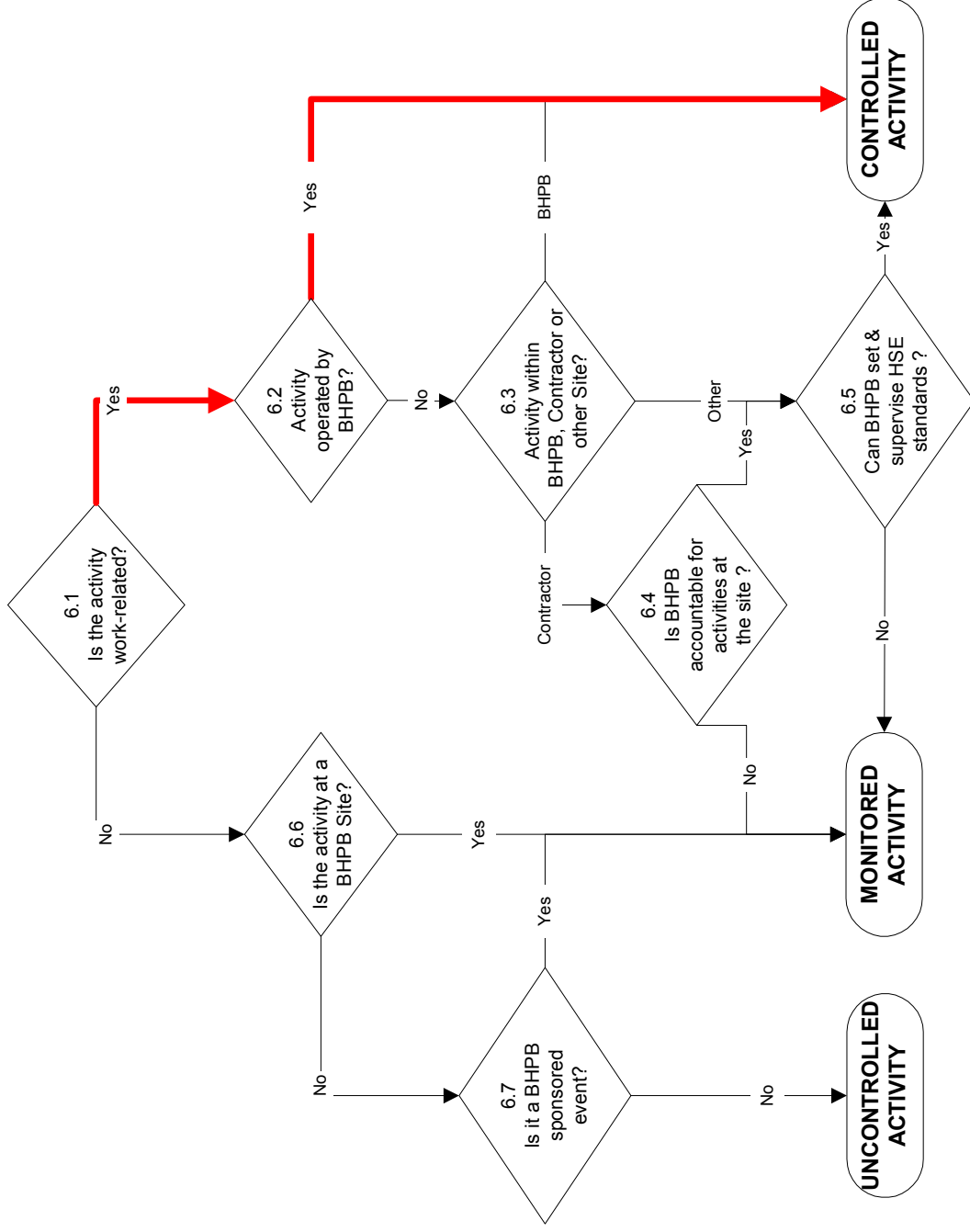
**6.7. Is the non-work related activity a BHPB sponsored event**

This only applies to BHPB personnel at a BHPB sponsored event; the general public are excluded. Determine whether the non work-related activity is sponsored by BHPB. Events may be sponsored financially or by other means such as providing resources. Examples:

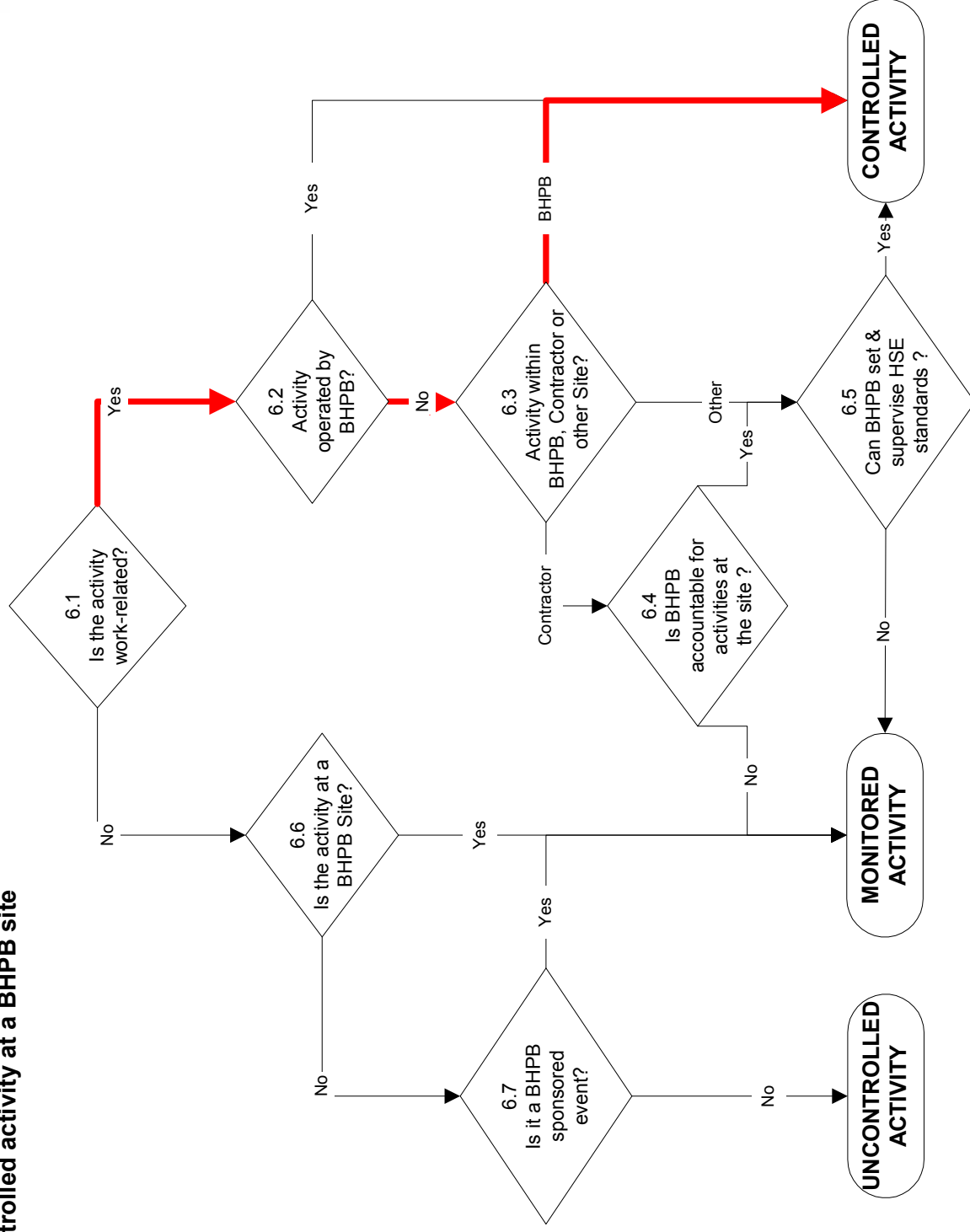
Activity	Sponsored Activity?
Participating in a sporting event representing or sponsored by BHPB ie lunch-time team event, cycling event etc	Yes
Participating in a private sports event during lunch time	No
Participating in a personal activity during off-duty time while on a business related trip	No
Participating in a business activity such as a meal during off-duty time while on a business related trip	Yes
BHPB promoted social event after a BHPB business presentation	Yes
Personal activities outside of working hours ie sleeping, showering, hobbies at contractor facility on location at a BHPB offshore facility	Yes

7. WORKED EXAMPLES

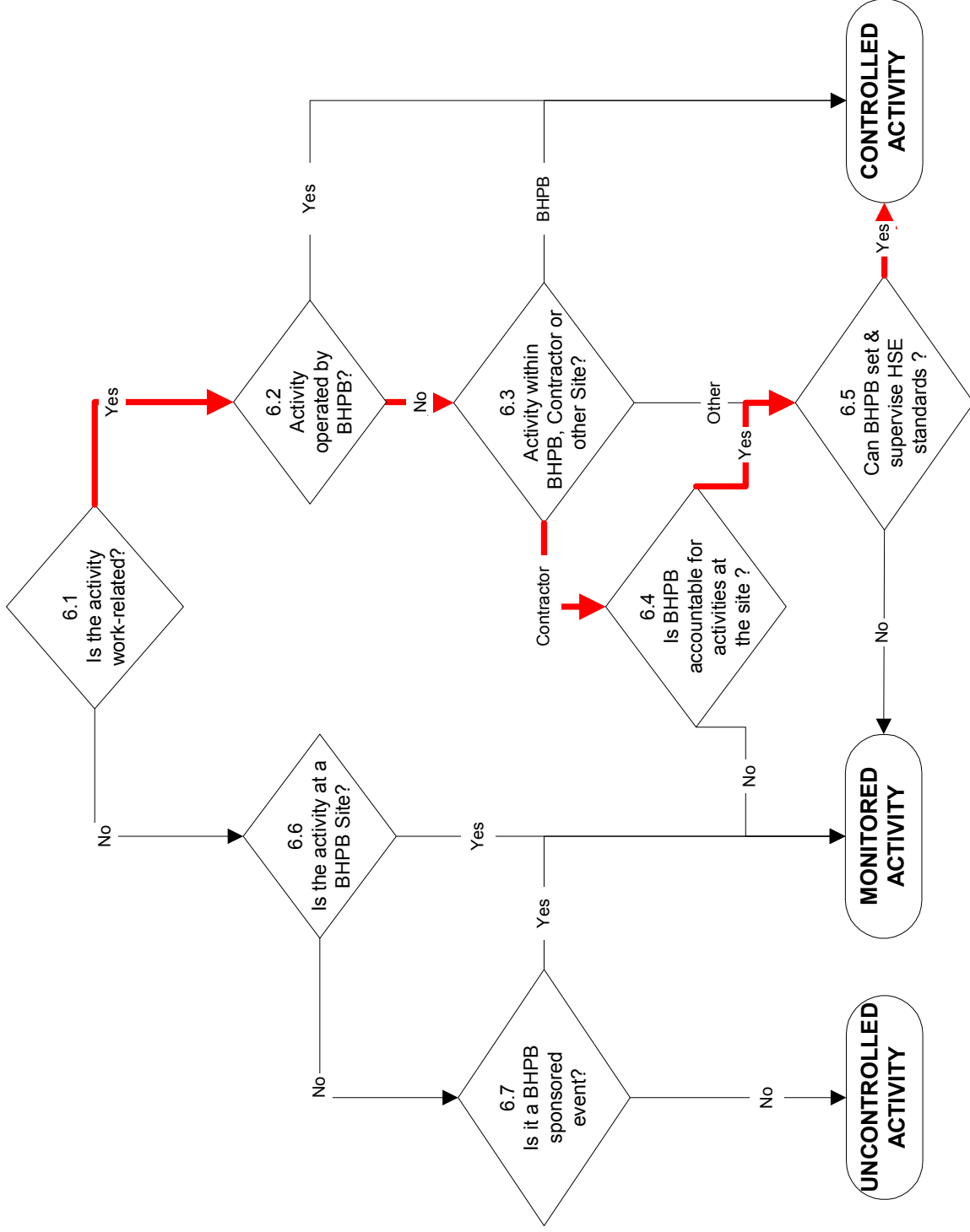
7.1. Production Facility Operations; MODU Operations, Geophysical Operations; **BHPB** Office Activities



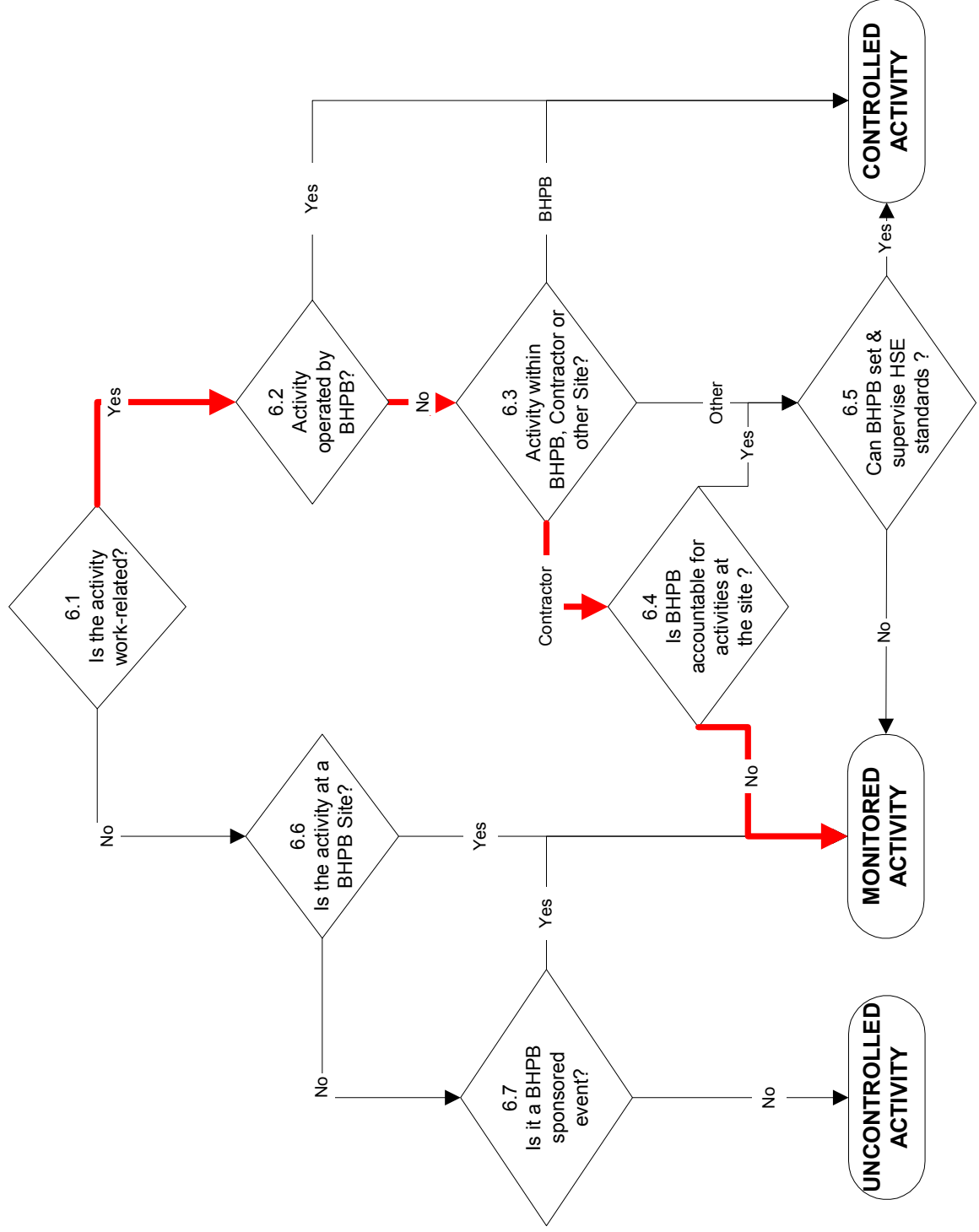
## 7.2. Contractor controlled activity at a BHPB site



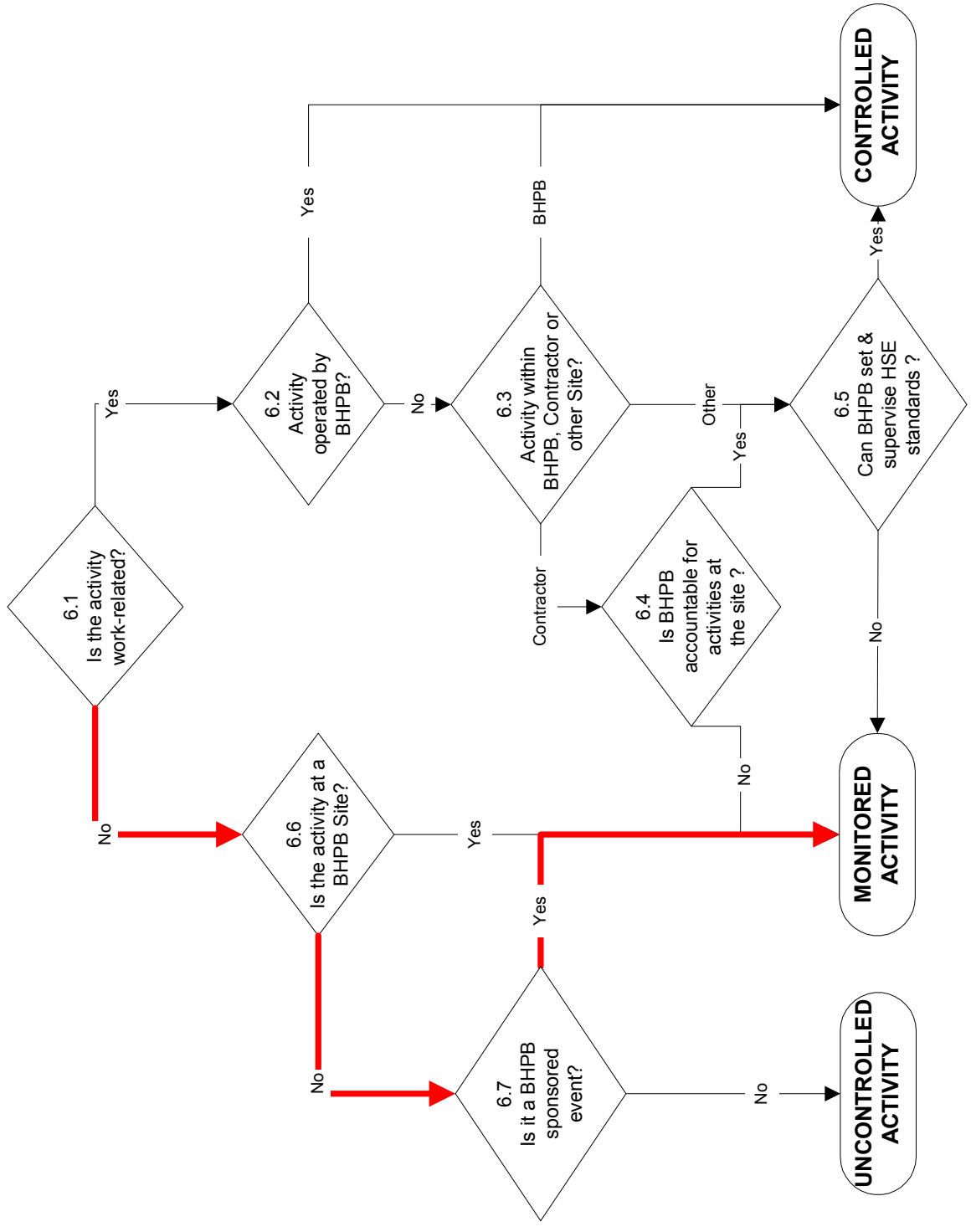
7.3. Contractor Shore base supporting multiple clients with dedicated BHPB section/supervision



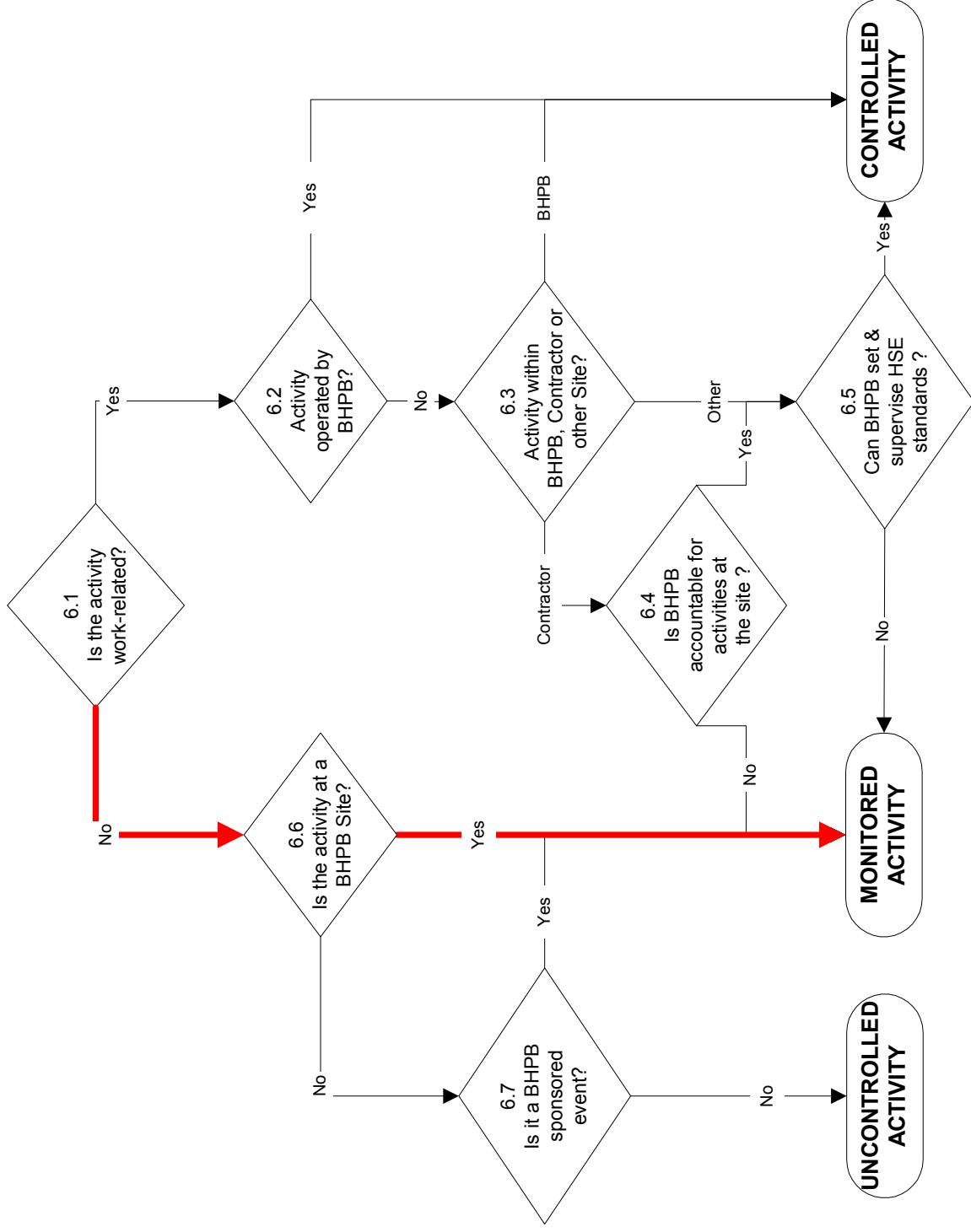
**7.4. Contractor Shore base supporting multiple clients without dedicated BHPB section/supervision**



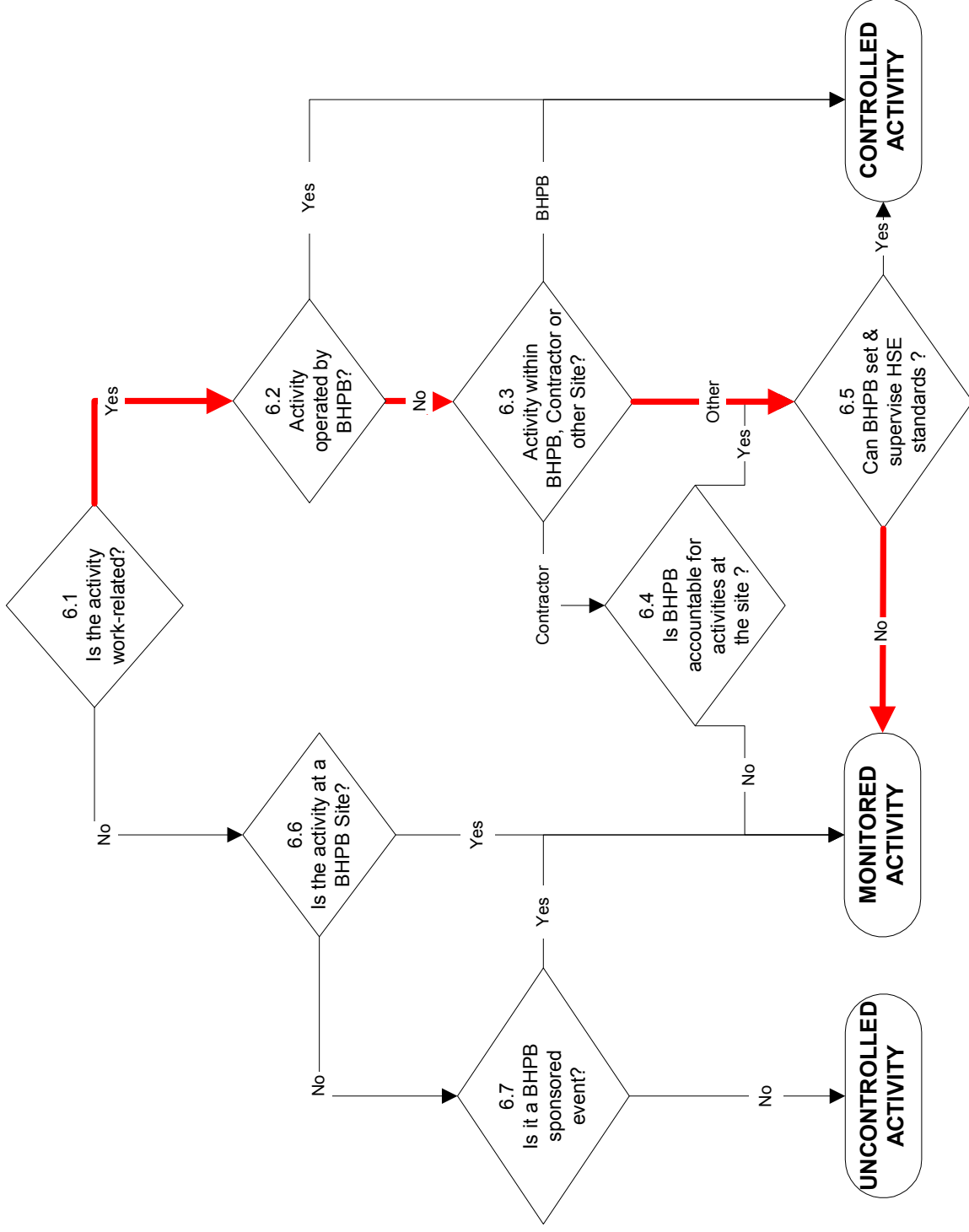
7.5. Social function following BHPB 'results' presentation held at an off-site venue



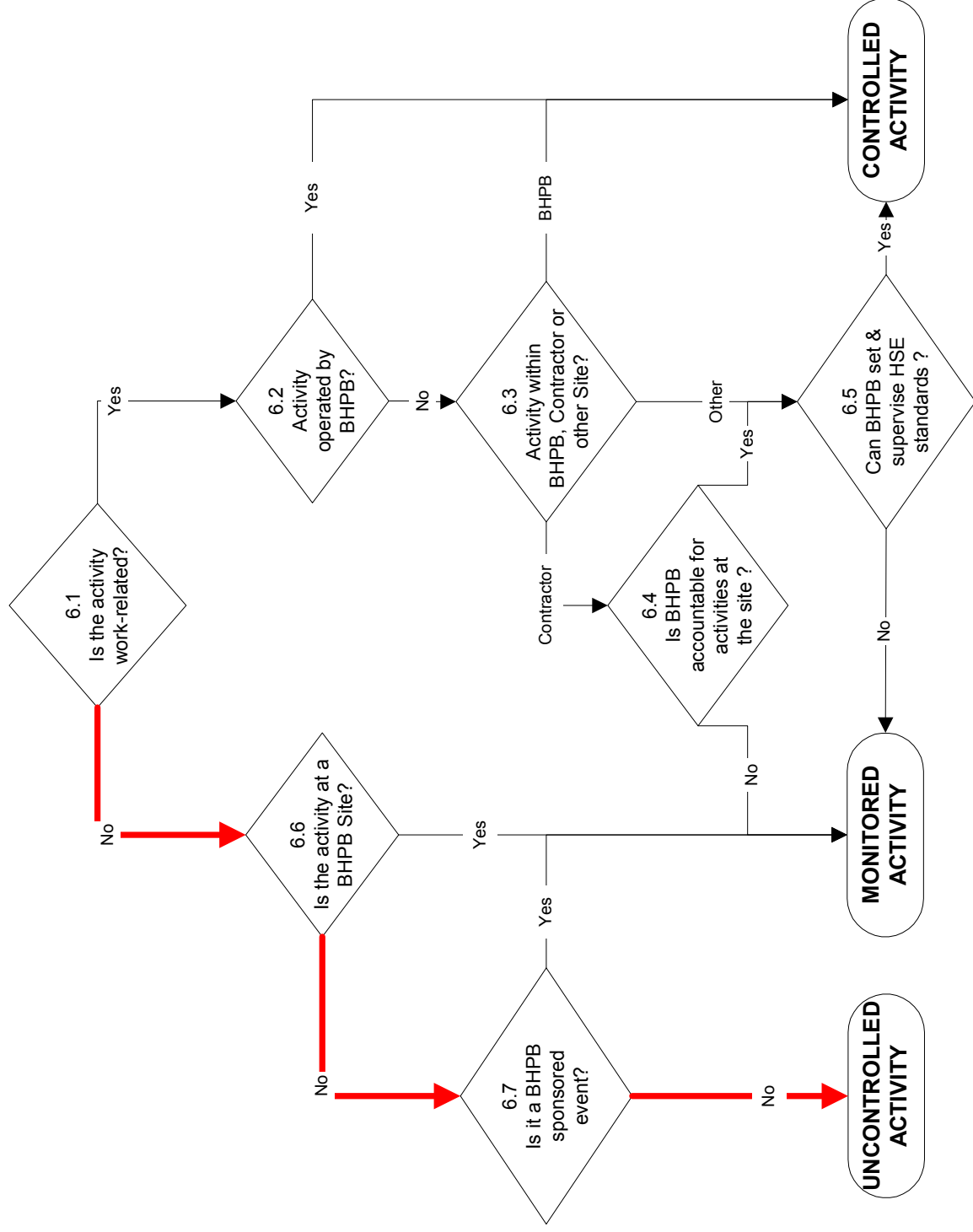
**7.6. Voluntary sports or recreational activities at a BHPB facility or site eg gym, viewing TV/cinema, private study or hobbies**



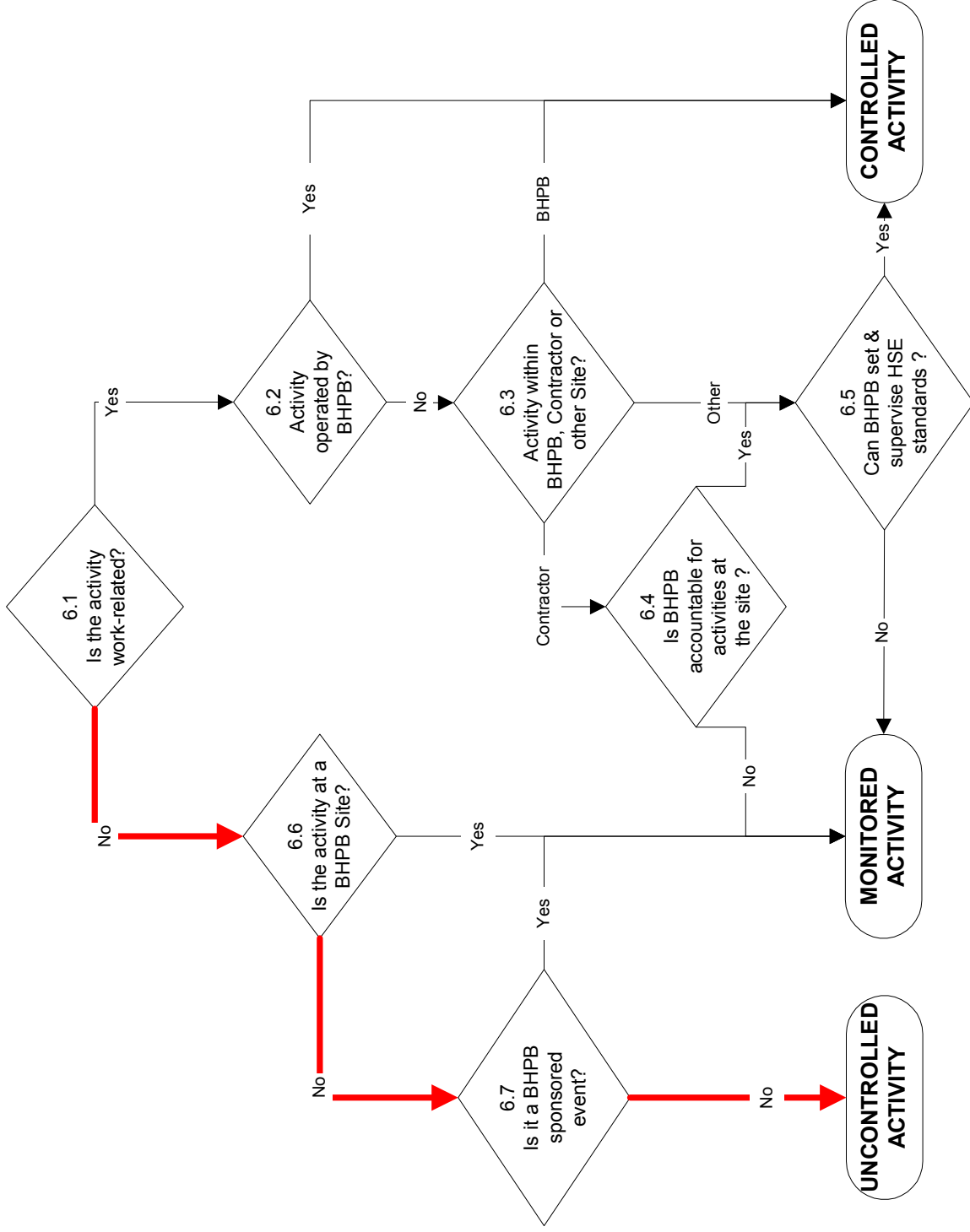
7.7. Activities/Operations at a Joint Venture operated facility or site eg production platform, onshore terminal, drilling rig, etc



**7.8. Personal/recreational activities not at a BHPB site or facility**



**7.9. Mobilisation of a seismic vessel from port to site (excludes deployment of equipment)**



**7.10. Vessel maintenance on a supply vessel while at dock or en-route**

