



INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

AUSTRALASIAN CHAPTER
ABN 58 181 124 763

ONSHORE MEMBERS MEETING

THURSDAY 2.00pm

27th JULY 2017

CITY GOLF CLUB (The Boardroom)

254 South Street, Toowoomba QLD 4350

	<p>Attendees:</p> <p>Easternwell Energy : Luke Smith (IADC- AC Chairman-Onshore), Megan Scott (IADC-AC Treasurer/Secretary) and Tristan Tully</p> <p>Savanna Energy: Ken Ledger and Phil Walton</p> <p>Schlumberger: Leigh Foreman</p> <p>ARC Equipment: Andy Gainsforth (IADC-AC Vice Chairman)</p> <p>Apologies:</p> <p>Hofco: Troy Scheffe</p> <p>High Arctic Energy Services: Mike Maguire and Steve Lambert</p> <p>Ensign Energy: Peter Koutsoukos and Michael Pandolfi</p> <p>Savanna Energy: Don Goldade</p> <p>Enerdrill: Peter West and Naz Butler</p> <p>Invited Guest Speaker: DNRM: Don Harris A/Principal Inspector</p>	
	<p>Meeting opened at 2.21pm, with Luke providing a welcome and Introductions, the Anti-Trust Guidelines (Rev 8-06 Feb 2015) were provided to all present.</p>	
	<p>DNRM Inspectorate Engagement presentation (as attached) provided by Don Harris: SLIDES from Petroleum and Gas Inspectorate Drilling Compliance Program – Past and Future:</p> <ol style="list-style-type: none">1. 2016-17 P & G Rig Compliance Program2. Level of Inspectorate Incident Response3. Prescribed Rig Incidents 2016-174. Example of incident:<ol style="list-style-type: none">i) Finger crushed when moving hard lineii) Explosion on mud pumpiii) Mounting brackets of job winch failediv) Knee injury – tripped on exposed object5. Learnings:<ol style="list-style-type: none">i) Inconsistent reporting from contractorsii) Management of Changeiii) Risk Assessments	



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	<p>6. 2017-18 P & G Rig Compliance Program:</p> <ul style="list-style-type: none">i) Site Inspections Target – 40ii) Data Inspection Target – 20iii) Audits Target – 4 <p>7. Tier 1 Non-compliance – Constructive guidance</p> <p>8. Tier 2 Non-compliance – Statutory notices</p> <p>9. Tier 3 Non-compliance – High level sanctions</p> <p>10. Code of Practice for the construction and abandonment of Coal Seam Gas Wells and associated bores in Queensland</p> <p>https://www.dnrm.qld.gov.au/data/assets/pdf/file/0011/119666/code-of-practice-csg-wells-and-bores.pdf</p> <p>Discussion about the 3 “natural death” cases recently, the fact that these have not happened before, and DNRM had to do more independent work for the coroner for these cases.</p> <p>Don mentioned that the replies from contractors are at a high standard. The inspectorate was found to be too close to the industry following the investigation into the black lung enquiry.</p> <p>Gas Safe email is PGIHotline@dnrm.qld.gov.au and Phone 1300 910 933</p> <p>Under Schedule 1, the Site Safety Manager responsibilities are an issue between operators and contractors. Operators want Rig Managers to be responsible for all plant and equipment on site, even equipment brought on by third parties organised by operators. There is a need to have clear responsibilities for Site Managers agreed to by both operators and contractors. Rig Managers need to have clarity about when they can relinquish control and site safety responsibilities especially when rig moving. The plan may be to leave the Driller in charge when no hydrocarbons are present or there are any critical tasks outstanding, to be discussed at future meetings.</p> <p>DNRM fee is also another issue to be tabled again. Fee calculation needs to be fairer for all. In Queensland, DRNM fees are worked out with a calculation on kilometres drilled (drilling Rigs) and numbers of wells serviced (well servicing rigs). This way of calculating penalises those who are more efficient and faster, the more you service in a period the higher the fees are payable. Luke to resend original letter to Inspectorate to put this issue back on the table to be negotiated.</p> <p>Consultation with Contractors occurred 26/07/2017 with the Inspectorate (10 team members) took part in a Hazardous Areas Workshop, held at Easternwell Energy to aid in educating the inspectors. Inspectorate found the Workshop insightful. Next step may be for BOP's and mud testing and then showing the Inspectorate the process to bring a rig in country, to help provide some understanding regarding the lengthy and exhaustive process that it usually is.</p>	
	<p>Drilling Completions General Induction (DCGI):</p> <p>Discussion about common induction program and the feeling that DCGI had lost direction from the original intention for the program. Originally it was supposed to have one common induction for the 4 operators involved, this would allow any contractor crews working for any of the</p>	<p>A letter to DRNM regarding current fee calculations, requesting revisit of calculations (M. Scott)</p>



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	<p>4 operators to do only one common induction, this would save costs and time for the multiple inductions.</p> <p>Compounding the issue with the fact that no other companies had the opportunity to run the DCGI common induction program, even contractor RTO's were rejected. This program lacked fairness and transparency.</p> <p>Permit to Work (PTW) Training requirements – seeking clarity for ruling changes:</p> <p>The same is being felt with the current online Permit to Work Program, which is only being run by one company and at an additional cost to contractors. Discussed the issue and decided to investigate if IADC Corporate have an online PTW system in place and if so, what would be the associated costs, this will allow an independent cost comparison.</p>	<p>Contact IADC Corporate to see if they have an online PTW system in place and any costs (M. Scott)</p>
	<p>457 Visa Discussion:</p> <p>A 9-page letter has been drafted, reviewed by several onshore and offshore members as well as IADC Corporate. The copy distributed at this meeting will be emailed to those present for final comments. This final approved copy is to be sent to Minister Peter Dutton and other ministers as listed on 28/07/2017.</p> <p>The view is that our best opportunity to be successful with this 457 Visa issue and trying to get “driller” reinstated on the accepted 457 list, may be to provide a better and clearer classification for “Rig Manager” to be added to the accepted 457 list.</p> <p>AMMA is also working on this same issue, which is good for both organisations to be on the same page, addressing the same issue.</p>	<p>457 Visa Letter to be emailed to members present, any comments added and final version approved to be sent to Minister Peter Dutton. (M. Scott)</p>
	<p>Heavy Vehicle Standard, non-hazardous loads:</p> <p>The Safer Together initiative for Land Transport, the draft discussed at this meeting. The issue for contractor members is the costs involved, discussed the cost for baffle balls which are included with latitudinal baffles. The cost now is to run baffles both longitudinally and latitudinal, an alternative to using baffle balls. New trailers are built with the new baffles running both ways, the cost to alter existing trailers is the sticking point.</p> <p>Easternwell obtained an independent engineering assessment for their trailers for establishing the static rollover threshold. It was also mentioned that Shell may be over standardising and feel it is a complex issue, particularly when OEM's do not recommend baffles or baffle balls. Department of Transport and Main Roads need to be involved, thereby any changes for the better can be flowed on nation-wide.</p> <p>One idea is to have IADC-AC assist with obtaining independent reports for any initiatives that may significantly impact contractor members, i.e. Deloitte; PWC or RPS, dependant on the specific issue, this will include providing cost benefit and an independent cost review.</p>	<p>Obtain contact details for the independent suppliers. (M. Scott)</p>
	<p>IADC-AC Safety Sub Committee discussion:</p> <p>Safer Together Group representation was discussed and felt that as it is not a statutory body that it is not in a position to impose serious changes to contractors without appropriate representation and agreement.</p>	<p>Safer Together is to be asked to include IADC-AC in the Leadership Group (M. Scott)</p>



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	<p>It is requested that an IADC-AC representative be appointed to the Safer Together Leadership Group to ensure representation for contractors is maintained.</p> <p>IADC-AC members voted and all present agreed to have a sub-committee established for Safety. This sub-committee will be able to conduct workshops, share challenges and any learnings, this group will also have the opportunity to get ahead of specific industry issues. They will be able to come under IADC-AC umbrella and be able to report to the committee on a regular basis.</p>	<p>IADC-AC Safety Sub Committee, terms of reference to be sourced from IADC Corporate. (M. Scott)</p>
	<p><u>Date of Next Meeting</u> The next members meeting will be approximately one months' time.</p>	
	<p><u>Close</u> Meeting closed at 4.36 pm</p>	

We confirm the above Minutes are true and accurate.

Luke Smith
IADC-AC Chairman-Onshore

Andy Gainsforth
IADC-AC Vice Chairman

Megan Scott
IADC-AC Treasurer/Secretary