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Taqsima B

L.N. 174 of 2015

PETROLEUM (PRODUCTION) ACT (CAP. 156)

Offshore Safety (Oil and Gas) Regulations, 2015

IN exercise of the powers conferred by article 5(1) of the Petroleum (Production) Act, the Minister for Transport and Infrastructure has made the following regulations:-

Citation.

1. The short title of these regulations is the Offshore Safety (Oil and Gas) Regulations, 2015.

Scope.

2. (1) The scope of these regulations is to transpose Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC which aims to reduce as far as possible the occurrence of major accidents relating to offshore oil and gas operations and to limit their consequences, thus increasing the protection of the marine environment and coastal economies against pollution, establishing minimum conditions for safe offshore exploration and exploitation of oil and gas and limiting possible disruptions to European Union indigenous energy production, and to improve the response mechanisms in case of an accident.

(2) These regulations shall be without prejudice to European Union law concerning safety and health of workers at work, in particular Directives 89/391/EEC and 92/91/EEC.

(3) These regulations shall be without prejudice to Directives 94/22/EC, 2001/42/EC, 2003/4/EC, 2003/35/EC, 2010/75/EU and 2011/92/EU.

Interpretation.

3. (1) In these regulations, unless the context otherwise requires:

"acceptable", in relation to a risk, means a level of risk for which the time, cost or effort of further reducing it would be grossly disproportionate to the benefits of such reduction. In assessing whether the time, cost or effort would be grossly disproportionate to the benefits of further reducing the risk, regard shall be had to best practice risk levels compatible with the undertaking;

"acceptance", in relation to the report on major hazards, means the communication in writing by the competent authority to the

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operator or the owner that the report, if implemented as set out therein, meets the requirements of these regulations. Acceptance does not imply any transfer of responsibility for control of major hazards to the competent authority;

Cap. 156. "the Act" means the Petroleum (Production) Act;

"Chairperson" means the chairperson of the competent authority;

"combined operation" means an operation carried out from an installation with another installation or installations for purposes related to the other installation(s) which thereby materially affects the risks to the safety of persons or the protection of the environment on any or all of the installations;

"commencement of operations" means the point in time when the installation or connected infrastructure is involved for the first time in the operations for which it is designed;

"competent authority" means the authority established under regulation 16;

"connected infrastructure" means, within the safety zone or within a nearby zone of a greater distance from the installation as established by the Licensing Authority:

(a) any well and associated structures, supplementary units and devices connected to the installation;

(b) any apparatus or works on or fixed to the main structure of the installation;

(c) any attached pipeline apparatus or works;

"contractor" means any entity contracted by the operator or owner to perform specific tasks on behalf of the operator or owner;

"entity" means any natural or legal person or any group of such persons;

"exploration" means drilling into a prospect and all related offshore oil and gas operations necessary prior to production-related operations;

"external emergency response plan" means a local, national or regional strategy to prevent escalation or limit the consequences of a major accident relating to offshore oil and gas operations using all

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resources available to the operator as described in the relevant internal emergency response plan, and any supplementary resources;

"independent verification" means an assessment and confirmation of the validity of particular written statements by an entity or an organisational part of the operator or the owner that is not under the control of or influenced by, the entity or the organisational part using those statements;

"industry" means entities that are directly involved in offshore oil and gas operations covered by these regulations or whose activities are closely related to those operations;

"installation" means a stationary, fixed or mobile facility, or a combination of facilities permanently inter-connected by bridges or other structures, used for offshore oil and gas operations or in connection with such operations. Installations include mobile offshore drilling units only when they are stationed in offshore waters for drilling, production or other activities associated with offshore oil and gas operations;

"internal emergency response plan" means a plan prepared by the operator or owner pursuant to the requirements of these regulations concerning the measures to prevent escalation or limit the consequences of a major accident relating to offshore oil and gas operations;

"licence" has the same meaning as is assigned to it by article 2 of the Act;

"licensed area" means the geographical area covered by the licence;

"licensee" has the same meaning as is assigned to it by article 2 of the Petroleum (Production) Regulations; S.L. 156.01.

"Licensing Authority" means the public body, authority or officer that grants a licence pursuant to the Act and the Continental Shelf Act; Cap. 535.

"major accident" means, in relation to an installation or connected infrastructure:

(a) an incident involving an explosion, fire, loss of well control, or release of oil, gas or dangerous substances involving, or with a significant potential to cause, fatalities or serious personal injury;

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(b) an incident leading to serious damage to the installation or connected infrastructure involving, or with a significant potential to cause, fatalities or serious personal injury;

(c) any other incident leading to fatalities or serious injury to five or more persons who are on the offshore installation where the source of danger occurs or who are engaged in an offshore oil and gas operation in connection with the installation or connected infrastructure; or

(d) any major environmental incident resulting from incidents referred to under paragraphs (a), (b) and (c) above.

For the purposes of determining whether an incident constitutes a major accident under paragraphs (a), (b) or (d) above, an installation that is normally unattended shall be treated as if it were attended;

"major environmental incident" means an incident which results, or is likely to result, in significant adverse effects on the environment in accordance with Directive 2004/35/EC;

"major hazard" means a situation with the potential to result in a major accident;

"material change" means:

(a) in the case of a report on major hazards, a change to the basis on which the original report was accepted including, *inter alia*, physical modifications, availability of new knowledge or technology and operational management changes;

(b) in the case of a notification of well operations or combined operations, a change to the basis on which the original notification was submitted including, *inter alia*, physical modifications, replacement of one installation with another, availability of new knowledge or technology and operational management changes;

"Minister" has the same meaning as is assigned to it by article 2 of the Act;

"non-production installation" means an installation other than an installation used for production of oil and gas;

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"offshore' means situated in the internal waters having the same meaning assigned to it by article 2 of the Continental Shelf Regulations or in the territorial waters having the same meaning assigned to it by article 3 of the Territorial Waters and Contiguous Zone Act or situated on the continental shelf having the same meaning assigned to it by article 2 of the Continental Shelf Act; Cap. 226. Cap. 535.

"offshore oil and gas operations" means all activities associated with an installation or connected infrastructure, including design, planning, construction, operation and decommissioning thereof, relating to exploration and production of oil or gas, but excluding conveyance of oil and gas from one coast to another;

"oil spill response effectiveness" means the effectiveness of spill response systems in responding to an oil spill, on the basis of an analysis of the frequency, duration, and timing of environmental conditions that would preclude a response. The assessment of oil spill response effectiveness is to be expressed as a percentage of time that such conditions are not present and is to include a description of the operating limitations placed on the installations concerned as a result of that assessment;

"operator" means the entity appointed by the licensee to conduct offshore oil and gas operations, including planning and executing a well operation or managing and controlling the functions of a production installation;

"owner" means an entity legally entitled to control the operation of a non-production installation;

"production" means offshore extraction of oil and gas from the underground strata of the licensed area including offshore processing of oil and gas and its conveyance through connected infrastructure;

"production installation" means an installation used for production;

"the public" means one or more entities and, in accordance with national legislation or practice, their associations, organisations or groups;

"risk" means the combination of the probability of an event and the consequences of that event;

"safety and environmental critical elements" means parts of an installation, including computer programmes, the purpose of which is to prevent or limit the consequences of a major accident, or the failure of which could cause or contribute substantially to a major accident;

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"safety zone" has the same meaning as is assigned to it by article 2 of the Continental Shelf Act;

Cap. 535.

"suitable" means right or fully appropriate, including consideration of proportionate effort and cost, for a given requirement or situation, based on objective evidence and demonstrated by an analysis, comparison with appropriate standards or other solutions used in comparable situations by other authorities or industry;

"tripartite consultation" means a formal arrangement to enable dialogue and cooperation between the competent authority, operators and owners, and trade unions representing the majority of workers; and

"well operation" means any operation concerning a well that could result in the accidental release of materials that has the potential to lead to a major accident, including the drilling of a well, the repair or modification of a well, the suspension of well operations and the permanent abandonment of a well.

(2) For the purposes of these regulations, any reference to Directives of the European Parliament and of the Council, shall be read and construed as if reference is made to the provisions of the regulations transposing the provisions of such Directives into Maltese law.

(3) For the purposes of these regulations, the term "oil and gas" shall be taken to have the same meaning as "petroleum" as is assigned to it by article 2 of the Act.

Considerations of the Licensing Authority when granting a licence.

4. (1) The Licensing Authority shall ensure that decisions on granting or transferring licences to carry out offshore oil and gas operations take into account the capability of an applicant for such a licence to meet the requirements for operations within the framework of the licence as required by the provisions of the Act, the relevant provisions of Directive 94/22/EC and, in particular, these regulations.

(2) In particular, when assessing the technical and financial capability of the applicant for a licence, the Licensing Authority shall take due account of the following:

(a) the risk, the hazards and any other relevant information relating to the licensed area concerned, including, where appropriate, the cost of degradation of the marine environment referred to in Article 8(1)(c) of Directive 2008/56/EC;

(b) the particular stage of offshore oil and gas

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operations;

(c) the applicant's financial capabilities, including any financial security, to cover liabilities potentially deriving from the offshore oil and gas operations in question including liability for potential economic damages where such liability is provided for by law; and

(d) the available information relating to the safety and environmental performance of the applicant, including in relation to major accidents, as may be appropriate to the operations for which the licence was requested.

(3) Before granting or transferring a licence for offshore oil and gas operations, the Licensing Authority shall consult, where appropriate, the competent authority.

Additional considerations of the Licensing Authority when granting a licence.

5. (1) The Licensing Authority shall not grant a licence unless it is satisfied with evidence submitted by the applicant that the applicant has made or will make adequate provision to cover liabilities potentially deriving from the applicant's offshore oil and gas operations. Such provision shall be valid and effective from the start of offshore oil and gas operations.

(2) Applicants shall provide, in an appropriate manner, evidence of technical and financial capacity and any other relevant information relating to the area covered by the licence and the particular stage of offshore oil and gas operations.

(3) The Licensing Authority shall assess the adequacy of provisions referred to in sub-regulation (1) to ensure that the applicant has sufficient financial resources for the immediate launch and uninterrupted continuation of all measures necessary for effective emergency response and subsequent remediation.

(4) The Licensing Authority shall facilitate the deployment of sustainable financial instruments and other arrangements to assist applicants for licences in demonstrating their financial capacity pursuant to sub-regulation (2).

(5) The Licensing Authority shall require the licensee to maintain sufficient capacity to meet its financial obligations resulting from liabilities for offshore oil and gas operations.

Appointment of operator.

6. (1) The licensee shall appoint the operator and shall notify the Licensing Authority of the appointment in advance. The Licensing Authority, if necessary in consultation with the competent authority, may object to the appointment of the operator.

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(2) If the Licensing Authority objects to the operator appointed by the licensee, the licensee shall appoint a suitable alternative operator or assume the responsibilities of the operator under these regulations.

Licensing procedures prior to commencement of production operations.

7. The Licensing Authority shall ensure that the licensing procedures for offshore oil and gas operations relating to a given licensed area shall be organised in such a way that information collected as a result of exploration can be considered by the Licensing Authority prior to the commencement of production operations.

Technical and financial capabilities of an applicant.

8. When assessing the technical and financial capabilities of an applicant for a licence, the Licensing Authority, in consultation with the relevant competent authorities, shall especially take into account any environmentally sensitive marine and coastal environments, in particular ecosystems which play an important role in mitigation and adaptation to climate change, such as salt marshes and sea grass beds, and marine protected areas, such as special areas of conservation pursuant to the Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, special protection areas pursuant to the Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, and marine protected areas as agreed by the European Union or Member States concerned within the framework of any international or regional agreements to which they are a party.

Public participation.

9. (1) The drilling of an exploration well from a non-production installation shall not be commenced unless the Licensing Authority shall have previously ensured that early and effective public participation on the possible effects of planned offshore oil and gas operations on the environment pursuant to other European Union legal acts, in particular Directive 2001/42/EC or 2011/92/EU as appropriate, has been undertaken.

(2) Where public participation has not been undertaken pursuant to sub-regulation (1), the Licensing Authority shall ensure that the following arrangements are made:

(a) the public is informed, by means of a notice in the Gazette or in at least one local daily newspaper in the English language and in the Maltese language, where it is planned to allow exploration operations;

(b) the public concerned is identified, including the public affected or likely to be affected by, or having an interest in, the decision to allow exploration operations, including relevant non-governmental organisations such as those

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promoting environmental protection, and other relevant organisations;

(c) relevant information about such planned operations is made available to the public at the time the notice referred to in paragraph (a) is published including, *inter alia*, information about the right to participate in decision-making, and to whom comments or questions may be submitted;

(d) the public is entitled to express comments and opinions within eight (8) weeks from the time the notice referred to in paragraph (a) is published at a time when all options are open before decisions to allow exploration are taken;

(e) when decisions under paragraph (d) are taken, due account is taken of the results of the public participation; and

(f) the public is informed not more than a maximum of four (4) weeks after decisions under paragraph (d) are taken, about the decisions taken and the reasons therefor and the considerations upon which those decisions are based, including information about the public participation process.

(3) This regulation does not apply in respect of areas licensed before 18 July 2013.

Responsibilities of the Licensing Authority.

10. The Licensing Authority shall ensure that:

(a) production installations and connected infrastructure are operated only in licensed areas and only by operators appointed for that purpose pursuant to regulation 6;

(b) the licensee ensures the operator has the capacity to meet the requirements for specific operations within the framework of the licence; and

(c) throughout all offshore oil and gas operations the licensee takes all reasonable steps to ensure that the operator meets the requirements, carries out its functions, and discharges its duties under these regulations.

Failure of operator to meet the requirements under these regulations.

11. Where the competent authority determines that the operator no longer has the capacity to meet the relevant requirements under these regulations, the competent authority shall inform the Licensing Authority in writing. The Licensing Authority shall then notify the licensee thereof and the licensee shall assume responsibility for the discharge of the duties concerned and shall,

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without delay, propose a replacement operator to the Licensing Authority.

Additional responsibilities of the Licensing Authority.

12. (1) The Licensing Authority shall ensure that operations relating to production and non-production installations are not commenced or continued until the report on major hazards has been accepted by the competent authority in accordance with these regulations.

(2) The Licensing Authority shall ensure that well operations or combined operations are not commenced or continued until the report on major hazards for the installations involved has been accepted by the competent authority in accordance with these regulations. Furthermore, such operations shall not be commenced or continued where a notification of well operations or a notification of combined operations has not been submitted pursuant to regulation 24(1)(h) and (i) to the competent authority or where the competent authority expresses objections to the content of a notification.

Establishment of a safety zone.

13. The Licensing Authority shall ensure that a safety zone is established around an installation and that vessels are prohibited from entering or remaining in that safety zone:

Provided that such prohibition shall not apply to a vessel entering or remaining in the safety zone:

(a) in connection with the laying, inspection, testing, repair, maintenance, alteration, renewal or removal of any submarine cable or pipeline in or near that safety zone;

(b) to provide services for or to transport persons or goods to or from any installation in that safety zone;

(c) to inspect any installation or connected infrastructure in that safety zone under the authority of the Government of Malta;

(d) in connection with saving or attempting to save life or property;

(e) owing to stress of weather;

(f) when in distress; or

(g) if there is consent from the operator, owner or the Government of Malta in which the safety zone is located.

Tripartite consultations.

14. For the purposes of these regulations, a mechanism for

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effective participation in tripartite consultation between the competent authority, operators and owners, and trade unions representing the majority of the workers in the formulation of standards and policies dealing with major accident prevention, shall be established by the Licensing Authority.

Liability for environmental damage.

15. Without prejudice to the existing scope of liability relating to the prevention and remediation of environmental damage pursuant to Directive 2004/35/EC, the Licensing Authority shall ensure that the licensee is financially liable for the prevention and remediation of environmental damage as defined in that Directive, caused by offshore oil and gas operations carried out by, or on behalf of, the licensee or the operator.

Appointment of the competent authority.

16. There shall be a body, to be known as the Offshore Safety (Oil and Gas) Board, which shall perform the functions of the competent authority under these regulations.

Functions of the competent authority.

17. (1) The functions of the competent authority shall include:

(a) assessing and accepting reports on major hazards, assessing design notifications, and assessing notifications of well operations or combined operations, and other similar documents that are submitted to it;

(b) overseeing compliance by operators and owners with these regulations including inspections, investigations and enforcement actions;

(c) advising other authorities or bodies, including the Licensing Authority;

(d) making annual plans pursuant to securing compliance with the regulatory framework for major accident prevention;

(e) producing reports in pursuance to its functions;

(f) cooperating with the competent authorities or contact points pursuant to regulation 44; and

(g) any other function as may be assigned to it in writing by the Minister.

(2) In the exercise of its functions the competent authority shall:

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(a) act independently of policies, regulatory decisions or other considerations unrelated to its duties under these regulations;

(b) make clear the extent of its responsibilities and the responsibilities of the operator and the owner for the control of major accident risks under these regulations;

(c) establish a policy, process and procedures for thorough assessment of reports on major hazards and notifications submitted by means of the reports and documents required under regulation 24 as well as for overseeing compliance with these regulations, including inspection, investigation and enforcement actions;

(d) make the policy, process and procedures pursuant to paragraph (c) available to operators and owners and make summaries thereof available to the public;

(e) where necessary, prepare and implement coordinated or joint procedures with other national authorities to undertake its duties under these regulations; and

(f) base its policy, organisation and operational procedures on the principles set out in Schedule Three.

Appointment of expert members.

18. (1) The Minister shall appoint members to serve as expert members on the competent authority.

(2) The competent authority shall be composed as follows:

(a) a Chairperson, who shall be a technically competent person in the field of safety of offshore oil and gas operations and who shall be responsible for the organisation of the work of the competent authority;

(b) one member from the Licensing Authority;

(c) one member from the Authority for Transport in Malta;

(d) one member from the authority responsible for environment in Malta;

(e) one member from the Occupational Health and Safety Authority; and

(f) any other member or members from any authority

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which, in the opinion of the Minister, after consultation with the competent authority, may have a regulatory function in the field of oil and gas operations.

(3) The Minister may, after consultation with the other relevant authorities:

(a) prescribe by regulations any new functions on the competent authority for purposes connected with offshore oil and gas operations; and

(b) terminate by prescribing regulations any function of the competent authority.

Tenure and removal from office.

19. (1) Each member of the competent authority shall hold office for a period between one and three years on such terms and conditions as the Minister may by instrument in writing direct. The members so appointed may be re-appointed on the expiry of their term:

Provided that they shall remain in office on completion of their term, until the Minister formally informs them of the appointment of a substitute.

(2) A member of the competent authority may, by notice in writing addressed to the Minister, resign from office.

(3) The Minister may remove a member of the competent authority from office if, in the opinion of the Minister, such member is unfit to continue in office or has become incapable of properly performing his duties as a member.

Conduct of the meetings of the competent authority.

20. (1) The competent authority shall meet as often as necessary to discharge its functions, either at the request of the Chairperson or at the request of any other two members.

(2) The quorum for each meeting shall not be less than one half of the total number of members of the competent authority. However, when a quorum is not reached, another meeting may be convened with the same agenda by not later than forty-eight (48) hours and in the eventuality that a quorum is still not attained, the members present being not less than two (2) including the Chairperson, shall be deemed to constitute a quorum:

Provided that without prejudice to sub-regulation (1), the competent authority shall regulate its own procedures.

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Financial and human resources.

21. The competent authority shall inform the Minister of the necessary financial and human resources to fulfil its obligations under these regulations and the Minister shall ensure that such resources are made available. Such resources shall be commensurate with the extent of offshore oil and gas operations and may be recovered from licensees, operators or owners.

Individual expert advisors.

22. The competent authority shall be entitled to engage persons to serve as individual expert advisers or to set up advisory committees and appoint members to serve on such advisory committees as may be useful and appropriate for the competent authority to enable it to better discharge its responsibilities and functions.

Conflicts of interest.

23. (1) The competent authority shall ensure that no individual expert advisor or any member serving on the said advisory committees may be compromised by conflicts of interest.

(2) It shall be the duty of every individual expert advisor or any member serving on the said advisory committees, who has a pecuniary interest, direct or indirect, in any matter to disclose openly such interest by writing to the Chairperson as soon as such pecuniary interest arises and not later than one week after it arises. A person who fails to comply with the provisions of this regulation shall be guilty of an offence against this regulation.

Submission of documents to the competent authority.

24. (1) In order to carry out offshore oil and gas operations the operator or the owner shall submit to the competent authority:

(a) the corporate major accident prevention policy or an adequate description thereof, in accordance with regulations 32 and 35;

(b) the safety and environmental management system applicable to the installation, or an adequate description thereof, in accordance with regulations 33 and 35;

(c) in the case of a planned production installation, a design notification in accordance with the requirements of item 1 of Schedule One;

(d) a description of the scheme of independent verification in accordance with regulation 30;

(e) a report on major hazards, in accordance with regulations 25 and 26;

(f) in the event of a material change or dismantling of

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an installation, an amended report on major hazards in accordance with regulations 25 and 26;

(g) the internal emergency response plan or an adequate description thereof, in accordance with regulations 27 and 45;

(h) in the case of a well operation, a notification of that well operation and information on that well operation in accordance with regulation 28;

(i) in the case of a combined operation, a notification of combined operations in accordance with regulation 29;

(j) in the case of an existing production installation which is to be moved to a new production location where it is to be operated, a relocation notification in accordance with item 1 of Schedule One; and

(k) any other relevant document requested by the competent authority.

(2) The documents to be submitted under sub-regulation (1)(a), (b), (d) and (g) shall be included with the report on major hazards required under sub-regulation (1)(e). The corporate major accident prevention policy of an operator of a well shall, where not previously submitted, be included with the notification of well operations to be submitted under sub-regulation (1)(h).

(3) The design notification required pursuant to sub-regulation (1)(c) shall be submitted to the competent authority by a deadline set by the competent authority before the intended submission of the report on major hazards for the planned operation. The competent authority shall respond to the design notification with comments to be taken into account in the report on major hazards.

(4) Where an existing production installation is to enter or leave the offshore waters, the operator shall notify the competent authority in writing prior to the date on which the production installation is due to enter or leave the offshore waters.

(5) The relocation notification required pursuant to sub-regulation (1)(j) shall be submitted to the competent authority at a stage that is sufficiently early in the proposed development to enable the operator to take into account any matters raised by the competent authority during the preparation of the report on major hazards.

(6) Where there is a material change affecting the design

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notification or the relocation notification prior to the submission of the report on major hazards, the competent authority shall be notified of that change as soon as possible.

(7) The report on major hazards required pursuant to sub-regulation (1)(e) shall be submitted to the competent authority by not later than sixteen (16) weeks before the planned commencement of the operations or by such other deadlines set by the competent authority.

Report on major hazards for a production installation.

25. (1) The operator or the owner shall prepare and submit to the competent authority a report on major hazards for a production installation, to be submitted pursuant to regulation 24(1)(e). That report shall contain the information specified in items 2 and 5 of Schedule One and shall be updated whenever appropriate or when so required by the competent authority.

(2) The trade unions representing the majority of workers shall be consulted at the relevant stages in the preparation of the report on major hazards for a production installation, and the operator or the owner shall ensure that evidence is provided to this effect in accordance with item 2(c) of Schedule One.

(3) The report on major hazards for a production installation may be prepared in relation to a group of installations, subject to the agreement of the competent authority.

(4) Where further information is necessary before a report on major hazards can be accepted, the operator shall provide, at the request of the competent authority, such information and make any necessary changes to the submitted report on major hazards.

(5) Where modifications are to be made to the production installation that entail a material change, or it is intended to dismantle a fixed production installation, the operator shall prepare an amended report on major hazards, to be submitted pursuant to regulation 24(1)(f) by a deadline specified by the competent authority, in accordance with item 6 of Schedule One.

(6) Planned modifications shall not be brought into use nor any dismantlement commenced until the competent authority has accepted the amended report on major hazards for the production installation.

(7) The report on major hazards for a production installation shall be subject to a thorough periodic review by the operator at least every five years or earlier when so required by the competent authority. The results of the review shall be notified to the competent

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authority.

Report on major hazards for a non-production installation.

26. (1) The owner shall prepare and submit to the competent authority a report on major hazards for a non-production installation, to be submitted pursuant to regulation 24(1)(e). That report shall contain the information specified in items 3 and 5 of Schedule One and shall be updated whenever appropriate or when so required by the competent authority.

(2) The trade unions representing the majority of workers shall be consulted at the relevant stages in the preparation of the report on major hazards for a non-production installation, and the owner shall ensure that evidence is provided to this effect in accordance with item 3(b) of Schedule One.

(3) Where further information is necessary before a report on major hazards for a non-production installation can be accepted, the owner shall provide, at the request of the competent authority, such information and make any necessary changes to the submitted report on major hazards.

(4) Where modifications are to be made to the non-production installation that entail a material change, or it is intended to dismantle a fixed non-production installation, the owner shall prepare an amended report on major hazards, to be submitted pursuant to regulation 24(1)(f) by a deadline specified by the competent authority, in accordance with item 6(a), (b) and (c) of Schedule One.

(5) For a fixed non-production installation, the planned modifications shall not be brought into use nor any dismantlement commenced until the competent authority has accepted the amended report on major hazards for the fixed non-production installation.

(6) For a mobile non-production installation, the planned modifications shall not be brought into use until the competent authority has accepted the amended report on major hazards for the mobile non-production installation.

(7) The report on major hazards for a non-production installation shall be subject to a thorough periodic review by the owner at least every five years or earlier when so required by the competent authority. The results of the review shall be notified to the competent authority.

Internal emergency response plans.

27. (1) Operators or owners, as appropriate, shall prepare internal emergency response plans to be submitted pursuant to regulation 24(1)(g). The plans shall be prepared in accordance with regulation 45 taking into account the major accident risk assessment

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undertaken during preparation of the most recent report on major hazards. The plan shall include an analysis of the oil spill response effectiveness.

(2) In the event that a mobile non-production installation is to be used for carrying out well operations, the internal emergency response plan for the installation shall take into account the risk assessment undertaken during the preparation of the notification of well operations to be submitted pursuant to regulation 24(1)(h). Where the internal emergency response plan has to be amended due to the particular nature or location of the well, the operator of the well shall submit the amended internal emergency response plan, or an adequate description thereof, to the competent authority to complement the relevant notification of well operations.

(3) In the event that a non-production installation is to be used for carrying out combined operations, the internal emergency response plan shall be amended to cover the combined operations and shall be submitted to the competent authority to complement the relevant notification of the combined operations.

Well notification.

28. (1) The operator of a well shall prepare the notification to be submitted pursuant to regulation 24(1)(h) to the competent authority. It shall be submitted by not later than sixteen (16) weeks before the commencement of the well operation or by such other deadlines set by the competent authority. The said notification of well operations shall contain details of the design of the well and the proposed well operations in accordance with item 4 of Schedule One. This shall include an analysis of the oil spill response effectiveness.

(2) The competent authority shall consider the notification and, if deemed necessary, take appropriate action before the well operations are commenced, which may include prohibiting the operation from being commenced.

(3) The operator of the well shall involve the independent verifier in planning and preparation of a material change to the submitted notification of well operations pursuant to regulation 30(4)(b) and that it immediately informs the competent authority of any material change to the submitted notification of well operations. The competent authority shall consider those changes and, if deemed necessary, take appropriate action.

(4) The operator of the well shall submit reports of well operations to the competent authority in accordance with the requirements of Schedule Two. The reports shall be submitted at weekly intervals, starting on the day of commencement of the well

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operations, or at intervals specified by the competent authority.

Notification of combined operations.

29. (1) Operators and owners involved in a combined operation shall jointly prepare the notification to be submitted pursuant to regulation 24(1)(i). The notification shall contain the information specified in item 7 of Schedule One. One of the operators shall submit the notification of combined operations to the competent authority. The notification shall be submitted by a deadline set by the competent authority before combined operations are commenced.

(2) The competent authority shall consider the notification and, if deemed necessary, take appropriate action before the combined operations are commenced, which may include prohibiting the operation from being commenced.

(3) The operator who submitted the notification shall inform without delay the competent authority of any material change to the submitted notification. The competent authority shall consider those changes and, if deemed necessary, take appropriate action.

Independent verification.

30. (1) Operators and owners shall establish schemes for independent verification and shall prepare a description of such schemes, to be submitted pursuant to regulation 24(1)(d) and included within the safety and environmental management system submitted pursuant to regulation 24(1)(b). The description shall contain the information specified in item 5 of Schedule One.

(2) The results of the independent verification shall be without prejudice to the responsibility of the operator or the owner for the correct and safe functioning of the equipment and systems under verification.

(3) The selection of the independent verifier and the design of schemes for independent verification shall meet the criteria of Schedule Five.

(4) The schemes for independent verification shall be established:

(a) in respect of installations, to give independent assurance that the safety and environmental critical elements identified in the risk assessment for the installation, as described in the report on major hazards, are suitable and that the schedule of examination and testing of the safety and environmental critical elements is suitable, up-to-date and operating as intended; and

(b) in respect of notifications of well operations, to

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give independent assurance that the well design and well control measures are suitable for the anticipated well conditions at all times.

(5) Operators and owners shall respond to and take appropriate action based on the advice of the independent verifier.

(6) Operators and owners shall ensure that advice received from the independent verifier pursuant to sub-regulation (4)(a) and records of action taken on the basis of such advice are made available to the competent authority and retained by the operator or the owner for a period of six months after completion of the offshore oil and gas operations to which they relate.

(7) Operators of wells shall ensure that the findings and comments of the independent verifier pursuant to sub-regulation (4)(b) and their actions in response to those findings and comments are presented in the notification of well operations prepared in accordance with regulation 28.

(8) For a production installation, the verification scheme shall be in place prior to the completion of the design. For a non-production installation, the scheme shall be in place prior to the commencement of operations in the offshore waters.

Powers of the competent authority.

31. The competent authority shall:

(a) prohibit the operation or commencement of operations on any installation or any connected infrastructure where the measures proposed in the report on major hazards for the prevention or limiting the consequences of major accidents or notifications of well operations or combined operations submitted pursuant to regulation 24(1)(h) and (i) are considered insufficient to fulfil the requirements set out in these regulations;

(b) in exceptional situations and where it considers that safety and environmental protection are not compromised, shorten the time interval required between the submission of the report on major hazards or other documents to be submitted pursuant to regulation 24 and the commencement of operations;

(c) require the operator to take such proportionate measures as it considers necessary to ensure the prevention of major accidents in offshore oil and gas operations;

(d) where regulation 11 applies, take adequate measures to ensure the continuing safety of operations; and

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(e) require improvements and, if necessary, prohibit the continued operation of any installation or any part thereof or any connected infrastructure where it is shown by the outcome of an inspection, a determination pursuant to regulation 11, a periodic review of the report on major hazards submitted pursuant to regulation 24(1)(e) or by changes to notifications submitted pursuant to regulation 24, that the requirements of these regulations are not being fulfilled or there are reasonable concerns about the safety of offshore oil and gas operations or installations.

Corporate major accident prevention policy.

32. (1) Operators and owners shall prepare a document setting out their corporate major accident prevention policy which is to be submitted pursuant to regulation 24(1)(a) and to ensure that it is implemented throughout their offshore oil and gas operations, including by setting up appropriate monitoring arrangements to assure effectiveness of the policy. The document shall contain the information specified in item 8 of Schedule One.

(2) The corporate major accident prevention policy shall take account of the operators' primary responsibility for, *inter alia*, the control of risks of a major accident that are a result of its operations and for continuously improving control of those risks so as to ensure a high level of protection at all times.

Safety and environmental management system.

33. Operators and owners shall prepare a document setting out their safety and environmental management system which is to be submitted pursuant to regulation 24(1)(b). The document shall include a description of the:

(a) organisational arrangements for control of major hazards;

(b) arrangements for preparing and submitting reports on major hazards, and other documents as appropriate, pursuant to these regulations; and

(c) schemes for independent verification established pursuant to regulation 30.

Mechanisms for tripartite consultation.

34. Operators and owners shall contribute to mechanisms for effective tripartite consultation established pursuant to regulation 14. When appropriate, an operator's and owner's commitment to such mechanisms may be outlined in the corporate major accident prevention policy.

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Preparation of corporate major accident prevention policy and safety and environmental management system.

35. The corporate major accident prevention policy and the safety and environmental management system shall be prepared in accordance with items 8 and 9 of Schedule One and Schedule Four. The following conditions shall apply:

(a) the corporate major accident prevention policy shall be in writing and shall establish the overall aims and arrangements for controlling the risk of a major accident, and how those aims are to be achieved and arrangements put into effect at corporate level; and

(b) the safety and environmental management system shall be integrated within the overall management system of the operator or owner and shall include organisational structure, responsibilities, practices, procedures, processes and resources for determining and implementing the corporate major accident prevention policy.

Inventory of emergency response equipment.

36. Operators and owners shall prepare and maintain a complete inventory of emergency response equipment pertinent to their offshore oil and gas operation.

Exchanges of knowledge.

37. Operators and owners in consultation with the competent authority and making use of the exchanges of knowledge, information and experience provided for in regulation 44(1), shall prepare and revise standards and guidance on best practice in relation to the control of major hazards throughout the design and operational life-cycle of offshore oil and gas operations, and that as a minimum they follow the outline in Schedule Six.

Activities outside the European Union.

38. Operators and owners shall ensure that their corporate major accident prevention policy document referred to in regulation 32(1) also covers their production and non-production installations outside of the European Union.

Suspension of activities in case of imminent danger.

39. Where an activity carried out by an operator or an owner poses an immediate danger to human health or significantly increases the risk of a major accident, the operator or the owner shall take suitable measures which may include, if deemed necessary, suspending the relevant activity until the danger or risk is adequately controlled. Where such measures are taken, the operator or the owner shall notify the competent authority accordingly without delay and no later than 24 hours after taking those measures.

Collection and recording of relevant data.

40. Operators and owners shall take suitable measures to use suitable technical means or procedures in order to promote the reliability of the collection and recording of relevant data and to prevent possible manipulation thereof.

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Operations conducted outside the European Union by companies registered in Malta.

41. (1) Companies registered in Malta and conducting, themselves or through subsidiaries, offshore oil and gas operations outside the European Union as licence holders or operators shall report to the competent authority, on request, the circumstances of any major accident in which they have been involved.

(2) In the request for a report pursuant to sub-regulation (1), the competent authority shall specify the details of the information required. Such reports shall be exchanged in accordance with regulation 44(1).

Compliance with measures established in the report on major hazards.

42. (1) Operators and owners shall comply with the measures established in the report on major hazards and in the plans referred to in the notification of well operations and notification of combined operations, submitted pursuant to regulation 24(1)(e), (h) and (i).

(2) Operators and owners shall provide the competent authority, or any other persons acting under the direction of the competent authority, with transport to or from an installation or vessel associated with oil and gas operations, including the conveyance of their equipment, at any reasonable time, and with accommodation, meals and other subsistence in connection with the visits to the installations, for the purpose of facilitating the competent authority's oversight, including inspections, investigations and enforcement of compliance with these regulations.

(3) The competent authority shall develop annual plans for effective oversight, including inspections, of major hazards based on risk management and with particular regard to compliance with the report on major hazards and other documents submitted pursuant to regulation 24. The effectiveness of the plans shall be regularly reviewed and the competent authority shall take any necessary measures to improve them.

Confidential reporting.

43. (1) The competent authority shall establish mechanisms in order to facilitate confidential reporting of safety and environmental concerns relating to offshore oil and gas operations from any source, and the investigation of such reports while maintaining the anonymity of the individuals concerned.

(2) Operators and owners shall communicate details of the national arrangements for the mechanisms referred to in sub-regulation (1) to their employees and contractors connected with the operation and their employees, and shall ensure that reference to confidential reporting is included in relevant training and notices.

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Cooperation between Member States.

44. (1) The competent authority shall regularly exchange knowledge, information and experience with other competent authorities, *inter alia*, through the European Union Offshore Oil and Gas Authorities Group (EUOAG), and engage in consultations on the application of relevant national and European Union law with the industry, other stakeholders and the European Commission.

(2) Knowledge, information and experience exchanged pursuant to sub-regulation (1) shall concern, in particular, the functioning of the measures for risk management, major accident prevention, verification of compliance and emergency response relating to offshore oil and gas operations within the European Union, as well as outside of the European Union where appropriate.

(3) The competent authority shall participate in establishing clear joint priorities for the preparation and updating of standards and guidance in order to identify and facilitate the implementation and consistent application of best practices in offshore oil and gas operations together with the corresponding authorities of other Member States.

Internal emergency response plans.

45. (1) The competent authority shall ensure that the internal emergency response plans prepared by the operator or the owner in accordance with regulation 27 and submitted pursuant to regulation 24(1)(g) shall be:

(a) put into action without delay to respond to any major accident or a situation where there is an immediate risk of a major accident; and

(b) consistent with the external emergency response plan as referred to in the Offshore (Oil and Gas) External Emergency Response Regulations.

(2) The competent authority shall ensure that the operator and the owner maintain equipment and expertise relevant to the internal emergency response plan in order for that equipment and expertise to be available at all times and to be made available as necessary to the authorities responsible for the execution of the external emergency response plan where the internal emergency response plan applies.

(3) The internal emergency response plan shall be prepared in accordance with item 10 of Schedule One and updated as a consequence of any material change to the report on major hazards or notifications submitted pursuant to regulation 24. Any such updates shall be submitted to the competent authority pursuant to regulation 24(1)(g) and notified to the relevant authority or authorities responsible for preparing the external emergency response plans for

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the area concerned.

(4) The internal emergency response plan shall be integrated with other measures relating to protection and rescue of personnel from the stricken installation so as to secure a good prospect of personal safety and survival.

46. Whosoever knowingly acts in violation of any provisions of these regulations shall be guilty, by reason merely of having done so and without prejudice to prosecution under any provision of law, of an offence and shall be liable, on conviction, to a fine (*multa*) of not less than ten thousand euro (€10,000) and not exceeding two million euro (€2,000,000) or to imprisonment which shall not exceed a term of five years, or to both such fine and imprisonment: Penalties.

Provided that where the act constituting the offence subsists for more than one day, the Court may in addition impose a fine (*multa*) not exceeding ten thousand euro (€10,000) for each day during which such act subsists which fine (*multa*) shall also be applicable for the purposes of article 377(3) of the Criminal Code. Cap. 9.

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Schedule One

Information to be included in documents submitted to the competent authority pursuant to regulation 24

1. INFORMATION TO BE SUBMITTED IN A DESIGN OR RELOCATION NOTIFICATION FOR A PRODUCTION INSTALLATION

The design notification and the relocation notification for a production installation to be submitted pursuant to regulation 24(1)(c) and (j) shall contain at least the following information:

(a) the name and address of the operator of the installation;

(b) a description of the design process for the production operations and systems, from an initial concept to the submitted design or selection of an existing installation, the relevant standards used, and the design concepts included in the process;

(c) a description of the selected design concept in relation to the major hazard scenarios for the particular installation and its location, and the primary risk control features;

(d) a demonstration that the concept contributes to reducing major hazard risks to an acceptable level;

(e) a description of the installation and the conditions at its intended location;

(f) a description of any environmental, meteorological and seabed limitations on safe operations, and the arrangements for identifying risks from seabed and marine hazards such as pipelines and the moorings of adjacent installations;

(g) a description of the types of major hazard operations to be carried out;

(h) a general description of the safety and environmental management system by which the intended major accident risk control measures are to be maintained in good effect;

(i) a description of the independent verification schemes and an initial list of safety and environmental critical elements and their required performance;

(j) where an existing production installation is to be moved to a new location to serve a different production operation, a demonstration that the installation is suitable for the proposed production operation;

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(k) where a non-production installation is to be converted for use as a production installation, a justification demonstrating that the installation is suitable for such conversion.

2. INFORMATION TO BE SUBMITTED IN A REPORT ON MAJOR HAZARDS FOR OPERATION OF A PRODUCTION INSTALLATION

Reports on major hazards for a production installation to be prepared in accordance with regulation 25 and submitted pursuant to regulation 24(1)(e) shall contain at least the following information:

(a) a description of the account taken of the competent authority's response to the design notification;

(b) the name and address of the operator of the installation;

(c) a summary of any worker involvement in the preparation of the report on major hazards;

(d) a description of the installation and any association with other installations or connected infrastructure, including wells;

(e) demonstration that all the major hazards have been identified, their likelihood and consequences assessed, including any environmental, meteorological and seabed limitations on safe operations, and that their control measures including associated safety and environmental critical elements are suitable so as to reduce the risk of a major accident to an acceptable level; this demonstration shall include an assessment of oil spill response effectiveness;

(f) a description of the types of operations with major hazard potential to be carried out, and the maximum number of persons that can be on the installation at any time;

(g) a description of equipment and arrangements to ensure well control, process safety, containment of hazardous substances, prevention of fire and explosion, protection of the workers from hazardous substances, and protection of the environment from an incipient major accident;

(h) a description of the arrangements to protect persons on the installation from major hazards, and to ensure their safe escape, evacuation and rescue, and arrangements for the maintenance of control systems to prevent damage to the installation and the environment in the event that all personnel are evacuated;

(i) relevant codes, standards and guidance used in the construction and commissioning of the installation;

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(j) information, regarding the operator's safety and environmental management system, that is relevant to the production installation;

(k) an internal emergency response plan or an adequate description thereof;

(l) a description of the independent verification scheme;

(m) any other relevant details, for example where two or more installations operate in combination in a way which affects the major hazard potential of either or all installations;

(n) the information relevant to other requirements under these regulations obtained pursuant to the major accident prevention requirements of Directive 92/91/EEC;

(o) in respect of operations to be conducted from the installation, any information relating to the prevention of major accidents resulting in significant or serious damage to the environment relevant to other requirements under these regulations, obtained pursuant to Directive 2011/92/EU;

(p) an assessment of the identified potential environmental effects resulting from the loss of containment of pollutants arising from a major accident, and a description of the technical and non-technical measures envisaged to prevent, reduce or offset them, including monitoring.

3. INFORMATION TO BE SUBMITTED IN A REPORT ON MAJOR HAZARDS FOR A NON-PRODUCTION INSTALLATION

Reports on major hazards for a non-production installation to be prepared in accordance with regulation 26 and submitted pursuant to regulation 24(1)(e) shall contain at least the following information:

(a) the name and address of the owner;

(b) a summary of any worker involvement in the preparation of the report on major hazards;

(c) a description of the installation and, in the case of a mobile installation, a description of its means of transfer between locations, and its stationing system;

(d) a description of the types of operations with major hazard potential that the installation is capable of performing, and the maximum number of persons that can be on the installation at any time;

(e) demonstration that all the major hazards have been identified,

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their likelihood and consequences assessed, including any environmental, meteorological and seabed limitations on safe operations and that their control measures including associated safety and environmental critical elements are suitable so as to reduce the risk of a major accident to an acceptable level; this demonstration shall include an assessment of any oil spill response effectiveness;

(f) a description of the plant and arrangements to ensure well control, process safety, containment of hazardous substances, prevention of fire and explosion, protection of the workers from hazardous substances, and protection of the environment from a major accident;

(g) a description of the arrangements to protect persons on the installation from major hazards, and to ensure their safe escape, evacuation and rescue, and arrangements for the maintenance of control systems to prevent damage to the installation and the environment in the event that all personnel are evacuated;

(h) relevant codes, standards and guidance used in the construction and commissioning of the installation;

(i) demonstration that all the major hazards have been identified for all operations the installation is capable of performing, and that the risk of a major accident is reduced to an acceptable level;

(j) a description of any environmental, meteorological and seabed limitations on safe operations, and the arrangements for identifying risks from seabed and marine hazards such as pipelines and the moorings of adjacent installations;

(k) information, regarding the safety and environmental management system, that is relevant to the non-production installation;

(l) an internal emergency response plan or an adequate description thereof;

(m) a description of the independent verification scheme;

(n) any other relevant details, for example where two or more installations operate in combination in a way which affects the major hazard potential of either or all installations;

(o) in respect of operations to be conducted from the installation, any information obtained pursuant to Directive 2011/92/EU relating to the prevention of major accidents resulting in significant or serious damage to the environment relevant to other requirements under these regulations;

(p) an assessment of the identified potential environmental effects

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resulting from the loss of containment of pollutants arising from a major accident, and a description of the technical and non-technical measures envisaged to prevent, reduce or offset them, including monitoring.

4. INFORMATION TO BE SUBMITTED IN A NOTIFICATION OF WELL OPERATIONS

Notifications of well operations to be prepared in accordance with regulation 28 and submitted pursuant to regulation 24(1)(h) shall contain at least the following information:

(a) the name and address of the operator of the well;

(b) the name of the installation to be used and the name and address of the owner or, in the case of a production installation, the contractor undertaking drilling activities;

(c) details that identify the well and any association with installations and connected infrastructure;

(d) information on the well work programme, including the period of its operation, details and verification of barriers against loss of well control (equipment, drilling fluids and cement etc.), directional control of the well path, and limitations on safe operations in keeping with the risk management;

(e) in the case of an existing well, information regarding its history and condition;

(f) any details concerning safety equipment to be deployed that are not described in the current report on major hazards for the installation;

(g) a risk assessment incorporating a description of:

(i) the particular hazards associated with the well operation including any environmental, meteorological and seabed limitations on safe operations;

(ii) the subsurface hazards;

(iii) any surface or sub-sea operations which introduce simultaneous major hazard potential; and

(iv) suitable control measures;

(h) a description of the well configuration at the end of operations - i.e. permanently or temporarily abandoned; and whether production equipment has been placed into the well for future use;

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(i) in the case of a modification to a previously submitted notification of well operations, sufficient details to fully update the notification;

(j) where a well is to be constructed, modified or maintained by means of a non-production installation, additional information as follows:

(i) a description of any environmental, meteorological and seabed limitations on safe operations, and arrangements for identifying risks from seabed and marine hazards such as pipelines and the moorings of adjacent installations;

(ii) a description of environmental conditions that have been taken into account within the internal emergency response plan for the installation;

(iii) a description of emergency response arrangements including arrangements for responding in cases of environmental incidents that are not described in the report on major hazards; and

(iv) a description of how the management systems of the operator of the well and the owner are to be coordinated to ensure effective control of major hazards at all times;

(k) a report with findings of the independent well examination, including a statement by the operator of the well that, after considering the report and findings of independent well examination by the independent verifier, the risk management relating to well design and its barriers to loss of control are suitable for all anticipated conditions and circumstances;

(l) the information relevant to these regulations obtained pursuant to the major accident prevention requirements of Directive 92/91/EEC;

(m) in respect of the well operations to be conducted, any information relevant to other requirements under these regulations obtained pursuant to Directive 2011/92/EU relating to the prevention of major accidents resulting in significant or serious damage to the environment.

5. INFORMATION TO BE SUBMITTED RELATING TO A VERIFICATION SCHEME

Descriptions to be submitted pursuant to regulation 24(1)(d) in relation to schemes of independent verification to be established pursuant to regulation 30(1) shall include:

(a) a statement by the operator or owner, made after considering the report of the independent verifier, that the record of safety critical elements and their scheme of maintenance as specified in the report on major hazards

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are or will be suitable;

(b) a description of the verification scheme including the selection of independent verifiers, the means of verification that safety and environmental critical elements and any specified plant in the scheme remain in good repair and condition;

(c) a description of the means of verification referred to in sub-item (b) above that shall include details of the principles that will be applied to carry out the functions under the scheme and to keep the scheme under review throughout the life-cycle of the installation including:

(i) the examination and testing of the safety and environmental critical elements by independent and competent verifiers;

(ii) verification of the design, standard, certification or other system of conformity of the safety and environmental critical elements;

(iii) examination of work in progress;

(iv) the reporting of any instances of non-compliance; and

(v) remedial actions taken by the operator or owner.

6. INFORMATION TO BE PROVIDED IN RESPECT OF A MATERIAL CHANGE TO AN INSTALLATION, INCLUDING REMOVAL OF A FIXED INSTALLATION

Where material changes are to be made to the installation as referred to in regulation 25(5) and regulation 26(4), the amended report on major hazards incorporating the material changes to be submitted pursuant to regulation 24(1)(f) shall contain at least the following information:

(a) the name and address of the operator or the owner;

(b) a summary of any worker involvement in the preparation of the revised report on major hazards;

(c) sufficient details to fully update the earlier report on major hazards and associated internal emergency response plan for the installation and to demonstrate major hazard risks are reduced to an acceptable level;

(d) in the case of taking a fixed production installation out of use:

(i) means of isolating all hazardous substances and in the case of wells connected to the installation, the permanent sealing of the wells from the installation and the environment;

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(ii) a description of major hazard risks associated with the decommissioning of the installation to workers and the environment, the total exposed population, and the risk control measures;

(iii) emergency response arrangements to secure safe evacuation and rescue of personnel and to maintain control systems for preventing a major accident to the environment.

7. INFORMATION TO BE SUBMITTED IN A NOTIFICATION OF COMBINED OPERATIONS

The notification of combined operations to be prepared pursuant to regulation 29 and submitted pursuant to regulation 24(1)(a) shall contain at least the following information:

(a) the name and address of the operator submitting the notification;

(b) in the event that other operators or owners are involved in the combined operations their names and addresses, including a confirmation that they agree with the contents of the notification;

(c) a description, in the form of a bridging document authorised by all parties to the document, of how the management systems for the installations involved in the combined operation will be coordinated so as to reduce the risk of a major accident to an acceptable level;

(d) a description of any equipment to be used in connection with the combined operation but which is not described in the current report on major hazards for any of the installations involved in the combined operations;

(e) a summary of the risk assessment carried out by all operators and owners involved in the combined operations, which shall include:

(i) a description of any operation during the combined operation which may involve hazards with the potential to cause a major accident on or in connection with an installation;

(ii) a description of any risk control measures introduced as a result of the risk assessment;

(f) a description of the combined operation and a programme of work.

8. INFORMATION TO BE SUBMITTED IN RESPECT OF A CORPORATE MAJOR ACCIDENT PREVENTION POLICY

The corporate major accident prevention policy to be prepared in accordance with regulation 32(1) and submitted pursuant to regulation 24(1)(a) shall include

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but not be limited to:

(a) the responsibility at corporate board level for ensuring, on a continuous basis, that the corporate major accident prevention policy is suitable, implemented, and operating as intended;

(b) measures for building and maintaining a strong safety culture with a high likelihood of continuous safe operation;

(c) the extent and intensity of process auditing;

(d) measures for rewarding and recognising desired behaviours;

(e) the evaluation of the company's capabilities and goals;

(f) measures for maintenance of safety and environmental protection standards as a corporate core value;

(g) formal command and control systems that include board members and senior management of the company;

(h) the approach to competency at all levels of the company;

(i) the extent to which sub-items (a) to (h) above are applied in the company's offshore oil and gas operations conducted outside the European Union.

9. INFORMATION TO BE PROVIDED IN RESPECT OF A SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

The safety and environmental management system to be prepared pursuant to regulation 33 and submitted pursuant to regulation 24(1)(b) shall include but not be limited to:

(a) organisation structure and personnel roles and responsibilities;

(b) identification and evaluation of major hazards as well as their likelihood and potential consequences;

(c) integration of environmental impact into major accident risk assessments in the report on major hazards;

(d) controls of the major hazards during normal operations;

(e) management of change;

(f) emergency planning and response;

(g) limitation of damage to the environment;

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(h) monitoring of performance;

(i) audit and review arrangements; and

(j) the measures in place for participating in tripartite consultations and how actions resulting from those consultations are put into effect.

10. INFORMATION TO BE PROVIDED IN AN INTERNAL EMERGENCY RESPONSE PLAN

Internal emergency response plans to be prepared pursuant to regulation 27 and submitted pursuant to regulation 24(1)(g) shall include but not be limited to:

(a) names and positions of persons authorised to initiate emergency response procedures and the person directing the internal emergency response;

(b) name or position of the person with responsibility for liaising with the authority or authorities responsible for the external emergency response plan;

(c) a description of all foreseeable conditions or events which could cause a major accident, as described in the report on major hazards to which the plan is attached;

(d) a description of the actions that will be taken to control conditions or events which could cause a major accident and to limit their consequences;

(e) a description of the equipment and the resources available, including for capping any potential spill;

(f) arrangements for limiting the risks to persons on the installation and the environment, including how warnings are to be given and the actions persons are expected to take on receipt of a warning;

(g) in the case of combined operation, arrangements for coordinating escape, evacuation and rescue between the installations concerned, to secure a good prospect of survival for persons on the installations during a major accident;

(h) an estimate of oil spill response effectiveness. Environmental conditions to be considered in this response analysis shall include:

(i) weather, including wind, visibility, precipitation and temperature;

(ii) states, tides, and currents;

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(iii) presence of ice and debris;

(iv) hours of daylight; and

(v) other known environmental conditions that might influence the efficiency of the response equipment or the overall effectiveness of a response effort;

(i) arrangements for providing early warning of a major accident to the authority or authorities responsible for initiating the external emergency response plan, the type of information which shall be contained in an initial warning and the arrangements for the provision of more detailed information as it becomes available;

(j) arrangements for training personnel in the duties they will be expected to carry out, and where necessary coordinating this with external emergency responders;

(k) arrangements for coordinating internal emergency response with external emergency response;

(l) evidence of prior assessments of any chemicals used as dispersants that have been carried out to minimise public health implications and any further environmental damage.

Schedule Two

Reports of well operations to be submitted to the competent authority pursuant to regulation 28(4)

The reports to be submitted shall contain at least the following information:

(a) the name and address of the operator of the well;

(b) the name of the installation and the name and address of the operator or owner;

(c) details that identify the well and any association with installations or connected infrastructure;

(d) a summary of the operations undertaken since the commencement of operations or since the previous report;

(e) the diameter and true vertical and measured depths of:

(i) any hole drilled; and

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(ii) any casing installed;

(f) the drilling fluid density at the time of making the report; and

(g) in the case of operations relating to an existing well, its current operational state.

Schedule Three

Provisions relating to the appointment and functioning of the competent authority pursuant to regulations 16 and 17

1. Provisions relating to the appointment of the competent authority

(a) For the purposes of appointing the competent authority responsible for the duties set out in regulation 17, the following shall be undertaken:

(i) the making of organisational arrangements which allow for the duties assigned to the competent authority in these regulations to be effectively discharged, including arrangements for regulating safety and environmental protection in an equitable manner;

(ii) the preparation of a policy statement describing the aims of oversight and enforcement, and the obligations on the competent authority to achieve transparency, consistency, proportionality and objectivity in its regulation of offshore oil and gas operations.

(b) The following necessary provisions to bring the arrangements in sub-item (a) above into effect shall be made:

(i) funding sufficient specialist expertise available internally or by formal agreements with third parties or both in order that the competent authority may inspect and investigate operations, take enforcement action, and to handle reports on major hazards and notifications;

(ii) where there is reliance on external sources of expertise, funding the preparation of sufficient written guidance and oversight to maintain consistency of approach and to ensure the legally appointed competent authority retains full responsibility under these regulations;

(iii) funding essential training, communication, access to technology, travel and subsistence of competent authority personnel for the carrying out of their duties, and to facilitate the active cooperation

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between competent authorities pursuant to regulation 44;

(iv) where appropriate, requiring operators or owners to reimburse the competent authority for the cost of carrying out its duties pursuant to these regulations;

(v) funding and encouraging research pursuant to the competent authority's duties under these regulations;

(vi) providing funding for reports by the competent authority.

2. Provisions relating to the functioning of the competent authority

(a) For the purposes of carrying out its duties pursuant to regulation 17 effectively, the competent authority shall prepare:

(i) a written strategy that describes its duties, priorities for action i.e. in design and operation of installations, integrity management and in emergency preparedness and response, and how it is organised;

(ii) operating procedures that describe how it will inspect and enforce the execution of the duties of operators and owners under these regulations, including how it will handle, assess and accept reports on major hazards, handle notifications of well operations and how the intervals between inspection of major hazard risk control measures, including to the environment, for a given installation or activity are to be determined;

(iii) procedures for carrying out its duties without prejudice to other responsibilities, for example onshore oil and gas operations, and arrangements pursuant to Directive 92/91/EEC;

(iv) where the competent authority is comprised of more than one body, a formal agreement establishing the necessary mechanisms for joint operation of the competent authority, including senior management oversight and monitoring and reviews, joint planning and inspection, division of responsibilities for handling reports on major hazards, joint investigation, internal communications, and reports to be published jointly externally.

(b) The detailed procedures for assessment of reports on major hazards shall require all factual information and other particulars required under these regulations to be provided by the operator or the owner. As a minimum the competent authority shall ensure that the requirements for the following information are clearly specified in guidance to operators and owners:

(i) all foreseeable hazards with the potential to cause a major

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accident, including to the environment, have been identified, their risks evaluated and measures identified, including emergency responses, to control the risks;

(ii) the safety and environmental management system is adequately described to demonstrate compliance with these regulations;

(iii) adequate arrangements have been described for independent verification, and for audit by the operator or owner.

(c) In undertaking a thorough assessment of reports on major hazards, the competent authority shall ensure that:

(i) all factual information required is provided;

(ii) the operator or the owner has identified all reasonably foreseeable major accident hazards that apply to the installation and its functions, together with potential initiating events, and that the methodology and evaluation criteria adopted for major accident risk management are clearly explained, including factors for uncertainty in the analysis;

(iii) the risk management have taken into consideration all relevant stages in the life-cycle of the installation and have anticipated all foreseeable situations including:

(aa) how the design decisions described in the design notification have taken account of risk management so as to ensure inherent safety and environmental principles are incorporated;

(bb) how well operations are to be conducted from the installation when operating;

(cc) how well operations are to be undertaken and temporarily suspended before production is commenced from a production installation;

(dd) how combined operations are to be undertaken with other installation;

(ee) how the decommissioning of the installation will be undertaken;

(iv) how risk reduction measures identified as part of the risk management are intended to be implemented if necessary to reduce risks to an acceptable level;

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(v) whether, in determining the necessary measures to achieve acceptable levels of risk, the operator or owner has clearly demonstrated how relevant good practice and judgment based on sound engineering, best management practice, and human and organisational factors principles have been taken into account;

(vi) whether the measures and arrangements for the detection of, and the rapid and effective response to, an emergency are clearly identified and justified;

(vii) how escape, evacuation and rescue arrangements and measures to limit escalation of an emergency and reduce its impact on the environment are integrated in a logical and systematic manner, taking account of the likely emergency conditions in which they will be operated;

(viii) how the requirements are incorporated in the internal emergency response plans and whether a copy or an adequate description of the internal emergency response plan has been submitted to the competent authority;

(ix) whether the safety and environmental management system described in the report on major hazards is adequate to ensure control of the major hazard risks at each stage of the installation life-cycle, and ensures compliance with all relevant legal provisions, and provides for auditing and implementing audit recommendations; and

(x) whether the scheme for independent verification is clearly explained.

Schedule Four

Provisions by operators and owners for prevention of major accidents pursuant to regulation 35

1. Operators and owners shall:

(a) pay particular attention to evaluation of the reliability and integrity requirements of all safety and environmental critical systems and base their inspection and maintenance systems on achieving the required level of safety and environmental integrity;

(b) take appropriate measures to ensure as far as reasonably practicable that there is no unplanned escape of hazardous substances from pipelines, vessels and systems intended for their safe confinement. In

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addition, operators and owners shall ensure that no single failure of a containment barrier can lead to a major accident;

(c) prepare an inventory of available equipment, its ownership, location, transport to and mode of deployment at the installation and any entities relevant to the implementation of the internal emergency response plan. The inventory shall identify measures in place to ensure equipment and procedures are maintained in operable condition;

(d) ensure they have a suitable framework for monitoring compliance with all relevant statutory provisions by incorporating their statutory duties in respect of major hazards control and environmental protection into their standard operating procedures; and

(e) pay particular attention to building and maintaining a strong safety culture with a high likelihood of continuous safe operation, including with regard to securing cooperation of the workers through, *inter alia*:

(i) visible commitment to tripartite consultations and actions arising therefrom;

(ii) encouraging and rewarding reporting of accidents and near-misses;

(iii) working effectively with elected safety representatives; and

(iv) protecting whistleblowers.

2. Industry shall cooperate with the competent authority to establish and implement a priority plan for the development of standards, guidance and rules which will give effect to best practice in major accident prevention, and limitation of consequences of major accidents should they nonetheless occur.

Schedule Five

Selection of the independent verifier and the design of schemes for independent verification pursuant to regulation 30(3)

1. The operator or owner shall ensure the following conditions are fulfilled with regard to the verifier's independence from the operator and the owner:

(a) the function does not require the independent verifier to consider any aspect of a safety and environmental critical element or any part of an installation or a well or a well design in which the verifier was previously

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involved prior to the verification activity or where his or her objectivity might be compromised;

(b) the independent verifier is sufficiently independent of a management system which has, or has had, any responsibility for any aspect of a component covered by the scheme for independent verification or well examination so as to ensure objectivity in carrying out his or her functions under the scheme.

2. The operator or the owner shall ensure that, in respect of the scheme for independent verification relating to an installation or a well, the following conditions are fulfilled:

(a) the independent verifier has suitable technical competence, including where necessary, suitably qualified and experienced personnel in adequate numbers who fulfil the requirements of item 1 above;

(b) tasks under the scheme for independent verification are appropriately allocated by the independent verifier to personnel qualified to undertake them;

(c) suitable arrangements are in place for the flow of information between the operator or owner and the independent verifier; and

(d) the independent verifier is given suitable authority to be able to carry out the functions effectively.

3. Material changes shall be referred to the independent verifier for further verification in accordance with the scheme for independent verification, and the outcomes of such further verification shall be communicated to the competent authority, if requested.

Schedule Six

Information relating to priorities for cooperation between operators and owners and the competent authority pursuant to regulation 37

The matters to be considered for establishing priorities for the development of standards and guidance shall give practical effect to major accident prevention and limitation of their consequences. The matters shall include:

(a) improving well integrity, well control equipment and barriers and monitoring their effectiveness;

(b) improving primary containment;

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(c) improving secondary containment that restricts escalation of an incipient major accident, including well blow-outs;

(d) reliable decision making;

(e) management and supervision of major hazard operations;

(f) competency of key post holders;

(g) effective risk management;

(h) reliability assessment for safety and environmental critical systems;

(i) key performance indicators;

(j) effectively integrating safety and environmental management systems between operators and owners and other entities involved in oil and gas operations.

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