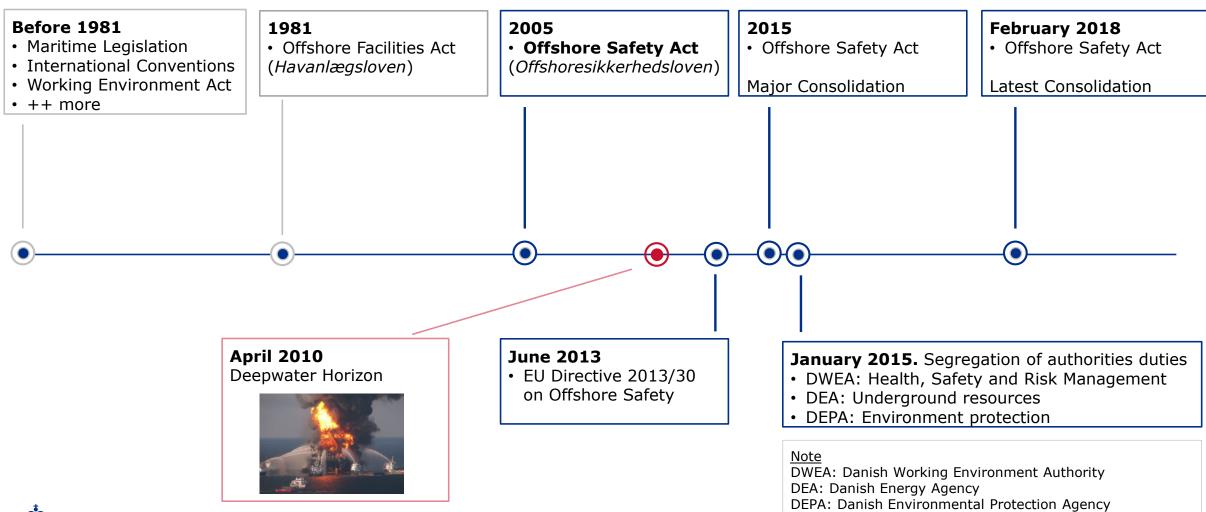


Danish Offshore Regulations in relation to Well Decommissioning

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Offshore Oil & Gas Safety
Danish Working Environment Authority

Offshore Oil and Gas - Timeline for Key Changes in Regulations





Offshore Safety Act and Executive Orders

Offshore Safety Act (Consolidated Feb 2018)

<u>Purpose</u>

- "Promote a high level of health and safety offshore which is in accordance with technical and social developments in society"
- "Create a framework that allows companies themselves to address health and safety issues offshore"

Key Requirements

- Management System
- Health and Safety Document
- Risk Assessment and Risk Mitigation (ALARP)
- Independent Verification (of SECE)
- Approvals and Permits
- Emergency Response
- Training and Competencies

Executive Orders (Bekendtgørelser)

- 31 Executive Orders in place
- Defines specific rules and requirements in accordance with Offshore Safety Act

Offshore Safety Council (Offshoresikkerhedsråd)

- Representatives from the employee organisations, employers, and other relevant authorities
- Assist in preparing regulations pursuant to Offshore Safety Act
- Follows technical and social developments regarding offshore oil and gas operations

Details

- Visit www.offshore.at.dk
- Offshore Safety Act in Danish and English
- Executive Orders. Available in Danish only



Danish Working Environment Authority (DWEA)

- Section for Offshore Oil and Gas Activities (OOG)

Key Roles

- Safety and health inspections of offshore oil and gas production installations, mobile installations, well operations etc.
- **Review of design** of production facilities and fixed non-production installations and pipelines.
- **Permits** in connection with the operation, modification and dismantling of offshore installations and pipelines.
- Approvals of planned well operations where there is a risk of accidental release of oil, gas or hazardous substances or materials that could lead to a major accident.
- Preparation of safety and health **rules**, including implementation of EU directives.



DWEA Offshore Oil and Gas Team

- 9 Inspectors / Technical Experts
- 3 Legal Experts
- 1 Director



DWEA International Engagement

- Where do we discuss the future of (well) decommissioning?

North Sea Offshore Authorities Forum (NSOAF)

- Position Paper issued in 2016, encouraging industry to develop Joint Code of Practice for Well Decommissioning
- DWEA have shared Position Paper with "Oil & Gas Denmark"
- Position Paper currently in process of being updated

International Regulators Forum (IRF)

 General discussions of possible benefits from aligned norms, standards and best practice

EU Offshore Authorities Group (EUOAG)

 Possible review of decommissioning requirement and subsequent need for issue of associated Directive



NSOAF Wells Working Group set goals

- Reduce the risk of well decommissioning incidents in NSOAF area
- Identify problem areas and challenges in well decommissioning management
- Address gaps between jurisdiction across NSOAF countries
- Reach a common understanding of regulatory requirements and national standards
- Provide industry with a regulatory environment allowing for advances in well decommissioning processes meeting HSE requirements
- Highlight the importance of considering well decommissioning from the design phase of a well's lifecycle



Well Decommissioning Regulation in Denmark-Simplified

1) Operator Risk Assessment

- Determine if well operation carries risk of accidental release of substances and materials that may lead to a major accident?
 - Yes DWEA Approval required (§28a)
 - No DWEA Notification required (§28b)



2) Legal Section 28a Approval

- Detailed well programme
- Risk assessment
- Verification of well operations, cf. EO 835 § 56-60
- Recommendations made by third party verification
- Changes to internal contingency plan

Minimum Technical Requirements

- Recognised norms and standards must be applied in connection with constructing, drilling and abandoning a well
- Deviation accepted if higher health and safety level will be achieved or due to the technological development
- Risk assessment and an ALARP assessment is required in order to deviate from a standard

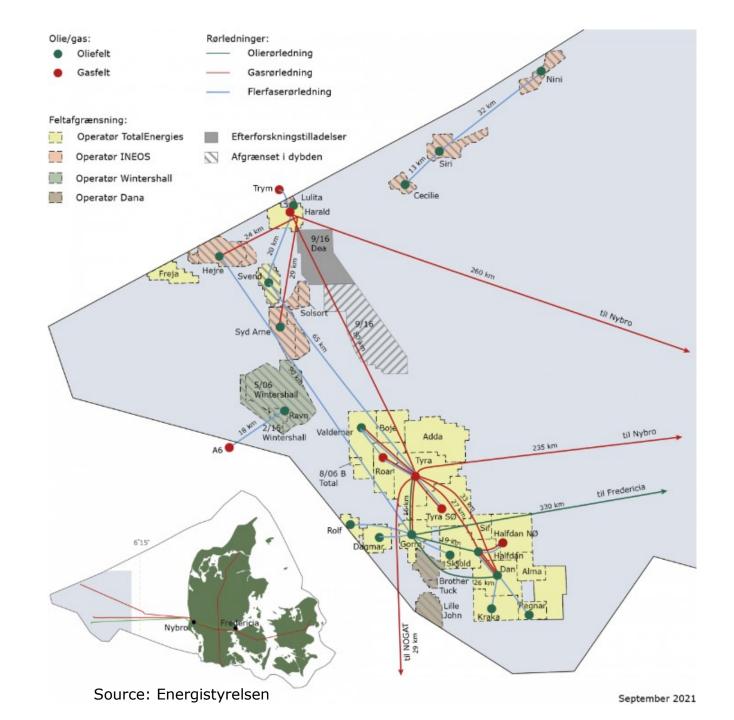
Recognised Norms, Standards and Guidelines

- NORSOK-D010, Well Integrity Standard
- Oil and Gas UK, Guidelines on Well decommissioning



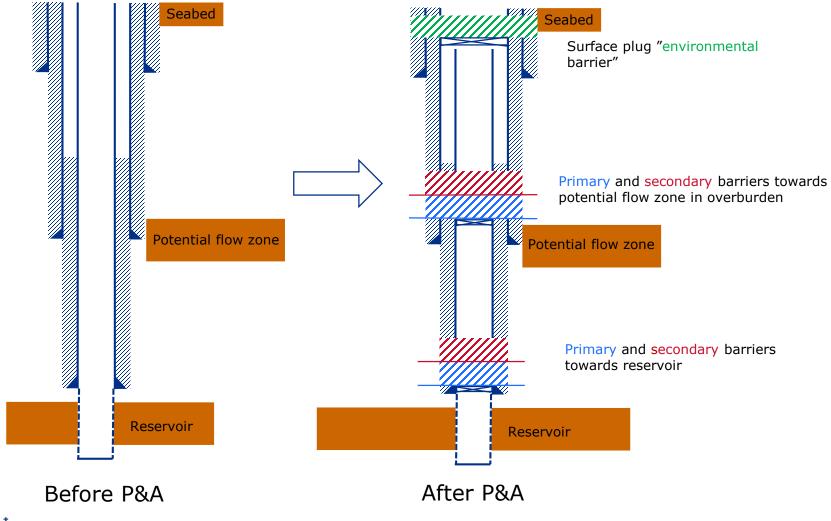
Wells to be abandonned In Denmark

- Two main operators
- Ca. 500 wells to be abandoned in the next 30 years
- Approximately 5% of North Sea well inventory
- CCS





Well Decommissioning



- Typical abandonment design in Denmark
- Each permanent barrier is a sum of well barrier elements
- Well barrier elements acceptance criteria
 - Test
 - Verification
 - Monitoring
- Robust & reliable solutions

