

SAFETY PERMIT
Reference Number: SP15

under Section 13P of the Electricity Regulation Act 1999, as amended

granted to

**CNOOC Petroleum Europe Limited; and
ExxonMobil Exploration and Production Ireland (Offshore South) Limited
on**

14 March 2019

in respect of the carrying on of certain designated petroleum activities related to well work

under or in connection with

**Frontier Exploration Licence 3/18 granted under section 8(1) of the Petroleum and Other Minerals
Development Act 1960, as amended**

in accordance with

**Iolar Well Work Safety Case (ECI-OP-STD-00001, Rev 1, 4 October 2018); and
Stena IceMax Non-production Safety Case (L4-DOC-ICE-6472, Rev 4, 12 December 2018).**

PART I: Safety Permit

The Commission for Regulation of Utilities (the “**Commission**”) in the exercise of the powers conferred by Section 13P of the Electricity Regulation Act, 1999, as amended, (the “**Act**”):

HAVING CONSIDERED:

Iolar Well Work Safety Case (ECI-OP-STD-00001, Rev 1, 4 October 2018)

submitted by CNOOC Petroleum Europe Limited on 8 October 2018 as supplemented by the Additional Information furnished by CNOOC Petroleum Europe Limited.

Stena IceMax Non-production Safety Case (L4-DOC-ICE-6472, Rev 4, 12 December 2018)

submitted by Stena Drilling Limited on 20 December 2018 as supplemented by the Additional Information furnished by Stena Drilling Limited

both submitted in connection with the following petroleum authorisation(s) held by CNOOC Petroleum Europe Limited and ExxonMobil Exploration and Production Ireland (Offshore South) Limited each a “**Grantee**.”

1. Frontier Exploration Licence 3/18, issued 01 March 2018

(the “**Safety Case(s)**”).

BEING SATISFIED THAT—

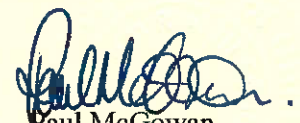
1. the information contained in the Safety Cases complies with the requirements of section 13M(5) of the Act;
2. the operator and the owner are capable of implementing the safety and environmental management system described in their respective Safety Cases; and
3. the Grantee is, subject to the conditions set out in Part II of this safety permit (the “**General Conditions**”) and the special conditions set out in Part III of this safety permit (the “**Special Conditions**”) (together the “**Conditions**”), capable of complying with its duties and obligations under section 13K and 13KA of the Act;

HEREBY ACCEPTS the Safety Cases (each an “**Accepted Safety Case**” and together the “**Accepted Safety Cases**”) subject to the Conditions; and

HEREBY GRANTS to the Grantee a safety permit in respect of the Well Work Activities, subject to the Conditions.

This safety permit shall come into force on 14 March 2019 and, subject to the Conditions, shall continue in full force and effect until it is revoked by the Commission or replaced by a new safety permit.

Sealed with the common seal of the Commission for Regulation of Utilities on 14 March 2019.



Paul McGowan
Chairperson

Commission for Regulation of Utilities

PART II: General Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires or unless otherwise defined in this safety permit, words or phrases defined in the Act shall have the meanings given to them in the Act.

1.2 Unless the context otherwise requires, in this safety permit:

“**Accepted Safety Case(s)**” has the meaning given in Part I of this safety permit;

“**Act**” means the Electricity Regulation Act 1999, as amended;

“**Letter of Acceptance**” means the letters issued to the Operator and the Owner providing notification of acceptance of the submitted safety cases referenced in Part I of this safety permit, and setting out the Requirements of the Letter of Acceptance placed on the Operator and the Owner;

“**Levy Order**” means an order made under paragraph 16 of Schedule 1 to the Act;

“**Operator**” means the entity appointed under section 13KA(1) to conduct designated petroleum activities including managing and controlling the functions of petroleum infrastructure (except non-production installations) in carrying out petroleum activities as defined in Section 13A of the Act;

“**Owner**” means a person entitled to control the operation of a non-production installation as defined in Section 13A of the Act;

“**Petroleum Authorisations**” means those authorisations listed in Part I of this safety permit;

“**Petroleum Infrastructure**” means all or any part of the facilities, structures and installations described in the Accepted Safety Cases;

“**Petroleum Undertaking**” means a person to whom a petroleum authorisation has been given or granted as defined in Section 13A of the Act;

“**Requirements of the Letter of Acceptance**” means the requirements placed on the Operator and Owner, listed in Annex A of their respective Letter of Acceptance

“**Well Work Activities**” means those designated petroleum activities in respect of which the Accepted Safety Cases have been prepared which fall within the class of designated petroleum activity described in Regulation 4(1) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013 and which are carried on within the Well Work Window;

“**Well Work Window**” means the period specified in Condition 1 of Part III of this safety permit; and

“**Relevant Authority**” means an authority listed under section 13H(4) of the Act.

1.3 In this safety permit

(a) “**Grantee**” refers to the person or each person to whom this safety permit is granted and any reference to “the Grantee” refers to each Grantee severally.

- (b) a reference to:
 - (i) a Part, Condition or paragraph, unless otherwise specified, is a reference to a Part, Condition or paragraph of this safety permit;
 - (ii) the singular includes the plural and vice versa and references to one gender include all genders;
 - (iii) any other document referred to in this safety permit is a reference to that document as amended, varied, novated or supplemented at any time.
- (c) a reference to a statute or statutory provision shall be construed as a reference to the laws of Ireland unless otherwise specified and includes:
 - (i) any subordinate legislation made under it including all regulations, by-laws, orders and codes made thereunder;
 - (ii) any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (iii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it.
- (d) any phrase introduced by the terms “including, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (e) The headings are inserted for convenience only. They are to be ignored in the interpretation of this safety permit.

2. **Compliance with the Conditions**

- 2.1 The Grantee shall comply with the Conditions.
- 2.2 The Grantee shall procure that the operator and the owner comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the operator or the owner, shall be deemed to be a breach of such Condition or Conditions by the Grantee.
- 2.3 Notwithstanding anything else in this safety permit, but subject to Condition 2.4, the Conditions shall cease to be binding on the Grantee following the expiry of the Well Work Window.
- 2.4 If an obligation:
 - (a) falls to be discharged during the Well Work Window or in respect of an activity carried on during the Well Work Window; and
 - (b) has not been so discharged at the end of the Well Work Window;that obligation shall continue until such time as it is discharged.

3. **The Safety Case**

The Grantee shall procure that the operator and the owner shall at all times act in accordance with their respective Accepted Safety Cases, and where relevant the combined operations notification accepted by the Commission under section 130A(11) of the Act.

4. **Letter of Acceptance**

4.1 The Grantee shall procure that the operator shall comply with the Requirements placed on the operator in the Letter of Acceptance:

CNOOC Petroleum Europe Limited Letter of Acceptance, D/19/4808, 14 March 2019

4.2 The Grantee shall procure that the owner shall comply with the Requirements placed on the owner in the Letter of Acceptance:

Stena Drilling Limited Letter of Acceptance, D/19/4809, 14 March 2019

5. **Safety Performance Requirements**

The Grantee shall comply and shall procure that the operator and the owner comply with such safety performance requirements as may be specified by the Commission from time to time.

6. **Transfer of Petroleum Authorisation**

6.1 In the event that all or any of the Petroleum Authorisations, or the benefits thereof, are proposed to be assigned, novated or otherwise transferred, in whole or in part, such that:

(a) [all or any of] the Grantee(s) will cease to carry on all or any of the Well Work Activities; and/or

(b) a new petroleum undertaking which is not the holder of a safety permit in respect of the Well Work Activities wishes to carry on those Well Work Activities,

and provided that no material alteration is proposed to be made to the Accepted Safety Cases, the Grantee(s) shall apply to the Commission to have this safety permit replaced with a new safety permit in the names of the new petroleum undertaking(s).

6.2 Nothing in this Condition 6 shall prejudice the obligations of any Grantee or its procured operator and owner or any other petroleum undertaking in respect of any material alteration to an Accepted Safety Case.

7. **Notices**

7.1 The relevant notice details for the Grantee shall be as specified in the Special Conditions, provided that the Grantee may notify the Commission of any changes to the notice details specified on not less than two (2) clear weeks' prior written notice.

7.2 The Grantee (the "**Appointor**") may authorise another Grantee to act as agent for service of notices under this safety permit. In such case the Appointor agrees that that any notice and / or request for information under this safety permit shall be effectively served on it in connection with this safety permit if such notice or request is properly served on its agent.

7.3 A copy of any notice served on an agent shall be sent by post to the Appointor. Failure or delay in serving such a copy shall not prejudice the effectiveness of the notice.

8. Revocation

8.1 The Commission may at any time revoke this safety permit by not less than 21 days' notice in writing to the Grantee:

- (a) if the Grantee or its procured operator or owner fails to comply with the Conditions of this safety permit;
- (b) if the Grantee or its procured operator or owner fails to comply with an Improvement Notice issued under section 13Z of the Act
- (c) where, in the opinion of the Commission, the Grantee is not complying with its duties under section 13K of the Act; or
- (d) in accordance with section 13T(2)(e)(iv) of the Act.

9. Petroleum Safety Levy

The Grantee shall pay to the Commission any amounts specified in, or determined under a Levy Order, in accordance with the provisions of such Levy Order.

10. General

For the avoidance of doubt, the Conditions in this safety permit are not exhaustive of the obligations of the Grantee and are additional to and without prejudice to any other obligations under any applicable law or regulatory instrument.

PART III: Special Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires, in this safety permit,

“**Additional Information**” means:

‘Additional Information for CNOOC Petroleum Europe Limited Iolar Well Work Safety Case’

(a) Responses to Additional Information Request Letter number 1, dated 02 November 2018 (D/18/19218) as follows:

(i) 31 January 2019, SP15-1

(b) Response to Additional Information Request Letter number 2, dated 03 December 2018 (D/18/22003) as follows:

(ii) 31 January 2019, SP15-2

‘Additional Information for Stena IceMax Non-production Safety Case’

(a) Responses to Additional Information Request Letter number 1, dated 21 December 2018 (D/18/19213) as follows:

(i) 07 March 2019, Ref: 100-ENG-LO-000029

(b) Response to Additional Information Request Letter number 2, dated 23 January 2019 (D/19/1347) as follows:

(i) 07 March 2019, Ref: 100-ENG-LO-000030

(b) Response to Additional Information Request Letter number 3, dated 30 January 2019 (D/19/1981) as follows:

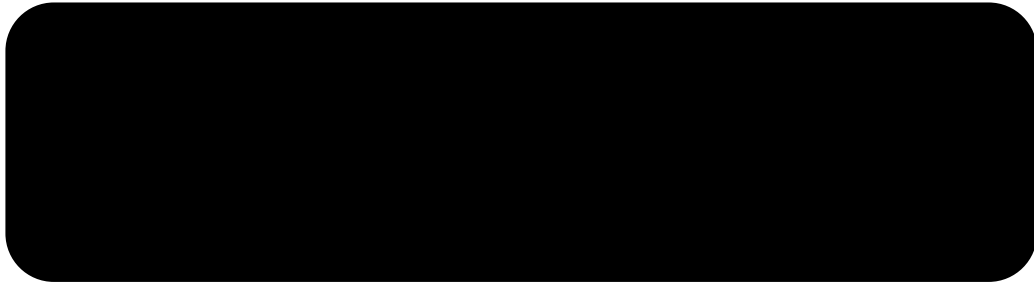
(i) 07 March 2019, Ref: 100-ENG-LO-000031

“**Well Work Window**” means 01 April 2019 to 31 October 2019

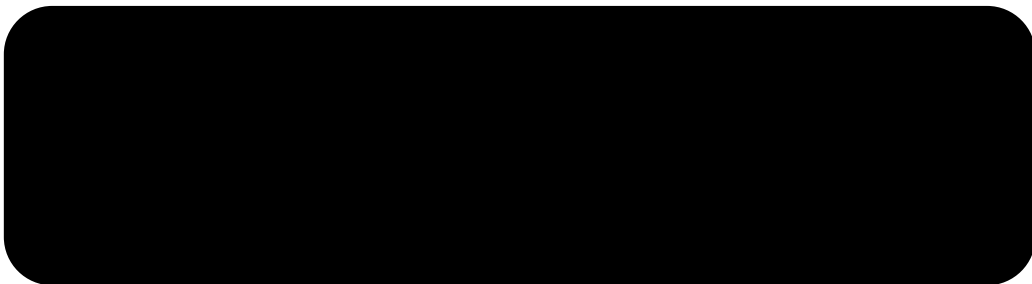
Notices

The notice details for each Grantee are as follows:

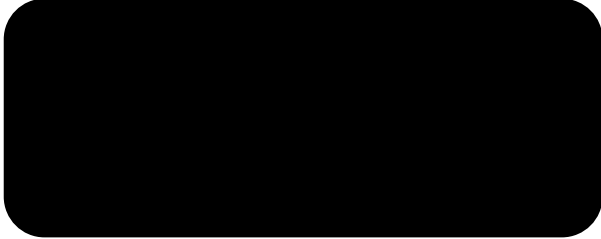
CNOOC Petroleum Europe Limited



ExxonMobil Exploration and Production Ireland (Offshore South) Limited



14 March 2019



Re: Letter of Acceptance: Iolar Well Work Safety Case

Dear 

The Commission for Regulation of Utilities (the Commission) wish to inform you that the CNOOC Petroleum Europe Limited, Iolar Well Work Safety Case (Ref: ECI-OP-STD-00001, Rev 1.0, dated 04 October 2018) including the Additional Information as set out in Annex B of this letter, submitted on 08 October 2018 has been accepted by the Commission subject to the Conditions set out in associated Safety Permit SP15. The Requirements of this Letter of Acceptance must be read in conjunction with the Conditions of SP15.

To ensure compliance with SP15, CNOOC Petroleum Europe Limited, should be aware of the Conditions placed on the Grantee within the safety permit. In particular I would like to draw your attention to the following Conditions of SP15:

2. Compliance with the Conditions

2.2 The Grantee shall procure that the operator and the owner comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the operator or the owner, shall be deemed to be a breach of such Condition or Conditions by the Grantee.

3. The Safety Case

The Grantee shall procure that the operator and the owner shall at all times act in accordance with their respective accepted Safety Cases, and where relevant the combined operations notification accepted by the Commission under section 13OA(11) of the Act.

4. Letter of Acceptance

4.1 The Grantee shall procure that the operator shall comply with the Requirements placed on the operator in the Letter of Acceptance:

CNOOC Petroleum Europe Limited Letter of Acceptance, D/19/4808, 14 March 2019



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Commission for
Regulation of Utilities

The Requirements in this Letter of Acceptance, the compliance with which is placed on CNOOC Petroleum Europe Limited as operator, are set out in Annex A.

Should you have any questions on the above please don't hesitate to contact the Petroleum Safety team.

Sincerely,

Signed: _____

Paul McGowan,
Chairperson
For and on behalf of the
Commission for Regulation of Utilities

ANNEX A

'Requirements' means:

1. Program of Work and Daily Reporting

- 1.1 The operator shall submit or procure the submission to the Commission of an up-to-date program of work in a form satisfactory to the Commission prior to commencement of the Well Work Activities.
- 1.2 Not later than noon on each day immediately following a day on which any Well Work Activity is carried out the operator shall submit or procure the submission of a report to the Commission, in the manner and form specified by the Commission, which shall specify:
 - (a) the date and reference time of the report, where the reference time shall be a time in the last 6 hours;
 - (b) the Safety Permit Reference Number and well identification;
 - (c) the names of the Grantee(s) the owner and the operator as appointed by the Grantee(s);
 - (d) The address of the operator as appointed by the Grantee, and the address of the owner;
 - (e) the name of the non-production installation;
 - (f) details that identify the well and association with other installations or connected infrastructure;
 - (g) the diameter and true vertical and measured depths of: (a) any hole drilled; and (b) any casing installed;
 - (h) the drilling fluid density at the time of making the report;
 - (i) in the case of operations relating to an existing well, its current operational state;
 - (j) the total number of days since commencement of the Well Work Activities, to include days ahead/behind the final program of work;
 - (k) a short chronological description of activities during the 24 hours preceding the reference time, including a note of any functional/pressure tests carried out on well control equipment, with their results (including Blow Out Preventers and Sub Sea Test Tree);
 - (l) the number of persons on board the petroleum infrastructure from which the Well Work Activities are carried out at the reference time;
 - (m) Operation at the reference time of the report and description of activities forecast for the next 24 hours following the reference time; and
 - (n) weather and sea conditions at reference time.

2. **Audits and Reporting**

- 2.1 The operator shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor compliance with the Conditions of SP15 and compliance with the Act or as it may require for the purpose of performing its functions under the Act.
- 2.2 Without prejudice to the generality of paragraph 2.1 the operator:
- (a) shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance system published by it from time to time; and
 - (b) shall submit a report on its safety performance in a form satisfactory to the Commission:
 - (i) on the dates specified by the Commission; and
 - (ii) on the date that is two (2) weeks following of the cessation of the Well Work Activities.
- 2.3 The operator shall furnish to the Commission, within seven days of receipt, a copy of any report, notice, direction or censure issued by a Relevant Authority detailing any non-compliance with a regulatory requirement.

3. **Review and Revision of the Accepted Safety Cases**

- 3.1 The operator shall procure that an independent review of the Accepted Safety Case be carried out in accordance with the reasonable requirements of the Commission when directed to do so by the Commission.
- 3.2 Where, as a consequence of such review, or otherwise, it is necessary to make a material alteration to an Accepted Safety Case, the operator shall submit a revised safety case to the Commission for its review as soon as is reasonably practicable after completion of the review pursuant to 3.1.
- 3.3 The operator shall not be permitted to make a material alteration to an Accepted Safety Case until such material alteration is accepted by the Commission.
- 3.4 Any failure by the operator to submit a satisfactory required material alteration to a safety case to the Commission in accordance with Requirement 3.2 shall be considered a breach of Requirement 3.
- 3.5 In this Requirement 3, a 'satisfactory required material alteration' is a material alteration which is (1) sufficient to address any risk to safety identified by a review carried on pursuant to paragraph 3.1; and (2) is capable of being accepted by the Commission having regard to the requirements of the Act.

4. **Well Operations**

- 4.1 The operator shall confirm that the abandonment programme (including well abandonment schematic) is in accordance with the Well Work Safety Case submitted to Commission and the Safety Permit issued by Commission as soon as possible and

no later than 48 hours before the commencement of abandonment or suspension operations.

- 4.2 If the abandonment programme (including well abandonment schematic) has changed, the operator shall submit a final well abandonment schematic as soon as possible and no later than 48 hours before the commencement of abandonment operations.
- 4.3 During drilling operations the operator shall submit updates to the Commission every two weeks containing details of the availability of suitable Mobile Offshore Drilling Units (MODUs) for relief well drilling and suitable vessels for capping stack deployment.
- 4.4 Upon commencement of Well Work Activities and at the request of the Commission or a member of the CRU Petroleum Safety Team the operator shall meet with the CRU Petroleum Safety Team, with such meetings to take place every two weeks or at alternative intervals as set by the Commission or the CRU Petroleum Safety Team.

5. **Safety Case Fees**

The operator shall pay to the Commission any outstanding safety case assessment fee, where the costs incurred by the Commission in the assessment of the Well Work Safety Case and matters directly pertaining to the Safety Case including the costs and expenses incurred in determining the Conditions relating to issue of this safety permit, exceeded the initial safety case fee paid.

'Information' includes any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

See SP15 for additional definitions.

ANNEX B

'Additional Information' means:

'Additional Information for CNOOC Petroleum Europe Limited, Iolar Well Work Safety Case'

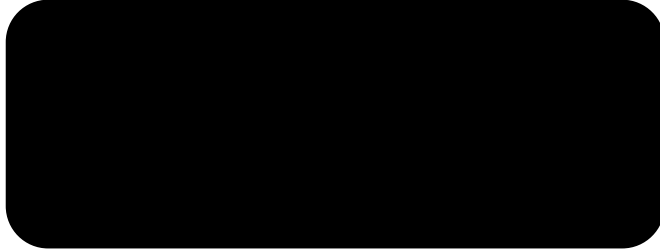
(a) Responses to Additional Information Request Letter number 1, dated 02 November 2018 (D/18/19218) as follows:

(i) 31 January 2019, Ref: SP15-1

(b) Response to Additional Information Request Letter number 2, dated 03 December 2018 (D/18/22003) as follows:

(ii) 31 January 2019, Ref: SP15-2

14 March 2019



Re: Letter of Acceptance: Stena IceMax Non-production Safety Case

Dear 

The Commission for Regulation Of Utilities (the Commission) wish to inform you that the Stena Drilling Limited, Stena IceMax Non-production Safety Case (Ref: L4-DOC-ICE-6472, Rev 4, dated 12 December 2018), submitted on 20 December 2018, including the Additional Information as set out in Annex B of this letter, has been accepted by the Commission subject to the Conditions set out in associated safety permit SP15. The Requirements of this Letter of Acceptance must be read in conjunction with the conditions of SP15.

To ensure compliance with SP15, Stena Drilling Limited should be aware of the Conditions placed on the Grantee within the safety permit. In particular the Commission wishes to draw your attention to the following Conditions of SP15:

2. Compliance with the Conditions

2.2 The Grantee shall procure that the operator and owner comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the operator or the owner, shall be deemed to be a breach of such Condition or Conditions by the Grantee.

3. The Safety Case

The Grantee shall procure that the operator and the owner shall at all times act in accordance with their respective Accepted Safety Cases, and where relevant the combined operations notification accepted by the Commission under section 13OA(11) of the Act.

4. Letter of Acceptance

4.2 The Grantee shall procure that the owner shall comply with the Requirements placed on the owner in the Letter of Acceptance:

Stena Drilling Limited, Letter of Acceptance, D/19/4809, 14 March 2018



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Commission for
Regulation of Utilities

The Requirements in this Letter of Acceptance, the compliance with which is placed on Stena Drilling Limited as owner, are set out in Annex A.

Should you have any questions on the above please don't hesitate to contact the Petroleum Safety Team.

Yours sincerely,

Signed: 

Paul McGowan,
Chairperson
For and on behalf of the
Commission for Regulation of Utilities

ANNEX A

'Requirements' means:

1. Audits and Reporting

- 1.1 The owner shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor compliance with the Conditions of SP15 and compliance with the Act or as it may require for the purpose of performing its functions under the Act.
- 1.2 Without prejudice to the generality of paragraph 1.1 the owner:
- (a) shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance system published by it from time to time; and
 - (b) shall submit a report on its safety performance in a form satisfactory to the Commission:
 - (i) on the dates specified by the Commission; and
 - (ii) on the date that is two (2) weeks following of the cessation of the Well Work Activities.
- 1.3 The owner shall furnish to the Commission, within seven days of receipt, a copy of any report, notice, direction or censure issued by a Relevant Authority detailing any non-compliance with a regulatory requirement.

2. Review and revision of the Accepted Safety Cases

- 2.1 The owner shall procure that an independent review of the Accepted Safety Case be carried out in accordance with the reasonable requirements of the Commission when directed to do so by the Commission.
- 2.2 Where, as a consequence of such review, or otherwise, it is necessary to make a material alteration to an Accepted Safety Case, the owner shall submit a revised safety case to the Commission for its review as soon as is reasonably practicable after completion of the review pursuant to 2.1.
- 2.3 The owner shall not be permitted to make a material alteration to an Accepted Safety Case until such material alteration is accepted by the Commission.
- 2.4 Any failure by the owner to submit a satisfactory required material alteration to a safety case to the Commission in accordance with Requirement 2.2 shall be considered a breach of Requirement 2.
- 2.5 In this Requirement 2, a 'satisfactory required material alteration' is a material alteration which is (1) sufficient to address any risk to safety identified by a review carried on pursuant to paragraph 3.1; and (2) is capable of being accepted by the Commission having regard to the requirements of the Act.

3. **Safety Case Fees**

The owner shall pay to the Commission any outstanding safety case assessment fee, where the costs incurred by the Commission in the assessment of the Non-Production Safety Case and matters directly pertaining to the Safety Case including the costs and expenses incurred in determining conditions relating to issue of this safety permit, exceeded the initial safety case fee paid.

'Information' includes any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

See SP15 for additional definitions.

ANNEX B

'Additional Information' means:

'Additional Information for Stena IceMax Non-production Safety Case'

(a) Responses to Additional Information Request Letter number 1, dated 21 December 2018 (D/18/19213) as follows:

(i) 07 March 2019, Ref: 100-ENG-LO-000029

(b) Response to Additional Information Request Letter number 2, dated 23 January 2019 (D/19/1347) as follows:

(i) 07 March 2019, Ref: 100-ENG-LO-000030

(b) Response to Additional Information Request Letter number 3, dated 30 January 2019 (D/19/1981) as follows:

(i) 07 March 2019, Ref: 100-ENG-LO-000031