

Section 5: Fit For Purpose Report

NOTE: All Fit for Purpose Reports were submitted with the Bellevue 1 drilling Plan and as no new reports or information have been generated.

- a) Fit for Purpose Questionnaire**
- b) Moduspec Audit of Hunt Energy's systems and Procedures**
- c) Moduspec Rig Inspection: Not Yet available**

a) Fit for Purpose Questionnaire

SAFETY

1	Does the Company have a formal safety policy and safety management system. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2	Explain how the safety policy/system is maintained. <i>The policy & SMS are reviewed at the beginning of each year, updated as required & reissued to relevant parties with current dates.</i>
3	Can safety responsibility be traced to senior Company management? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>The Managing Director (Responsible Officer) signs off on all HSE policies.</i>
4	Do the company HSE policies conform to all government requirements/regulations Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
5	Which Government HSE Regulations does the company work under? <i>Aust. Govt Regulations & Australian Standards.</i>
6	How are incidents and near misses, regardless of whether they have resulted in personal injury or otherwise, identified, recorded and investigated? <i>All incidents are recorded, actions required identified through investigation by the SOTA & Rig Manager, & close-outs implemented. The Safety Manager reviews all reports & follows up if required. He records all statistics.</i>
7	Are all incidents given a risk and/or injury classification? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Provide a brief description of the classification system. <i>Incidents are classified as LTI, MTI, First Aid & Near Miss. They are all tracked as part of our safety statistics recording. We also track trends & causal factors. (Body part, time of day, mechanism.)</i>
8	Are industrial illnesses and potential for industrial illnesses considered and recorded (e.g. heat stress and hearing loss)? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>Heat Stress training is conducted yearly. Signage is in place to warn of noise zones & is covered under an Awareness Training DVD topic.</i>
9	Is there a Company hazardous materials identification and management program? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Provide a brief description of the program as it applies to an individual rig. <i>Each rig has a chemical register compiled with assistance from the mud engineer. MSDS's are kept & segregated into 'Hazardous' & 'Non-hazardous' products. They are stored on the lease in segregated areas with signage. How does contractor ensure that all personnel are trained (and certified) for all tasks they may be required to do? Trade people are required to have trade certificates. External training is conducted for Confined Space entry, Working at Heights, Permits etc. Hands on training are provided by experienced crew members to new recruits under a 'buddy system' for rig tasks. SWP's & JSA's are used in conjunction with this training.</i>

10	How is safety training conducted and is it specific to each rig and well? <i>Most training fits both rig operations. The only difference would be if the well parameters were different. (eg. Oil & Gas / Coal Bed Methane / Geotherma) or work conditions changed. Safety Awareness topics are covered via short DVD presentations & recorded.</i>
11	How is safety training documented? <i>A training matrix records all training attended by Hunt Energy personnel, & certificates of attendance kept in personnel records when issued. The matrix is updated monthly.</i>
12	Is the training of every individual (including rig based training) documented Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
13	Is this document available at the wellsite for updating and review by supervisors. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
14	Does this document include on the job training and JSA's reviewed Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>On the job training will be recorded on the tour report. JSA's or SWP's reviewed are captured on the Pre-Tour meeting minutes & the Weekly Safety Checksheet form sent to the Rig Manager at the end of each week.</i>
15	Are tradesmen trained and certified to work on equipment operating under non Australian standards. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>Work performed by tradespersons employed by Hunt Have previous work experience on this equipment & maintain it to either Australian or API specs.</i>
16	Are the safety systems audited externally both for fit for purpose and for correct use. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
17	If yes by who and how often <i>IRMS has done so in the past & Moduspec. At least yearly or sooner.</i>
18	What procedures are in place to improve the company's safety performance. <i>Increased use & development of SWP's; PTW; Hazard reporting & close-out; a Safety Management Plan for the year; personnel selection & team building; monthly statistics reviews. etc</i>
19	What systems are in place to pass lessons learnt to/from different rigs. <i>Safety Alerts are used to pass on learnings both internally, & via IADC Alerts & Bulletins. Also discussion from accident / incident investigation findings.</i>
20	Are company safety statistics made available to operator and if so how often. <i>Monthly reports.</i>
21	What is the frequency of rig safety meetings? <i>Pre-tour meetings daily; Weekly crew Safety Meetings; Toolbox talks prior to hazardous operations.</i>
22	Are the meetings and the meeting attendance documented? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

23	Are individual rig safety drills conducted and documented? Yes X No <input type="checkbox"/>
24	How frequently is the safety equipment on the rig inspected? <i>Pre Spud & also inspections prior to use.</i>
25	Who conducts the rig safety inspections and how are the results recorded? <i>The Rig Manager & SOTA's conduct inspections using the Pre-Spud inspection form. Visual inspections are conducted during the course of the well & reported using the 'Hazid' system or Safety Meeting minutes.</i>
26	Does the company measure safety performance? Yes X No <input type="checkbox"/> Using the Company's measurement criteria, provide a summary of the Company safety performance over the last four years. <i>TRCFR – 2004 = 26.1 / 2005 = 30.1 / 2006 = 57.5 / 2007 = 74.7</i> <i>Last year was not a good year due to early incidents with green hands & lack of training. This was addressed, crews balanced & settled, & the last 5 months of 2007 were clear of LTI & MTI injuries. The SMP for 2008 looks to continue this trend.</i>
27	Does every rig have a new employee induction/orientation program? Yes X No <input type="checkbox"/> Are new employees inducted in town before being sent to the rig Yes <input type="checkbox"/> No X <i>Given a general overview of rig life only.</i> Are the results of the new employee inductions recorded? Yes X No <input type="checkbox"/> Explain how the results are recorded? <i>SOTA / Rig Manager work through a tick/check induction form with the employee who signs off at the end to say that he was given the induction and understands his obligations under HSE policies & procedures.</i>
28	What is the accident and incident frequency of the rig(s) proposed for Operators wells? (NB. Frequency Rates are per 1000000 man-hours.) <i>Rig #3 – 2007- TRCFR = 74 / Rig #3 – 2008 – TRCFR = 0</i> <i>**No recordable incidents in last 5mnth of 2007</i>

STANDARDS

29	Provide a list of all equipment on the rig stating what the equipment is, where it was manufactured and which standards the equipment is operated and maintained by:
30	Provide details of who on the rig has been trained and certified to the appropriate standards.
31	Provide details of risk assessments carried out to show that using non-Australian standards does not materially increase the risk to personnel or equipment.

32	How are procedures reviewed to ensure they comply with the minimum standards?
33	If any compliance problems are noted how are these recorded and dealt with.

QUALITY MANAGEMENT

34	Does the Company have a certified QM system? <div style="text-align: right;">Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></div>
35	Provide details of the system and its certification e.g. which standard, name of certification body, certification number, validity dates etc. <i>AS9000-2000 – Lloyds Register</i>
36	Is the Company QM certification applicable to all aspects of its operations, inclusive of all the rig operations? <div style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></div>
37	Who audits company's compliance with the QM system

TRAINING

38	How is the Company personnel training determined, planned, implemented and tracked? Training matrix used with pre-determined requirements for nominated positions.
39	How does the Company management assure themselves that the required training is appropriate and being done? Monthly Safety Management Meetings
40	Are training records kept on the rig? <div style="text-align: right;">Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div>
41	Are the training systems externally audited and if so by who and how often? Annual audits conducted by International Safety and Risk Management <div style="text-align: right;">Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div>

EMERGENCY RESPONSE

42	Does a tailored emergency response plan exist for every rig and every well? <i>Yes - for each rig but <u>not</u> every well.</i> <div style="text-align: right;">Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div> Is the plan updated prior to the commencement of drilling each well? <div style="text-align: right;">Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></div> <i>No, not unless there are extenuating circumstances with the well or operations</i> Who is responsible for preparing and updating the plan? <i>The Safety Manager in consultation with Senior Management & Rig Manager.</i>
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43	How is the plan documented and displayed to the rig crew? <i>A copy is shown during induction & kept in the Rig Managers office where it is accessible. Drills are conducted to test performance.</i>
44	Is the emergency response plan part of crew training? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>As stated above.</i>
45	Are emergency drills conducted? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, how frequently are the drills undertaken and how are they documented? <i>Hunt has a form on which to record drills. Between BOP, Fire, & Emergency Evacuation, once per week.</i>
46	Would the rig emergency response effort be coordinated with Operator? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Describe the emergency response information and services that the Company would expect Operator to provide. <i>Under the Petroleum Act & Regulations, the Operator is responsible for the wellsite & all activities associated with drilling & completion. Hunt Energy would provide support with resources & expertise available on site.</i>
47	Please provide an outline / example of the rig(s) emergency response plan. <i>Copy of Emergency Response Manual included.</i>
48	When was the last Emergency Exercise conducted on the rig and what were the results. <i>Search & Rescue on 23/08/07. (2nd to last well.) All personnel at Muster point, names removed from board & identified one missing – 2 mins. Search party organised & person found. Checked (test only) & brought to muster point. Identified that First Aid Kit not at muster point. Discussed & rectified. Also extra horn to be placed on corner of Rig Manager's office.</i>

ENVIROMENTAL CONTROL AND RESPONSE

49	Does each rig have an environmental response plan? Yes <input type="checkbox"/> No <input type="checkbox"/> <i>Hunt have an Environment Policy, a Waste Management Policy & associated procedures. They also have a basic Spill Management Plan & Flowchart</i>
50	Are pollution prevention inspections undertaken? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, who would undertake the inspections? <i>Rig Managers & SOTA.</i>
51	Is there a pollution prevention check list? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>Hunt have an Environmental Audit sheet which is completed during the drilling of each well.</i>
52	How does Company management assure themselves that environmental

	problems have been reduced to the minimum reasonably possible? <i>Through its policies, procedures & inspections.</i>
53	What are the company's procedures for rubbish, waste water and sewage disposal <i>These are covered under the Waste Management Policy & Procedures. The Operator is responsible however to provide effluent & waste collection facilities & removal.</i>

RECORDS

54	What records are kept on the rig? Equipment certifications, personnel certifications, well control documentation (test certs), maintenance schedules
55	Who is responsible for the ongoing maintenance of the records? Rig Manager
56	Do the rig records include a training matrix that can be reviewed by supervisors to ensure all personnel have received the training they require to do the job? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

WORK PROCEDURES

57	Does every rig have formal 'safe work' systems such as work permits, lock out tagging, hazardous chemical identification? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Provide a brief overview of these systems. <i>Hunt uses the recognised 'Wellsite PTW system like other drilling contractors. Hunt Operations & Safety Manual outlines our Safety Management Systems. Hunt have a Safe Work Procedure Manual & use JSA's where SWP's do not exist. Hunt have Lock-out/ Tag out requirement & tags. Hunt have an MSDS manual containing a register of chemicals. Hazardous substances are stored separately, banded & signed.</i>
58	Does every rig have a procedures manual? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Is the manual unique to each rig? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>Only in relation to Rig & camp layout / rig up, as the other procedures are common. How frequently is the manual updated? Sections are reviewed & updated as required. The whole manual is reviewed & reissued every 2 years. How often are the procedures reviewed by the crew. At daily pre-tour meetings, Toolbox meetings & where applicable, weekly Safety Meetings.</i>

59	Are rig management responsibilities defined for Safety, Emergency Response, Maintenance, Training, Rig Performance, Operator Liaison and Pollution Control? Yes X No <input type="checkbox"/>
60	Are all the rig maintenance personnel qualified and, where required, certified to undertake their roles? Yes X No <input type="checkbox"/> How are these qualifications and certifications checked and recorded? <i>Copies of trade & training certificates held in personnel files.</i>
61	Does Senior Management visit the rig? Are these visits on a regular basis or ad hoc? <i>At least quarterly but ad hoc visits also occur.</i> Yes X No <input type="checkbox"/>
62	Are the Work Procedures externally audited? If so by who and how often? <i>Yes. At least yearly.</i>

EQUIPMENT

63	Is all equipment on the rig(s) designed for and appropriately rated to the service? Yes X No <input type="checkbox"/>
64	Are all the items of equipment that require regulatory body approval certified for the Australian State in which they will operate for Operator? Yes X No <input type="checkbox"/> Describe how these certifications are obtained, maintained and where the records are kept. <i>Certification supplied with new equipment, registered on MEX or lifting register or extinguisher register or others. Records kept on site and in Adelaide office</i>
65	Are all equipment histories kept (including modifications)? Yes X No <input type="checkbox"/> If yes, how and where are the records kept? <i>Computer based on site and Adelaide</i>
66	Is individual equipment tracked (S/N, tags etc). Yes X No <input type="checkbox"/> Explain how the tracking system is used. <i>Most equipment marked with MEX number, goods can be relocated to other sites in MEX keeping history with equipment</i>
67	How are rig equipment and structural changes planned and made? <i>Management of change documentation</i> Are they approved by a suitably qualified engineer prior to the commencement of work? Yes X No <input type="checkbox"/> Does the engineer check the modifications after they have been done? Yes X No <input type="checkbox"/> Is the equipment recertified after modifications <i>If required</i> Yes X No <input type="checkbox"/>
68	How are the approvals and subsequent changes to equipment or machinery documented? <i>Hunt has a Management of Change procedure.</i>

b) Moduspec Audit of Hunt Energy's systems and Procedures



GSLM
Management System Audit of Hunt Energy

Prepared for

GSLM

By

MODUSPEC
Dates: 14th August 2008

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ABSTRACT				
<p>This report has been written for GSLM as a result of an Audit the Safety and Maintenance Management Systems implemented by Hunt Energy for their Hunt Rig 3 Land rig This report specifies what has been audited and in what manner. For the deficiencies noted a list of recommendations is provided.</p>				
Key words: (e.g. industry category, study type)				
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2.0 EXECUTIVE SUMMARY

ModuSpec was requested to carry out a Management Systems Audit of Hunt Energy based in Adelaide, South Australia. The particular focus of this Audit was the Safety and Maintenance Management Systems.

Safety Management System

Hunt Energy had a fit for purpose safety management system in place. The documentation examined showed that this was operating on the rig sites. The main weakness of the system was that there was a heavy reliance on the maintenance manager for ensuring its effectiveness. This is indicative of a company with limited resources. However, the system in place was operating efficiently.

The recommendations presented in relation to the Safety Management System primarily concern alignment with the requirements of ISO 4801.

Maintenance Management

The maintenance management system was wholly centred on the MEX computerised Maintenance Management System. There was no corporate maintenance management system in place to underpin what happens at the rig sites. There was evidence to show that maintenance is being carried out. However it was not possible to assess the effectiveness of the maintenance.

As with the safety management system it was reliant upon very few people to ensure the system operates. There was no performance monitoring therefore it was not possible to definitively state how maintenance was performing in relation to drilling down time.

There was a number of recommendations presented that if implemented would enhance the maintenance management system. Three of these recommendations were assigned as critical. The critical recommendations are addressing fundamental issues in relation to the integrity of the maintenance management system

In conclusion, it was evident that Hunt Energy has made considerable inroads to establishing both a fit for purpose safety and maintenance management system. However, these systems were both a work in progress. They were heavily reliant on personnel and would be in danger of failing should the personnel leave the company.

3.0 REVIEW OF AUDIT

3.1 Methodology

ModuSpec were requested to carry out an audit of Safety and Maintenance Management systems as implemented by Hunt Energy based in Adelaide South Australia.

Safety Management System

The ModuSpec Safety Management Check list was used as a reference in assessing the components and implementation of Hunt Energy's Safety Management System. The checklist is based on the requirements of AS4801 standard for Occupational Health and Safety and also industry best practice for Oil and Gas Exploration.

The Safety Management System Audit was divided in to 20 topics:

1. OH&S Policy
2. Legal and Other Requirements
3. Objectives and Targets
4. OH&S Management Plans
5. OH&S Committee
6. Employee Consultation
7. Issue Resolution
8. Training and Competency
9. Communication
10. OH&S Performance Reporting
11. Document and Data Control
12. Records and Information Management
13. Hazard Risk Management
14. Emergency Preparedness and Response
15. Workplace Inspections
16. Occupational Health Surveillance
17. Incident Management
18. Systems Improvement
19. SMS Audit
20. Management Review

Recommendations are presented where they would add value to the Hunt Energy Safety Management System or where they are seen to deviate significantly from the expectation of the checklist.

Maintenance Management System

To assess the maintenance management system and its implementation ModuSpec's Maintenance Management Audit Checklist was utilised. This checklist is based upon industry best practice. This checklist covered the following topics:

- MM-001 Maintenance Policy and Organisation
- MM-002 Management of Maintenance Objectives
- MM-003 Maintenance Management Software

- MM-004 Asset and Asset Configuration
- MM-005 Maintenance Concepts
- MM-006 Management of Maintenance Work Orders
- MM-007 Management of Maintenance Execution
- MM-008 Management of Maintenance Information

Recommendations are presented where they would add value to the Hunt Energy Maintenance Management System or where they are seen to deviate significantly from the expectation of the checklist.

3.2 Safety Management System Audit

3.3.1 OH&S Policy

There was a basic OHS policy presented for examination (dated 02/01/2008). This policy makes reference to measurable OHS objectives. The policy is available for examination on all Hunt energy sites. The policy is reviewed annually

3.3.2 Legal and Other Requirements

Hunt Energy is compelled to align with state legislative requirements. This is dealt with by the HSE Manager and the outcome distributed to the on site Safety Observation Training Advisor.

3.3.3 Objectives and Targets

The objectives are reviewed at least annually but also at regular HSE management meetings. The objectives are documented in the Safe Work Procedures Manual.

3.3.4 OH&S Management Plans

The Safety Plan for 2008 was presented for examination. However it was developed by management with minimal input from site personnel.

3.3.4.1 Major Recommendation for OH&S Management Plans

It is understood that Hunt Energy are a small organisation. However it is recommended that there is more involvement from site personnel in the compilation of the annual safety plan

3.3.5 OH&S Committee

There is not a specifically designated Safety Committee. Safety is discussed by management personnel weekly.

Records from the management safety meetings were examined.

3.3.5.1 Major Recommendation OHS Committee

Hunt Energy should formalise their weekly management safety meetings such that the persons designated to attend are named as members of the OHS committee.

3.3.6 Employee Consultation

There is no formal Employee consultation in relation to the OHS management system

3.3.6.1 Major Recommendation Employee Consultation

Senior rig site personnel from all departments should be consulted on safety matters. These persons having been nominated by site personnel and management should be members of the OHS Committee.

3.3.7 Issue Resolution

There was no specific mechanism for issue resolution. However, the rig crews are small enough that any issues are discussed on site and dealt with. There were no documents examined to indicate this had happened.

3.3.7.1 Major Recommendation Issue Resolution
The process of resolving HSE issues raised by personnel should be formalised.

3.3.8 Training and Competency

A fit for purpose training matrix was examined. This covered HSE requirements as well as technical training. Induction training records were examined for Hunt Energy Staff. Similarly records of the induction and familiarisation for contractors and visitors to the site were examined and found to be in order.

3.3.9 Communication

Records of Pre Tower, toolbox and weekly safety meetings were examined. In all instances safety topics were discussed

Notice boards were reported as being used as a means of communicating safety alerts and company safety statistics

3.3.10 OH&S Performance Reporting

Monthly Safety statics are recorded and analysed. The resulting reports are issued and displayed on site. Specific topics arising from the reports were reportedly discussed at the weekly safety meetings.

The safety statistics are also presented to PIRSA

3.3.11 Document and Data Control

Documents are distinguished by their revision dates. There was no formal indication of checked and approved documents nor any revision history. There was no formal process written for the review of documents presented.

3.3.11.1 Major Recommendation Document and Data Control
Hunt Energy should establish a formal document control process.

3.3.12.1 Records and Information Management

Data was collected by the Safety Observation Training Adviser and sent to the Safety Manager. Monthly reports were produced and distributed.

3.3.13 Hazard Risk Management

Some hazard and risk assessments have been carried out. The Risk assessment process was examined and was fit for purpose

There was a process of job safety analysis. This was examined in detail.

3.3.14 Emergency Preparedness and Response

A comprehensive Emergency Response Plan was examined. (Onshore Drilling Emergency Response Plan)

3.3.15 Workplace Inspections

Work place inspections were carried out regularly as part of an HSE audit plan

3.3.16 Occupational Health Surveillance

All personnel undergo a medical prior to employment.

3.3.17 Incident Management

A Incident & Environment report form was examined and found to be fit for purpose.

3.3.18 Systems Improvement

Audits were carried out quarterly and annual reviews of HSE management were also carried out.

3.3.19 SMS Audit

The 2008 audit plan was examined along with audit reports to date.

3.3.20 Management Review

HSE Management Reviews were carried out annually.

3.3 Maintenance Management System Audit

3.3.1 Maintenance Policy and Organisation

Hunt Energy is a small company however, the maintenance support which was provided technically by the Operations Manager and systems by the Purchasing and Logistics Manager.

There was no underpinning maintenance management policy document. All processes were part of the MEX Maintenance management system.

The system and processes have been configured by the Hunt personnel but as yet not documented.

- | | | |
|---------|----------|---|
| 3.3.1.1 | Critical | <u>Maintenance Policy and Organisation Recommendations</u>
Hunt Energy should produce a maintenance Policy and Procedure manual that will underpin all the maintenance activities that were carried out on the rig sites. This manual should also detail the maintenance policy and maintenance goals. |
|---------|----------|---|

3.3.2 Management of Maintenance Objectives

There were no documented maintenance goals and objectives

Management of Maintenance Objectives Recommendations
See recommendation 3.3.1.1

3.3.3 Maintenance Management Software

The MEX computerised maintenance management system was fully utilised by Hunt Energy. MEX was a fit for purpose system ideal for the needs of a small to medium sized operation. The system has been set up in a required fashion based on experience. There was no evidence of any work process mapping having taken place. There was no corporate memory of how the system was configured. Should staff leave then the knowledge would go with them.

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|---------|-------|--|
| 3.3.3.1 | Major | <u>Maintenance Management Software Recommendations</u>
Hunt Energy should consider work process mapping of maintenance management activities in their company operating context. This should take into account the impact of the drilling programme and rig move situations |
|---------|-------|--|

3.3.4 Asset and Asset Configuration

An asset register is contained in MEX. Evidence showed that this was a comprehensive register with appropriate parent child relationships present. Equipment technical information was also evident.

Some spare parts listings were evident. However spare parts were not associated directly with routine maintenance activities.

3.3.5 Maintenance Concepts

There were no formal maintenance strategies evident. However it was apparent that there were informal strategies in place based upon the experience of Hunt Energy personnel

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|---------|-------|---|
| | | <u>Maintenance Concepts Recommendations</u> |
| 3.3.5.1 | Major | Hunt Energy should examine and formalise maintenance strategies to reflect the maintenance activities carried out the rigs. |

3.3.6 Management of Maintenance Work Orders

Work orders were issued to the rig sites in paper form. The rig personnel complete the work and fill in the work order history and return it to the Adelaide office. The office personnel input the work history data into MEX. They record:

- Work carried out
- Materials used
- Time taken to complete the work.

3.3.7 Management of Maintenance Execution

Maintenance execution was managed from the Adelaide office initially then controlled on site by the rig manager.

The scheduler that comes as part of MEX was used to provide a basic form of planning. This appears to be adequate for the current land rig operations.

3.3.8 Management of Maintenance Information

Historical data was stored in MEX. However there was no evidence that any formal analysis had been carried out on the data. There was no evidence of any maintenance key performance indicators or any maintenance audit program.

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|---------|----------|---|
| | | <u>Management of Maintenance Information Recommendations</u> |
| 3.3.8.1 | Critical | Maintenance Management KPI's (Key Performance Indicators) should be established for Hunt Energy KPI's could be used to measure performance and identify strengths and weaknesses within the maintenance system. |
| 3.3.8.2 | Critical | A maintenance management audit plan should be produced and implemented to examine and measure maintenance management, in particular assessment of Key Performance Indicators. |

3.3.8.3 Major A programme of analysis of maintenance data should be carried out to determine effectiveness and indicate possible areas of improvement in reliability.

4.0

SUMMARY OF RECOMMENDATIONS

Safety Management System

- | | | |
|----------|-------|--|
| | | <u>Recommendation OH&S Management Plans</u> |
| 3.3.4.1 | Major | It is understood that Hunt Energy are a small organisation. However it is recommended that there is more involvement from site personnel in the compilation of the annual safety plan |
| | | <u>Recommendation OHS Committee</u> |
| 3.3.5.1 | Major | Hunt Energy should formalise their weekly management safety meetings such that the persons designated to attend are named as members of the OHS committee. |
| | | <u>Recommendation Employee Consultation</u> |
| 3.3.6.1 | Major | Senior rig site personnel from all departments should be consulted on safety matters. These persons having been nominated by site personnel and management should be members of the OHS Committee. |
| | | <u>Recommendation Issue Resolution</u> |
| 3.3.7.1 | Major | The process of resolving HSE issues brought up by personnel should be formalised. |
| | | <u>Recommendation Document and Data Control</u> |
| 3.3.11.1 | Major | Hunt Energy should establish a formal document control process. |

Maintenance Management System

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| | | <u>Maintenance Policy and Organisation Recommendations</u> |
| 3.3.1.1 | Critical | Hunt Energy should produce a maintenance Policy and Procedure manual that will underpin all the maintenance activities that were carried out on the rig sites. This manual should also detail the maintenance policy and maintenance goals. |
| | | <u>Maintenance Management Software Recommendations</u> |
| 3.3.3.1 | Major | Hunt Energy should consider work process mapping of maintenance management activities in their company operating context. This should take into account the impact of the drilling programme and rig move situations |
| | | <u>Maintenance Concepts Recommendations</u> |
| 3.3.5.1 | Major | Hunt Energy should examine and formalise maintenance strategies to reflect the maintenance activities carried out the rigs. |
| | | <u>Management of Maintenance Information Recommendations</u> |
| 3.3.8.1 | Critical | Maintenance Management KPI's (Key Performance Indicators) should be established for Hunt Energy KPI's could be used to measure performance and identify strengths and weaknesses within the maintenance system. |

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| 3.3.8.2 | Critical | A maintenance management audit plan should be produced and implemented to examine and measure maintenance management, in particular assessment of Key Performance Indicators. |
| 3.3.8.3 | Major | A programme of analysis of maintenance data should be carried out to determine effectiveness and indicate possible areas of improvement in reliability. |