

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE HEALTH AND SAFETY EXECUTIVE
AND
THE PETROLEUM SAFETY AUTHORITY NORWAY
CONCERNING
HEALTH AND SAFETY SUPERVISION RELATED TO
PIPELINES AND INSTALLATIONS
GOVERNED BY AGREEMENTS
BETWEEN THE UK AND NORWAY**

September 2005

PART I: GENERAL INFORMATION

1. Introduction

There are a number of existing Agreements between the Governments of the United Kingdom and Norway that include provisions for proper consultation and co-operation in health and safety supervision. The existing Agreements are listed in paragraph 4 of this Memorandum of Understanding (hereinafter referred to as the MoU).

2. Objective of the MoU

The objective of this MoU is to set out mutual understandings regarding those principles and arrangements which the Health and Safety Executive (hereinafter referred to as HSE) and the Petroleum Safety Authority Norway (hereinafter referred to as PSA) have agreed will apply where appropriate to enhance practical co-operation in the planning and conducting of health and safety supervisory activities relating to petroleum fields, installations and pipelines governed by existing Agreements. The arrangements will apply only insofar as is necessary in order to implement the obligations of existing Agreements and to facilitate the exchange of information on safety related issues.

Nothing in this MoU or in any of the Supplementary Documents should be construed as affecting any of the rights or obligations provided for under the Agreements set out in paragraph 4 of this MoU.

3. Supplementary documents on arrangements relating to each Agreement

To clarify the application of the operational arrangements described in this MoU, HSE and PSA will, where appropriate, establish Supplementary Documents concerning those particular arrangements that concern each Agreement.

4. List of existing Agreements

- [Link to list of Agreements on the PSA's web site](#)

Ekofisk-Teesside Agreement:

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway relating to the transmission of petroleum by pipeline from the Ekofisk field and neighbouring areas to the United Kingdom, dated 22 May 1973, and the Exchange of Notes between the two Governments, dated 27 July 1994.

Frigg-St. Fergus Agreement:

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway relating to the amendment of the agreement of 10 May 1976 relating to the exploitation of the Frigg Field Reservoir and the transmission of gas therefrom to the United Kingdom, dated 25 August 1998, and the exchange of notes between the two Governments, dated 21 June 2001.

Statfjord Field Agreement:

Agreement between the Government of the Kingdom of Norway and the Government of the United Kingdom of Great Britain and Northern Ireland relating to the exploitation of the Statfjord Field Reservoirs and the offtake of petroleum therefrom dated 16 October 1979, and the Agreements supplementary to that Agreement, dated 22 October 1981 and 22 June 1983.

Murchison Field Agreement:

Agreement between the Government of the Kingdom of Norway and the Government of the United Kingdom of Great Britain and Northern Ireland relating to the exploitation of the Murchison Field Reservoir and the offtake of petroleum therefrom, dated 16 October 1979.

Heimdal-Brae Agreement:

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway relating to the transmission by pipeline of Heimdal liquids to the United Kingdom, dated 21 November 1985 and amendment of 1 November 2004.

Framework Agreement – Interconnecting Submarine Pipelines:

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway relating to the laying, operation and jurisdiction of inter-connecting submarine pipelines, dated 25 August 1998.

Framework Agreement – Cross-Boundary Petroleum Co-operation:

Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway concerning Cross-Boundary Petroleum Co-operation, dated 4 April 2005.

5. Meaning of terms used in this MoU

In this document and its appendices and supplements, terms listed below have the following meaning:

Pipeline:

Information on the meaning of "pipeline" is contained in Articles of each of the Agreements, such as in Article 26 of the Ekofisk-Teesside Agreement (as amended by Exchange of Notes between the two Governments, dated 27 July 1994), Article 30 of the Frigg-St. Fergus Agreement, Article 23 of the Statfjord Field Agreement, Article 23 of the Murchison Field Agreement and Article 15 of the Heimdal-Brae Agreement.

Health and safety supervision:

All regulatory activities related to safety and working environment.

Inter-connecting pipelines:

Information on the meaning of "Inter-connecting pipelines" is contained in Article 3 of the Framework Agreement – Interconnecting Submarine Pipelines.

Trans-Boundary reservoir:

Information on the meaning of "Trans-boundary reservoir" is contained in Article 1.2 of the Framework Agreement – Cross-Boundary Petroleum Co-operation.

Cross-Boundary pipeline:

Information on the meaning of "Cross-Boundary pipeline" is contained in Article 1.2 of the Framework Agreement – Cross-Boundary Petroleum Co-operation.

Host Facility:

Information on the meaning of "Host Facility" is contained in Article 1.2 of the Agreement – Cross-Boundary Petroleum Co-operation.

Langeled South:

Information on the meaning of "Langeled South" is contained in Article 1.2 of the Agreement – Cross-Boundary Petroleum Co-operation.

6. Pipelines, fields and installations governed by the existing Agreements

	Norwegian Shelf		United Kingdom Shelf	
	Fields/Installations	Pipelines/risers	Fields/Installations	Pipelines/risers
Ekofisk-Teesside Operator:		34" Oil ConocoPhillips Scandinavia	36/22, 37/4* ConocoPhillips Scandinavia	34" Oil ConocoPhillips Scandinavia
Frigg-St. Fergus** Operator:	DP1***, DP2, TCP2 Total E&P Norge AS		CDP1, TP1, QP Total E&P Norge AS	32" Gas from TP1** Total E&P UK plc
Operators:		32" Gas from TCP2** Gassco AS	MCP01 Total E&P UK plc	32" Gas from TCP2** Gassco AS
Operator:		32" Gas from Heimdal (Vesterled) Gassco AS		32" Gas from Heimdal (Vesterled) Gassco AS
Statfjord Field Operators:	Statfjord A, B, C Statoil ASA	12" Gas from Statfjord B to FLAGS BP Exploration Operating Co Ltd		12" Gas from Statfjord B to FLAGS BP Exploration Operating Co Ltd
Murchison Field Operator:			211/19 A Kerr McGee North Sea (UK) Ltd.	16" Oil Kerr McGee North Sea (UK) Ltd.
Heimdal-Brae Operators:	Heimdal 25/4 A Norsk Hydro Produksjon AS	8" Condensate Norsk Hydro Produksjon AS	Brae South A Marathon Oil UK Ltd	8" Condensate Norsk Hydro Produksjon AS
Sleipner-Easington Operator:		44" Gas from Sleipner (Langed South) Gassco (operation phase)		44" Gas from Sleipner (Langed South) Gassco (operation phase)

	Norwegian Shelf		United Kingdom Shelf	
	Fields/Installations	Pipelines/risers	Fields/Installations	Pipelines/risers
Blane Field	Trans-Boundary Reservoir	Production to ULA	Trans-Boundary Reservoir	
Operators:	Paladin Resources plc	BP	Paladin Resources plc	
Enoch Field	Trans-Boundary Reservoir		Trans-Boundary Reservoir	Production to Brae A
Operators:	Paladin Resources plc		Paladin Resources plc	Marathon Oil UK Ltd

*) The Ekofisk Agreement defines these installations as being part of the pipeline, whereas they are viewed as installations according to UKCS legislation.

***) The Frigg field was shut down 26.10.2004

***) Steel jacket misplaced during installation.

7. The role and legal basis for health and safety supervision

In Norway: See [Appendix 1 of this MoU](#).

In the United Kingdom: See [Appendix 2 of this MoU](#).

PART II: PRACTICAL ARRANGEMENTS FOR CO-OPERATION IN HEALTH AND SAFETY SUPERVISION

8. Common standards

HSE and PSA shall consult each other to seek to ensure that their respective construction and safety standards are compatible. Agreed arrangements are set out in the relevant Supplementary Documents which form part of this MoU.

9. Planning and conducting health and safety supervisory activities

HSE and PSA will, where appropriate, appoint one authority to undertake the co-ordinating role with the operator. The details of the arrangements are set out in the Supplementary Documents that form part of this MoU.

To improve co-ordination of regulatory action HSE and PSA will each forward to the other for comment a copy of their proposed plan covering pipelines and installations governed by the Agreements. In order to achieve efficient co-operation in the conducting of supervisory activities or to ensure compliance with specific requirements of an Agreement, a yearly joint plan specifying all such activities will be developed.

In relation to health and safety supervisory activities carried out jointly where one authority has been assigned a co-ordinating role, this authority will be responsible for arranging the practical matters concerned. When such joint supervisory activities have been conducted the authority responsible for co-ordinating the activity will forward a draft report to the other authority for comments before the final report is sent to the operator.

The two authorities will keep each other informed about the results of their supervisory activities relating to pipelines and installations governed by the existing Agreements.

10. Handling of applications for consents, exemptions and taking enforcement or equivalent action, etc.

Applications for safety related consents, exemptions from legal provisions, etc. with regard to pipelines and installations governed by the Agreements, will be submitted to the authorities in accordance with provisions of national law. When such applications relate to installations or pipelines governed by the Agreements the authorities will consult one another when practicable before they are consented to or granted as a measure to ensure a co-ordinated approach to regulatory decision-making.

Where provided for in the relevant Supplementary Documents, the authorities will, where practicable, consult one another before taking enforcement or equivalent action. Copies of consents, exemptions, licenses or other legal documents issued by one authority will be made available to the other.

11. Exchanging information on safety related issues

The authorities will exchange relevant information on accidents and dangerous occurrences on their respective continental shelves, technical information gained from research activities and from operation of offshore installations in general, including pipeline operation, and legislative development as a measure to enhance their professional competence.

Arrangements will be made and accounted for in the Supplementary Documents to this MoU to ensure that information on major incidents/accidents is given without delay. In this context the Special Working Group (SWG) will contribute with necessary measures.

12. Revisions of the MoU

The authorities will review their experiences related to the practical application of the arrangements in this MoU and its Supplementary Documents at regular intervals, and make revisions as appropriate.

13. Status of the MoU

The arrangements provided for in this MoU do not exempt HSE or PSA from their obligations under national law. If it appears that activities under this MoU contradict such obligations, HSE and PSA will consult with a view to rectifying the matter.

14. Distribution of copies of the MoU

For the purpose of enhancing regulatory predictability a copy of this MoU, appendices and those Supplementary Documents relevant in each case along with any revisions will be sent to each operator of those pipelines and installations which are governed by the Agreements and published on the PSA and HSE websites.

15. Date of application and termination of the MoU

This MoU came into operation on the date of signature. It can be terminated by either side on 6 months notice. Such termination will be notified to each operator covered by the arrangements in paragraph 14.

16. Signed

Signed for and on behalf of the **Health and Safety Executive**:

Date:

Signed for and on behalf of the **Petroleum Safety Authority Norway**:

Date:

APPENDIX 1
OF
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE HEALTH AND SAFETY EXECUTIVE
AND
THE PETROLEUM SAFETY AUTHORITY NORWAY
CONCERNING
THE ROLE AND LEGAL BASIS FOR
HEALTH AND SAFETY SUPERVISION
IN NORWAY

ISSUE - September 2005

The Petroleum Safety Authority Norway (PSA) is the responsible Authority with regard to safety, emergency preparedness and working environment on the Norwegian Continental Shelf and some land based petroleum plants. PSA has the supervisory authority which includes authority to stipulate regulations for the petroleum activity, conduct overall safety evaluations and make decisions relating to consents, orders, dispensations and approvals.

PSA performs certain co-ordinating functions with respect to other authorities having their own independent supervisory responsibilities. PSA has further a general duty of providing information in connection with legislation applicable to the continental shelf and some land based petroleum plants. This responsibility is limited to providing guidance as to which regulatory agency is the responsible authority, and to be the co-ordinator with respect to the licensee in matters relating to safety, emergency preparedness and working environment in the petroleum activities.

The most important acts and regulations in this context are:

- [The petroleum activities act](#)
- [The working environment act](#) (In Norwegian only)
- [The framework regulations](#)
- [The management regulations](#)
- [The information duty regulations](#)
- [The facilities regulations](#)
- [The activities regulations](#)

APPENDIX 2

OF

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE HEALTH AND SAFETY EXECUTIVE

AND

THE PETROLEUM SAFETY AUTHORITY NORWAY

CONCERNING

THE ROLE AND LEGAL BASIS FOR

HEALTH AND SAFETY SUPERVISION

IN THE UNITED KINGDOM

ISSUE - December 2005

GENERAL INFORMATION ON THE UNITED KINGDOM REGULATORY REGIME WITH RESPECT TO OFFSHORE PETROLEUM RELATED ACTIVITIES

PURPOSE OF STATUTORY SUPERVISION

The purpose of UK statutory supervision is to ensure that risks to people from work activities in the offshore petroleum industry are properly controlled.

BASIC FEATURES OF THE UK LEGISLATIVE SYSTEM

The primary UK health and safety legislation is the Health and Safety at Work etc Act 1974. This Act imposes general duties on employers to control the risks to persons arising from work activities. The Act also imposes a number of duties on employees.

Importantly, the Act contains one of the fundamental tenets of UK health and safety law, that of 'reasonably practicability' as a test of compliance with the general duty.

The scope of the Health and Safety at Work etc Act 1974 has been extended to apply to offshore installations, wells and pipelines by means of the Health and Safety at Work etc Act 1974 (Application outside Great Britain) Order 2001.

Secondary legislation, Regulations, have been made under the Health and Safety at Work etc Act 1974 to cover discrete subjects. The effective management of health and safety is the key feature of all such supporting legislation.

OFFSHORE SAFETY LEGISLATION

A number of Regulations apply specifically to the offshore sector. Primarily they impose duties on installation owners and operators, concession operators and pipeline operators.

The Offshore Installations (Safety Case) Regulations 1992 [SCR] require all offshore installations to be operated in UK waters to have a safety case accepted in writing by HSE before they start operating. Those parts of an installation that are identified as critical for the safety of the installation must be verified as suitable by an independent and competent person.

Preparing a safety case requires operators/owners to describe management systems and show a systematic and structured approach to managing the major hazards on the installation.

A safety case is the means by which a duty holder shows that;

- all hazards that could cause a major accident have been identified and evaluated;
- controls are in place to reduce the risks to the lowest level that is reasonably practicable;

- the management system is adequate to ensure compliance with all health and safety law.

These Regulations have been revised and new Regulations come into force on 6 April 2006.

The Offshore Installations and Pipeline Works (Management and Administration) Regulations 1995 [MAR] set out requirements for the safe management and administration of an offshore installation, such as the use of permit to work systems. Operators/owners are required, for example, to;

- appoint a competent manager to be in charge of the installation;
- ensure the safety of the helideck and helideck operations and appoint a competent person to control all helideck operations.

The Offshore Installations (Prevention of Fire and Explosion, and Emergency Response) Regulations 1995 [PFEER] provide for the protection of people from fire and explosion, and for securing effective emergency response. Operators/owners are required, for example, to;

- take measures to prevent fires and explosions and provide protection from any which do occur;
- provide effective emergency response arrangements.

The Offshore Installations and Wells (Design and Construction, etc) Regulations 1996 [DCR] are aimed at ensuring the integrity of installations, the safety of offshore and onshore wells, and the safety of the workplace environment offshore. Operators/owners are required, for example, to;

- ensure the installation is structurally sound, stable and, if necessary, buoyant;
- provide, maintain and keep clean accommodation, washing and toilet facilities;
- ensure workplaces are clean, well ventilated, of a reasonable temperature and not overcrowded.

PIPELINE LEGISLATION

Offshore pipelines and pipelay activities are regulated by requirements made under the Petroleum and Submarine Pipelines Act 1975, the Health and Safety at Work etc Act 1974 and its relevant statutory provisions, primarily The Pipelines Safety Regulations 1996. These Regulations are structured to apply a series of general duties to all relevant pipeline operators and cover design, materials, construction, operations, maintenance and decommissioning.

Additional duties are applied to operators of major accident hazard pipelines, which are defined as those conveying 'dangerous fluids'; these include notification to HSE prior to construction of a new pipeline, prior to use or re-use of a pipeline and prior to certain changes which could affect the level of risk to, or from, a pipeline.

Pipelines are also subject to an authorisation regime managed by the UK Government's Department of Trade and Industry [DTi]; HSE provides technical advice and assessment on safety, design and constructional issues. A Works Authorisation is required from the DTi prior to commencement of pipeline works.

OTHER LEGISLATION

Other Regulations made under the Health and Safety at Work etc Act 1974 apply both onshore and offshore. They address hazards common to all industries, for example;

- manual handling
- working at height
- electrical equipment
- noise, radiation and vibration
- hazardous substances
- use of work equipment
- lifting operations

ORGANISATION OF HEALTH AND SAFETY SUPERVISION

Statutory responsibility for the monitoring and enforcement of health and safety standards associated with work activities rests with the Health and Safety Executive. The Executive exercises its functions on behalf of the Health and Safety Commission which is answerable to the Secretary of State for Work and Pensions [DWP].

Responsibility for the offshore petroleum industry is allocated to HSE's Offshore Division [OSD] which carries out an identical role to onshore divisions in the provision of regulatory supervision in the form of advice, monitoring of compliance standards and enforcement of statutory requirements.

HSE has no direct responsibility for pollution matters associated with oil and gas exploration and exploitation which are within the remit of the Department of Trade and Industry [DTI]. However, in securing the integrity of pipelines HSE makes an important contribution to the prevention of pollution.

Marine safety is dealt with by the Maritime and Coastguard Agency which is an executive agency of the Department for Transport [DfT]. Certain duties under health and safety legislation do interface, and may overlap, with marine safety legislation requiring close co-operation on such issues.

INSPECTION AND AUDIT ACTIVITIES

Standards of compliance with regulatory requirements are monitored and enforced in a number of ways. Scrutiny of the safety case as part of HSE's assessment process enables key issues to be highlighted for subsequent discussion with duty holders and follow-up inspections.

The process of HSE assessment of the safety case and the inevitable resulting self analysis by duty holders of their systems and procedures ensures a constant development of safety management systems and improvements in safety standards. It also provides HSE with opportunities to influence such changes and obtain improvements in health and safety as part of assessment and acceptance. Significant resources are therefore devoted to assessment of Safety Cases.

Inspection of the installations and associated activities [diving, wells and pipelines] against legal requirements and issues arising from safety case assessment is also a key part of HSE's regulatory work. HSE also investigates accidents and other incidents.

In addition, HSE operates a series of key programmes which target specific areas of concern for inspection such as installation integrity.

PLANNING OF WORK

HSE's work is subject to an annual planning cycle. Priorities are identified and inspection plans are developed for installations on issues arising from the assessment of safety cases, accident and incident history and results of previous inspections and audit activities. These plans are also influenced by HSE's own priorities. Regulatory activities associated with the integrity of wells during drilling and subsequent intervention activities are likely to be dictated by the activities of duty holders and detailed advanced planning is more difficult. Provision in the plan of work is also made for inspection and regulatory activities associated with diving activities, construction [heavy lift] and pipelaying operations.

HSE Inspectors will typically visit the operator of a pipeline annually to review the operation of the pipeline, the results of inspections and to discuss proposals for the coming year. More detailed audits or inspections are carried out at intervals typically of 3 years depending on owner's performance and history of problems. Offshore inspections are normally carried out in conjunction with an inspection of the associated installation.