

General Rig Inspection Standard

1.0 Purpose

The purpose of this standard is to provide guidance on the creation of an inspection process for rig inspections within a Cenovus business unit.

2.0 Scope/Application

The general rig inspection standard is intended to be applied to Cenovus operations and activities involving a:

- Service Rig
- Swabbing Rig
- Coiled Tubing Rig
- Corod Rig
- Flushby Rig
- Snubbing Unit

3.0 Equipment Inspection

3.1 Philosophy

Like any piece of equipment, a detailed inspection should only be conducted by personnel who are adequately trained and deemed competent in the inspection process. There is a risk of liability (personal and corporate) when an inspection is conducted by an individual who lacks the technical knowledge to accurately evaluate the equipment's condition.

Cenovus expects all service providers to provide equipment that can safely complete the required job task. As a condition of that expectation, it is the service provider's responsibility to ensure that their equipment is maintained and inspected in accordance with manufacturer, industry, and legislative specifications.

3.2 Inspection Process

The Cenovus rig inspection process is intended to provide Cenovus staff with a representation of the equipment quality on the worksite. The inspection process should:

- Review the service providers previous equipment inspection reports and recent deficiencies
- Inspect medium to high risk items that pose a risk to human safety and/or the environment
- Ensure compliance with Cenovus practices and applicable legislation
- Promote safety discussions with the workers on the jobsite
- Identify areas of improvement for further discussion on equipment condition
- Identify the need for further inspection of the service provider's processes (spot-check, EHSR inspection, etc.)
- Avoid the inspection of items that Cenovus staff may not be adequately trained to inspect or deem as "satisfactory"

3.2.1 Service Rig Inspection Process

The service provider's inspection process for a service rig is regulated by the requirements of the applicable occupational health and safety code. Due to these requirements, the inspection process for a service rig should include Cenovus staff participating with the service provider in their mandatory inspection process using a CAODC or equivalent inspection form.

4.0 Deficiencies

Deficiencies noted on a Cenovus inspection shall be captured directly on the inspection report. Any noted deficiencies should be assigned to an employee of the service provider and followed up by Cenovus staff before completing the inspection report. An inspection report should not be entered into the Incident Management System (IMS) until all of the noted deficiencies have been corrected and verified by Cenovus.

Depending on the risk of the deficiency discovered, an assessment must be conducted by Cenovus staff to determine if work can safely continue.

5.0 Record Keeping

Completed inspection reports should be entered into IMS for record keeping and statistical analysis. In an effort to ensure that all inspection reports entered into IMS are able to be tracked, the following process for inspection titling within IMS must be followed to ensure the service provider's information is recorded correctly.

Figure 1 – Information from Inspection Report

cenovus ENERGY **General Rig Inspection Report**

Business Unit: Oil Sands Asset Team: Christina Lake

Contractor Name: Weatherford Rig #: 152 Date/Time: 08/09/2011 - 1:30am

Rig Type: Swabbing Snubbing Corod Pushby Coiled Tubing Service Rig

General Information

Title	Corod Rig - 152	Inspector	Test, User
Location	Christina Lake	Inspection Team	
Type	Health & Safety		
Activity	Completions/Workovers		
Contractor	Weatherford Canada Partr	Associated Parties	
Date	8/09/2011		
Time	1:30 PM		

The rig type and rig number is required to be captured as the **title** of the checklist when entering the inspection into IMS. Failure to accurately enter the inspection title as indicated within this standard will affect an IMS user's ability to search for a particular rig type or rig number of a contractor.

A copy of the inspection is required to be attached to the IMS entry as supplementary information.

6.0 Governing and Reference Documents

6.1 Internal Governance

Document Type	Governance Documents
Policy	Corporate Responsibility Policy
Framework	Cenovus Operations Management System (COMS)
Policy	Enterprise Risk Management Policy
Regulatory	Alberta OHS Code (2009) – Part 2, Part 37
Regulatory	Saskatchewan OHS Regulation – Part 3, Part 6, Part 29

6.2 Internal References

Document Ref. #	Internal Reference Documents
CEN-EHS019	Hazard Assessment and Control Practice
CEN-EHS022	EH&S/Operations Risk Management Practice
CEN744	General Service Rig Inspection Report (Form)

6.3 External References

Document Origin	External Reference Documents
ERCB	Directive 037 – Service Rig Inspection Manual

7.0 Change Management

Proposed changes to this standard can be directed to EH&S Document Management

8.0 Definitions and Acronyms

Definitions and acronyms for safety documents are described in the link below:

Cenovus CEN-EHS243, Definitions and Acronyms

CAODC – Canadian Association of Drilling Contractors

IMS – Incident Management System