Offshore Petroleum
Environmental Regulation

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Presentation overview

• Offshore exploration: titles and history of exploration in the Bight
• NOPSEMA role and responsibility
• Exploration activity approvals (seismic and drilling)
  – Overview of process
  – Oil pollution prevention
  – Oil pollution preparedness
  – Consultation requirements and public comment
Offshore exploration process & history in the Bight
Exploration approval process - Titles

**Department of Industry, Innovation and Science (DIIS)** identifies offshore areas where petroleum exploration is permitted and designates these areas as vacant acreage.

Through designating marine parks the Department of the Environment can prohibit petroleum exploration in areas with high conservation values, these may include World Heritage Areas and Marine National Parks. For more information see parksaustralia.gov.au.

**Petroleum companies apply for petroleum titles to explore vacant acreage**

Petroleum companies can apply for a short term title to conduct seismic and other surveys or they can nominate vacant acreage to be release for bidding to acquire exclusive rights to explore for petroleum in an area. For more information see nopta.gov.au and petroleum-acreage.gov.au.

**The National Offshore Petroleum Titles Administrator (NOPTA), DIIS and the Joint Authority (federal and state government resources ministers) work together to assess applications and bids and grant petroleum titles**

**Petroleum company is granted a title**

Where a petroleum company bids on vacant acreage and is subsequently granted a title the company makes a commitment to conduct surveys and/or drill wells in a specified time period.

History of exploration in the GAB
Current titles and wells drilled to date
Activities: Duntroon seismic under assessment

- Submission to NOPSEMA February 2017
- NOPSEMA not satisfied decisions in April 2017 and April 2018
- EP with proponent to modify (as at 1 Nov 2018)
Activities: EPP39 drilling

- See Equinor website for information
- NOPSEMA has not received any submission (as at 1 Nov 2018)

Source: https://www.equinor.com/en/where-we-are/australia.html
2018 Petroleum acreage release areas

Source: petroleum-acreage.gov.au
NOPSEMA role and responsibilities
Independent statutory authority

- Responsible Commonwealth minister
  - Council of Australian Governments Energy Council
    - consultation on policy/direction
  - reporting, policy/direction
- Responsible state and Northern Territory minister
  - reporting and information
  - advice and recommendations
- NOPSEMA CEO
  - advice and recommendations
  - inform, request advice
- NOPSEMA Board
Activities NOPSEMA regulates

Offshore petroleum activity 2017-18

Fixed facility types
- Pipeline
- Floating production storage offloading vessel
- Unmanned platform
- Manned platform
- Other

Seismic activity
- 3

Wells
- 227

9 mobile offshore drilling units
Mobile offshore drilling units may have conducted more than one activity in NOPSEMA's jurisdiction.

17 vessels
Vessels may have conducted more than one activity in NOPSEMA's jurisdiction.

17,785,345 hours worked offshore
Represents the total number of hours worked by employees, contractors and marine crew attending a facility in NOPSEMA's jurisdiction.
NOPSEMA’s responsibilities

Promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse storage industries through regulatory oversight.

Regulatory oversight
to effectively promote, monitor and enforce compliance...

- Advise & promote
  - ‘17/’18: 771
- Assess (approvals)
  - 176
- Monitor compliance (inc inspect)
  - 155
- Investigate
  - 184
- Enforce
  - 19
- Cooperate
- Report

1324 recommendations
Simplified offshore exploration approval steps

- Petroleum title granted to company
- Company seeks required environment, safety and wells approvals
- If approved, company may begin activities
- Activities subject to ongoing regulatory oversight
- NOPTA, DIIS, Joint Authority consider whether title surrendered or upgraded to allow development of any discovery
‘Environment plan’ for all activities

Safety Case
Protecting the workforce

WOMP
Designing the well
Stringent environmental requirements

• Must demonstrate impacts and risks are acceptable and further reduced to as low as reasonably practicable
• Must include appropriate performance outcomes and standards
• Must demonstrate appropriate consultation
• Must include appropriate management systems and Oil Pollution Emergency Plan

Prevention of oil pollution events

• Prevention of an oil pollution event is the primary focus of NOPSEMA

• Controls in place to reduce the risk are considered by experts in fields across drilling, facility safety and oil spill risk management

• Multiple barriers must be in place to prevent a “loss of well control” which could lead to an oil spill event

• First line of defence in event of loss of well control is the blow out preventer which prevent loss of containment
A global database is maintained of well control incidents that have occurred internationally since 1980.

Globally, an indicative likelihood of a well blowout for a deep water well drilled in accordance with comparable standards to Australia is approximately $2.5 \times 10^{-4}$ or 2.5 in 10,000 wells drilled.

More than 3,000 wells have been drilled offshore Australia with only one significant oil spill in more than 50 years (Montara 2009).
Oil pollution preparedness and response

Assess case for preparedness

Monitor and enforce compliance

Regulatory oversight during response
Consultation is fundamental to understanding the risks and potential impacts of a proposed offshore petroleum activity

- Titleholders must consult with relevant persons, which includes those who may be affected by the petroleum activity.
- Titleholders are also encouraged to consult with a broader range of stakeholders to inform environmental management.
- Ahead of regulatory changes, NOPSEMA has agreed to facilitate public comment on Equinor’s environment plan.
• NOPSEMA is sole decision-maker for EPs:
  – required to take into account information that is or may be relevant to decision-making
  – cannot take into account irrelevant factors (eg economic benefits)

• Community input is encouraged:
  – respond to consultation by titleholders (if this is sought) and
  – public comment to NOPSEMA
    (on the draft environment plan when released by Equinor, and when regulations change to facilitate this for all exploration activities)
More information

Community information page at nopsema.gov.au
Questions?