Decommissioning – a regulators perspective

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Outline

• NOPSEMA – Australia’s offshore energy regulator
• Offshore decommissioning in Australia
• Regulatory approach
• Opportunities and challenges – a perspective
• A ‘general duties’ regime for offshore petroleum and greenhouse gas storage operations (OPGGS Act)
• Objective-based, but with some prescriptive elements
• NOPSEMA - An independent safety and environmental management authority, cost recovered through levies on industry
• Safety Case, Environment Plan, Well Operations Management Plan are the risk management plans accepted by NOPSEMA to permission activity – subsequently monitored and enforced
2018–19 OFFSHORE ACTIVITY

LEGEND

Floating Facility
Manned Platform
Unmanned Platform
Subsea Infrastructure
Seismic Activity
Pipeline

AUSTRALIA WIDE

7 Mobile Offshore Drilling Units
May have conducted more than one activity at NOPEMA's discretion and may have been in more than one state/NT adjacent area.

14 Vessels
May have conducted more than one activity at NOPEMA's discretion and may have been in more than one state/NT adjacent area.

510 Wells
Covered under well operations management plans.

* Represents an activity adjacent to more than one state or territory.

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Decommissioning

• The process of removing or otherwise satisfactorily dealing with offshore infrastructure in a safe and environmentally responsible manner, at the end of its useful life

• The permit holder (company) is responsible. Complete removal of property and the plugging and abandonment of wells is the base case

• Other options can be considered and accepted by NOPSEMA

• Alternative options - must demonstrate equal or better environmental, safety and integrity outcomes when compared to complete removal in risk management plans submitted for acceptance
Impacts and risks of decommissioning must meet the regulatory criteria of being as low as reasonably practicable (ALARP) and acceptable to NOPSEMA.

Address long term (in perpetuity) impacts and risks to the marine environment (ecology, invasive species, consultation):
- Effects of material degradation over time
- Effects of contaminants like NORMS and mercury

Scientific uncertainty: Collaborative industry approach to building an evidence base to address uncertainty.
Australian Context

- Limited decommissioning activity has been completed in Australian waters – FPSO facilities with subsea infrastructure.
- Industry realignment through mergers and acquisitions in a low oil price environment – expected to continue in the foreseeable future.
- Late life petroleum operations may have a different risk profile (wells not flowing naturally, ageing infrastructure).
- Late life assets being divested.
- The title surrender decision is not limited/restricted by NOPSEMA’s acceptance or otherwise of the decommissioning arrangements.
Regulatory Challenges

• Permit holders defer decommissioning activities
• Maintaining infrastructure in good repair to ensure disused equipment can be removed in a responsible manner
• Asset ownership changes toward the end of field life
• Financial and technical capacity for ongoing operations and decommissioning may be diminished
• Scientific uncertainty: Knowledge about the environmental effects of various decommissioning strategies
Thank you

References: