

## Direction

To: Eni Australia Limited, Mobil Australia Resources Company Pty Ltd and Tap West Pty Ltd

### Issue of Direction – Section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

Attached is a written notice of direction/s made under s 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*.

Please provide written acknowledgement of receipt of this direction.

A person commits an offence if:

- (a) the person is subject to a direction under s 574; and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the direction.<sup>1</sup>

Please provide this office with documented evidence of your compliance with the notice of direction/s.

If you have any questions relating to the content of the instrument, please contact Cameron Grebe on (08) 6188 8704.

Yours sincerely



Cameron Grebe  
**Head of Division – Environment**

4 September 2020

NOTES: (Please see explanatory statement)

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<sup>1</sup> Section 576 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*

**Direction number NOPSEMA 793**

I, Cameron Grebe, Head of Division - Environment of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this instrument under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) pursuant to a CEO instrument of delegation dated 20 August 2018.



Cameron Grebe

Head of Division – Environment

National Offshore Petroleum Safety and Environmental Management Authority

Dated 4 September 2020

**DIRECTION****1. Commencement**

This direction takes effect on date of signature.

**2. Application**

This direction applies to Eni Australia Limited (ACN 009 475 389), Mobil Australia Resources Company Pty Ltd (ACN 000 113 217) and Tap West Pty Ltd (ACN 077 335 838) the registered holders of WA-25-L.

**3. Direction**

- (1) The titleholders Eni Australia Limited (ACN 009 475 389), Mobil Australia Resources Company Pty Ltd (ACN 000 113 217) and Tap West Pty Ltd (ACN 077 335 838) are given the directions contained in Schedule 1.
- (2) Each direction in Schedule 1 is a separate direction.

**Schedule 1 – Directions****Direction 1**

1. The titleholder must take all reasonable measures to mitigate the risk from the floating mid-depth buoy to navigation and to titleholders' equipment, structures and property within the title area, and to continue to take such measures until such time that the hazard is removed.

**Direction 2**

2. As soon as reasonably practicable, the titleholder must conduct an assessment of the condition of all equipment, structures and property within the title area to determine risks to safety, well integrity and the environment, and provide a report on the outcomes of the assessment to NOPSEMA.

**Direction 3**

3. The titleholder must notify NOPSEMA of any change in the risks to navigation or change to the condition of titleholders' property within the title area.

**Explanatory Statement:***Offshore Petroleum and Greenhouse Gas Storage Act 2006***Background**

On 30 August 2020 Eni Australia Pty Ltd (Eni Australia) notified NOPSEMA of an object floating on the sea surface within WA-25-L that was suspected to be one of the two mid-depth buoys (MDBs) in the Woollybutt Field. Eni Australia confirmed that the object was a MDB on 3 September 2020. The water depth at the Woollybutt field is approximately 100m. The MDB has dimension 5m x 9m x 8.5m and weighs approximately 40t and was designed to be tethered by chains at a depth of 50 m. Eni Australia have reported that the MDB is within the gazetted petroleum safety zone, under 24 hour observation and is still connected to the Woollybutt sub-sea infrastructure.

NOPSEMA is of the opinion that the failure of the tethering system and physical presence of an object of this size poses a threat to the safety of vessels in the area and potentially to the integrity of the subsea infrastructure, including the wells.

NOPSEMA issued Improvement Notice IN788 to Eni Australia on 4 May 2020, after an inspection in response to the sinking of the Detachable Single Point Mooring in January 2020, requiring Eni Australia to prevent or reduce the risk of a mooring system failure resulting in a mid-depth buoy floating to the surface.

Following confirmation on 3 September 2020 of the presence of the mid-depth buoy on the surface, NOPSEMA has commenced an investigation into the circumstances of this incident.

**Legislation**

Part 6.9 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (the Act) provides that NOPSEMA has functions in relation to the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations; the structural integrity of facilities, wells and well-related equipment; and environmental management.

Under subsection 574(2) of the Act, NOPSEMA may issue a direction about any matter in relation to which regulations may be made.

Section 666(2) of the Act gives the CEO of NOPSEMA the power to issue a direction under section 574 of the Act. The power may be delegated by the CEO under section 675 of the Act.

Under sub section 576(1) of the Act, if a person is subject to a direction under section 574 and the person engages in conduct that breaches that direction, the person commits an offence:

- **Fault-based offence** – 5 years imprisonment or 2,000 penalty units, or both (10,000 penalty units for a body corporate).
- **Strict liability offence** – 100 penalty units (500 penalty units for a body corporate).
- **Civil penalty provision** – 525 penalty units (2,625 penalty units for a body corporate).
- **Continuing offences** – a person who commits a fault-based or strict liability offence commits a separate offence in respect for each day during which the offence continues. The maximum penalty for each day that the offence continues is 10% of the maximum penalty that can be imposed in respect to that offence.
- **Continuing contraventions of civil penalty provisions** – a person who contravenes the civil penalty provision commits a separate contravention in respect for each day during which the contravention continues. The maximum civil penalty for each day that the contravention continues is 10% of the maximum civil penalty that can be imposed in respect to that contravention.

**Note:** the value of one penalty unit is \$210 pursuant to section 4AA(1) of the *Crimes Act 1914* (current as of 6 September 2017).