

Background to General Direction – Section 574 – ENI AUSTRALIA Limited

Document No: A761839

Date: 23/12/2020

1. Purpose

This page provides background to NOPSEMA's issuance of General Direction (ID number 805) made under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) to Eni Australia Limited. This page (page 1) does not constitute a part of the General Direction.

2. Background

NOPSEMA is implementing a compliance plan to reinforce legal requirements regarding the removal of property associated with offshore petroleum activities, under section 572 of the Act.

Section 572 of the Act places duties on titleholders in relation to the maintenance and removal of structures, equipment and property brought onto title.

A range of compliance actions will be taken as part of implementing the plan including the issuance of directions to some titleholders to provide certainty regarding their regulatory obligations.

The triggers for issuing directions include, but are not limited to, a pending sale, the time a facility has been in a non-production state, and/or an apparent lack of planning for decommissioning.

Due to the nature of directions issued in connection with the section 572 requirements, they may be in force for an extended period, until NOPSEMA is satisfied that requirements of the direction are met.

The commencement of the compliance plan follows NOPSEMA engaging in public consultation over its Section 572 Maintenance and removal of property regulatory policy, and its subsequent adoption.

This compliance plan has been developed in accordance with the wider expectations of government, set out in the Ministerial Statement of Expectations for NOPSEMA.

3. Compliance response

Eni has informed NOPSEMA that it intends to sell the registered titleholder entity Eni Australia Limited (ACN 009 475 389). Although a company sale will not alter the title register, it is important to ensure transparency to all parties so that they understand their obligations under the Act.

NOPSEMA has determined that the most appropriate compliance response is the issuance of a General Direction to the titleholders of WA-25-L.

NOPSEMA's published [Section 572 Maintenance and removal of property regulatory policy \(PL1903\)](#) provides further information on these obligations, including how a titleholder may seek to deviate from the requirement to remove property under section 572(7).

General Direction – Section 574

Document No: C21815 A746447

Date: 17/12/2020

Offshore Petroleum and Greenhouse Gas Storage Act 2006

Direction number: 805

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

Issue of Direction/s – Section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*

Attached is a written notice of a General Direction made under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Please provide written acknowledgement of receipt of this Direction within 7 days of this notice.

A person commits an offence if:

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

Please provide this office with documented evidence of your compliance with the notice of Direction/s within one month of completion of all Directions.

If you have any questions relating to the content of this Direction, please contact me on 08 6188 8704.

Yours sincerely

Signed:



Cameron Grebe
Head of Division Environment

Dated: 17 December 2020

NOTES: (Please see explanatory statement)

¹ Section 576 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)*.

Direction number: 805

I, Cameron Grebe of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this General Direction under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) pursuant to a delegation dated 17 December 2020.



Cameron Grebe
Head of Division Environment

National Offshore Petroleum Safety and Environmental Management Authority

Dated: 17 December 2020

DIRECTION

1. Commencement

This General Direction takes effect on the date of signature.

2. Application

This General 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 registered holders of WA-25-L are given the Directions contained in Schedule 1.
- (2) Each Direction in Schedule 1 is a separate Direction.

Schedule 1 – Directions

Direction 1

To plug or close off, to the satisfaction of NOPSEMA, all wells made in the title area by any person engaged or concerned in those operations on or before 31 December 2021.

Direction 2

Remove, or cause to be removed, from the title area all property brought into that area by any person engaged or concerned in the operations authorised by the permit, lease or licence within 12 months after all the wells referred to in direction 1 are plugged or closed off to the satisfaction of NOPSEMA.

Direction 3

To provide, to the satisfaction of NOPSEMA, for the conservation and protection of the natural resources in the title area within 12 months after all the wells referred to in direction 1 are plugged or closed off to the satisfaction of NOPSEMA.

Direction 4

To make good, to the satisfaction of NOPSEMA, any damage to the seabed or subsoil in the title area caused by any person engaged or concerned in those operations within 12 months after all the wells referred to in direction 1 are plugged or closed off to the satisfaction of NOPSEMA.

Explanatory Statement - Direction number: 805**Background**

This General Direction relates to infrastructure (collectively referred to as property) within the title area pertaining to offshore production licence WA-25-L. Direction 1 and 2 do not apply in relation to any property that was not brought into the title area by or with the authority of the registered titleholders (i.e. where historical property remains within the title area and there has been a break in the title). Production commenced from the Woollybutt field in the WA-25-L title area in 2003 via a moored Floating Production, Storage and Offloading (FPSO) vessel. Production from the field ceased in May 2012 and the FPSO permanently departed the field in June 2012.

NOPSEMA's records indicate that the property remaining in the WA-25-L title area may include, but not be necessarily limited to:

- Subsea wells:
 - Scalybutt 1 ST1, Woollybutt 1H ST1, Woollybutt 2A ST3, Woollybutt 4H ST1 (shut in)
 - Woollybutt 3A, Woollybutt 5A (temporarily abandoned)
- Flow line and riser systems (production and gas lift)
- Control system (umbilicals and flying leads)
- Subsea structures (manifold and other small structures)
- Components of the Mid-Depth Buoy (MDB) system
- Export mooring system.

To date, the registered titleholders have not taken action to remove all property from the title area since production ended in 2012. The remaining property has not been described in the accepted Environment Plan as being left in situ. Where an accepted Environment Plan describes particular property in the WA-25-L title area which is to be left in situ, that property is not taken to be subject to Direction 2. The registered holders of WA-25-L are required to plug and abandon wells in accordance with timeframe commitments in the Woollybutt Field Management and Plug and Abandonment Environment Plan accepted by NOPSEMA on 19 July 2019. At the time of issuing this General Direction, proposed revisions to the Environment Plan and Well Operations Management Plan for the Woollybutt Field have been submitted to NOPSEMA for assessment.

Eni has informed NOPSEMA that it intends to sell the registered titleholder entity Eni Australia Limited (ACN 009 475 389). Although such a company sale will not alter the title register, it is important for transparency that all parties understand the obligations imposed under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

NOPSEMA's published Section 572 Maintenance and removal of property policy ([PL1903](#)) provides further information on these obligations, including how a titleholder may seek to deviate from the requirement to remove property under section 572(7).

Breach of a direction

Pursuant to section 576 of the Act, if a person is subject to a General Direction under section 574 and the person engages in conduct that breaches that Direction, the person commits an offence or contravention:

- **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.