

ENVIRONMENTAL IMPROVEMENT NOTICE

To: Lattice Energy Limited
AWE (Bass Gas) Pty Ltd
AWE Petroleum Pty Ltd
Beach Energy Ltd
Lattice Energy Resources (Bass Gas) Limited
Prize Petroleum International Pte. Ltd.

In conducting a petroleum environmental inspection on 30 and 31 July 2019 to monitor compliance with petroleum environmental law in relation to the Yolla facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the Act, am satisfied on reasonable grounds that a titleholder named above contravened and is likely to contravene again:

- (a) regulation 7 of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Environment Regulations)

1. The reasons for my opinion are:

- 1.1. The findings from the inspection I conducted at the regulated business premises of the nominated titleholder provided me with reasonable grounds to believe that the Yolla facility operating as the Bass Gas offshore activity has not been undertaken in accordance with Bass Gas Offshore Environment Plan.
- 1.2. Specifically, total hydrocarbon concentrations, including both dispersed and dissolved oil fractions, in weekly produced water samples analysed for the period between July 2018 and July 2019 were found to be consistently over 50 mg/L (75% of samples). The environment plan describes that hydrocarbon in produced water discharges will not be greater than 50 mg/L at any time, and that there will be an average of less than 30 mg/L over any period of 24 hours.
- 1.3. Changes made to the produced water monitoring and management applied to the activity have not accounted for all contaminants in produced water discharges, specifically the dissolved oil fractions. This is not consistent with the requirements of the environment plan and standard practice in the Australian offshore industry.
- 1.4. The titleholder failed to undertake actions proposed in response to NOPSEMA's previous inspection recommendation raised in relation to this matter in November 2018.

2. As a result of this contravention I am satisfied on reasonable grounds that there is, or may be, the following significant threat to the environment:

- 2.1. The Bass Gas activity may expose the environment to unacceptable impacts and risks such as impacts to matters protected under Part 3 of the *Environment Protection and Biodiversity Conservation Act 1999*.
- 2.2. Specifically, dissolved hydrocarbons, which have been shown to cause a range of effects to marine organisms, including lethal effects¹, is being discharged to the environment at concentrations that have not been subject to a full impact assessment.

¹ The ANZECC water quality guidelines provide toxicity guideline values for different contaminants and gas condensates (produced from Yolla wells) have been shown to be lethal to 50% of a sample population at concentrations of 0.5 to 11.5 mg/L (Tsvetnenko, 1998).

3. The environment that is subject to the threat is:
 - 3.1. Marine waters of the Commonwealth Marine Area in Bass Strait. Contaminated marine waters may have environmental impacts on sediments and biota that transit near the facility or live in/on the surrounding benthos, including Fauna protected under Part 3 of the *Environmental Protection and Biodiversity Conservation Act 1999*. The Bass Strait marine ecosystem provides habitat for a range of species including fish, sharks and rays, marine reptiles, birds and marine mammals including species that are important for state and commonwealth fisheries. Impacts from Lattice Energy produced formation water discharges to Bass Strait water quality and environmental receptors are currently uncertain.
4. The titleholder is required to take action within 120 days of the date of this notice to remove the threat.
5. The following action must be taken by the titleholder within the period specified above:
 - 5.1. Implement produced water treatment and monitoring measures to ensure that levels of total petroleum hydrocarbons are not greater than 50 mg/L at any time, and that there is an average of less than 30 mg/L over any period of 24 hours as described in the Bass Gas Offshore Environment Plan; or
 - 5.2. Comply with regulation 7 by any other suitable means as required to remove the threat, such as demonstrate that impacts and risks from the discharge of produced water will be reduced to a level that is acceptable and as low as reasonably practicable (ALARP).


NOPSEMA Inspector


27 August 2019

NOTES: (Please see the last page of this notice)

When the required improvement has been completed, the NOPSEMA Inspector requires the titleholder to submit the completed part of the notice under Clause 8, to the contact details below:

Name: 

Position: Inspector

Address: Send in electronic format via email to:
submissions@nopsema.gov.au

Telephone number: +61 8 6188 8700

By signing below, I confirm on behalf of the titleholder that the specified action described in Improvement Notice No.761 has been undertaken within the period specified.

Signed: _____ Date: _____

NOTES:

1. A person who fails to ensure that this notice is complied with, to the extent that it relates to a matter over which the person has control, may be liable to a penalty of 300 penalty units or a civil penalty of 400 units (Schedule 2A, Clause 11D of the Act).
2. This notice must be displayed in a prominent place at the premises and, must not be tampered with or removed before the notice has ceased to have effect. (Schedule 2A, Clauses 11D and 12 of the Act)
3. The notice may be issued to the titleholder by being given to the titleholder's representative at the premises who is nominated for the inspection. (Schedule 2A, Clause 11C of the Act)
4. As soon as practicable after issuing the notice, the NOPSEMA inspector will take reasonable steps to give a copy of the notice to, where applicable (Schedule 2A, Clause 11D of the Act):
 - (a) the operator's representative at the facility if the premises are a facility, and
 - (b) the vessel master if the premises are a vessel under the command or charge of a master, and
 - (c) the owner, if the premises are owned by a person other than the titleholder or operator.
5. An improvement notice ceases to have effect when the responsible person takes the action specified in the notice.
6. NOPSEMA must publish on its website an environmental improvement notice within 21 days after the notice is issued, unless NOPSEMA is aware that the decision to issue the notice is the subject of an application for review by a court. (Schedule 2A, Clause 12A of the Act)
7. For the purposes of submitting the completed part of the notice under Clause 8, the titleholder's representative is the person to whom this notice was given.