

General Direction

Offshore Petroleum and Greenhouse Gas Storage Act 2006 – s574

Date: 30/08/2021

To: BHP Billiton Petroleum (Victoria) Pty. Ltd.
Cooper Energy (MF) Pty. Ltd.

I, Cameron Grebe, Head of Division - Environment and Decommissioning of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this direction under section 586 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) as a delegate of the CEO of NOPSEMA, pursuant to an instrument of delegation dated 14 May 2021.

Cameron Grebe
Head of Division - Environment & Decommissioning
wA516442

30 August 2021

1. Commencement

These Directions take effect on the date of signature.

2. Application

This direction applies to BHP Billiton Petroleum (Victoria) Pty. Ltd (ACN 006 466 486) and Cooper Energy (MF) Pty. Ltd. (ACN 615 354 955) the registered holders of VIC/L22 and VIC/PL33.

3. Direction

- (a) The registered holders of VIC/L22 and VIC/PL33 are given the directions contained in Schedule 1.
- (b) Each direction in Schedule 1 is a separate direction.

Schedule 1 – Directions

The registered holders are directed to take the following actions:

Direction 1

Plug or close off, to the satisfaction of NOPSEMA, all wells made in the title areas by any person engaged or concerned in those operations authorised by each title as soon as practicable and no later than 30 June 2025.

Direction 2

Remove, or cause to be removed, to the satisfaction of NOPSEMA, from the title areas all property brought into those areas by any person engaged or concerned in the operations authorised by each title as soon as practicable and no later than 30 June 2025.

Direction 3

Until such time as direction 1 and 2 are satisfied, maintain all property on the titles to NOPSEMA's satisfaction, to ensure removal of the property is not precluded.

Direction 4

Provide, to the satisfaction of NOPSEMA, for the conservation and protection of the natural resources in the title areas within 12 months after property referred to in direction 2 is removed.

Direction 5

Make good, to the satisfaction of NOPSEMA, any damage to the seabed or subsoil in the title areas caused by any person engaged or concerned in those operations authorised by the titles within 12 months after property referred to in direction 2 is removed.

Direction 6

- a. Submit to NOPSEMA on an annual basis, until all directions have been met, a progress report detailing planning towards and progress with undertaking the actions required by direction 1, 2, 3, 4 and 5.
- b. The report submitted under Direction 6(a) must be to the satisfaction of NOPSEMA and submitted to NOPSEMA no later than 31 December each year.
- c. Publish the report on the registered holders' website within 14 days of obtaining NOPSEMA satisfaction under Direction 6(b).

Explanatory Statement - Direction number: 831

This General Direction relates to structures, equipment and property (collectively referred to as property) and wells within the title areas of offshore production licence VIC/L22 and pipeline licence VIC/PL33.

Production commenced from the Minerva field in the VIC/L22 title area in 2005 with reservoir fluids transported to shore via the Minerva production pipeline in VIC/PL33. Production from the field ceased in September 2019. Two exploration wells were drilled on VIC/P31, a related title to VIC/L22 in 1993 and remain suspended.

NOPSEMA's records indicate that the property remaining in the VIC/L22 and VIC/PL33 title areas may include, but not be necessarily limited to:

- Property connected to subsea wells:
 - Minerva 3 and Minerva 4 (shut in)
 - Minerva 1 and Minerva 2/2A (suspended)
- Gas production pipeline
- Control system (umbilicals, jumpers and spools)
- Subsea structures and property (assemblies, concrete mattresses and other small structures).

To date, the registered titleholders have not yet completed removal of all the remaining property from the title area since production ended in 2019.

There is no EP providing for the remaining property, including the pipeline to be left in-situ. Further, accepted permissioning documents do not describe how the registered holder will maintain all property in good condition and repair so as not to preclude full removal in the future.

NOPSEMA's records indicate that Minerva 1, Minerva 2/1A, Minerva 3 and Minerva 4 wells have not been plugged or closed off. In addition, the accepted Environment Plan (EP) states that the EP for well abandonment is planned for development and submission by the end of 2020 to maximise flexibility for the well plugging or closing off campaign. An EP for the plugging or closing off the wells was not submitted by 31 December 2020.

The registered holders are required to plug or close off wells and maintain and remove property in accordance with the timeframes set out in the Direction, which NOPSEMA considers appropriate to bring the registered holders into compliance with decommissioning obligations. It is recognised that in order to meet the content of the directions, the registered holders will need to undertake necessary planning and submit relevant permissioning documents covering those activities.

Given the limited action to date, increased oversight of the registered holder's decommissioning approach and closer engagement between the registered holder and NOPSEMA is warranted. Limitations with reporting under individual activity permissioning documents provides inadequate visibility for NOPSEMA of the registered holders' decommissioning plan and progress.

Breach of a direction

Pursuant to section 587B of the Act, if a person is subject to a remedial direction under section 586 and the person engages in conduct that breaches that remedial 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.