



NOPSEMA

Australia's offshore
energy regulator

NOPSEMA decommissioning compliance plan



The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is Australia's independent regulator for health and safety, structural (well) integrity and environmental management for all offshore oil and gas operations and greenhouse gas storage activities in Commonwealth waters, and in coastal waters where regulatory powers and functions have been conferred.

Background

This plan outlines the actions NOPSEMA will take to achieve the strategic objective of ensuring titleholders have appropriate plans for decommissioning all wells, structures, equipment and property, and are undertaking activities to complete decommissioning in a timely manner (shown below). NOPSEMA is publishing this plan in the interests of transparency and in response to the Australian Government's Decommissioning Guideline (2018) and the Ministerial Statement of Expectations issued to NOPSEMA in October 2019. These documents and NOPSEMA's Section 572 Regulatory Policy should be referred to for further information.

This plan does not address financial liabilities that may be associated with property described in the Australian Government's Offshore Decommissioning Guideline and

other changes being considered through enhancements to Australia's decommissioning framework by the Department of Industry, Science, Energy and Resources. Any compliance actions taken by NOPSEMA will be considered in the context of any decommissioning policy in place at that time.

NOPSEMA recognises the decommissioning challenge faced by the oil and gas industry is substantial given the relatively limited experience in implementing large scale decommissioning projects in Commonwealth waters. NOPSEMA has identified a number of other objectives as part of its decommissioning strategy to address these challenges and will continue to work closely with stakeholders so that decommissioning is completed in a timely, safe and environmentally responsible manner.

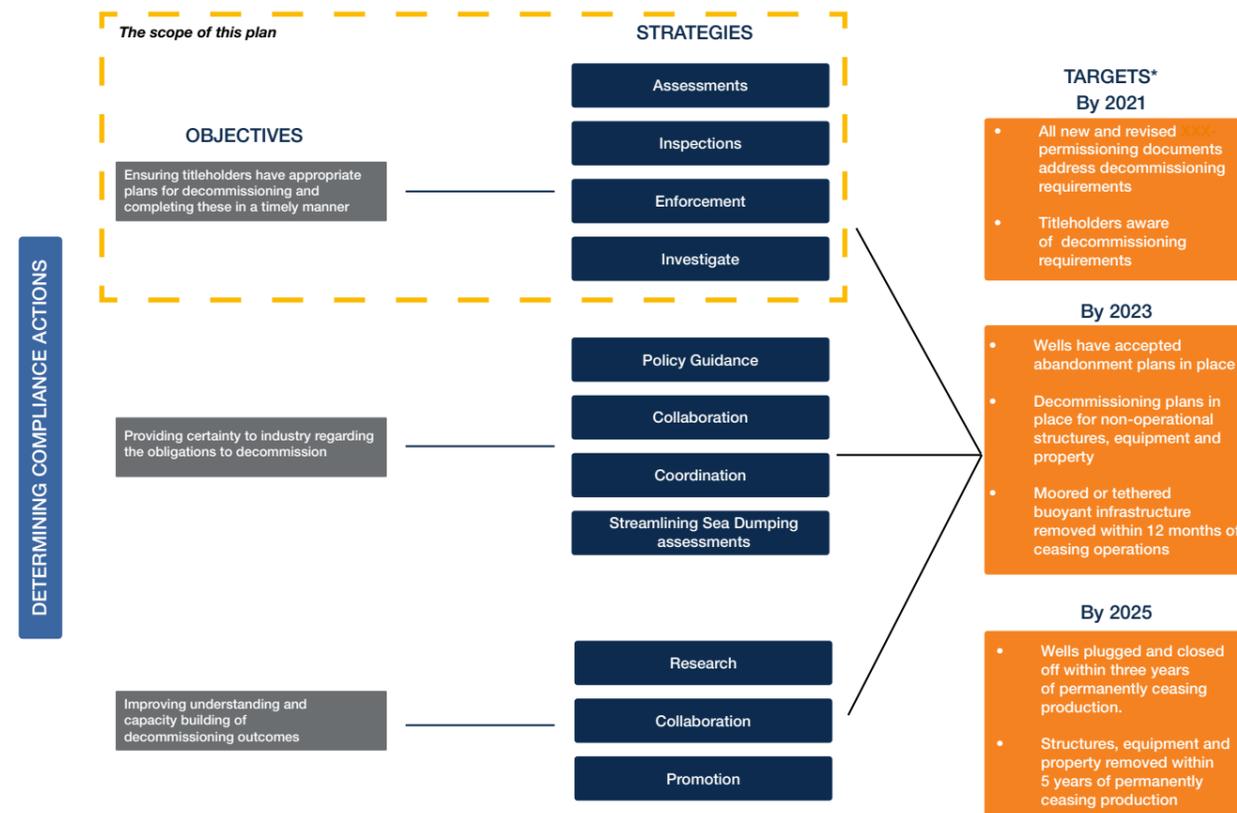


Figure 1: Decommissioning Compliance Strategy

*Targets most relevant to the objective of this plan. For further information on all targets, refer to the Decommissioning Compliance strategy

Experience in Australia and internationally has shown the ability to decommission appropriately is increasingly at risk the longer the period of time between cessation of production and completion of decommissioning activities. This plan is designed to ensure consistent, transparent and risk-based decisions are made. Actions taken by NOPSEMA may range from providing guidance and advice to titleholders to issuing Directions, dependent on the circumstances of each case.

Determining compliance risk

NOPSEMA has risk ranked facilities and activities regulated under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 using the criteria below to determine the type of compliance actions that will be considered. Whilst the plan intends to provide greater consistency for decision making, it is acknowledged that each case will be unique and there will be a range of circumstances and considerations that need to be taken into account before compliance action is taken.

What is the level of regulatory intervention I may expect?	What are the triggers that will result in this type of compliance action?	What type of compliance actions may be applied?
1. Higher level of regulatory oversight	<ul style="list-style-type: none"> Field is in a permanent state of non-production No permitting document in place to conduct necessary decommissioning activities Suspended wells or infrastructure posing integrity risk No/limited progress in executing field decommissioning to approved end-state Evidence of integrity issues that are likely to limit decommissioning options Asset sale being progressed 	<ul style="list-style-type: none"> Compliance actions such as statutory General and Remedial Directions or formal requests for revisions to permitting documents Commencement of investigation
2. Moderate level of regulatory oversight	<ul style="list-style-type: none"> Approaching end of field life (EOFL) within 5 years No permitting document in place to conduct decommissioning activities Some property is in non-production/wet parked with low integrity risk Suspended wells with low integrity risk Wellheads remaining in-situ with no accepted permitting document Integrity may become an issue in near term and limit future decommissioning options Limited progress in executing field decommissioning to approved end-state Potential asset sale being explored 	<ul style="list-style-type: none"> Compliance actions such as formal request to revisions of permitting documents or seeking advice on compliance with decommissioning obligations from titleholders Verification of compliance through targeted compliance monitoring or assessment of permitting documents
3. Lower level of regulatory oversight	<ul style="list-style-type: none"> Operational with end of field life in 5-10 years Integrity may become an issue in longer term and may limit future decommissioning options Permitting document provides some detail on decommissioning activities 	<ul style="list-style-type: none"> Regular promote and advise opportunities Verification of compliance through routine compliance monitoring or assessments of permitting documents
4. Routine regulatory compliance monitoring	<ul style="list-style-type: none"> Operational with end of field life in >10 years No integrity issues Permitting document demonstrates compliance with requirements and describes decommissioning planning and execution activities 	<ul style="list-style-type: none"> Some promote and advise opportunities Verification of compliance through routine compliance monitoring or assessments of permitting documents

¹The triggers are not a definitive list, nor does an activity need to meet all criteria to be afforded a ranking

Next steps

NOPSEMA will focus its initial efforts on taking compliance actions for fields and activities identified as posing a higher decommissioning compliance risk (Tier 1). Before making any decision regarding the compliance action to be taken, NOPSEMA will discuss the specific circumstances of each case with affected titleholders to ensure a sound understanding of NOPSEMA's expectations with decommissioning obligations.

For those cases identified to fall within the lower decommissioning compliance risks categories (Tier 3 and 4), NOPSEMA will focus efforts on promoting and advising on expectations and communicating cases of

good practice directly with titleholders. This will support ongoing compliance by titleholders' with their decommissioning obligations so that they do not fall into non-compliance.

NOPSEMA will also work collaboratively with stakeholders to develop further policy guidance and other supporting material to provide greater certainty regarding decommissioning obligations.

Feedback on NOPSEMA's policy guidance and this compliance plan are welcomed as NOPSEMA moves forward to engage with relevant stakeholders.



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Further information

Regulatory alerts and bulletins, a quarterly magazine, brochures and fact sheets, and regulatory guidance including the Environment plan decision-making guideline are published at nopsema.gov.au

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About NOPSEMA

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