

# Section 270 NOPSEMA advice - Consent to surrender title

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# **Background to policy**

Section 270 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act) provides that the Joint Authority (JA) may consent to the surrender of petroleum exploration permits, production licences, retention leases, infrastructure licences and pipeline licences, if it is satisfied there are sufficient grounds to warrant giving consent.

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) will be requested to provide advice to the JA in relation to certain criteria to inform the JA's decision-making. NOPSEMA's advice will be based upon performance against conditions and obligations set out in permissioning documents and other information that demonstrate compliance with the following:

| Criteria in section 270 of the OPGGS Act |   |  |
|--|---|--|
| (3)(b)(iii) & (v)                        | The registered holder of the permit, lease or licence has complied with the provisions contained in Chapter 6 of the OPGGS Act and in the regulations made under the OPGGS Act  |  |
| (3)(c)(i) & (ii)                         | The registered holder of the permit, lease or licence has, to the satisfaction of NOPSEMA, removed or caused to be removed from the surrender area all property brought into the surrender area by any person engaged or concerned in the operations authorised by the permit, lease or licence; or made arrangements that are satisfactory to NOPSEMA in relation to that property |  |
| (3)(d)                                   | The registered holder of the permit, lease or licence has, to the satisfaction of NOPSEMA, plugged or closed off all wells made in the surrender area by any person engaged or concerned in the operations authorised by the permit, lease or licence   |  |
| (3)(e)                                   | The registered holder of the permit, lease or licence has provided, to the satisfaction of NOPSEMA, for the conservation and protection of the natural resources in the surrender area  |  |
| (3)(f)                                   | The registered holder of the permit, lease or licence has, to the satisfaction of NOPSEMA, made good any damage to the seabed or subsoil in the surrender area caused by any person engaged or concerned in the operations authorised by the permit, lease or licence   |  |

NOPSEMA has developed this operational policy to communicate to titleholders what key information and principles NOPSEMA relies upon when providing advice to the JA with respect to the above criteria.



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# 1. Purpose

This document is an operational policy that explains key information required by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the principles it has adopted when advising the Joint Authority (JA) on applications to consent to surrender a title (or where relevant, part thereof).

This policy will assist titleholders to understand what NOPSEMA takes into account when considering if it is satisfied that titleholders have complied with the *Offshore Petroleum and Greenhouse Gas Storage Act* 2006 (OPGGS Act) and regulations (being the OPGGS Act regime) and the criteria in section 270(3)(b)(iii) & (v) and 270(3)(c) to (f) (the criteria) of the OPGGS Act.

This policy may need to be amended depending on the outcomes from the proposed Australian Government Decommissioning Policy Framework review. NOPSEMA's policy continues to apply in the context of the existing legislative and administrative framework until that time.

# 2. Scope

This policy applies to the registered holder of a permit, lease or licence (hereafter collectively referred to as a 'titleholder') when an application for consent to surrender a title has been made under section 269 of the OPGGS Act.

This policy will specifically address, and be limited to, how the criteria may be met such that NOPSEMA can advise the JA for the purposes of the JA making a decision on whether to give or refuse consent to surrender a title.

This policy applies to all vessels, structures, equipment, facilities, pipelines, wells (including those for exploration, appraisal and production), and other property (collectively referred to hereafter as 'property') associated with a petroleum activity or brought into the area of a title granted under the OPGGS Act.

This policy does not cover requirements beyond the scope of the OPGGS Act regime. Titleholders should be aware of other legislative requirements that may apply, such as the *Environment Protection (Sea Dumping)* Act 1981 (Sea Dumping Act) administered by the Department of Agriculture, Water and the Environment (DAWE). Titleholders remain responsible for compliance with any other legislation.

The term 'decommissioning' used in this policy means the process of removing or otherwise satisfactorily dealing with property that has been used for the purpose of offshore petroleum activities in a safe and environmentally responsible manner when it is neither used nor intended to be used in connection with the operation. This includes permanently abandoning wells, remediating the surrender area, and carrying out any necessary monitoring.

# 3. Cooperation with NOPTA and Joint Authority decision-making

The JA is the entity authorised to make decisions regarding all title surrender applications.

The National Offshore Petroleum Titles Administrator (NOPTA) is the responsible entity for administration of titles and also the provision of advice to the JA in regard to title surrender applications.

When undertaking title surrender application assessments, NOPTA will consult with NOPSEMA with respect to titleholder compliance with section 270. In response, NOPSEMA will provide information to NOPTA who will in turn advise the JA to inform their decision-making.





Please refer to NOPSEMA policy on <u>Provision of title related compliance information and</u> <u>advice to NOPTA</u> (PL1020) for more information on how NOPSEMA considers title surrender criteria in providing advice to NOPTA and subsequent JA decision-making.



Please refer to NOPTA fact sheet <u>Surrender of offshore petroleum titles</u> for general information about the process for surrendering offshore petroleum titles.

# 4. Relevant legislation and international frameworks

# 4.1. Requirements under section 270

In making a decision on a titleholder's application for consent to surrender a title, the JA must consider the criteria set out in section 270(3) of the OPGGS Act. If all requirements are met, the JA may give consent to the surrender.

NOPSEMA will provide information to the JA in relation to whether the titleholder has complied with the matters set out in the OPGGS Act as follows:

- 270(3)(b)(iii) & (v) relating to compliance with Chapter 6 of the OPGGS Act, and the regulations, and
- 270(3)(c) to (f) to confirm that the titleholder has, to the satisfaction of NOPSEMA:
  - Removed, or caused to be removed, all property brought into the surrender area, or made arrangements that are satisfactory to NOPSEMA in relation to that property.
  - Plugged or closed off all wells made in the surrender area.
  - Provided for the conservation and protection of the natural resources in the surrender area.
  - Made good any damage to the seabed or subsoil in the surrender area.

NOPSEMA's advice to the JA will inform the JA's decision regarding surrender of title.

# 4.2. Titleholder compliance with the provisions of Chapter 6 and of the regulations

NOPSEMA's advice to the JA on whether a titleholder has complied with the provisions of Chapter 6 of the OPGGS Act, and the provisions of the regulations made under the OPGGS Act is primarily demonstrated through a titleholder's compliance with permissioning documents as described in section 5.1.

If the titleholder has been issued a general direction notice under section 574 and/or a remedial direction notice under section 586 of the OPGGS Act then NOPSEMA will inform the JA if the titleholder has not complied with these directions at the time of application for consent to surrender the title.

Key relevant sections (569 and 572) of Chapter 6 are summarised below:

#### 4.2.1. Section 569

Section 569 of the OPGGS Act places requirements on titleholders in relation to work practices, where the titleholder must:

 Carry out operations in a proper and workmanlike manner and in accordance with good oilfield practice; and



- Control the flow, and prevent the waste or escape, of petroleum or water; and
- Prevent the escape of any mixture of water or drilling fluid with petroleum or any other matter; and
- Prevent damage to petroleum-bearing strata in an area in relation to which the permit, lease or licence is not in force; and
- Keep separate each petroleum pool discovered; and
- Keep separate such of the sources of water (if any) discovered as the Titles Administrator, by written notice given to the titleholder, directs; and
- Prevent water or any other matter entering any petroleum pool through wells except when required by, and in accordance with, good oilfield practice.

#### 4.2.2. Section 572

Section 572 of the OPGGS Act places requirements on titleholders in relation to the maintenance and removal of structures, equipment and other property brought into a title area.

The principles that NOPSEMA will apply in compliance oversight and, where necessary, enforcement for non-compliance with section 572 of the OPGGS Act are set out in NOPSEMA's <u>Section 572 Maintenance and removal of property policy</u> (PL1903). Key points of the policy are summarised below:

### Removal of property (section 572(3))

Section 572(3) of the OPGGS Act provides that:

A titleholder must remove from the title area all structures that are, and all equipment and other property that is, neither used nor to be used in connection with the operations:

- a. in which the titleholder is or will be engaged; and
- b. that are authorised by the permit, lease, licence or authority.

In accordance with section 572(6) of the OPGGS Act, section 572(3) does not apply to structures, equipment or other property that was not brought into the title area by, or with the authority of, the titleholder.

### **Planning for Decommissioning**

Section 572(3) of the OPGGS Act requires titleholders to remove property throughout the operations authorised by the title, and not defer removal to the end of the petroleum activity or offshore project.

#### Obligations subject to other provisions (section 572(7))

Notwithstanding that complete removal of all property is the base case<sup>1</sup> for all offshore operations, deviations from the property removal requirement of section 572(3) may be accepted by NOPSEMA through permissioning documents. A deviation in the context of this regulatory policy includes where a titleholder intends to do something that is different from the requirement of section 572(3).



Please refer to the <u>Section 572 Maintenance and removal of property policy</u> (PL1903) for further information on duties and requirements on removal of property.

<sup>&</sup>lt;sup>1</sup> As outlined in the Australian Government's Offshore petroleum decommissioning guideline





Please refer to the <u>Planning for Proactive Decommissioning Information Paper</u> (IP2002) for further information on planning for proactive decommissioning throughout the life cycle of a petroleum project.

## 4.3. Permissioning documents under the regulations

NOPSEMA must have information and evidence upon which to inform its advice to the JA as to whether it is satisfied that the criteria have been met. One of the ways in which NOPSEMA will be informed of these matters is through permissioning documents, including under the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (Environment Regulations) and the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 (RMA Regulations):

- Any facility used to conduct works or operations related to a petroleum activity must have a registered
  operator and a safety case in force at all times. Any decommissioning related activities conducted at or
  near a facility must be described within the safety case.
- The environment plan (EP) is the permissioning document under which arrangements in relation to property, conservation and protection of natural resources, and making good any damage to the seabed or subsoil prior to surrender of the title can be addressed by a titleholder and accepted by NOPSEMA.
- The well operations management plan (WOMP) is the permissioning document under which arrangements in relation to permanently abandoning a well or wells prior to the surrender of the title can be addressed by a titleholder and accepted by NOPSEMA.



Please refer to <u>Australia's Offshore Petroleum Decommissioning Guideline</u> for further information on regulatory requirements with respect to decommissioning approvals and permissioning documents.

## 4.4. UNCLOS and the International Maritime Organisation

Article 60 of the 1982 United Nations Convention on the Law of the Sea (UNCLOS) prescribes that any installations or structures which are abandoned or disused shall be removed. The International Maritime Organisation (IMO) is the competent organisation to deal with this subject.

The IMO Guidelines and Standards for the Removal of Offshore Installations and Structures on the Continental Shelf and in the Exclusive Economic Zone, adopted by IMO Assembly on 19 October 1989 (Resolution A.672 (16)), set out the minimum global standards to be applied to the removal of offshore installations and structures. The guidelines and standards do not explicitly address decommissioning of pipelines or subsea infrastructure.

Australia is a signatory to the UNCLOS and therefore NOPSEMA will have regard to the principles in IMO Guidelines and Standards in its advice to the JA provided under section 270.

### 4.5. The London Protocol

Australia is a Party to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972 (London Convention) and the 1996 Protocol to the London Convention (1996, as amended in 2006) (London Protocol), which modernises and replaces the Convention. Under the London Protocol the types of material that may be dumped at sea is limited to seven categories, which includes vessels and platforms or other man-made structures at sea.



Australia's obligations under the London Protocol are implemented by the Sea Dumping Act, which regulates the loading and dumping of wastes at sea, as well as the creation of artificial reefs and is administered by the DAWE. Under the Sea Dumping Act, "dumping" includes abandonment or toppling at site of platforms or other structures or equipment at sea. If a titleholder proposes to leave property partially or wholly in situ, or dispose of infrastructure at a different offshore site, a permit under the Sea Dumping Act may be required.



Please refer to <u>Australia's Offshore Petroleum Decommissioning Guideline</u> for further information on other relevant Australian and international laws and conventions.

## 5. Considerations for the satisfaction of NOPSEMA

## 5.1. Compliance with permissioning documents

Titleholder compliance with accepted permissioning documents is the primary means by which NOPSEMA will satisfy itself that the criteria have been met.

Titleholders are expected, from the earliest stages of petroleum activity planning or offshore project development, to consider how decommissioning and remediation requirements can be met to the satisfaction of NOPSEMA.

The eventual decommissioning and removal of property must be considered and planned for in the relevant EP and/or WOMP and accepted by NOPSEMA prior to the commencement of activities and prior to property being brought into the title area.

NOPSEMA's information to the JA will be informed by the titleholder's demonstration that the conditions and obligations in permissioning documents have been met throughout the life of a petroleum activity or offshore project.

Notwithstanding the above, there may be other circumstances that NOPSEMA will consider when preparing advice for the JA. Some of these may be the result of new information, changing circumstances or legacy issues and are discussed further in the sections below.

# 5.2. Matters NOPSEMA may consider when determining whether it is satisfied for the purposes of section 270

Although titleholder compliance with accepted permissioning documents is the primary means by which NOPSEMA will satisfy itself that criteria have been met, it is not the only means, nor is it an assurance of NOPSEMA's satisfaction for the purposes of s270(3)(c) to (f).

For example, a significant period of time may have passed between the end of a specific petroleum activity to which a permissioning document relates and the titleholder's application for consent to surrender title, therefore other information may need to be relied upon.

NOPSEMA's advice to the JA as to whether it is satisfied the criteria have been met will be based upon the information available to NOPSEMA at the time a titleholder makes an application for consent to surrender the title. If information becomes available which evidences a significant new risk or significantly increased risk to the integrity of a well, or a significant new or significant increase in environmental impact or risk, then these changes in risk must be assessed and addressed in final decommissioning permissioning documents.



A new or significant increase in risk may be evidenced by new information associated with:

- A legacy outcome as described in section 5.4 below.
- Advances in technology, data from recent and relevant studies, updates to industry recognised standards and guidelines or societal expectations.
- An outcome from a petroleum activity where the assumptions, performance standards and measurement criteria described in the accepted permissioning document are not met.

In the cases above, a titleholder may need to submit new or revised permissioning documents in accordance with regulation 17(6) of the Environment Regulations and regulation 5.10(2) or (3) of the RMA Regulations to address the new or increased risk. This permissioning document will need to be accepted by NOPSEMA and the titleholder shall demonstrate that the conditions and obligations have been met for NOPSEMA to become satisfied that the risk has been addressed.

# 5.3. If titleholder obligations have not been met or NOPSEMA is not satisfied for the purposes of section 270

If, at the time an application for consent to surrender a title is made, titleholder obligations under Chapter 6 of the OPGGS Act or regulations have not been met, or NOPSEMA is not satisfied for the purposes of section 270(3)(c) to (f) of the OPGGS Act, NOPSEMA may:

- Refuse to accept the end of an EP under regulation 25A(b) of the Environment Regulations or refuse to
  give notice of the end of a WOMP under regulation 5.17(c) of the RMA Regulations. The EP or WOMP
  will then remain in force and may need to be revised to meet outstanding obligations.
- Request the titleholder provide further information in regard to the status of a petroleum activity, basis for ALARP risk assessment or technical studies addressing alternative outcomes.
- Require the titleholder comply with titleholder obligations set out in section 569(1) of the OPGGS Act.
- Direct the titleholder under section 574 of the OPGGS Act as to any matter in relation to which regulations may be made.
- Direct the titleholder or certain other persons under section 586 of the OPGGS Act to remove or make arrangements with respect to property, plug or close off wells, provide for the conservation and protection of natural resources, or make good any damage to the seabed or subsoil.<sup>2</sup>

The submission of new or revised permissioning documents may be required to conduct petroleum activities associated with requests for information or required by direction notices.

Where titleholder obligations under Chapter 6 of the OPGGS Act or the regulations have not been met, or NOPSEMA is unable to be satisfied for the purpose of section 270(3)(c) to (f) of the OPGGS Act, then NOPSEMA will consult with the titleholder and advise the JA.

If the provisions of Chapter 6 or of the regulations have not been complied with, the JA retains the discretion to give consent to surrender a title if the JA is satisfied that there are sufficient grounds, in accordance with section 270(5).

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<sup>&</sup>lt;sup>2</sup> Reference to section 586 and "certain other persons" updated to reflect OPGGS Act amendments effective 2 March 2022



Where a title is surrendered, in whole or in part, NOPSEMA may direct a titleholder, former titleholder or certain other persons, under section 587 of the OPGGS Act to remove or make arrangements with respect to property, plug or close off wells, provide for the conservation and protection of natural resources, or make good any damage to the seabed or subsoil.<sup>3</sup>

## 5.4. Legacy outcomes with previous designated authorities

A legacy outcome refers to an outcome from any petroleum activity or offshore project where arrangements with respect to property, permanent abandoning of wells, conservation and protection of natural resources, or making good any damage to the seabed or subsoil were undertaken prior to NOPSEMA becoming the regulator.

For clarity, legacy outcomes do not refer to wells that were not drilled under the current title, or under a title from which the current title was derived.

For legacy outcomes, NOPSEMA must be provided with sufficient information to determine whether a titleholder is compliant with Chapter 6 of the OPGGS Act and the regulations, and that NOPSEMA can be satisfied for the purposes of section 270(3)(c) to (f).

The information provided must demonstrate that the legacy outcome has been the subject of a regulated process that accepted or approved the outcome.

NOPSEMA applies the following principles when considering legacy outcomes:

- If a titleholder can supply documentary evidence which clearly demonstrates an acceptance or approval by the previous Designated Authority with respect to the legacy outcome, that information may be provided in support of an application to surrender title. If the titleholder cannot supply any relevant documents, NOPSEMA will consider that the acceptance or approval does not exist.
- If the titleholder is unable to provide sufficient evidence that the legacy outcome has been dealt with in accordance with a regulated process, then the petroleum activity will be taken to be ongoing. In this case, an accepted permissioning documents must be in force for the activity.

Measures to manage the potential risks arising from any legacies shall be addressed in revisions to permissioning documents associated with the final decommissioning programme.

# 6. Removal of property – section 270(3)(c)

Subject to the matters outlined in section 4 and 5 of this policy, in principle, titleholder compliance with section 572(3) over the life of operations will form the basis of NOPSEMA's satisfaction for the purpose of section 270(3)(c).

NOPSEMA acknowledges that some property, particularly that associated with well casings and structural piles, may not be able to be removed. Other arrangements, such as deviation to leave the property in-situ, may need to be considered and provided for through permissioning documents.

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<sup>&</sup>lt;sup>3</sup> Reference to section 587 and "certain other persons" updated to reflect OPGGS Act amendments effective 2 March 2022



# 7. Plugged or closed off all wells – section 270(3)(d)

For the purposes of section 270(3)(d) of the OPGGS Act, NOPSEMA considers the following terms relating to a Well being permanently abandoned as per the RMA Regulations, and plugged or closed off as per the OPGGS Act, to mean:

#### Permanently abandoned:

Is the outcome of "the final activity performed on the well, and includes the establishment of permanent barriers in the wellbore, such that integrity is retained with no intention of future well re-entry."

#### Plugged or closed off:

Is the state of a well when it has been "permanently abandoned" and NOPSEMA notifies the titleholder in writing that it is reasonably satisfied that the process of abandoning the well has been undertaken in accordance with the accepted WOMP (refer to section 10.6 of this policy).

#### 7.1. Well abandonment

When determining if titleholders have plugged or closed off all wells made in the surrender area to the satisfaction of NOPSEMA, for the purposes of section 270(3)(d), NOPSEMA will take into account:

- That NORSOK Standard D-010 and the Oil & Gas UK Well Decommissioning Guideline are considered
  to be the acceptable standards and guidelines addressing how permanent abandonment is to be
  achieved.
- If standards or guidelines other than NORSOK Standard D-010 or the Oil & Gas UK Well
  Decommissioning Guideline were used, then an ALARP assessment has been completed to
  demonstrate an equal or better outcome than what would have been achieved under the Standards
  and Guideline has been achieved.
- If the standard or guideline utilised has been superseded prior to consent to surrender of title then an assessment against the changes to the latest editions of the standard or guideline has been conducted to demonstrate that risks remain ALARP.
- Whether wells have been plugged or closed off with an "eternal perspective."
- Whether there is compliance with the work practices detailed in section 569(1) of the OPGGS Act at the time of title surrender.
- Whether, in the case of a declared petroleum exploration permit, declared petroleum retention lease
  or declared petroleum production licence, the well has been plugged or closed off in a way that is
  suitable for the storage of greenhouse gas substances.

In the case where a well abandonment was completed in such a way that NOPSEMA is unable to be satisfied that the well has been plugged or closed off in accordance with the considerations set out above, or well integrity is compromised from an immediate or eternal perspective, NOPSEMA may refuse to give notice under regulation 5.17(c) of the RMA Regulations. The well will be considered to be in operation, and the WOMP will remain in force and will need to be revised to provide for monitoring and remedial work.

<sup>&</sup>lt;sup>4</sup> As defined in ISO 16530 - Section 11 Well Abandonment phase

<sup>&</sup>lt;sup>5</sup> As described in NORSOK Standard D-010:2021 10.6.2 Well barrier acceptance criteria.



# 8. Natural resources – section 270(3)(e)

For the purposes of section 270(3)(e) of the OPGGS Act, NOPSEMA considers the following terms relating to natural resources found in section 7 of the OPGGS Act to have the same meaning as in paragraph 4 of Article 77 of the United Nations Convention on the Law of the Sea 1982. That paragraph is as follows:

#### **Natural Resources:**

"The natural resources referred to in this Part consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil."

For the purposes of section 270(3)(e) of the OPGGS Act, NOPSEMA considers the following relating to conservation and protection to mean:

### **Conservation and protection:**

The practice of keeping in a safe and sound state and preventing harmful or undesirable impacts upon the natural resources.

## 8.1. Conservation and protection of natural resources

When determining if titleholders have provided for the conservation and protection of the natural resources in the surrender area to the satisfaction of NOPSEMA, for the purposes of section 270(3)(e), NOPSEMA will consider:

- Effective integration of both long-term and short-term economic, environmental, social and equitable considerations.
- That lack of full scientific certainty has not been used as a reason for postponing measures to prevent environmental degradation where there were threats of serious or irreversible impact upon the natural resources.<sup>6</sup>
- The present generation has ensured the health, diversity and productivity of the natural resources is maintained or enhanced for the benefit of future generations (principle of inter-generational equity).
- The conservation of biological diversity and ecological integrity of the natural resources has been fundamentally considered. 6
- Whether the environmental impacts and risks to natural resources from petroleum activities authorised by the title have been demonstrated to be reduced to ALARP.
- Whether the environmental impacts and risks to natural resources from petroleum activities authorised by the title have been demonstrated to be of an acceptable level.
- International and domestic requirements that apply to the activity and are relevant to the conservation and protection of the natural resources.

<sup>&</sup>lt;sup>6</sup> Consistent with the principles of ecologically sustainable development in accordance with the objective found in regulation 3 of the Environmental Regulations and section 3A of the EPBC Act.



# 9. Damage to the seabed or subsoil – section 270(3)(f)

For the purposes of this policy, NOPSEMA considers the term "made good any damage" as used in section 270(3)(f) the OPGGS Act to mean:

#### Made good any damage:

Unacceptable impacts and risks to the seabed and subsoil have been remediated to enable future unrestricted access, beneficial use and re-release for future use.

# 9.1. Making good damage to the seabed or subsoil

When determining if titleholders have made good any damage to the seabed and subsoil in the surrender area to the satisfaction of NOPSEMA, for the purposes of section 270(3)(f), NOPSEMA will consider:

- Effective integration of both long-term and short-term economic, environmental, social and equitable considerations.
- That lack of full scientific certainty has not been used as a reason for postponing measures to prevent
  environmental degradation where there were threats of serious or irreversible impact upon the seabed
  or subsoil.<sup>7</sup>
- The present generation has ensured that the health, diversity and productivity of the seabed and subsoil is maintained or enhanced for the benefit of future generations (principle of inter-generational equity).
- Titleholder's intent to achieve a "clear seabed", including removal of any waste or property that may have been intentionally or unintentionally placed onto the seabed.
- Whether any damage to the seabed or subsoil caused by petroleum activities authorised by the title
  has been remediated so that environmental impacts and risks have been demonstrated to be reduced
  to ALARP.
- Whether any damage to the seabed or subsoil caused by petroleum activities authorised by the title
  has been remediated so that environmental impacts and risks have been demonstrated to be of an
  acceptable level.

# 10. Decommissioning expectations

# 10.1. Addressing section 270(3)(c), (e) and (f) in environment plans

NOPSEMA's advice to the JA regarding consent to surrender a title will primarily rely upon information contained in an EP through which a titleholder will demonstrate that environmental impacts and risks have been reduced to ALARP (Environment Regulations 10A(b)) and will be of an acceptable level (Environment Regulations 10A(c)). To address these requirements, the EP is to include specific conditions and obligations to satisfy NOPSEMA for the purposes of sections 270(3)(c), (e) and (f).

Accordingly, the EP is to include a comprehensive description of any petroleum activity undertaken by a titleholder in relation to property, conservation and protection of natural resources, or making good any damage to the seabed or subsoil. For each petroleum activity, the EP is to include:

<sup>&</sup>lt;sup>7</sup> Consistent with the principles of ecologically sustainable development in accordance with the objective found in regulation 3 of the Environmental Regulations and section 3A of the EPBC Act.



- A description of the environmental values and sensitivities including ecological, socio-economic and cultural features that may be affected by the activity and restrict access, beneficial use and/or rerelease of the title area for future use.
- An evaluation of all environmental impacts and risks appropriate to the nature and scale of each impact
  or risk, including consideration of ecological aspects (e.g. habitats & biodiversity, ecological
  connectivity, invasive species, productivity); potential impacts from legacy pollutants and contaminants
  associated with either drilling or oil and gas production (e.g. contaminant distribution,
  bioaccumulation, contaminant persistence and resuspensions, sub-lethal impacts from ongoing
  exposure); and socioeconomic aspects (e.g. fisheries, navigation, other marine users and ecosystem
  values).
- Details of control measures including remedial actions that will be used to reduce the environmental impacts and risks to ALARP and an acceptable level.
- The setting of appropriate environmental performance outcomes against which performance of the titleholder in conserving and protecting the environment or making good any damage will be measured.

For NOPSEMA to accept an EP, the plan must meet all the criteria in regulation 10A of the Environment Regulations.

## 10.2. Addressing section 270(3)(d) in well operations management plans

NOPSEMA's advice to the JA regarding consent to surrender a title will primarily rely upon information contained in a WOMP, through which a titleholder will demonstrate that the risks to the integrity of the well will be reduced to ALARP (RMA Regulations 5.08(d)). To address these requirements, the WOMP is to include specific conditions and obligations to satisfy NOPSEMA for the purposes of sections 270(3)(d).

Accordingly, the WOMP is to include a comprehensive description of the arrangements that will be in place for permanently abandoning the well (RMA Regulations 5.09(1)(i)), showing:

- How, during the process of permanently abandoning the well, risks to the integrity of the well will be reduced to as low as reasonably practicable.
- How the actions taken during that process will ensure that the integrity of the well is maintained while the well is permanently abandoned.
- That the plan is appropriate to the nature and scale of the well, and of the well permanent abandonment activities to which it applies.
- That the well permanent abandonment performance outcomes, performance standards and measurement criteria included in the plan are appropriate.
- A description of the performance outcomes against which the performance of the titleholder in maintaining the integrity of the well is to be measured.

For NOPSEMA to accept a WOMP, the plan must meet all the criteria in regulation 5.08 of the RMA Regulations.



# 10.3. Monitoring and survey expectations

To inform whether NOPSEMA may be satisfied the criteria have been met, titleholders may need to conduct monitoring or survey activities. Specific monitoring and survey activities shall be determined on a case-by-case basis after consideration of the impacts and risks of the petroleum activities and obligations in the permissioning documents.

NOPSEMA applies the following principles for monitoring and survey expectations:

- The final condition of the surrender area has been delivered as described in permissioning documents and control measures to manage the impacts and risks have been effective.
- The final impacts and risks upon the environment shall be determined by comparison between initial baseline condition monitoring and survey data and the end state condition.
- Subsequent monitoring and surveys may be required based upon an assessment of risk to confirm the
  final condition has not changed and control measures to manage the impacts and risks remain
  effective. Consideration shall be given to the risks in perpetuity associated with property that is not
  removed.
- Performance reports shall be provided for the duration of monitoring and survey activities.

Monitoring and survey activities are considered petroleum activities and must be undertaken in accordance with an accepted EP as described in Part 2 of the Environment Regulations prior to consent to surrender title.

## 10.4. Reporting

To inform whether NOPSEMA may be satisfied the criteria have been met, titleholders may need to issue reports detailing the outcomes of petroleum activities. Regulation 26C of the Environment Regulations requires reporting environmental performance for the activity. Regulation 5.17(b) of the RMA Regulations requires a written report regarding the outcome of the process of permanently abandoning a well or wells.

The report(s) should:

- Demonstrate that all conditions and obligations included in the accepted final permissioning document have been met.
- Provide evidence that assumptions, performance standards and measurement criteria have been met where applied to conditions or obligations.
- Provide detail of any criteria or obligation that has not been met, and any changes to the conditions or obligations approved in the accepted permissioning document.
- Describe any variations from the accepted decommissioning operations and work plan.
- Confirm the control measures applied to manage the impacts and risks associated with an accepted deviation have been effective.
- Describe any immediate consequences observed as a result of decommissioning operations and works.

The content of reports shall be described in the relevant permissioning document.



## 10.5. Environment plan decommissioning activities

When all activities and obligations to:

- Remove, or cause to be removed, all property brought into the surrender area, or make arrangements that are satisfactory to NOPSEMA in relation to that property
- Provide for the conservation and protection of the natural resources in the surrender area
- Make good any damage to the seabed or subsoil in the surrender area

under the relevant EP have been completed, the titleholder may end the EP in accordance with the process outlined in regulation 25A of the Environment Regulations.

As described in section 10.4, titleholders should provide NOPSEMA a performance report.

When all activities have ended and all obligations have been completed, NOPSEMA will notify the titleholder in writing that end of the EP is accepted in accordance with regulation 25A(b) of the Environment Regulations. This notification can be used to support a decision of the JA to consent to surrender the title.

## 10.6. Well operations management plan activities

When the processes undertaken to permanently abandon the well or wells have ended and all other obligations under the WOMP have been completed, the titleholder may end the WOMP in accordance with regulation 5.17 of the RMA Regulations.

As described in section 10.4, titleholders will provide NOPSEMA a written report in accordance with regulation 5.17(b) of the RMA Regulations.

When reasonably satisfied that the process of abandoning the well or wells has been undertaken in accordance with the WOMP, NOPSEMA will notify the titleholder in writing in accordance with regulation 5.17(c). This notification can be used to support a decision of the JA to consent to surrender the title.

## 10.7. Compliance monitoring

NOPSEMA may wish to actively inspect the compliance of the titleholder with relevant permissioning documents prior to providing acceptance notification under the Environment Regulations or notifying that it is reasonably satisfied that the well abandonment process has been undertaken in accordance with the WOMP.



Please refer to <u>NOPSEMA inspection policy</u> (PL1523) for more information on how NOPSEMA programs, plans, conducts and reports on its compliance monitoring inspections.



## 11. Related documents

Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act)

OPGGS (Environment) Regulations 2009

OPGGS (Safety) Regulations 2009

OPGGS (Resource Management and Administration) Regulations 2011

N-00500-PL1903 A720369 - S572 maintenance and removal of property regulatory policy

N-02100-PL1523 - Policy - Inspection

N-03000-PL1697 - Policy - Investigation

N-04300-PL0052 - Policy - Safety case

N-04600-PL0842 – Policy - Well operations management plan

N-04750-PL1347 – Policy - Environment assessment

N-05000-PL0067 - Policy - Enforcement

N-20200-PL1020 - Policy - Provision of title related compliance information and advice to NOPTA

N-04000-GL0225 - Guideline - Making submissions to NOPSEMA

N-04750-GL1721 - Guideline - Environment plan decision making

N-04000-GN1746 - Guidance note - Change to the titleholder with operational control of activities

N-04300-GN0106 - Guidance note - Safety case content and level of detail

N-04300-GN1975 A783718 – Ageing assets and life extension

N-04600-GN1602 - Guidance note - Well operations management plan content and level of detail

N-04750-GN1343 – Guidance note - Petroleum activities

N-04750-GN1344 – Guidance note - Environment plan content requirements

N-00500-IP2002 - Information Paper - Planning for Proactive Decommissioning

Australian Government Offshore petroleum decommissioning guideline

Minister for Resources and Northern Australia Statement of Expectations, October 2019

NOPSEMA's Decommissioning Compliance Plan

NOPSEMA's Decommissioning Compliance Strategy

NOPSEMA's Statement of intent, November 2019

NOPTA fact sheet - Surrender of offshore petroleum titles