

Approval notice and statement of reasons

Petroleum (Environment) Regulations (NT) (Regulations)

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| Interest holder | Central Petroleum Mereenie Pty Ltd |
| Petroleum interest/s | Production Lease 4 (OL4) |
| Environment management plan (EMP) title | Environment Management Plan Mereenie Oil And Gas Field, Proposed Well Sites WM-25 & WM-26, West Mereenie NT |
| EMP document reference | ENV-9950-PLN-Final V6-Environment Management Plan, Proposed Well Sites WM25 & WM26 |
| DPIR EMP assessment document reference | E2018/0002~0019 |
| Regulated activity | Drilling and the construction of a well |
| Was the regulated activity referred ¹ for consideration whether an environmental impact assessment or public environmental report was required? | No A letter was sent to the NT EPA on the 2 January 2018 (E2018/0002~0009) recommending no referral was required under the NOI. The NT EPA did not request assessment of these drilling operations in the reply received (E2018/002~0010) |
| Was an environmental impact assessment or public environmental report required? | No |
| Date EMP was first submitted under reg 6 | 2 February 2018 |
| Date further information was submitted under reg 10, if applicable | N/A (Note conditions of approval 1.a.II & III) |
| Date of resubmission notice under reg 11(2)(b), if applicable | N/A |
| Date EMP was resubmitted under reg 11(3), if applicable | N/A |
| Date of decision | 06 / 04 / 2018 |
| Decision maker | |

Signature 

Victoria Jackson, Executive Director Energy

1 Approval notice

1. The EMP is approved. reg 11(a)
 - a. The approval is subject to the following conditions reg 12(2)
 - i. Drilling sumps are to be appropriately lined to ensure appropriate containment. Appropriate methods include lining sumps with a HDPE

¹ This means a referral under the *Environmental Assessment Act (NT)* or the *Environment Protection and Biodiversity Conservation Act 1994 (Cth)*.

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liner or compacted material, which is tested to 10^{-9} infiltration rate with testing to be submitted to the DPIR.

- II. Engineering designs are to be submitted for DPIR review prior to all construction/upgrades that are to occur.
- III. All chemical disclosure requests made by the DPIR will be responded to within 48 hours.

2 Statement of reasons

1. The EMP meets the approval criterion in reg 9(1)(a), because it contains the information required by Schedule 1 of the Regulations except as noted in the conditions of approval. reg 9(1)(a)

2. The EMP meets the approval criterion in reg 9(1)(b) for the following reasons: reg 9(1)(b)
 - a. The nature of the regulated activity is as follows:
 - i. The Application under s6 of the Petroleum (Environment) Regulations (Regulations) was the proposal to carry out a regulated activity. The Environmental Management Plan titled, *ENV-9950-PLN-Final V6-Environment Management Plan, Proposed Well Sites WM25 & WM26* proposed the drilling and construction of two petroleum exploration wells within Production Lease 4 (OL4). This is a basic drilling program to be conducted within the pre-defined and developed OL4. This is a common regulated activity and is well-defined in scope and purpose.
 - b. The scale of the regulated activity is as follows:
 - i. The scale of regulated activity is below that of common drilling applications. This drilling operation will be undertaken at Mereenie Oil and Gas Field. As such many of the requirements for common drill sites are not required. As an example, less land will be cleared for this operation than a common exploration drilling operation.
 - c. The level of detail and comprehensiveness of the application is appropriate. The quality is satisfactory. The identification of the activity, environment, environmental risks and environmental impacts in a comprehensive and appropriate level of detail. The assessment of risks, environmental outcomes and performance standards, implementation strategy, personnel, emergency contingency plan, stakeholder engagement, legislative requirements, recording, monitoring and reporting, and notifications is detailed to a high level of quality and applicability.
 - d. Having regard to the above, the information in the EMP is appropriate for the nature and scale of the regulated activity to which it relates.

3. The EMP meets the approval criterion in reg 9(1)(c) for the following reasons: reg 9(2)(a)
 - a. I have considered reg 4(d) (which requires that I give fundamental consideration to the conservation of biological diversity and ecological integrity) as follows:
 - i. I believe the information I have regarding the existing biodiversity and ecosystems that are to be affected by the regulated activity; the effects that are likely; and the mitigative measures reasonably available, is sufficient
 - ii. The regulated activity proposed involves little risk to the ecosystem in the OL4 area. The flora and fauna effected will have only a small effect in the area and will not affect the overall biological diversity and ecological integrity of the area and ecosystem. It should be noted that all efforts have been made in particular to avoid local populations of Desert Oaks (*Allocasuarina decaisneana*)
 - iii. The conservation of biological diversity and ecological integrity is vital to the achievement of ecologically sustainable development. Given the fundamental nature of this consideration, I have given central importance to the

- conservation of biodiversity and ecological integrity in weighing whether I am satisfied the approval criterion in reg 9(1)(c) has been met.
- iv. If carried out in accordance with the EMP, the risks of the regulated activity to the conservation of biological diversity is considered to be negligible.
 - v. If carried out in accordance with the EMP, the risks of the regulated activity to the conservation of ecological integrity is considered to be negligible.
- b. I have considered reg 4(a) (which concerns the integration of long-term and short-term economic, environmental, social and equitable considerations) as follows:
- i. The expression *environment* as defined in the Regulations relevantly includes the well-being of humans, structures made or modified by humans, amenity values of an area and economic, social and cultural conditions. The requirements under the Regulations includes stakeholder engagement and a broad consideration of the environmental impacts and environmental risks of the regulated activity in question. In making that broad consideration, the long-term and short-term environmental impacts and environmental risks were identified and assessed in the EMP. In this way, the concept of integrating long-term and short-term considerations has been given effect to be implemented.
 - ii. In carrying out the regulated activity there is no particular contest between economic, social and environmental considerations that requires further mention. It is noted that this oil and gas field has been in operation for more than 35 years (since 1981) and the company has over time developed a strong relationship with the local communities in which it operates.
 - iii. Accordingly, I am satisfied that the concept of integration has been taken into account.
- c. I have considered reg 4(b) as follows:
- i. The regulated activity does not pose a threat of serious or irreversible environmental damage, which warrants the application of the precautionary principle. It is clear that the significance of the threat does not warrant the application of the precautionary principle.
- d. I have considered reg 4(c) as follows:
- i. The environmental burdens of the regulated activity will not disproportionately affect future or present stakeholders. Accordingly I believe that the carrying out of the regulated activity in accordance with the EMP would have an effect contrary to the principle of intergenerational equity.
- e. I have considered reg 4(e) (which concerns the promotion of improved valuation, pricing and incentive mechanisms) as follows:
- i. In accordance with the 'polluter pays principle':
 - (1) The interest holder will cover the cost of remediation of the impacts of the regulated activity, as is set out in section 12
 - (2) If the interest holder fails to remediate the impacts, a security is held by the Minister which is considered adequate to cover the resulting costs.
- f. An environmental report or statement has not been required to be prepared in relation to the regulated activity. Email confirmation with the NT EPA established that no referral under the Environmental Assessment Act is required given the

reg 9(2)(b)

low scale impact nature of the activity proposed. This indicates that the NT EPA was not of the opinion that the regulated activity is reasonably considered to be capable of having a significant effect on the environment.

- g. The existing environment along with its particular values and sensitivities is appropriately identified in section 7 of the EMP. reg 9(1)(c)
- h. The anticipated environmental risks are appropriately identified in section 8 of the EMP.
- i. I agree with the risk assessment set out in section 8 of the EMP, and to the extent I do not agree I have imposed a condition or conditions to address the relevant risk or risks.
- j. The anticipated environmental impacts are appropriately identified in section 8 of the EMP. I agree this is a reasonable identification of the environmental impacts of the regulated activity, and to the extent I do not agree I have imposed a condition or conditions to appropriately address the environmental impacts.
- k. Drilling sump tanks could not be implemented to ease storage impacts of drill cuttings and fluid, as such measures are not considered reasonably practicable because of their cost. However, the environmental impact or risk is capable of being minimised through the use of appropriate liners or compacted material to reduce the residual risk to an acceptable level and to ensure that no particular environmental values or sensitivities will be affected.
- l. There are no environmental impacts or environmental risks relating to the proposed regulated activity which I consider to be unacceptable.
- m. Overall, having regard to the above, I am satisfied that the EMP demonstrates that the regulated activity is to be carried out in manner by which the environmental impacts and environmental risks are reduced to a level that is:
 - i. as low as reasonably practicable; and
 - ii. acceptable.