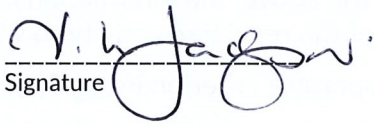


## Approval notice and statement of reasons

### *Petroleum (Environment) Regulations (NT) (Regulations)*

Interest holder	Central Petroleum Mereenie Pty Ltd
Petroleum interest/s	OL4 and OL5
Environment management plan (EMP) title	Mereenie Oil and Gas Field Environment Management Plan 2017
EMP document reference	ENV-MRN-PLN-Final-Mereenie FEMP
DPIR EMP assessment document reference	E2015/0045~0110
Regulated activity	Oil and Gas Field Operation and Maintenance
Was the regulated activity referred <sup>1</sup> for consideration whether an environmental impact assessment or public environmental report was required?	No This is a pre-existing operation which is updating documentation to align with the Petroleum (Environment) Regulations
Was an environmental impact assessment or public environmental report required?	N/A - this is a pre-existing operation
Date EMP was first submitted under reg 6	09/12/2016
Date further information was submitted under reg 10, if applicable	09/12/2016 - v13 10/07/2017- v13.5 06/10/2017- v14.2
Date of resubmission notice under reg 11(2)(b), if applicable	24/03/2017 - Extension of assessment period sent on the (24/03/2017 as per PER Part 2 Division 2, Section 11 (2)(c))
Date EMP was resubmitted under reg 11(3), if applicable	5/12/2017
Date of decision	14 / 03 / 2018
Decision maker	 Signature Victoria Jackson, Executive Director Energy Department of Primary Industry and Resources

### 1 Approval notice

1. The Environment Management Plan for the Mereenie field (EMP) is approved. reg 11(a)
2. The approval is subject to the following conditions: reg 12(2)
  - a. Determination of an environmental security in a form accepted by DPIR,
  - b. Submitted no later than 12 months from the date of this Approval Notice.

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

## 2 Statement of reasons

1. The EMP meets the approval criterion in reg 9(1)(a), because it contains all the information required by Schedule 1 of the Regulations. 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 regulated activity is the continued operation of the Mereenie Oil and Gas Field (MRN) in Operating Licences (OL) 4 and OL5. MRN is in the Amadeus Basin, Approximately 280km West of Alice Springs by road. Production Licences OL4 and OL5 were initially granted in 1981 under the *Petroleum (Prospecting and Mining) Act*. This EMP covers the standard operating process and procedures for an Oil and Gas Field. As tabled in table 6-3 are the operations covered and not covered by this EMP within the OL4 and OL5 licence area. The activities that are allowed are standard field operating activities that are necessary for conducting oil and gas field operations.
  - b. The scale of the regulated activity is as follows:
    - i. The regulated activity is an established, fully operational, oil and gas field including wells, gathering pipelines and production facilities. The scale of this activity comprises an area of about 40,000ha, which will not be further affected as confirmed by this EMP. The purpose of this EMP is to ensure that appropriate environmental management is applied to support sustainable operations and that will allow the site to be returned to its original state (as it was prior to the commencement of petroleum activities) at the completion of the field's productive life.
  - c. In my view, the EMP is of an appropriate level of detail and standard, follows contemporary best practice for risk assessment and environmental risk mitigation and displays a thorough understanding of the matters to be addressed in accordance with the legislation applicable to the operation of the field.
  - 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 consider the information I have regarding the existing biodiversity and ecosystems that are affected by the regulated activity; the effects that are likely; and the mitigative measures reasonably available, is appropriate and sufficiently detailed and comprehensive.
    - ii. Environmental values and sensitivities relating to the physical environment and the socio-economic environment have been identified in section 5 of the EMP and considered to not be affected by ongoing production operations at Mereenie. The effects that are likely; and the mitigative measures provided in section 7 of the EMP are reasonable, effective and sufficient.

- 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 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 this EMP, the risks associated with operation of the Mereenie field, to the conservation of biological diversity is considered to be low. The risks and potential impacts are assessed in section 7 of the EMP. The proposed mitigation measures address the relevant risks to minimise impact. The proposed measures are agreeable because the conservation of biological diversity is taken into account. As an example, biological diversity is conserved by not allowing any further clearing to occur without a separately approved EMP considering the specific risks and mitigation measures with any proposed activity outside the normal operation of the Mereenie field.
  - v. Taking the proposed controls into account, the EMP demonstrates that all environmental impacts and environmental risks, relating to ecological diversity, arising from the operation of the Mereenie field are able to be reduced to a level that is as low as reasonably practicable and acceptable.
- 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 of the Regulations include 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.
  - 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 integrating long-term and short-term considerations has been taken into account.
- c. I have considered reg 4(b) (which concerns the 'precautionary principle') 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. Hence, there are no specific measures to be imposed to give effect to the precautionary principle.
- d. I have considered reg 4(c) (which concerns the principle of intergenerational equity) as follows:

- i. The environmental burdens of the regulated activity will not disproportionately affect future or present stakeholders. Accordingly, I do not consider that the carrying out of the regulated activity in accordance with the EMP would have an effect contrary to the principle of intergenerational equity.
  - ii. Accordingly, I am satisfied that the carrying out of the regulated activity in accordance with the EMP will not jeopardise 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 of ESD:
    - (1) The interest holder will cover the cost of remediation and rehabilitation of the impacts of the regulated activity, as is set out in sections 7 and 11 of the EMP and as per the Emergency Response Plan.
    - (2) In case the interest holder fails to remediate environmental impacts in accordance with rehabilitation requirements, a security is held by the Minister. Should the interest holder fail to discharge the obligations under the EMP and the Act, the actual costs borne by the government will be deducted from the security held.
  - ii. Through the above, the environmental costs are imposed on the interest holder profiting from the regulated activity. This provides incentive for the interest holder to complete rehabilitation work in order to maintain good standing and obtain reimbursement of the security.
- f. No environmental report or statement has been required to be prepared in relation to the regulated activity as may be required under the Environmental Assessment Administrative Procedures. This EMP is required to meet the new Petroleum Environment Regulations. No new activity is being undertaken and as such no assessment under the *Environmental Assessment Act* is required. reg 9(2)(b)
- g. The existing environment along with its particular values and sensitivities is appropriately defined in section 5 of the EMP. reg 9(1)(c)
- h. The anticipated environmental risks are appropriately identified in section 7 of the EMP.
- i. I accept the risk assessment set out in section 7 of the EMP, and to the extent I do not agree I have imposed conditions to mitigate the relevant risks.
- j. The anticipated potential environmental impacts are appropriately identified in section 7 of the EMP. I accept that this is a reasonable identification of the environmental impacts of the regulated activity, and to the extent I do not agree I have imposed conditions to appropriately address the environmental impacts.
- k. There are no environmental impacts or environmental risks relating to the proposed regulated activity that I consider to be unacceptable.
- l. Overall, having regard to the above, I am satisfied that the EMP demonstrates that the regulated activity is to be carried out in a 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.