### **EXPLANATORY STATEMENT**

# Select Legislative Instrument 2011 No. 54

Subject - Offshore Petroleum and Greenhouse Gas Storage Act 2006

Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) provides an effective regulatory framework for petroleum exploration and recovery, and the injection and storage of greenhouse gas substances in offshore areas.

The Act provides the legal framework for the exploration and recovery of petroleum, exploration for potential greenhouse gas storage formations, injection and storage of greenhouse gas substances, and the safe and environmentally sound operation of infrastructure facilities relating to petroleum or greenhouse gas substances operations in those parts of Australia's continental shelf which are under Commonwealth jurisdiction.

Section 781 of the Act provides that the Governor–General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The purpose of these Regulations is to ensure that operations in an offshore area are carried out in accordance with good oilfield practice and are compatible with the optimum long-term recovery of petroleum.

The Regulations will also assist administrators of the Act in ensuring that they are informed about all aspects of exploration, discovery, development and production or injection operations in relation to petroleum and greenhouse gas substances. This information supports the efficient management of the resources and optimising the long term benefits to the Australian community.

The Regulations also consolidate and update the existing resource and administration-related regulations made under the Act into one legislative instrument, as well as implement some important policy changes.

Further background and details of the Regulations are set out in the Attachment.

The Act specifies no conditions that need to be satisfied before the power to make the Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act* 2003.

The Regulations commenced on the day after they are registered on the Federal Register of Legislative Instruments.

The Minute recommends that Regulations be made in the form proposed.

<u>Authority:</u> Section 781 of the *Offshore Petroleum* and Greenhouse Gas Storage Act 2006

### Overview

These Regulations provide a management scheme for the orderly exploration for and production of petroleum and injection and storage of greenhouse gas substances, and sets out a framework of rights, entitlements and responsibilities of regulators and industry. They cover a range of resource management and administration matters, including notification and reporting of discovery of petroleum; field development plans and approvals of petroleum recovery and well operations management plans and approval of well activities. The Regulations are an aide to administrators of the Act by ensuring that they will be provided with the adequate information about all aspects of exploration, discovery, development and production or injection operations in relation to petroleum and greenhouse gas substances. The Regulations also outline confidentiality periods applicable to information submitted by titleholders.

The range of reports and information required under these Regulations will contribute to the information base necessary for the overall management of petroleum and greenhouse gas resources. Through the reports of activities undertaken, amounts discovered, exploited and rates of recovery of petroleum, and in relation to greenhouse gas the quantities of substances injected, flow rate, amounts lost during compression and transportation, these reports will contribute to the knowledge base for how much of the resource is there, how much has been exploited and how much is left. This information is part of efforts to ensure that petroleum and greenhouse gas operations in an offshore area are carried out in accordance with good oilfield practice and are compatible with the optimum long-term recovery of petroleum and storage of greenhouse gas substances. This supports the efficient management of the resources and assists with optimising the long term benefits to the Australian community

### Consolidation

These Regulations represent the final stage of significantly consolidating and streamlining the Regulations currently enabled under the Act. The consolidated sets of Regulations relating to safety and environment have already been completed. The key aim of the consolidation is to improve the efficiency and effectiveness of the regulatory framework with a view to creating consistency, removing duplication and streamlining information and reporting requirements.

The Regulations consolidate and update the existing resource- and administration-related Regulations made under the Act into one legislative instrument, as well as implement some important policy changes. The consolidation incorporates, and repeals, the following current sets of Regulations:

- Offshore Petroleum and Greenhouse Gas Storage Regulations 1985;
- Petroleum (Submerged Lands) (Data Management) Regulations 2004;
- Petroleum (Submerged Lands) (Datum) Regulations 2002;
- Offshore Petroleum and Greenhouse Gas Storage (Greenhouse Gas Datum) Regulations 2010;
- Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004;
- Offshore Petroleum and Greenhouse Gas Storage (Management of Greenhouse Gas Well Operations) Regulations 2010;
- Petroleum (Submerged Lands) (Pipelines) Regulations 2001.

The Regulations also incorporate the draft *Petroleum* (Submerged Lands) Resource Management Regulations (2006). These Regulations were developed, to provide an express

regulatory structure for the development and submission of field development plans, the requirements for which are currently articulated in guidelines.

Also included in the consolidation project are the remaining active standing set of directions contained in the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, which is a set of prescriptive standing directions under section 574 of the Act. The intention is for the entire *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, to be revoked in all State and Northern Territory jurisdictions once these Regulations are made, as all requirements will be incorporated and reflected in regulations. The Designated Authorities will be responsible for revoking the standing directions as remaining in their jurisdiction. During the transition period, where a titleholder has fully complied with the requirements in the Regulations, then this will be viewed as compliance with any remaining requirements of a direction contained in the Schedule (if it has not been revoked).

There are also a number of important regulatory requirements and changes reflected in the Regulations:

- Formalising field development plan requirements and procedures in regulations where these were formally contained in guidelines only;
- Change in the regulator for petroleum well operations and activities from DAs to NOPSA as an implementation of structural integrity legislative amendments in 2010;
- Outlining standard data management submission and release parameters in regulations –
  where these were formally contained in individual data management plans and guidelines;
  and
- Removal of pipeline management plans to fully implement recent legislative change in relation to the plans and reflect incorporation of pipelines into the safety case regime.

## Consultation

The Regulations have been subject to a comprehensive consultation process. The first draft was developed in consultation with State and Northern Territory Designated Authorities and data managers, Geoscience Australia and industry stakeholders. The Attorney-General's Department was consulted on the appropriate application of offences (including strict liability) and levels of penalty. Two rounds of public consultation took place in January – February 2010, and December 2010 – January 2011. The second consultation draft was accompanied by an explanatory document to assist stakeholders. Two workshops were held for stakeholders to discuss and provide comments on the draft Regulations. These were held on 13 December 2010 in Canberra (on data management issues) and 16 December 2010 in Adelaide (on the entire draft Regulations). Stakeholders were given a month after the workshops to submit further written comments on the consultation draft of the Regulations. Stakeholder feedback was then analysed and considered as part of the process of finalising the Regulations. In many instances there were follow-up meetings to discuss and clarify aspects of submissions and the Regulations.

### Commencement

The Regulations commence on the day after they are registered.

# <u>Details of the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011</u>

## **Part 1 Preliminary**

This Part contains the name and object of the Regulations, explains which previous Regulations will be repealed, specifies when these regulations commence and contains definitions that apply in the Regulations, including of excluded information.

# Offences - Strict Liability and Penalties

Offshore petroleum and greenhouse gas operations are highly complex. Given the remoteness of these operations, it is not physically possible for regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. Thus regulatory staff are dependent on reporting by titleholders to confirm that they have complied with directions and requirements. This reporting requirement renders titleholders accountable for their compliance, and in turn strict liability for offences enforces that reporting because offences are easier to prosecute.

Some of the regulations applying to titleholders impose strict liability where an offence would consist only of a physical element. This eliminates the necessity to establish intention by titleholders for the doing or not doing of an act. It is common for petroleum titles to be held by multiple titleholders, which results in making it harder if not impossible to prove which one of the titleholders intended to do or not do an act. Additional explanatory information regarding multiple titleholders is contained below under Regulation 1.05.

These offence provisions also applied in the source Regulations from which these consolidated Regulations have been compiled.

Section 6.1 of the Commonwealth *Criminal Code Act 1995* (Criminal Code) provides that where a fault element is not specified for a physical element that consists only of conduct (doing or not doing an act) then intention is the fault element. The Criminal Code also states that: "If a law that creates an offence provides that the offence is an offence of strict liability, there are no fault elements for any of the physical elements of the offence (section 6.1)." The Criminal Code treats strict liability as liability 'without fault'. No proof of intention, knowledge, recklessness or negligence is required.

The Guide to Framing Commonwealth Offences, Civil Penalties and Enforcement Powers, December 2007 has been duly considered in the making of these provisions. The Attorney-General's Department has been consulted.

The application of strict liability is therefore considered important and necessary in ensuring the effectiveness of the regulatory regime. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

A typical example of a strict liability offence in the Regulations is regulation 2.04. This regulation requires a titleholder to provide the Designated Authority with a written discovery assessment report within 90 days of the completion of a well, unless another time is authorised by the Designated Authority.

This means that, although there must be proof beyond a reasonable doubt that the particular person charged with the offence of not providing the report to the Designated Authority

within 90 days of completing the well, there is no need to prove that they did so intentionally, knowingly, recklessly or even negligently.

The absence of a requirement to prove fault, does not mean that there is no defence to an offence of strict liability – even if the physical elements have been proven. Section 9.2 of the Criminal Code expressly provides that a person is not criminally liable for a strict liability offence in the event of a mistake of fact. This would mean that a person can make a defence to a prosecution in relation to a breach of a strict liability provision, if:

- at or before the time of the conduct constituting the physical element, the person was under a mistaken but reasonable belief that certain facts existed; and
- had those facts existed as the person believed they did, the conduct would not have constituted an offence.

The Guide to Framing Commonwealth Offences, Civil Penalties and Enforcement Powers, December 2007 has been duly considered in relation to the application of an appropriate level of penalty units for offences, and as well as maintaining consistency with the Act and the overall regulatory regime. The level of penalty units has been applied to provide a realistic incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

# 1.01 Name of Regulations

Regulation 1.01 provides for the full title of the Regulations to be the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011.* 

### 1.02 Commencement

Regulation 1.02 provides for the commencement date for the Regulations to be the day after they are registered.

### 1.03 Repeal

Regulation 1.03 repeals the:

- Offshore Petroleum and Greenhouse Gas Storage (Greenhouse Gas Datum) Regulations 2010;
- Petroleum (Submerged Lands) (Data Management) Regulations 2004;
- Petroleum (Submerged Lands) (Datum) Regulations 2002;
- Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004;
- Petroleum (Submerged Lands) (Pipelines) Regulations 2001;
- Offshore Petroleum and Greenhouse Gas Storage Regulations 1985; and.

• Offshore Petroleum and Greenhouse Gas Storage (Management of Greenhouse Gas Well Operations) Regulations 2010.

as the matters contained within these legislative instruments would be covered by both the Act and the Regulations.

## 1.04 Object of the Regulations

Regulation 1.04 specifies the objects of the Regulations.

One of the main objects of the Regulations will be to ensure that operations in an offshore area are carried out in accordance with good oil-field practice, and are compatible with the optimum long-term recovery of petroleum.

Good oilfield practice is defined in section 7 of the Act, and is generally understood as reflecting and incorporating all those practices which are generally accepted as safe, economical and efficient in exploring for and exploiting petroleum. The underlying concepts of conservation, energy efficiency and maximum ultimate recovery are included in the concept.

The term good oilfield practice is very similar to 'good production practice', which has been described as the production of crude oil or raw gas at a rate that can be sustained without adversely and significantly affecting conservation and without avoidable waste.

The term 'maximum efficiency rate' has also sometimes been used interchangeably with good production practice. Maximum efficiency rate is the maximum rate at which oil can be produced without excessive decline or loss of reservoir energy. For example in a water drive field, the rate of withdrawals of oil may be limited to about 3-5 per cent per year of the ultimate yield so as to coincide with the rate of movement of water into the structure. If this were not done, pressure would drop and gas would come out of solution in the oil, rendering it more viscous and in part non-recoverable and water could enter the producing structure in a way that made the oil non-recoverable.

Optimum long-term recovery of petroleum is the best possible, most advantageous recovery, which maximises the economic recovery of hydrocarbon resources. In a decision based on a cost-benefit analysis, the optimum approach would be one that is most economical in that it maximises the benefits, and is associated with the lowest cost, outlay or risk.

Other objects of the Regulations are to:

- ensure that the administrators of the Act are informed, in a timely and consistent
  manner, of the exploration for petroleum and greenhouse gas storage formations; and
  the discovery of petroleum and potential storage formations; and development and
  production operations in relation to petroleum, and injection operations in relation to
  greenhouse gas substances; and the results of any operations, and
- support the object of the Act in providing a framework for encouraging the adequate collection, retention and timely dissemination of petroleum and greenhouse gas data, to assist in ensuring the adequacy of the date acquired and to allow for the efficient management of data confidentiality and the disclosure of data on completion of the relevant confidentiality period.

The reports that are required under the Regulations contribute to the information base necessary for the overall management of the resource. Through the reports of activities undertaken, amounts discovered, exploited and rates of recovery, and in relation to greenhouse gas the quantities of substances injected, flow rate, amounts lost during compression and transportation, these reports and the cores, cuttings and samples provided to Regulators, contribute to the knowledge base for how much of the resource is there, how much has been exploited and how much is left. This knowledge base in turn is available for informing future policy decisions by governments and is available to industry or researchers, under specified conditions, for analysis or studies.

## 1.05 Definitions

Regulation 1.05 defines a number of terms used in the Regulations. In addition, there are definitions of terms used in particular chapters, at the start of those chapters. These Regulations also rely on definitions of terms in the Act.

Wherever possible, the definitions of terms used in these Regulations have been imported from the previous Regulations and remain unchanged.

Titleholder is defined under regulation 1.05. Due to the high cost of offshore petroleum operations, petroleum titles are often owned by a consortium of entities (commonly referred to as 'multiple titleholders') rather than a single entity. The Act was recently amended to expressly recognise these multiple titleholder ownership arrangements by the inclusion of a new Part 9.6A. This new part has clarified the manner in which multiple titleholders make voluntary administrative actions relating to applications, requests, nominations and notices and discharge obligations imposed by the Act.

Sections 775 B and C of the Act provide that, where an eligible voluntary action is to be taken by the multiple holders of a petroleum or greenhouse gas title making an application or request, giving a nomination or notice, the titleholders may nominate one of them to take those actions on behalf of the entire group of registered titleholders. The taking of the voluntary action by the nominated titleholder has effect as if it were made by the registered titleholders jointly. The registered titleholders are not entitled to take a voluntary action except by nominating one of the titleholders to take that action on behalf of all the titleholders.

Section 775D and 775E of the Act provide that where the Act imposes an obligation on the registered holder of a petroleum or greenhouse gas title and there are multiple titleholders, the obligation applies to each and every registered holder but may be discharged by any one of the registered titleholders.

## 1.06 Meaning of excluded information

Regulation 1.06 defines excluded information. This category refers to the information provided in applications made under section 104 of the Act - Application for work-bid petroleum exploration permit – advertising of blocks; section 110 of the Act – Application for cash-bid petroleum exploration permit; section 115 of the Act – Application for a special petroleum exploration permit over a surrendered block or certain other blocks; section 296 of the Act – Application for work bid greenhouse gas assessment permit – advertising of blocks; and section 303 of the Act – Application for cash-bid greenhouse gas assessment permit.

It also includes the technical qualifications and technical advice available to a titleholder or an applicant for a title, as well as the financial resources available to a titleholder or an applicant for a title.

# Part 2 Notification and reporting of discovery of petroleum

This Part outlines the requirements for reporting of discoveries of petroleum in a title area. It is separated into two divisions – the first relating to petroleum titleholders that report according to section 284 of the Act, the second relating to greenhouse gas titleholders that report incidental discoveries of petroleum under section 452 of the Act.

Discovery is used in the Regulations to refer to a number of possible situations, as follows:

- The term has been applied to a petroleum accumulation/reservoir whose existence has been determined by its actual penetration by a well, which has also clearly demonstrated the existence of moveable petroleum by flow to the surface or at least some recovery of a sample of petroleum, which has the potential for economic development. Log and/or core data may be used as proof of existence of moveable petroleum if an analogous reservoir is available for comparison.
- Another possible definition is that a "discovery" is either:
  - the first penetration within a title of a discrete geological structure or trap which encounters petroleum; or
  - the first penetration within an exploration permit of a discrete geological structure or trap which encounters petroleum, even if already known or inferred from an adjacent title or titles; or
  - the first penetration of a zone or zones of a known or contiguous geological structure within a title that adds resources, beyond that booked by the initial discovery well.
- A discovery is one petroleum pool or several petroleum pools for which one or several exploratory wells have recovered or flowed petroleum from a porous and permeable reservoir interval through testing, sampling and/or logging.

#### **Division 1 Petroleum titleholders**

### 2.01 Application

Regulation 2.01 provides that Division 1 of the Regulations applies to petroleum exploration permittees, petroleum retention lessees or petroleum production licensees who are required by section 284 of the Act to notify the Designated Authority of a discovery of petroleum.

Section 284 of the Act applies if petroleum is discovered in a petroleum exploration permit area, petroleum retention lease area or production licence area.

# 2.02 Requirement to provide information with notification of discovery of petroleum

Regulation 2.02 lists the information that a petroleum titleholder must provide in the notification of discovery of petroleum, including where it is, its characteristics and estimates of quantities of petroleum found.

This regulation outlines the information required to accompany a notice under section 284 of the Act within 30 days of the initial discovery of petroleum, and includes the matters set out in regulations 2A and 2B of the *Offshore Petroleum and Greenhouse Gas Storage Regulations 1985*. Its intent is to give the Designated Authority an idea of the basic details of the discovery which should be known by the titleholder at the time, or should be provided if the information has been determined.

In relation to the information that the titleholder would have to provide to the Designated Authority, the information that is available must be provided. Specifically in relation to requirements under item (e), where laboratory data has not been completed at the time of notification of discovery of petroleum, and such data was not available, it could not be supplied.

Regulation 2.02 paragraph (e) refers to fluids and paragraph (f) refers to the rocks.

# 2.03 Designated Authority may request information to be included in discovery assessment report

Regulation 2.03 provides for the Designated Authority to be able to request additional information about a discovery of petroleum (within 7 days of notification). This regulation is based on regulations 2A and 2B of the *Offshore Petroleum and Greenhouse Gas Storage Regulations 1985*. It means that the Designated Authority can request information be provided in the discovery assessment report after considering the notification of discovery. Should this information not be available to the titleholder, they can inform the Designated Authority of this.

## 2.04 Requirement to provide discovery assessment report

Regulation 2.04 requires the titleholder to provide the Designated Authority with a discovery assessment report within 90 days after the completion of a well that resulted in a discovery of petroleum.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

This regulation lists what information has to be provided as part of a discovery assessment report.

This is a further, more detailed report than that required under regulation 2.02 and s284 of the OPGGSA *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. It is required within 90

days of well completion. It is information that should be available to titleholders. It is acknowledged that consensus between Joint Venture partners (for example) may not be reached within 90 days of discovery, so preliminary estimates are acceptable. The regulation also incorporates matters currently detailed in Subclauses 550(1) and 55(3), elements of the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction, which is a set of prescriptive standing directions created under section 574 of the Act.

## Division 2 Greenhouse gas titleholders

## 2.05 Application

Regulation 2.05 explains that this Division applies to greenhouse gas assessment permittee, holding lessee or greenhouse gas injection licensees, who are also required to notify the responsible Commonwealth Minister of a discovery of petroleum.

## 2.06 Requirement to provide petroleum discovery report

Regulation 2.06 requires the greenhouse gas title holder to notify the responsible Commonwealth Minister of a discovery of petroleum within 60 days of the discovery, and lists what information has to be provided. The requirement is to provide a petroleum discovery report within 60 days of well completion.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

This regulation outlines information required under section 452 of the Act. The requirements of greenhouse gas titleholders differ from those of petroleum titleholders in accordance with differences in the Act.

The regulation also incorporates and reflects matters currently detailed in clauses 550(1) and 55(3), elements of one of the remaining active standing directions contained in the *Schedule* of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction, which is a set of prescriptive standing directions created under section 574 of the Act.

### Part 3 Title assessment reports

Title assessment reports are required for exploration permits and production licences under the *Petroleum (Submerged Lands)* (*Data Management*) *Regulations 2004* and the associated data management guidelines. This Part draws together these reports and formalises annual reporting requirements for other titles, such as retention leases, that may be required as part of the conditions of the title.

Title assessment reports are intended to replace numerous disparate annual reporting requirements, including those previously required under clauses 550(2), (3) and (4), 610, 651

and 652 in the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction. In part they provide an auditing function that ensures that companies are fulfilling the work and expenditure claims of their bids and applications. They also provide the Regulator with information on the development and extraction of a community resource.

The title assessment report is not intended to duplicate information. For this reason, with each type of title assessment report, the titleholder is required to provide a listing, as opposed to providing copies, of reports to the Designated Authority throughout the year. This does not include reports relating to safety or environmental matters, as these are covered by other Resource Management Regulations.

The requirement is to provide information in relation to the title. This is to ensure that activities carried out onshore (as opposed to in the title area itself) in offices and laboratories are also included.

### 3.01 Application

Regulation 3.01 explains which petroleum title holders Part 3 of these Resource Management Regulations applies to.

## 3.02 Definition

Regulation 3.02 defines the term regulator. For a petroleum exploration permit, petroleum retention lease or petroleum production licence this refers to the Designated Authority, and for a greenhouse gas assessment permit or greenhouse gas holding lease this refers to the responsible Commonwealth Minister.

## 3.03 Requirement to provide annual title assessment report

Regulation 3.03 requires petroleum exploration permittees, petroleum retention lessees and petroleum production licensees to report annually to the Designated Authority by 30 days after the end of the year of the term of their title. This regulation specifies that a title assessment report must be given within 30 days after the anniversary date of the grant of title.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

Previously, exploration permit reports were required each September, however this resulted in a large number of reports being sent to the Designated Authority at the same time each year. Submission related to the date of grant of title will allow the Designated Authority to effectively read and evaluate title assessment reports in a more staged and manageable way throughout the year.

# 3.04 Reports may be combined with permission

Regulation 3.04 requires written permission from the Designated Authority to combine annual title assessment reports by title holders with more than one title. This regulation is designed to allow a titleholder with more than one title to combine reports into one document, with the agreement of the Designated Authority. This will only be applicable if the titleholder/joint venture structure is identical in each title.

## 3.05 Title assessment report for part of a year

Regulation 3.05 sets out the process and responsibilities of the Regulator and the title holder when a title ceases to be in force (either because I has expired, been surrendered, cancelled, revoked or terminated) and where the term of the title was not a whole number of years. This second situation could arise when a title has been renewed. The titleholder would continue to use the original date while the renewal is being processed then moves to the new date on approval. The renewal of a title would be taken to start on the day after the expiry of the previous title, as per section 11 of the Act.

The Regulator may ask the titleholder by notice in writing, to provide a title assessment report on the part year period leading up to the end of the term. Such a notice must specify the information that must be included in the report and the date by which it is to be submitted. The sort of items that the Regulator could request would only include those listed in regulation 3.03 Annual title assessment report.

The titleholder commits an offence if they fail to comply with the Designated Authority's notice.

# 3.06 Information to be provided in annual title assessment report — petroleum exploration permit

Regulation 3.06 lists the information that has to be included in an annual title assessment report by holders of a petroleum exploration permit. This regulation outlines the contents of a title assessment report for an exploration permit, and includes the current requirements for an annual report under Schedule 1, Part 2, clause 205 of the *Petroleum (Submerged Lands) (Data Management) Regulations 2004*.

The regulation also incorporates and reflects matters currently detailed in clauses 550(2) and 55(4), elements of one of the remaining active standing directions contained in the *Schedule* of *Specific Requirements as to Offshore Petroleum Exploration and Production in Waters* under Commonwealth Jurisdiction, which is a set of prescriptive standing directions created under section 574 of the Act.

The exploration permit title assessment report outlines the titleholder's work and expenditure commitments specified in the title, their activities against these commitments, and their preparations for the next year.

# 3.07 Information to be provided in annual title assessment report — petroleum retention lease

Regulation 3.07 lists the information that has to be included in an annual title assessment report by holders of petroleum retention leases. Retention leases include requirements for the lease holder to undertake work and expenditure in relation to the title. This regulation requires the lease holder to report to the Designated Authority on an annual basis about their activities against these commitments, including an outline of the commitments, their activities over the year, and their preparations for the next year.

It also requires that a titleholder update the Designated Authority on their continuing evaluation of the resource as may be required under their retention lease title. This is consistent with current requirements in *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction* clauses 550 and 651.

# 3.08 Information to be provided in annual title assessment report — petroleum production licence

Regulation 3.08 lists the information that has to be included in an annual title assessment report by holders of petroleum production licenses. This is a new regulation that was agreed to by stakeholders, as being relevant for inclusion in the Resource Management Regulations. It combines the reporting requirements under the current Data Management Regulations with those in annual production reports, and includes and reflects current requirements under clauses 550, 650 and 651 of the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction.

A production licence holder is obliged to continue to explore for petroleum in the licence area, only when this is a condition of their licence (under subsection 162 (5) of the Act). The title assessment report therefore contains information on any of the production licence holder's required exploration activities, as well as reports on any re-evaluation of petroleum pools in the title area.

This regulation requires the petroleum production licensee to provide to the Designated Authority details of their plans for further evaluation of the licence area, where this is either planned by the licensee or is a condition of the licence.

This regulation also requires a production forecast for each project currently under production or for (future, currently planned or) potential development projects. While the titleholder would be required to make a judgment about which planned or potential development projects to report on, these could include projects at final investment decision stage or any project that is the subject of a licence condition.

These reports would support the information base for the overall management of the resource – they are more in the order of descriptions of activities undertaken over the year. These reports would therefore contribute to the knowledge base for how much of the resource is there, how much has been exploited and how much is left.

This regulation requires that the annual title assessment report on the petroleum production licence included a description of any leads and prospects in the licence area. The information provided becomes a very important part of the information base supporting the overall management of the resource. Leads and prospects and their context within the exploration process are explained below.

# 'Leads and Prospects'

Exploration for hydrocarbons depends on highly developed technology to detect and determine the extent of possible deposits. Areas thought to contain hydrocarbons are initially subjected to a variety of surveys to detect large scale features of the sub-surface geology. Features of interest (called 'leads') are subjected to more detailed seismic surveys which work on the principle of the time it takes for reflected sound waves to travel through matter (rock) of varying densities and using the process of depth conversion to create a profile of the substructure. A lead is therefore, any indication or hint of the presence of subsurface 'traps' that gives geologists the expectation that hydrocarbons may be present, and a reason to explore further.

This further exploration would typically involve geological, structural and seismic investigation or surveys. These are looking for the geological factors that have to be present for a lead to be considered a 'prospect'. If these are not found, it is considered unlikely that either oil or gas will be present. They include, but are not limited to:

- A source rock this could be organic-rich rock such as oil shale or coal. When these are subjected to high pressure and temperature over an extended period of time, hydrocarbons form.
- Migration the hydrocarbons are expelled from source rock by three density-related
  mechanisms: the newly-matured hydrocarbons are less dense than their precursors; the
  hydrocarbons are lighter medium, and so migrate upwards due to buoyancy, and the fluids
  tend to expand. Most hydrocarbons migrate to the surface as oil seeps, but some will get
  trapped.
- Trap hydrocarbons are buoyant and have to be trapped within a structural or stratigraphic trap.
- Seal or cap rock the hydrocarbon trap is generally covered by an impermeable rock known as a seal or cap-rock which has prevented hydrocarbons moving to the surface.
- Reservoir the hydrocarbons are contained in a reservoir rock. This is usually a porous sandstone or limestone. The oil collects in the pores within the rock. The reservoir must also be permeable so that the hydrocarbons will flow to surface during production.

To convert a lead into a drillable prospect more focused exploration is needed with 2D or 3D seismic surveys over the area of interest. After that processing and interpretation of the size, depth and associated risk would take place. This interpretation would provide the structural model of the prospect where the well could be located for drilling. Finally, when a prospect has been identified and evaluated and passes the oil company's selection criteria, an exploration well is drilled in an attempt to conclusively determine the presence or absence of oil or gas

# 3.09 Information to be provided in annual title assessment report — greenhouse gas assessment permit

Regulation 3.09 lists the information that has to be included in an annual title assessment report by greenhouse gas assessment permittees. This includes a description of work and expenditure commitments; a summary of all work, evaluations and studies carried out in relation to the permit; expenditure for the work evaluations and studies, and the results of the

work evaluations and studies; a list of the reports submitted to the responsible Commonwealth Minister during the year.

In addition, measures taken to prepare for the work, evaluations and studies expected to be carried out in the next year should also be included. The permittee can also choose to submit other information that they consider relevant.

# 3.10 Information to be provided in annual title assessment report — greenhouse gas holding lease

Regulation 3.10 lists the information that has to be included in an annual title assessment report by greenhouse gas holding lessee. This includes a description of work and expenditure commitments; a summary of all work, evaluations and studies carried out in relation to the permit; expenditure for the work evaluations and studies, and the results of the work evaluations and studies; a list of the reports submitted to the responsible Commonwealth Minister during the year.

In addition, measures taken to prepare for the work, evaluations and studies expected to be carried out in the next year should also be included. The lessee can also choose to submit other information that they consider relevant.

## Part 4 - Field development plans and approvals of petroleum recovery

This Part of the Regulations details the process of applying for acceptance of a field development plan (FDP), the contents of an FDP and the process for varying a field development plan, including provisions for objecting to the requirement to vary a field development plan. It also includes transitional provisions for production licences that do not currently have a field development plan.

FDPs have a legislative basis in that they represent a range of information required to accompany an application for a production licence (subsections 168 (6), 170 (3), 178 (3), and 184 (5) of the Act). They also provide an ongoing outline of operations and activities for the recovery of petroleum.

In 2006 a government-industry working group was established to attempt to draft a set of *Petroleum (Submerged Lands)(Resource Management) Regulations 2006* and many provisions were drafted and agreed in principle in relation to FDPs. These draft provisions were used as a starting point for this Part 4.

The details of contents and procedures dealing with FDPs have been outlined under various guidelines for many years. However given that guidelines are not legally enforceable, formalising this requirement will improve the rigour and transparency of regulatory processes as well as driving consistency and creating certainty for industry.

The regulations relating to FDPs also incorporate and reflect requirements currently contained in some of the standing directions which form the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction:* clauses 601, 602, 609, 611, 612, 613, 614(4), 615 and 650. They have been included under various provisions in this Part 4 as described below.

No significant new requirements are being added to these regulations dealing with FDPs that were not previously expressed or reflected in one or more of the above (ie legislation, draft regulations, guidelines, and the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*).

Current FDPs that have been previously accepted will continue to be in force, and transitional provisions will apply to production licensees that do not have an accepted FDP.

# **Division 1 - Preliminary**

## 4.01 Definitions

Regulation 4.01 defines the field; licence area that will be the subject of the petroleum production licence, if granted; major change in relation to the recovery of petroleum, and significant event. This regulation serves as both definition and application provision, and emphasises that FDPs are only required of petroleum production licensees, and those applying for a petroleum production licence.

Terms defined in this regulation include:

- **Field** means an area within the licence that is subject to a field development plan;
- **Licence area** means the area constituted by the block(s) that will be the subject of the petroleum production licence (if granted);
- Major change Part 4 uses the term 'major change' to indicate something that is under the control of the titleholder and therefore can be an event known in advance or anticipated by the titleholder. The term is used in relation to field development plans, to indicate something that is within the control of the titleholder, is an action initiated by the titleholder and can therefore be anticipated by the titleholder and addressed as appropriate in the FDP in advance.

The definition has an inclusive listing of events or actions to illustrate what is being referred to as a major change. In this context, a major change would include activity initiated by the titleholder, such as: changes to the development strategy or management strategy of a field or petroleum pool; changes to the plan to develop additional pools; ceasing production permanently or for the long term, before the date proposed in the field development plan; or introduction of new methods for recovering petroleum, such as enhanced recovery and injection of fluids.

As required by regulations 4.08 and 4.09, a petroleum production licensee must apply to the Joint Authority, through the Designated Authority, for a variation of an accepted FDP if they intend to make a major change in relation to recovery of petroleum in the field.

• **Significant event** - Part 4 uses the term 'significant event' to indicate a change in understanding of the field or risks associated with recovery, or an event or incident, that is not under the direct control of the titleholder and was not planned by the titleholder. A significant event can be a trigger for a variation to an approved FDP, (but not necessarily in every case) requested by the Joint Authority.

Significant event is used in these Regulations to indicate an event or incident that is more likely than not an extraneous matter to the operations and actions of the titleholder and therefore cannot be anticipated by the titleholder.

A significant event can be a trigger for a variation to a field development plan, either initiated by the titleholder or required by the Joint Authority, but will not in all cases trigger a variation.

As required by regulation 4.19 a titleholder must report a significant event within 7 days of the titleholder becoming aware of its existence.

## Division 2 Field development plan requirements for petroleum production licensees

# 4.02 Requirement to have an accepted field development plan

Regulation 4.02 requires a petroleum production licensee to have an accepted FDP at the time of recovering petroleum, or an approval to recover petroleum without a plan, or an exemption.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

This regulation also incorporates and reflects requirements relating to consent for production equipment and recovery of petroleum as articulated in clause 601 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

## 4.03 Requirement to undertake activities in accordance with accepted field development plan

Regulation 4.03 creates an offence where a petroleum production licensee does not undertake an activity in compliance with a requirement of the 'field development plan' for the activity. This involves delegation of offence content to a subordinate instrument (the FDP).

The Guide to Framing Commonwealth Offences, Civil Penalties and Enforcement Powers, December 2007, requires as a general rule that the content of an offence should be able to be ascertained from the offence provision itself and should not be provided in another instrument unless there is a demonstrated need to do so. In these specific circumstances, it is considered appropriate and necessary to delegate offence content due to the content of the FDP varying depending on what was both proposed by the titleholder and accepted by the Joint Authority, involves a high level of detail, is likely to change regularly, and is technical in nature.

This proposed regulation would also incorporate and reflect requirements relating to consent for production equipment and recovery of petroleum as articulated in clause 615 of the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction.

## Division 3 Obtaining acceptance of field development plan

# 4.04 Application for acceptance of field development plan

Regulation 4.04 requires a petroleum production licensee to apply to the Joint Authority, through the Designated Authority, to have a FDP accepted.

# 4.05 Joint Authority decision on field development plan

Regulation 4.05 requires the Designated Authority to pass on the application for a plan as soon as practicable, to the Joint Authority. It Requires the Joint Authority to either accept, reject or notify that they need further assessment of the plan.

The Joint Authority can also accept the plans subject to conditions. The process of what further assessment involves is specified, as is the list of items that have to be provided to the applicant in the Designated Authority's written notice advising of the Joint Authority's decision.

Regulation 4.05 also sets out the commencement date of a plan that is accepted.

## 4.06 Criteria for acceptance of field development plan

Regulation 4.06 requires the Joint Authority to accept a FDP only once it is satisfied that the items required under regulation 4.07 have been provided and the applicant has demonstrated that they will conduct pool management in a way that is consistent with good oil-field practice and is compatible with optimum long-term recovery of the petroleum.

As mentioned above, good oilfield practice is generally understood as reflecting and incorporating all those practices which are generally accepted as safe, economical and efficient in exploring for and exploiting petroleum. The underlying concepts of conservation, energy efficiency and maximum ultimate recovery are included in the concept. Although in popular use, the term does not spell out the operational obligations of the operator and as such could be capable of more than one standard or meaning. For example what may be 'good' or 'safe' may actually be uneconomic, and alternatively what may be an efficient technological variable may be too expensive and, therefore, uneconomic, yet could be environmentally friendly. This concept is very close to 'good production practice' - which has been described as the production of crude oil or raw gas at a rate that can be sustained without adversely and significantly affecting conservation and without avoidable waste.

Optimum long-term recovery of petroleum would be the most favourable, best possible, most advantageous recovery, that maximises the economic recovery of hydrocarbon resources. In a decision based on cost-benefit analysis, the optimum approach would be one that is most economical in that it maximises the benefits, and is associated with the lowest cost, outlay or risk.

# 4.07 Contents of field development plan

Regulation 4.07 requires that the listed items are provided as part of the field development plan. It also allows for additional information that the applicant believes is relevant to be provided along with the plan.

The contents of FDPs as outlined in this regulation are intended to be high level and to describe the type of information required rather than to specify the precise information and data required. This is consistent with the principles of objective-based regulation, and gives the flexibility required for different development projects and concepts.

In this regulation paragraph (1) (g) covers clause 602, paragraph (1) (h) covers elements of clauses 609 (requiring periodic review), and paragraph (1) (i) covers clauses 611, 612 and 613 of the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction requirements.

Subparagraph 4.07(1)(i)(i) reference to 'details of surface connections and equipment used' means, as expressed in clause 611 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, each well from which petroleum is recovered shall be provided with such surface connections and equipment as are necessary to prevent the injection of petroleum or water into the well from another well or from production equipment.

Subparagraph 4.07(1)(i)(ii) reference to 'any production by a well that is from more than one petroleum pool' means, as expressed in clause 612 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, that petroleum shall not be recovered simultaneously from more than one pool in a well unless provision is made to maintain in a well separation of petroleum and water recovered from each pool until the petroleum and water pass a point where the quantity and composition of petroleum and water from each pool is determined.

Subparagraph 4.07(1)(i)(iii) reference to 'any production from a petroleum pool that is through more than one well' means, as expressed in clause 613 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, that petroleum recovered from different pools and from more than one well shall not be commingled until the petroleum and water pass a point where the quantity and composition of petroleum and water from each well and from each pool in which these wells are completed and determined.

This regulation refers to 'pools', whereas mostly 'reservoirs' are referred to throughout these Regulations, and in clauses 612 and 613 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*. It was determined through consultation and further technical advice that the term "pool" is more appropriately and accurately used in this context. The reason being that it is theoretically possible for two geologically distinct petroleum reservoirs to directly overlap (technically they could be in hydraulic communication with each other) in a petroleum field. In that case, it would be theoretically possible that a single petroleum pool could be reservoired in two geologically distinct petroleum reservoirs (in other words, a single oil or gas column could span both reservoirs). Therefore for the purposes of paragraph (1) (i) which is based on directions 612 and 613 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*, it makes more sense and is actually correct to use the term 'pool' rather than 'reservoir'.

Paragraph 4.07(j) is a new provision requiring the titleholder to outline any plans to acquire greenhouse gas substances from a third party for the purposes of enhanced petroleum recovery. Any injection and storage of greenhouse gas substances must be appropriate to the size and nature of the petroleum operation. Otherwise, a greenhouse gas title is required. This ensures that the need to obtain a greenhouse gas title is not avoided under cover of 'enhances oil recovery'.

# Division 4 Variation of field development plan

## 4.08 Requirement to apply for variation of field development plan

Regulation 4.08 requires a petroleum production licensee to apply to the Joint Authority, through the Designated Authority for a variation of a FDP if they intend to introduce a major change, (which is a defined term) or there is a new licensee for the licence or the Joint Authority has asked the licensee to vary the accepted field development plan. The proposed variation has to be supplied with the application.

This regulation uses the term 'major change' to indicate something, an event or action, that is under the control of the titleholder and can be anticipated. The term major change is used to indicate something that is within the control of the titleholder, is an action initiated by them and can therefore be anticipated by the titleholder and addressed in advance.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clause 615 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

# 4.09 Application must be made at least 90 days before major change

Regulation 4.09 creates an offence where a petroleum production licensee does not apply to the Regulator for a variation to the field development plan at least 90 days before making a major change to the recovery of petroleum from the field.

This regulation uses the term 'major change' to indicate something that is under the control of the titleholder and can be anticipated. As a major change can be anticipated and planned for, a variation due to a major change must be applied for in enough time for the regulator to fully consider the variation.

## 4.10 Joint Authority decision on variation of field development plan

Regulation 4.10 requires a petroleum production licensee to apply to the Joint Authority through the Designated Authority, to have a variation to a FDP accepted. This regulation would require the Designated Authority to pass on the application as soon as practicable, to the Joint Authority. It also requires the Joint Authority to either accept, reject or notify that they need further assessment of the variation. The Joint Authority can also accept variations subject to conditions.

The process of what further assessment involves is specified, as is the list of items that have to be provided to the applicant in the Designated Authority's written notice advising of the Joint Authority's decision.

The regulation also sets out the commencement date of a variation of a plan that has been accepted.

## 4.11 Variation required by Joint Authority

Regulation 4.11 requires the Designated Authority to advise a petroleum production licensee in writing, that the Joint Authority requires them to vary a field development plan, and the notice must set out the technical grounds for requiring the variation, the date of effect of the variation and the date by which the licensee must submit a variation of the plan to the Designated Authority. The notice must also advise the licensee that they may put in an objection in writing.

## 4.12 Objection to requirement to vary a field development plan

Regulation 4.12 requires a petroleum production licensee who has had a notice under regulation 4.11 to put in an objection in writing to the Designated Authority within 21 days of receiving the notice. They must give reasons for the objection, and requesting that the variation should not occur, should be on different terms or that the varied FDP should take effect on a later date than proposed, or seeking an extension to the date by which they must submit a variation of the plan.

## 4.13 Decision on objection

Regulation 4.13 requires the Joint Authority to decide whether to accept or reject an objection from a petroleum production licensee. This has to be forwarded to the Joint Authority as soon as practicable after lodgement with the Designated Authority. This regulation gives the licensee 21 days after receiving a notice to lodge the objection in writing.

### Division 5 Recovery of petroleum before field development plan is accepted

The purpose of this Division is to allow titleholders to conduct operations such as extended production tests. It is not intended to apply over a prolonged period of time, or to be used for titleholders to undertake large scale commercial recovery of petroleum without an accepted field development plans.

# 4.14 Application for approval to undertake the recovery of petroleum without accepted field development plan

Regulation 4.14 requires a petroleum production licensee to apply in writing to the Designated Authority for permission to recover petroleum for a maximum of three months

without an accepted field development plan. The regulation lists what information the application must include: the reason why the licensee recovered petroleum without having an accepted field development plan; details of any proposed extended production test; the period for which permission is sought and details of any proposed disposal or flaring of any produced hydrocarbons.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clauses 601 and 615 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

## 4.15 Decision on application

Regulation 4.15 requires the Designated Authority to pass on the application as soon as practicable, and consult with the Joint Authority on its appropriateness. It requires the Designated Authority to either accept, reject or notify that they need further assessment of the variation; or accept subject to conditions. The Designated Authority can grant permission for 3 months, and can grant extensions to that by a further (maximum) of 3 months per request. The regulation also requires the Designated Authority to notify the licensee in writing about the decision and to advise the reasons for the decision, and terms and any conditions, where appropriate.

### Division 6 Transitional provisions about field development plans

This Division 6 ensures that those production licensees that have a current accepted FDP can continue with the certainty their previously accepted FDP is valid under these new Regulations, and give sufficient time for those licensees that do not have a current accepted FDP to develop one and submit it for acceptance while continuing their current production operations. The policy intent of the latter circumstances is to ensure that existing operations can continue without an accepted FDP for a reasonable period of time while without diminishing the titleholder's obligation to seek and obtain acceptance of an appropriate FDP for the development in question.

# 4.16 Recovering petroleum on or before the commencement of these Regulations

Regulation 4.02 requires the licensee to have a FDP accepted by the Joint Authority <u>before</u> recovering petroleum under a petroleum production licence. This regulation contains transitional provisions to recognise those applications made to the Designated Authority before the commencement of these Regulations, where a decision has not been made by commencement day.

This regulation also allows for those fields already under production, sometimes also referred to as depleted wells or fields, which began production before the commencement of these Regulations and which do not have an accepted FDP in place, a reasonable time to seek and obtain acceptance of a FDP. The requirement is that the licensee must apply to the Designated Authority within 2 years after the commencement day of these Regulations. It is also possible to request an extension to this period (of a further 2 years) from the Designated Authority. Therefore the maximum period within which acceptance of a FDP must be obtained, from the date of commencement of these Regulations is 4 years.

## Division 7 Approval of rate of recovery of petroleum

This Division 7 incorporates the requirements of clause 609 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction.* 

# 4.17 Requirement to obtain approval of rate of recovery of petroleum

Regulation 4.17 requires the licensee to obtain approval from the Joint Authority for the rate of recovery of petroleum in the production licence area, prior to undertaking the recovery of petroleum.

This regulation applies where the licensee has not had a direction from the Joint Authority to increase or reduce the rate of recovery of petroleum from a particular pool, or the entire licence area, under section 190 of the Act.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clause 609 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

### 4.18 Application for approval of rate of recovery from pool in licence area

Regulation 4.18 requires the Joint Authority to only approve such an application, (as required under regulation 4.17), where it includes all the information specified. This includes the proposed rate of recovery of petroleum from the pool; the past performance (if any); a prediction of future performance of production wells; an estimate of the ultimate recovery from the pool; and evidence that the equipment and procedures used to determining the quantity and composition of petroleum and water have been approved under (section 13) the *Offshore Petroleum (Royalty) Act 2006* (the Royalty Act) or if it does not apply, by the Joint Authority.

Failure to provide a written notification of the significant event, to the Designated Authority within 7 days after becoming aware of the event is an offence under this regulation.

Section 13 of the Act is about ensuring that the amount of petroleum recovered is measured by a Designated Authority approved measuring advice. Where there is no such measuring device installed at the well, the Designated Authority determines the quantity that has been recovered by the registered holder from that well during that period.

In making a decision about the rate of recovery, the Joint Authority must ensure that the rate of recovery is consistent with the accepted FDP.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clause 609 and 614 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

## Division 8 Requirement to notify significant event

## 4.19 Requirement to notify significant event to Joint Authority

Regulation 4.19 requires the petroleum production licensee to notify the Joint Authority about a significant event within 7 days after the event. Failure to do so is an offence under this regulation. The regulation also lists the information that must be included in such a notification. This includes all the material facts and circumstances about the significant event that the licensee is aware of or is able to reasonably find out, including when the event occurred or was first detected and the implications of the event for the reservoir and the optimum long-term recovery of petroleum. It must also include the action the licensee proposes to take in response to the significant event. The licensee may also add other facts they consider relevant.

This regulation uses the term significant event to indicate an event or incident that is not under the direct control of the titleholder, and cannot be anticipated. A significant event can be a trigger for a variation to an approved field development plan, (but not necessarily in every case) either initiated by the titleholder or initiated by the Joint Authority.

Significant event is used in these Resource Management Regulations to indicate an event or incident that is not within the direct control of the titleholder, is more likely than not to be an extraneous matter to the operations and actions of the titleholder and therefore cannot be anticipated by the titleholder. The titleholder is required to use their judgment as to which events are significant enough to be considered a significant event (as defined in proposed regulation 4.01), and in some cases, when an event becomes significant, and then making the decision to notify the Regulator. For example, in the event of aquifer depletion, it may be recognised as happening and that it could potentially be significant, observation may be necessary over a period of time before the conclusion is made that it is significant (as it is not necessarily unusual, in this event, for an initial drop in pressure to level off as the greater aquifer engages). A titleholder would be using their judgment as to when to report it, when it was concluded as having become significant.

A significant event can be a trigger for a variation to a field development plan, either initiated by the titleholder or required by the Joint Authority, but will not trigger a variation, in all cases.

## Part 5 Well operations management plans and approval of well activities

The requirements and procedures outlined in Part 5 of the Regulations are largely based on the current *Petroleum Submerged Lands*) (Management of Well Operations) Regulations 2004 (the 2004 Petroleum Wells Regulations) and Offshore Petroleum and Greenhouse Gas Storage (Management of Greenhouse Gas Well Operations) Regulations 2010 (2010 GHGS Wells Regulations).

In response to a number of policy and operational reviews, inquiries and reports in recent years, legislative amendments were made to the Act in 2010 through the *Offshore Petroleum* 

and Greenhouse Gas Storage Legislation Amendment (Miscellaneous Measures) Act 2010 (Miscellaneous Measures Bill) to augment the functions of National Offshore Petroleum Safety Authority (NOPSA), including the functions conferred by the OPPGSA itself, and by the regulations, with respect to 'non-OHS structural integrity' for facilities, wells and well-related equipment – to in effect in give NOPSA responsibility for oversight of the whole of structural integrity. The amendments also clarified the imposition of an OHS duty of care on titleholders in relation to wells. The Miscellaneous Measures Bill passed the House of Representatives on Tuesday 20 October 2010, passed the Senate on 28 October 2010, and received Royal Assent on 16 November 2010.

To fully implement the 2010 legislative changes, changes were required to the regulation of petroleum well operations and activities and it was decided they would progressed through the making of this part of these Regulations with the well integrity function being transferred from the Designated Authorities (DAs) to NOPSA, while still reflecting the DAs' continuing role in relation to more general resource management and titles administration matters.

Aside from the change in regulator, only minor additional changes have been made to the well operations part of the Regulations. Policy approval has not been obtained from the relevant Ministers or Committees for large scale changes. The requirements on industry remain largely the same as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations however the Regulations have been rewritten to ensure that they are legally enforceable and consistent with other provisions in these Regulations.

More extensive changes will be considered in the future after sufficient time has passed to draw on NOPSA's operational experience and also in light of the final Australian Government response to the Montara Commission of Inquiry report.

To fully implement the legislative changes from 2010, the key changes to Part 5 are:

- 1. The reference to "Designated Authority" will be replaced with a reference instead to the "Safety Authority" in regulation 5.02(a) (petroleum titleholders) which has the effect of making NOPSA the regulator for all of Part 5 that is to say, accepting well operation management plans (WOMPs) and approving individual well activities.
  - o Given NOPSA already oversights facilities (which includes pipelines) integrity via the safety case model, this oversight of wells will ensure that NOPSA has the minimum powers and oversight ability required to discharge its augmented functions in relation to the whole of integrity, titleholders and wells under an amended Act.
- 2. To ensure that the DAs are able to continue to fulfil their functions with respect to resource management, a new provision has been added to provide that titleholders must provide copies of all petroleum well-related documents submitted to NOPSA for approval, such as Well Operations Management Plans (WOMP) and individual well activity approval applications, to the appropriate DA. The same regulation will also require that a copy of all decisions made by NOPSA in response to titleholders' applications or other formal communications by NOPSA to titleholders must be copied to the DA by NOPSA.
  - The reason for this is that the DA will then have the same opportunity to be able to review the document/s and, if a resource management issue is apparent and is not addressed prior to acceptance (WOMP) or approval (individual well activity), it will have the ability and discretion to issue a direction outlining the required corrective action to the titleholder under section 574 of the Act. To take account of the possibility that a direction by the DA might conflict with an approval etc given

by NOPSA, the regulation provides that, if a DA gives a direction that is inconsistent with a WOMP or other approved document/activity, the titleholder must revise the WOMP, other document or activity so that it is consistent with the direction and submit it to NOPSA for (re)approval. Nothing in these regulations prevents the DA from consulting with NOPSA in the period leading up to acceptance (WOMP) or approval (individual well activity).

- 3. Transitional regulations to provide clarity of treatment of approvals in existence or in train.
  - Appropriate regulations have been included to reflect the transitional arrangements that have been made. The transitional provisions do enough to ensure that legally speaking, the responsibility is handed over to NOPSA but with the certainty of current accepted WOMPs and well activity approvals remaining.

Please note that the 'Regulator' for greenhouse gas injection and storage wells will continue to be the responsible Commonwealth Minister, at least for the time being.

A concordance table at the end of this document outlines the location of provisions of the current Well Regulations in these Regulations.

The regulations have been rewritten slightly, to be consistent with the processes for acceptance used in other plans.

# **Division 1 - Preliminary**

## 5.01 - Application

Regulation 5.01 explains that this Part 5 applies to petroleum exploration permittees, petroleum retention lessees, petroleum production licensees, infrastructure licensees, greenhouse gas assessment permittees, greenhouse gas holding lessees, and greenhouse gas injection licensees.

The general requirements applying to operations of wells and drilling are the same regardless of whether the activity is related to the recovery of petroleum or injection of greenhouse gas.

### 5.02 - Definitions

Regulation 5.02 provides for definitions of integrity, regulator, well and well activity. All definitions remain identical to the 2004 Petroleum Wells Regulations and 2010 GHGS Wells Regulations except that the definition of 'integrity' has been revised slightly.

The definition of 'integrity' the two current sets of Wells Regulations made reference to the well as being 'not the subject of any unforeseen risk' which was determined in analysis through the consolidation project as being virtually impossible to achieve given a titleholder cannot address a risk that it is unable to identify. Therefore this definition was altered to reference a well being 'subject only to risks that have reduced to a level that is as low as reasonably practicable' which is not only possible in terms of risk management but also aligned with the *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009* safety case regime benchmarking of risk management.

'Regulator' has been defined in this Part 5, to more easily distinguish throughout between NOPSA (for petroleum wells) and the responsible Commonwealth Minister (greenhouse gas wells).

Finally, as a result of consultation with stakeholders, the list of examples forming part of the 'well activity' definition was expanded to include further examples of relevant well activities intended as being covered, including 'well drilling', 'a wireline operation' and 'abandonment or suspension of a well'.

### 5.03 - Part is listed OHS law

Regulation 5.03 provides that for paragraph 638 (1)(h) of the Act, this Part 5 is a listed OHS law to the extent that it relates to occupational health and safety (OHS). This will allow NOPSA OHS inspectors to undertake investigations as outlined in Schedule 3 to the Act in so far as the breach or suspected breach relates to OHS.

### Division 2 - Requirements - well operations management plan

## 5.04 - Requirement to have accepted well operations management plan

Regulation 5.04 requires a titleholder to have an accepted well operations management plan (WOMP) in force for undertaking well activities in the title area. This is a requirement the same as contained in the 2004 Petroleum Wells Regulations and 2010 GHGS Wells Regulations, and similarly structured as a strict liability offence. However the penalty has been increased by 30 units to 80 penalty units. This is to reflect the serious nature of the requirement in light of the Montara incident.

In response to concerns raised by stakeholders in consultation, a new emergency exception has been provided to the offence to allow a titleholder to undertake activity without an accepted WOMP in an emergency situation in order to avoid injury to persons or a loss of fluids from the wells resulting in environmental damage. Further to this emergency exception, there is a requirement for the titleholder to notify the Regulator immediately about the emergency, with the provision of a written report to the Regulator within 3 days describing the activity which was undertaken.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

# <u>5.05</u> - Requirement to undertake activities in accordance with accepted well operations management plan

Regulation 5.05 requires the titleholder to undertake well activities in accordance with one or more requirements as relevant to the activity in question as contained in the accepted well operations management plan for the title area. This is a requirement the same as contained in

the 2004 Petroleum Wells Regulations and 2010 GHGS Wells Regulations, and similarly structured as a strict liability offence. However the penalty has been increased by 30 units to 80 penalty units. This is to reflect the serious nature of the requirement in light of the Montara incident.

In response to concerns raised by stakeholders in consultation, a new emergency exception has been provided to the offence to allow a titleholder to undertake activity without an accepted WOMP in an emergency situation in order to avoid injury to persons or a loss of fluids from the wells resulting in environmental damage. Further to this emergency exception, there is a requirement for the titleholder to notify the Regulator immediately about the emergency, with the provision of a written report to the Regulator within 3 days describing the activity which was undertaken.

## Division 3 - Obtaining acceptance of well operations management plan

This Division 3 is a redrafting of Part 2 of the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations. The intent and effect of the provisions has not changed; the redraft is to reflect modern drafting practices and to be consistent with the format of the rest of the Regulations.

## 5.06 - Application for acceptance of well operations management plan

Regulation 5.06 requires the titleholder to apply to the Regulator in writing at least 30 days before the proposed start of the well activity, for acceptance of a WOMP. The Regulator can allow a shorter period. The regulation also specifies how the WOMP is to be submitted and what it is to cover. The WOMP can apply to one or more wells, and also cover specific stages of the well's/wells' life.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.07 - Decision on well operations management plan

Regulation 5.07 requires the Regulator, within 30 days after receiving a WOMP from the titleholder, to either accept wholly or one part of the WOMP, reject the WOMP or notify the titleholder that it requires further assessment of the WOMP. The regulation specifies the process of further assessment that the Regulator must undertake including how and when it must notify the titleholder. The regulation also allows the Regulator to accept the WOMP subject to conditions, and how the Regulator must notify the titleholder of its decision, as well as the date of effect of an accepted WOMP being the same day as notification of acceptance.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.08 - Criteria for acceptance of well operations management plan

Regulation 5.08 sets out the criteria for acceptance of a well operations plan that the Regulator must ensure are satisfied before accepting a well operations management plan.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.09 - Contents of well operations management plan

Regulation 5.09 requires a WOMP to cover a range of specific information about the conduct of the well activity performance objectives, measurement criteria, explanations of how risks will be dealt with, details about notifications between the titleholder and the Regulator, explanation of how the titleholder will keep information and other items that the Regulator may have given the titleholder to include in the plan.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## 5.10 - Status of well operations management plans

Regulation 5.10 requires that where the Regulator has given the titleholder permission to give a WOMP in parts, that the first part is taken to be an accepted plan in its own right and the subsequent part(s) given to the Regulator after that are treated in the same way as a variation to the plan.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

### Division 4 - Variation of well operations management plan

This Division 4 is a redrafting of Part 3 of the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations. The intent and effect of the regulations has not changed; the redraft is to reflect modern drafting practices and to be consistent with the format of the rest of the Resource Management Regulations.

# 5.11 - Application for acceptance of variation

Regulation 5.11 allows the titleholder to apply to the Regulator for acceptance of a variation of an accepted WOMP. Such an application must be accompanied by the proposed variation.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.12 - Requirement to apply for variation of well operations management plan

Regulation 5.12 requires the titleholder to apply to the Regulator for a variation of their current accepted WOMP in the event of a change of understanding about the geology that may impact well activity, the occurrence or potential occurrence of a significant new detrimental risk or effect to well activity or a significant increase in detrimental risk to well activity. The emphasis is on the identification of significant, significantly increased and/or new risks in that existing and known less of risks and strategies for minimising and managing them would already be accounted for in the accepted WOMP.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.13 - Decision on request for acceptance of varied well operations management plan

Regulation 5.13 requires the Regulator, within 30 days after receiving a request for a variation to a WOMP from the titleholder, to either accept, reject the WOMP or notify the titleholder that it requires further assessment of the WOMP. The regulation specifies the process of further assessment that the Regulator must undertake and how and when it must notify the titleholder.

The regulation also allows the Regulator to accept the variation to the WOMP subject to conditions and how the Regulator must notify the titleholder of its decision, as well as the date of effect of an accepted variation to the WOMP being the date on which the decision is notified to the titleholder.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## 5.14 - Variation required by Regulator

Regulation 5.14 allows the Regulator to give a titleholder a notice in writing if the Regulator requires the titleholder to vary its WOMP. Such a notice must include the reasons, the proposed date of effect, the date by which the titleholder must submit a variation to the Regulator and must advise the titleholder of the date by which they may raise an objection, should they have one, to the variation request.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## 5.15 - Objection to requirement to vary

Regulation 5.15 allows the titleholder to lodge an objection in writing with the Regulator, which must give reasons for the objection, within 21 days of receiving the notice of the Regulator's requirement to vary the WOMP.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

### 5.16 - Decision on objection

Regulation 5.16 requires the Regulator to decide whether to accept or reject the titleholder's objection, within 30 days. The Regulator must notify the titleholder in writing, as soon as practicable after notice of the decision, providing the reasons for their decision.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## Division 5 - Termination of well operations management plan

## 5.17 - Termination of well operations management plan

Regulation 5.17 lists the conditions under which an accepted WOMP ceases to be in force, including the titleholder withdrawing the WOMP; the Regulator accepting a replacement WOMP; the Regulator withdrawing its acceptance of a WOMP or after 5 years from when the WOMP was accepted. The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## Division 6 - Withdrawal of acceptance of well operations management plan

This Division 6 is a redrafting of Part 5 of the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations. The intent and effect of the provisions has not changed; the redraft is to reflect modern drafting practices and to be consistent with the format of the rest of the Regulations.

### 5.18 - Reasons for withdrawal of acceptance

Regulation 5.18 requires the Regulator to withdraw acceptance of a titleholder's WOMP if the titleholder has not complied with: the OPGGSA; a direction given under the OPGGSA; the accepted WOMP; or if the Regulator has some other reason.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

### 5.19 - Notice of proposal to withdraw acceptance

Regulation 5.19 requires the Regulator to notify the titleholder in writing, at least 30 days before the date of withdrawal of acceptance of the WOMP and the notification must include the reasons and a date by which the titleholder may supply information to the Regulator about the decision. This regulation also allows the Regulator to give a copy of the notice to a person

other than the titleholder if it considers it appropriate and if the titleholder has agreed in writing.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## 5.20 - Decision to withdraw acceptance

Regulation 5.20 requires the Regulator to notify the titleholder about its decision to withdraw or not to withdraw acceptance of the WOMP, as soon as practicable after the date the titleholder gave it additional information to assist in making the decision. The Regulator must notify the titleholder of the terms and reasons for the decision.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## 5.21 - Relationship between withdrawal and other provisions

Regulation 5.21 allows the Regulator to withdraw its acceptance of a WOMP even if the titleholder has been convicted of an offence, because of a failure to comply with the OPGGSA, these or other regulations made under the OPGGSA. If the Regulator withdraws its acceptance, this does not prevent the titleholder from being convicted of an offence under the OPGGSA, because of a failure to comply with the OPGGSA, these or other regulations made under the OPGGSA.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

## Division 7 Approval for specific well activities

This Division 7 is a redrafting of regulation 17 of the 2004 Petroleum Wells Regulations and Part 4 of the 2010 GHGS Wells Regulations. The intent and effect of the regulation has not changed; the redraft is to reflect modern drafting practices and to be consistent with the format of the rest of the Regulations.

## 5.22 - Requirement for approval of certain well activities that change well bore

Regulation 5.22 requires the titleholder to have Regulator approval before undertaking any well activity such as drilling, testing, well completion, abandonment or suspension of a well, well intervention - activities that leads to the physical change of a well bore.

This requirement is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations, except that it is now worded as an offence with a penalty of 60 penalty units and strict liability applied to the offence. The application of a strict liability offence together with the level of penalty units applied reflects the serious nature of the requirement in light of the Montara incident.

In response to concerns raised by stakeholders in consultation, an emergency exception has been provided to the offence to allow a titleholder to undertake an unapproved activity in an emergency situation in order to avoid injury to persons or a loss of fluids from the wells resulting in environmental damage. Further to this emergency exception, there is a requirement for the titleholder to notify the Regulator immediately about the emergency, with the provision of a written report to the Regulator within 3 days describing the activity which was undertaken.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clause 512 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

## 5.23 - Application for approval to commence activity

Regulation 5.23 allows the titleholder to apply for approval from the Regulator to undertake activities that will lead to the physical change of a well bore. The regulation lists such activities which applications may be made in relation to and the information to be included in the application.

The set of requirements is substantially the same in substance as the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

Clause 512 under the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction* requires that titleholders seek approval for production or drill stem tests. Approval for this testing would now be sought through this regulation 5.23. Production and drill stem testing involves activities like alteration, even if temporary, in the dimensions of the well bore or a perforation of the sidewall or casing - both of which constitute a physical change in the well bore, which is covered by this regulation and by regulation 5.22.

## 5.24 - Regulator may request more information

Regulation 5.25 allows the Regulator to make a written request to the titleholder to provide further written information about the proposed well activity, if a titleholder makes an application under regulation 5.23 for approval to commence activity.

This regulation is similar to other 'further information request' regulations throughout the Resource Management Regulations.

# 5.25 - Decision on application

Regulation 5.25 requires the Regulator to decide whether to approve, reject, or approve subject to conditions an application from the titleholder to commence activity. The Regulator must notify the titleholder in writing and the regulation lists what that notification is to include and when it must be made.

This regulation is substantially the same in substance as that in the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

### Division 8 - Control of hazards and risks

### 5.26 - Requirement to control well integrity hazard or risk

Regulation 5.26 requires the titleholder to control identified new or a significant increase in existing well integrity hazards or risks for the well, during the operation of a well in a title area.

This is a requirement the same as contained in the 2004 Petroleum Wells Regulations and 2010 GHGS Wells Regulations, and similarly structured as an offence. However the penalty has been increased by 30 units to 80 penalty units. This is to reflect the serious nature of the requirement in light of the Montara incident.

## Division 9 - Role of Designated Authority if Safety Authority is Regulator

This Division 9 is drafted to account for the transfer in the well integrity function from the DAs to NOPSA for petroleum wells and well activities, and provides regulations to facilitate the continuing involvement of the DAs in terms of their resource management and titles administration role, although they are not a Regulator for the purposes of this Part 5.

### 5.27 - Application

Regulation 5.27 provides for this Division applying to petroleum exploration permittees, petroleum retention lessees, petroleum production licensees and infrastructure licensees. In other words, the Division would not apply to any greenhouse gas storage titleholders.

# <u>5.28 - Requirement for titleholder and Safety Authority to give copies of documents to Designated Authority</u>

Regulation 5.28 requires that whenever the titleholder gives a written application, plan, notice, report or other documents to the Regulator (the Safety Authority) in complying with this Part 5 of the regulations or in complying with an accepted WOMP, the titleholder must also give a copy of the document to the DA.

Regulation 5.28 also requires that where NOPSA gives a written notice to the titleholder, under this Part 5 of the regulations, it must also give a copy of that notice to the DA.

This requirement is to ensure that the DA has access to the same set of documents and information as the titleholder and NOPSA, so that it is able to fulfil its resource management and titles administration role.

## 5.29 - Requirement for Designated Authority to give copy of direction to Safety Authority

Regulation 5.29 requires that where the DA gives a direction to a titleholder under section 574 of the OPGGSA, that the titleholder must give a copy of the direction to NOPSA.

This requirement is to ensure that NOPSA has access to the same set of documents and information as the titleholder and the DA, so that it is able to fulfil its well integrity role.

# 5.30 - Requirement to vary well operations management plan if inconsistent with Designated Authority direction

Regulation 5.30 requires the titleholder to vary their accepted WOMP, if the DA has given them a direction that is inconsistent with the accepted WOMP for a well activity – in other words where it is not possible to comply both with the direction and the accepted WOMP. The WOMP must be varied so that it is consistent with the direction and must apply for the variation of a WOMP as outlined under regulations 5.11 and 5.12.

There is nothing in these Regulations that prevents the DA from discussing the proposed WOMP or possible conditions for acceptance with NOPSA prior to acceptance, and DAs will have the same set of information as submitted by the titleholder at the same time as NOPSA.

### 5.31 – Well activity approval ceases if inconsistent with Designated Authority direction

Regulation 5.31 requires the titleholder to make a new application to NOPSA for approval of a well activity, if the Designated Authority has given them a direction that is inconsistent with the well activity approval – in other words where it is not possible to comply both with the direction and the well activity approval. The titleholder must apply to undertake a well activity in a manner that is consistent with the direction and must go through the process for approval of a well activity as outlined under regulation 5.23.

There is nothing in these Regulations that prevents the DA from discussing the well activity application and/or possible conditions for approval with NOPSA prior to approval, and DAs will have the same set of information as submitted by the titleholder at the same time as NOPSA.

## **Division 10 - Transitional provisions**

The provisions in this Division describe the processes for the orderly transition from the Regulations that applied previously through the commencement of these Regulations. Their intention is to make that process as logical, orderly and simple as possible for titleholders and Regulators. Wherever possible the aim is to reduce the instances in which titleholders would be required to re-apply for approval of activity that they have already applied for, under previous Regulations.

### 5.32 - Definition

Regulation 5.32 provides for the continuing application of transitional provisions of the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations.

# 5.33 - Continuing operation of previously accepted plan

Regulation 5.33 has the effect that any previously accepted WOMP, that was in effect under the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations, would become and be treated as an accepted WOMP under these Regulations, including the continuing treatment of the date on which the WOMP was originally accepted. The treatment of the date of acceptance is directly relevant to the 5 year rule in relation to time in force for an accepted WOMP.

## 5.34 - Continuing operation of activity approval

Regulation 5.34 has the effect that any previously approved well activity that was given under the 2004 Petroleum Wells Regulations (Regulation 17) and the 2010 GHGS Wells Regulations (Regulation 4.1) would continue to be in force under these RMA Regulations.

## 5.35 - Applications not decided on commencement day

Regulation 5.35 sets out the transitional arrangements that apply for any applications made and assessment underway, but a decision not yet made by the Regulator, under the 2004 Petroleum Wells Regulations and the 2010 GHGS Wells Regulations before the commencement day of the Regulations.

The effect of this regulation is that all applications made under the 2010 GHGS Wells Regulations continue in force deemed as an application made under these Regulations.

The effect of this regulation is that for applications made in relation to approval for a well activity made under regulation 17 of the 2004 Petroleum Wells Regulations continue in force as an application deemed to have been made under regulation 5.23 of these Regulations, with the DA making a decision under regulation 5.25 of these Regulations as if it were the Regulator. In other words, an application for approval of an individual well activity made to the DA prior to the commencement of these Regulations requires a decision (approval or rejection) by the DA. Any new applications made for a well activity after the commencement of these Regulations must be made to NOPSA.

The effect of this regulation is that for applications made in relation to acceptance of a WOMP (Regulation 5 of the 2004 Petroleum Wells Regulations) or variation of an accepted WOMP (Regulation 10 of the 2004 Petroleum Wells Regulations) are deemed to have been made to NOPSA under regulations 5.06 and 5.11 respectively of the Regulations on the day of commencement of the Regulations. In other words, an application for acceptance of a WOMP or variation to a WOMP made to the DA prior to the commencement of the Regulations and where the DA has not approved or rejected the application, will on the day of commencement of the Regulations be deemed to be submitted to NOPSA for acceptance. This necessarily means that the 30 day decision timeframe will start under regulations 5.06 and 5.11 respectively. Any new applications made for a WOMP after the commencement of these Regulations must be made directly to NOPSA.

## Part 6 Authorisation of petroleum titleholders to conduct greenhouse gas exploration

The Regulations in this Part are about the conditions under which petroleum titleholders can explore in their title area for potential greenhouse gas injection sites.

## 6.01 Application of Part

Regulation 6.01 explains that this part applies to petroleum titleholders who hold a petroleum production license, petroleum retention lease or a petroleum exploration permit.

## 6.02 Definitions

Regulation 6.02 provides for the definition of authorised activity, which includes the activities authorised under an petroleum exploration permit, a petroleum retention leases or a petroleum production license. The authorisations under these permits/leases, licenses are the subject of regulations 6.04, 6.05 and 6.06 respectively.

#### 6.03 Requirement to notify about authorised activity in title area

Regulation 6.03 requires a petroleum titleholder to notify the responsible Commonwealth Minister in writing within 7 days after beginning an authorised activity in the title area.

Failure to comply carries a strict liability under the Criminal Code. Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

## 6.04 Authorisation of petroleum exploration permittee

Regulation 6.04 requires the petroleum exploration permittee to only explore in the permit area for potential greenhouse gas storage formation and injection sites, in accordance with the conditions of their permit.

This regulation is linked to subsection 98 (3) of the Act which authorises a petroleum exploration permittee to explore in the permit area for a potential greenhouse gas storage formation; and to explore in the permit area for a potential greenhouse gas injection site; and to carry on such operations, and execute such works, in the permit area as are necessary for those purposes.

## 6.05 Authorisation of petroleum retention lessee

Regulation 6.05 requires the petroleum retention lessee to only explore in the lease area for potential greenhouse gas storage formation and injection sites, in accordance with the conditions of their permit.

This regulation is linked to subsection 135(3) of the Act which authorises a petroleum retention lessee to explore in the permit area for a potential greenhouse gas storage formation; and to explore in the lease area for a potential greenhouse gas injection site; and to carry on such operations, and execute such works, in the lease area as are necessary for those purposes.

## 6.06 Authorisation of petroleum production licensee

Regulation 6.06 requires the petroleum licensee to only explore in the licence area for potential greenhouse gas storage formation and injection sites, in accordance with the conditions of their licence.

This regulation is linked to subsection 161 (3) of the Act which authorises a petroleum licensee to explore in the licence area for a potential greenhouse gas storage formation; and to explore in the licence area for a potential greenhouse gas injection site; and to carry on such operations, and execute such works, in the licence area as are necessary for those purposes.

## Part 7 Data management — petroleum titleholders

The requirements from the *Petroleum* (Submerged Lands) (Data Management) Regulations 2004 have been distributed across Part 7 and Part 8 relating to petroleum titleholders, and Part 9 and Part 10 relating to greenhouse gas titleholders. This separation, while resulting in some duplication, is necessary as the regulatory body for greenhouse gas activities is the responsible Commonwealth Minister, while the regulatory body for petroleum activities is the Designated Authority. The contents of some reports have also been slightly altered in some cases.

In October 2009, the OPGGSA Offshore Petroleum and Greenhouse Gas Storage Act 2006 was amended to remove the requirements for data management plans. To give effect to this, the Petroleum (Submerged Lands) (Data Management) Regulations 2004 were amended and reviewed to remove references to data management plans. The Petroleum (Submerged Lands) (Data Management) Regulations 2004 provided that it was an offence to not have a data management plan, and an offence to contravene an accepted data management plan. In the absence of data management plans, the data-related obligations and offences in these Regulations had to be carefully reconsidered and redrafted.

A great deal of work has been undertaken by the Petroleum Data Consultative Group (PDCG) to review the data submission guidelines issued by Geoscience Australia, and to resolve policy issues surrounding the review of the *Petroleum (Submerged Lands) (Data Management) Regulations 2004* and the removal of data management plans. Provisions from the guidelines have informed the drafting of these Resource Management Regulations, including the data sets that must be submitted and the media formats in which data must be submitted.

Schedule 1 – Part 3 – Item 304 of the *Petroleum (Submerged Lands) (Data Management) Regulations 2004* states that some information must be given no later than the end of a title year. This is problematic if the information is created close to the end of the title as insufficient time to prepare the information is available. It is understood that this requirement is intended to ensure that information is given about a title that ceases to be in force at the end of the year. The Resource Management Regulations have therefore been redrafted such that all information is to be submitted within a specific number of months, regardless of whether the title is still in force.

The terms 'basic' and 'derivative' with regard to data have been redefined as 'basic' and 'interpretative', which are defined in regulations 8.02 and 8.03. The term 'protected derivative information' is not used in these Resource Management Regulations. Instead, the term 'interpretative information' is used, as this term more accurately describes the type of information concerned. There is no distinction in the data regulations between 'protected derivative information' and 'derivative information' in terms of its submission or release, and so the word 'protected' has not been used.

Documentary information is defined in the Act under section 711. Further, the definitions of document, record and writing in the Acts Interpretation Act 1901 (section 25) are applicable to the OPPGSA *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and its associated Resource Management Regulations. The specific media for data that is to be submitted under the Regulations are outlined in the Schedules.

## Incorporation of the Guidelines for Reporting and Submission of Petroleum Data

The contents of the reports required to be submitted are based on some of the reports required by Geoscience Australia's draft Guidelines for Reporting and Submission of Petroleum Data, v7.0 – March 2010. Concordance tables at the end of this document outlines the location of requirements from the Guidelines in these Regulations as well as outlining the location of provisions of the Petroleum (Submerged Lands) (Data Management) Regulations 2004 into these Regulations.

## **Division 1 Requirements for keeping information**

The regulations in this Section require petroleum titleholders to maintain information about operations in licence areas. This information is likely to be routinely retained by companies as part of their other responsibilities for incorporation and taxation purposes. Previously there was a requirement to retain the information in Australia, however, in recognition of the advances in technology, which mean that many companies store or have such information processed (eg for accounting or auditing purposes) in other countries, and it can quickly and easily be transmitted across the world, this has been changed. The requirement now is to ensure that the information is kept securely and in such a way that it can be easily and practicably retrieved in Australia, in the event that it is requested by the Regulator.

#### 7.01 Purpose of Division

Regulation 7.01 explains that this Division sets out requirements for keeping accounts, records and other documents by petroleum titleholders about operations in an offshore area.

The regulations in this Division are linked to section 698 (1) (a) of the Act, which is concerned with the keeping of accounts, records and other documents by the holders of the following petroleum titles: petroleum exploration permit, petroleum retention lease, petroleum production licence, infrastructure licence, pipeline licence, petroleum special prospecting authority, petroleum access authority or a petroleum scientific investigation consent, in connection with operations in an offshore area.

## 7.02 Requirement to securely retain information

Regulation 7.02 requires the petroleum titleholder to ensure that such accounts records and other documents connected to an operation in an offshore area are held securely. Failure to do so is an offence under this regulation.

## 7.03 Requirement to retain information so that retrieval is reasonably practicable

Regulation 7.03 requires the petroleum titleholder to ensure that such accounts records and other documents connected to an operation in an offshore area can be reasonably practicably retrieved. Failure to do so is an offence under this regulation.

## Division 2 Requirements for collection and retention of cores, cuttings and samples

The regulations in this Section describe the requirements around the collection and retention of cores, cuttings and samples that must be provided to the Regulator (in this case the Designated Authority) by petroleum titleholders, about activities conducted in the title areas. These samples are an important part of the information base supporting the overall management of the resource.

#### 7.04 Purpose of Division

Regulation 7.04 explains that the purpose of this Division is to set out requirements for petroleum titleholders about collecting and retaining cores, cuttings and samples in connection with offshore operations.

The regulations in this Division are linked to paragraph 698 (1) (b) of the Act, which is concerned with the collection and retention of cores, cuttings and samples by the petroleum titleholder.

## 7.05 Requirement to retain core, cutting or sample

Regulation 7.05 requires the petroleum titleholder to retain cores, cuttings and samples in connection with offshore operations. Failure to do so is an offence under this regulation.

## 7.06 Requirement to retain core, cutting or sample in Australia

Regulation 7.06 requires the petroleum titleholder to collect cores, cuttings and samples in connection with offshore operations, and keep them in Australia, unless otherwise authorised by the Designated Authority.

Unlike accounts, records and other documents about operations in an offshore area, which no longer have to be physically located in Australia, provided they are able to be reasonably practicably retrieved in Australia, petroleum titleholders must keep cores, cuttings and samples in Australia.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

#### 7.07 Requirement to return core, cutting or sample to Australia

Regulation 7.07 requires the petroleum titleholder to return collected cores, cuttings and samples in connection with offshore operations to Australia, within 12 months, unless otherwise authorised by the Designated Authority.

This relates to those situations where the Designated Authority has previously authorised the titleholder to keep a core, cutting or sample outside of Australia.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

#### 7.08 Requirement to provide report about overseas analysis of core, cutting or sample

Regulation 7.08 requires the petroleum titleholder to return collected cores, cuttings and samples in connection with offshore operations to Australia, which they were analysis outside of Australia. The titleholder must give the Designed Authority a report about the progress of the analysis within 12 months and at the end of each subsequent 12 month period.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

## 7.09 Requirement to securely retain core, cutting or sample

Regulation 7.09 requires the petroleum titleholder who collected cores, cuttings and samples in connection with offshore operations, to keep them securely. Failure to do so is an offence under this regulation.

## 7.10 Requirement to retain core, cutting or sample so that retrieval is reasonably practicable

Regulation 7.10 requires the petroleum titleholder who collected cores, cuttings and samples in connection with offshore operations, to keep them in a way that retrieval is reasonably practicable. Failure to do so is an offence under this regulation.

## Division 3 Requirements for giving reports and samples

The regulations in this Section relating to the contents of the reports required to be submitted are based on some of the reports required by Geoscience Australia's Guidelines for Reporting and Submission of Petroleum Data, v7.0 – March 2010.

## **Subdivision 3.1 Preliminary**

## 7.11 Purpose of Division

Regulation 7.11 explains that this Division applies to petroleum titleholders to report and give cores, cuttings and samples to the Designated Authority.

The regulations in this Division are linked to paragraph 698 (1) (c) of the Act, which is concerned with data management and the reports, returns, other documents and cores, cuttings and samples given to the Designated Authority by petroleum title holders.

## Subdivision 3.2 Reports about drilling wells

The regulations in this Subdivision describe the reports that must be provided to the Regulator (in this case the Designated Authority) by petroleum titleholders, about well drilling activities conducted in the title areas. The information provided becomes part of the information base supporting the overall management of the resource.

## 7.12 Requirement for daily drilling report

Regulation 7.12 requires the petroleum titleholder to give the Designated Authority a daily drilling report by midday on the day after the drilling took place. While this timeframe for submission of the report may appear short, it is a current requirement that industry readily complies with. This information is required to support the efficient management of the resource.

This regulation also defines daily drilling report by listing the items of information that must be included in it.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

## 7.13 Requirement for initial well completion report and data

Regulation 7.13 requires the petroleum titleholder to give the Designated Authority an initial well completion report within 6 months after the rig release date, unless otherwise authorised by the Designated Authority. Failure to do so is an offence under this regulation. This regulation also defines initial well completion report and initial well completion data by listing the items of data and information that must be included in these.

To avoid confusion regarding whether the information contained in the report is basic or interpretative, the 'basic well completion report' has been renamed the initial well completion report.

Schedule 1 also sets out what standard media and standard formats the information for the initial well completion report should be provided in.

These data are to be provided in standard formats such as Tif, Pdf, Jpeg files and on CD-Rom, DVD or portable hard drive media.

## 7.14 Requirement for final well completion report and data

Regulation 7.14 requires the petroleum titleholder to give the Designated Authority a final well completion report within 12 months after the rig release date, unless otherwise authorised by the Designated Authority. Failure to do so is an offence under this regulation.

This regulation also defines final well completion report and final well completion data by listing the items of data and information that must be included in these.

To avoid confusion regarding whether the information contained in the report is basic or interpretative, the 'interpretative well completion report' has been renamed the final well completion report.

Schedule 2 to these Regulations sets out the items of data that must be included in the report as final well completion data, including: interpretative log analysis, composite well log, well index sheet, petrophysical, geochemical or other sample analyses.

## Subdivision 3.3 Reports about geophysical and geological surveys

The regulations in this Section describe the reports that must be provided to the Regulator (in this case the Designated Authority) by petroleum titleholders, about surveys conducted in the title areas. The information provided becomes part of the information base supporting the overall management of the resource.

## 7.15 Requirement for weekly survey report

Regulation 7.15 requires the petroleum titleholder to give the Designated Authority a weekly survey report as soon as practicable after the end of each week. Failure to do so is an offence under this regulation.

This regulation also defines weekly survey report by listing the items of data and information that must be included in it.

A notice of geophysical or geological survey is required under regulation 12.07 and the survey will also require approval as an activity under the Act.

#### 7.16 Requirement for survey acquisition report and data

Regulation 7.16 requires the petroleum titleholder to give the Designated Authority a survey acquisition report within 12 months after the rig release date, unless otherwise authorised by the Designated Authority. Failure to do so is an offence under this regulation.

This regulation also defines survey acquisition data as that data listed in Part 1 of Schedule 3, and survey acquisition report.

Schedule 3 sets out the type of data to be supplied for the survey acquisition report, and formats it must be in.

#### 7.17 Requirement for survey processing report and data

Regulation 7.17 requires the petroleum titleholder to give the Designated Authority a survey processing report for geophysical or geological surveys in the title area. These are due within 12 months of the date of acquisition for 2-dimensional seismic surveys; within 18 months after the date of acquisition is completed for 3-dimensional seismic surveys; and 6 months for any other type of survey, unless otherwise authorised by the Designated Authority. Failure to do so is an offence under this regulation.

This regulation also defines processed survey data as that data listed in Part 1 of Schedule 4, and survey processing reports.

Further requirements for the submission of this information are set out in Schedule 4.

## 7.18 Requirement for survey interpretation report and data

Regulation 7.18 requires the petroleum titleholder to give the Designated Authority a survey interpretation report within 18 months after the data acquisition date, unless otherwise authorised by the Designated Authority. Failure to do so is an offence under this regulation.

This regulation also defines interpretative survey data as that data listed in Schedule 5, and survey interpretation reports.

Schedule 5 also describes the format in which digital images of interpretation maps must be provided to the Designated Authority - in Georeferenced TIF or PDF formats on CD-Rom, DVD or portable hard drive media.

## **Subdivision 3.4 Other reports**

## 7.19 Requirement for monthly report from petroleum production licensee

Regulation 7.19 requires the petroleum titleholder to give the Designated Authority a monthly production report for the licence area within the period starting on the last day of the month to which the report relates and ending 15 days after that. Failure to do so is an offence under this regulation. This regulation also defines monthly production report by listing the items of data and information that must be included in it.

#### Subdivision 3.5 Cores, cuttings and samples

## 7.20 Requirement to give core, cutting or sample

Regulation 7.20 requires the petroleum titleholder to give the core, cutting or sample in relation to well drilling or other well related activities, to the Designated Authority within the time specified for the item, unless otherwise authorised. Failure to do so is an offence under this regulation.

If the specified quantity is not available the titleholder must explain to the Designated Authority why it was not sent and advise the amount of the core, cutting or sample that was recovered. The regulation also lists the type of sample, the quantity and time by which the core, cutting or sample must be given to the Designated Authority.

## Part 8 Release of technical information about petroleum

The Regulations in this Section are about the conditions under which technical information about petroleum could be released. Their overall aim is to protect confidential information appropriately, while allowing for its use to exploit and manage the resource.

Although these Regulations allow that information be released under certain conditions and after a particular time it does not necessarily mean that it will automatically be made publicly available or released by the Designated Authority on that date. In most cases a process of requesting and obtaining approval to view or utilize the information is required, and mostly it is only released to the applicant.

There is, however, a significant difference to this principle for some information about greenhouse gas related activity.

## **Division 1 Preliminary**

#### 8.01 Definitions

Regulation 8.01 contains definitions of basic information, disclosable information, documentary information, interpretative information, permanently confidential information and petroleum mining sample.

In particular, disclosable information means documentary information that can be disclosed after a certain time, as outlined in the Regulations. It is not permanently confidential. These Regulations distinguish between those types of disclosable information that will be made public by the Designated Authority at a specified time, and those which become disclosable after a specified time. The information that becomes disclosable will not automatically be released or made public by the Designated Authority.

#### **Division 2 Classification of documentary information**

The Regulations in this Section are about the treatment of different types of documentary information. Their overall aim is to protect confidential information appropriately. There are three classes of information – permanently confidential, interpretative information and basic information.

Basic information is all other information that is not interpretative or confidential.

The onus is on the person submitting the information to inform the Designated Authority of the classification of the information. The Designated Authority can dispute this classification, and the Resource Management Regulations outline a scheme for resolving this dispute. Information under dispute remains confidential while the dispute is resolved.

## 8.02 Meaning of permanently confidential information

Permanently confidential information cannot ever be released publicly. It includes excluded information, as well as information that is a trade secret, or information that could affect the person's business, commercial or financial affairs.

Regulation 8.02 requires documentary information to be treated as permanently confidential if it fits one of the following four situations: where it is considered to be excluded information; if the Designated Authority considers it to be a trade secret or where its disclosure would adversely affect the person's business, commercial or financial affairs; where the Designated Authority accepts a person's classification of that information upon providing it to the Authority, and does not dispute the classification under subregulation 9.04 (1); and where the Designated Authority accepts a person's classification of that information upon providing it to the Authority.

## 8.03 Meaning of interpretative information

Interpretative information is information that is a conclusion drawn from other documentary information. For example, this means that reprocessed data is not considered interpretative information, but information in a report that draws a conclusion from the reprocessed data is.

Regulation 8.03 requires documentary information to be considered to be interpretative if it fits one of the following three situations: where it has been classified by the Designed Authority as interpretative; where the Designated Authority accepts a person's classification of the information upon providing it to the Authority, and does not dispute the classification under subregulation 9.04 (2); and where the Designated Authority accepts a person's classification of that information, as interpretative, upon providing it to the Authority.

## 8.04 Classification dispute notice

Regulation 8.04 requires the Designated Authority to follow the process set out in this regulation when there is a dispute about the classification of information considered by a person to be permanently confidential, but the Designated Authority does not agree with that classification.

This regulation also requires the Designated Authority to follow the process set out in this regulation when there is a dispute about the classification of information considered by a person to be interpretative, but the Designated Authority does not agree with that classification.

The regulation also requires that the Designated Authority must give a notice within 30 days after receiving the information whose classification it disputes, to the person supplying it. It sets out the required contents of that notice, including an invitation to the person to object to the Designated Authority's view and the date by which such as objection must be given to the Designated Authority, which must be at least 45 days after the date of issue of the notice.

#### 8.05 Making an objection

Regulation 8.05 requires the person who has received a notice from the Designated Authority under regulation 8.04, who wishes to object, to object in writing to the Designed Authority in writing, on or before the date specified in the notice. The regulation also lists the grounds on which such an objection can be made. These would be that the information should be treated as permanently confidential, or that the information should be treated as interpretative or on both grounds.

## 8.06 Consideration of objection by Designated Authority

Regulation 8.06 requires the Designated Authority to consider the objection, when it receives a valid objection, and decide whether to allow, disallow or allow the objection for part of the information, and disallow the objection for another part of the information. The Designated Authority must advise the person within 45 days, in writing, of its decision.

In the case of a decision made by the Designated Authority of a Sate or the Northern Territory to disallow the objection (in whole or in part) the notice to the person must advise them that they can have the decision reviewed by the responsible Commonwealth Minister.

Note, in some areas the responsible Commonwealth Minister is also the Designated Authority, as referred to in Part 9.1 of the Act.

## 8.07 Review of Designated Authority's decision by Minister

Regulation 8.07 requires that the person may ask the Commonwealth Minister, in writing 30 days after receiving the notice of the Designated Authority's decision, to review a decision by the Designated Authority to disallow an objection. The Minister must review the decision and either confirm or revoke the Designated Authority's decision (in whole or in part), within 45 days of receiving the request. Where the decision is revoked the Minister must substitute another decision for it.

#### 8.08 When objection ceases to be in force

Regulation 8.08 requires that an objection made by a person under regulation 9.05 ceases to be in force if they withdraw it, notifying the Designated Authority in writing; or, if the Designated Authority disallows it, and the person does not seek a review of the decision; or, if all reviews of the Designated Authority's decision have been finalised and the decision standing at that point, was to disallow the objection.

## **Division 3 Release of documentary information**

The regulations in this Section are about the release of documentary information. There are different requirements on the basis of the type of information – this includes the conditions and time-frame under which this information can be released. This information is an important part of the information base supporting the overall management of the resource. It must be pointed out that although these Regulations allow that information to be released under certain conditions and after a particular time (ie when it has become releasable) it does not necessarily mean that it will automatically be made publicly available or released by the Designated Authority on that date. In most cases a process of requesting and obtaining approval to view or utilize the information is required, and mostly it is only released to the applicant.

There is however, a significant difference to this for some information about greenhouse gas related activity.

## 8.09 Purpose of Division

Regulation 8.09 provides for the purpose of this Division to set out the circumstances in which the Designated Authority or the responsible Commonwealth Minister may make documentary information publicly known, or available to a person (other than a Minister, a Minister of a State or the Northern Territory).

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

The regulations in the Division are connected to paragraphs 712 (2) (c) and 715 (2) (c) of the Act, which are concerned with, respectively, the protection of the confidentiality of petroleum mining samples given to the Designated Authority, and the responsible Commonwealth Minister.

#### 8.10 Release of open information about wells and surveys

Regulation 8.10 allows the Designated Authority or the responsible Commonwealth Minister to make open information about a well or a survey publicly known at any time, despite any other regulation in this Division.

Open information is information, about either a survey or a well, that is made publicly available at or before the commencement of the survey or of drilling. It serves to inform the other marine users and the public about the activities of the industry without releasing commercial or technical information.

## 8.11 Release of basic disclosable information

Regulation 8.11 allows the Designated Authority or the responsible Commonwealth Minister to make documentary information publicly known or available, if it is basic information, disclosable information, and the relevant day for releasing the information has passed. The regulation lists the relevant days for releasing the information in relation to data collected through seismic surveys, other geophysical and geological surveys, and other information relating to well operations.

Although this regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

## 8.12 Release of interpretative disclosable information

Regulation 8.12 allows the Designated Authority or the responsible Commonwealth Minister to make documentary information publicly known, if it is interpretative information; disclosable information, and relates to the sea-bed or subsoil or petroleum in a block, and it is more than 5 years after the end of the operation to which the information relates.

The release of such information is linked to a fee worked out under regulation 11.05. This fee must be paid before the documentary information is made available.

Although the regulation would allow that information be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

## 8.13 Release of documentary information — prior availability or consent

Regulation 8.13 allows the Designated Authority or the responsible Commonwealth Minister to make documentary information publicly known, if it was already made public by the petroleum titleholder who gave it to the Designated Authority. It can also be made publicly known if the titleholder has consented in writing to it being made publicly known or available.

## **Division 4 Release of petroleum mining samples**

The Regulations in this Division are about the conditions and time-frames for releasing petroleum mining samples. The samples are an important part of the information base for the overall management of the resource. It must be pointed out that although these Regulations allow that information to be released under certain conditions and after a particular time (ie when it has become releasable) it does not necessarily mean that it will automatically be made publicly available or released by the Designated Authority on that date. In most cases a process of requesting and obtaining approval to view or utilize the information is required, and mostly it is only released to the applicant.

There is however, a significant difference to this for some information about greenhouse gas related activity.

#### 8.14 Purpose of Division

Regulation 8.14 sets out the circumstances in which the Designated Authority or the responsible Commonwealth Minister may publicly release details of a petroleum mining sample or allow a person (other than a Minister, a Minister of a State or the Northern Territory) to inspect a petroleum mining sample.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

The regulations in this Division are linked to paragraph 713 (2) (c) of the Act, which is concerned with the protection of confidentiality of the petroleum mining samples given to the Designated Authority.

## 8.15 Release of petroleum mining samples after relevant day

Regulation 8.15 allows the Designated Authority or the responsible Commonwealth Minister to publicly release details of a petroleum mining sample if the relevant day for the sample has passed.

The regulation also lists the relevant days by title: petroleum licence that is still in force, other petroleum title, a petroleum title that has expired or has been surrendered, cancelled determined or terminated.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

## 8.16 Release of petroleum mining samples – prior availability or consent

Regulation 8.16 allows the Designated Authority or the responsible Commonwealth Minister to publicly release details of a petroleum mining sample or permit a person to inspect the sample if the titleholder has made those details of the sample public, or has caused those details to be publicly known, or has agreed in writing to the Designated Authority making the information publicly known or available for inspection.

The inspection of such a sample is linked to a fee worked out under regulation 11.06. This fee must be paid before the inspection is allowed.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Designated Authority on that date.

## Part 9 Data management — greenhouse gas titleholders

#### Overview

This Part outlines the requirements for reporting and data submission for greenhouse gas titleholders. The information must be given to the responsible Commonwealth Minister rather than the Designated Authority. The requirements for greenhouse gas titleholders are very similar to those for petroleum titleholders, including daily drilling reports and well completion reports, however, the information required is specific to greenhouse gas activities, such as references to storage formations (rather than petroleum reservoirs).

A concordance table at the end of this document outlines the location of provisions of the current Data Regulations in these Regulations. The contents of these reports are based on some of the reports required by Geoscience Australia's draft Guidelines for Reporting and Submission of Petroleum Data, v7.0 – March 2010. A concordance table at the end of this document outlines the location of requirements from the Guidelines in the proposed Regulations.

#### **Division 1 Requirements to keep information**

This Part outlines the requirements for reporting and data submission for greenhouse gas titleholders. These differ from some of the requirements applying to petroleum titleholders, in that the information must be given to the responsible Commonwealth Minister (as Regulator) rather than the Designated Authority.

For the most part, however, the requirements for greenhouse gas titleholders are very similar to those for petroleum titleholders, including daily drilling reports and well completion reports. Variations exist where the information required is specific to greenhouse gas activities, such as references to storage formations rather than petroleum reservoirs.

The reports and samples are an important part of the information base for the overall management of the resource.

## 9.01 Purpose of Division

Regulation 9.01 explains that this Division is about requirements for greenhouse gas titleholders keeping accounts, records and other documents in connection with operations in an offshore area.

The provisions in this Division are linked to paragraph 724 (1) (a) of the Act, which is concerned with the keeping of accounts, records and other documents in connection with operations in an offshore area by greenhouse gas assessment permit holders, holding lease holders, injection licence holders, greenhouse gas special authority holders, or research consent holders.

## 9.02 Requirement to securely retain information

Regulation 9.02 requires a greenhouse gas titleholder to keep accounts, records and other documents in connection to any operations they undertake in an offshore area. Failure to do so is an offence under this regulation.

## 9.03 Requirement to retain information so that retrieval is reasonably practicable

Regulation 9.03 requires a greenhouse gas titleholder to keep accounts, records and other documents in connection to any operations they undertake in an offshore area, in a way that their retrieval is reasonably practicable. Failure to do so is an offence under this regulation.

#### Division 2 Requirements for collection and retention of cores, cuttings and samples

The Regulations in this Section set out the requirements around the collection and retaining of cores, cuttings and samples, including the provision of these to the Regulator (in this case the relevant Commonwealth Minister). The actual samples are an important part of the information base for the overall management of the resource.

## 9.04 Purpose of Division

Regulation 9.04 provides that the purpose of the Division is to set out requirements for greenhouse gas titleholders collecting and retaining cores, cuttings and samples in connection with operations in an offshore area.

The regulations in this Division are linked to section 724 (1) (b) of the Act, which is concerned with the collection and retention of cores, cuttings and samples in relation to their operations by greenhouse gas assessment permit holders, holding lease holders, injection licence holders, greenhouse gas special authority holders, or research consent holders.

## 9.05 Requirement to retain core, cutting or sample

Regulation 9.05 requires greenhouse gas titleholders to collect and retain cores, cuttings and samples in connection with operations in an offshore area. Failure to do so is an offence under this regulation.

## 9.06 Requirement to retain core, cutting or sample in Australia

Regulation 9.06 requires greenhouse gas titleholders to collect and retain in Australia, cores, cuttings and samples related to offshore operations, unless otherwise authorised by the responsible Commonwealth Minister to keep them outside of Australia. Failure to do so is an offence under this regulation.

## 9.07 Requirement to return core, cutting or sample to Australia

Regulation 9.07 requires greenhouse gas titleholders who have been authorised by the responsible Commonwealth Minister to keep cores, cuttings or samples outside of Australia to return them to Australia within 12 months after such authorisation, unless otherwise authorised by the responsible Commonwealth Minister.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

#### 9.08 Requirement to provide report about overseas analysis of core, cutting or sample

Regulation 9.08 requires greenhouse gas titleholders who have been authorised by the responsible Commonwealth Minister to keep cores, cuttings or samples outside of Australia for the purposes of analysis, to report to the Minister about the progress of the analysis within 12 months after such authorisation, and at the end of each subsequent 12 month period.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

## 9.09 Requirement to securely retain core, cutting or sample

Regulation 9.09 requires greenhouse gas titleholders to keep cores, cuttings or samples related to offshore operations securely. Failure to do so is an offence under this regulation.

## 9.10 Requirement to retain core, cutting or sample so that retrieval is reasonably practicable

Regulation 9.10 requires gas titleholders to keep cores, cuttings or samples related to offshore operations in a way that they can be reasonably and practicably retrieved. Failure to do so is an offence under this regulation.

#### Division 3 Requirements for giving reports and samples

## **Subdivision 3.1 Preliminary**

## 9.11 Purpose of Division

Regulation 9.11 provides that this Division sets out the requirements for greenhouse gas titleholders to give reports and cores, cuttings or samples to the responsible Commonwealth Minister.

The regulations in this Division are linked to paragraph 724 (1) (c) of the Act, which requires that greenhouse gas assessment permit holders, holding lease holders, injection licence holders, greenhouse gas special authority holders, or research consent holders give reports, documents, cores, cuttings and samples in relation to their operations to the responsible Commonwealth Minister (or a specified person).

## Subdivision 3.2 Reports about drilling wells

The provisions in this Subdivision describe the reports about drilling wells that must be provided to the Regulator (in this case the responsible Commonwealth Minister) by the greenhouse gas titleholders.

## 9.12 Requirement for daily drilling report

Regulation 9.12 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a daily drilling report by midday on the day after the drilling operations occurred in the title area.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

## 9.13 Requirement for initial well completion report and data

Regulation 9.13 requires greenhouse gas titleholders to give the responsible Commonwealth Minister an initial well completion report and all initial well completion data within 6 months after the rig release date, unless a different period is authorised by the Minister. Failure to do so is an offence under this regulation.

This regulation also lists what information should be included in an initial well completion report and contains a definition of initial well completion data, as that data listed in Schedule 1

To avoid confusion regarding whether the information contained in the report is basic or interpretative, the 'basic well completion report' has been renamed as the initial well completion report.

## 9.14 Requirement for final well completion report and data

Regulation 9.14 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a final well completion report and all final well completion data within 12 months after the rig release date, unless a different period is authorised by the Minister. Failure to do so is an offence under this regulation.

This regulation also lists what information should be included in a final well completion report and a definition of final well completion data, as that date listed in Schedule 2. The 'interpretative well completion report' has been renamed the final well completion report.

## Subdivision 3.3 Reports about geophysical and geological surveys

The provisions in this Subdivision are about the reports that must be provided to the Regulator (in this case the responsible Commonwealth Minister) by the greenhouse gas titleholders, about surveys conducted in the title areas.

## 9.15 Requirement for weekly survey report

Regulation 9.15 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a weekly survey report, as soon as practicable after the end of each week of the survey. Failure to do so is an offence under this regulation.

This regulation also lists what information should be included in a weekly survey report.

This regulation defines the week of the survey as starting on the first day of data acquisition and each subsequent week.

## 9.16 Requirement for survey acquisition report and data

Regulation 9.16 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a survey acquisition report and all survey acquisition data within the periods listed, for the different types of survey. Failure to do so is an offence under this regulation.

This regulation also lists the information that should be included in a survey acquisition report and contains a definition of survey acquisition data, as that data listed in Part 1 of Schedule 3.

## 9.17 Requirement for survey processing report and data

Regulation 9.17 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a survey processing report and all processed survey data, as defined with reference to Part 1 of Schedule 4, within the periods listed, for the different types of survey. Failure to do so is an offence under this regulation.

This regulation also lists the information that should be included in a survey processing report.

#### 9.18 Requirement for survey interpretation report and data

Regulation 9.18 requires greenhouse gas titleholders to give the responsible Commonwealth Minister a survey interpretation report and interpretative survey data, as defined with reference to Part 1 of Schedule 4, within the periods listed, for the different types of survey. Failure to do so is an offence under this regulation. This regulation also lists what information should be included in a survey processing report.

## **Subdivision 3.4 Other reports**

The provisions in this Subdivision are about the other types of reports that must be provided to the Regulator (in this case the responsible Commonwealth Minister) by the greenhouse gas injection licensees about activities in the title area. These reports would support the information base for the overall management of the resource – they are more in the order of descriptions of activities undertaken over the month and the year, and about the quantities of substances injected, flow rate, amounts lost during compression, transportation etc. These reports would contribute to the knowledge base for how much of the resource is there, how much has been exploited and how much is left.

# 9.19 Requirement for greenhouse gas injection monthly report — greenhouse gas injection licensee

Regulation 9.19 requires a greenhouse gas injection licensee to give the responsible Commonwealth Minister a greenhouse gas injection monthly within the period starting on the last day of the named month and ending 15 days after that. Failure to do so is an offence under this regulation.

## 9.20 Requirement for greenhouse gas injection annual report — greenhouse gas injection licensee

Regulation 9.20 requires a greenhouse gas injection licensee to give the responsible Commonwealth Minister an annual report for the period specified, starting on the last day of the financial year to which the report relates and ending 4 months after that day.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

## 9.21 Requirement for monthly greenhouse gas accounting report — greenhouse gas injection licensee

Regulation 9.21 requires a greenhouse gas injection licensee to give the responsible Commonwealth Minister a monthly greenhouse gas accounting report for the period specified, starting on the last day of the named month to which the report relates and ending 15 days after that day.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

The regulation requires the responsible Commonwealth Minister to make the information in the report publicly known within 15 days of receiving it.

## 9.22 Requirement for annual greenhouse gas accounting report — greenhouse gas injection licensee

Regulation 9.22 requires a greenhouse gas injection licensee to give the responsible Commonwealth Minister an annual greenhouse gas accounting report for the period specified, starting on the last day of the financial year to which the report relates and ending 4 months after that day.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities.

This regulation also lists what information should be included in an annual greenhouse gas accounting report for a year. Under regulation 9.22 the greenhouse gas injection licensee must report, for the year, on the quantity of greenhouse gas injected into the storage formation; the cumulative quantity stored at the end of the year; the amount lost and emissions of additional greenhouse gases generated in the processes of compression, transportation and injection; the amount lost from the well bore ad storage formation; an explanation of how losses of the gas were estimated or measured; and an assessment of the accuracy of the measurement and estimates of the quantities of greenhouse gas substances.

The regulation requires the responsible Commonwealth Minister to make the information in the report publicly known within 30 days of receiving it.

#### Subdivision 3.5 Cores, cuttings and samples

The provisions in this Subdivision are about the requirements for greenhouse gas titleholders to give cores, cuttings or samples to the Regulator (in this case the responsible Commonwealth Minister), that relate to their well operations in the title area.

## 9.23 Requirement to give core, cutting or sample

Regulation 9.23 requires greenhouse gas titleholder to give the responsible Commonwealth Minister cores, cuttings or samples within the time specified for that item (unless otherwise authorised by the Minister) in relation to well operations in the title area. The titleholder must provide the specified quantity of the core, cutting or sample as specified for that item, if that quantity is available. If the specified quantity is not available the titleholder must explain to the Minister why it was not provided.

Failure to comply is an offence under this regulation.

The regulation sets out the kind of core, cutting or sample, the quantity of core, cutting or sample and the time by which they must be provided.

## Part 10 Release of technical information about greenhouse gas

## **Division 1 Preliminary**

The proposed regulations in this part are based on the *Offshore Petroleum and Greenhouse Gas Storage Regulations 1985*.

## 10.01 Definitions

Regulation 10.01 provides for definitions of basic information, disclosable information, documentary information, eligible sample, interpretative information and permanently confidential information.

In particular, disclosable information means documentary information that can be disclosed after a certain time, as outlined in the regulations that describe particular types of disclosable information below. It is not permanently confidential. These Regulations distinguish between those types of disclosable information that will be made public by the responsible Commonwealth Minister at a specified time, and those which become disclosable after a specified time. The information that becomes disclosable will not automatically be released or made public by the responsible Commonwealth Minister.

## **Division 2 Classification of documentary information**

The Regulations in this section are about the confidentiality requirements for certain types of documentary information in relation to greenhouse gas operations. There are three classes of information – permanently confidential, basic information and interpretative information.

Basic information is all information that is not defined as interpretative or confidential.

The onus is on the person submitting the information to inform the Commonwealth Minister of the classification of the information. The Commonwealth Minister can dispute this classification, and the Resource Management Regulations outline a scheme for resolving this dispute. Note that information under dispute remains confidential while the dispute is being resolved.

## 10.02 Meaning of permanently confidential information

Permanently confidential information is information that cannot ever be released publicly. It includes excluded information as defined in regulation 1.05, as well as information that is a trade secret, or information that could affect the person's business, commercial or financial affairs.

Regulation 10.02 requires documentary information to be treated as permanently confidential if it fits one of the following four situations: where it is considered to be excluded information; if the responsible Commonwealth Minister considers it to be a trade secret or where its disclosure would adversely affect the person's business, commercial or financial affairs; where the responsible Commonwealth Minister accepts a person's classification of that information upon providing it to the responsible Commonwealth Minister, and does not dispute the classification under subregulation 11.04 (1); and where the responsible Commonwealth Minister accepts a person's classification of that information upon providing it to the responsible Commonwealth Minister.

## 10.03 Meaning of interpretative information

Interpretative information is information that is a conclusion drawn from other documentary information. This would mean that reprocessed data is not considered interpretative information, but information in a report that draws a conclusion from the reprocessed data is.

Regulation 10.03 provides for interpretative information to be treated as permanently confidential if it fits one of the following three situations: where it is considered to be interpretative information by the responsible Commonwealth Minister because it is a conclusion drawn, or an opinion based wholly or partly from other documentary information.

Documentary information is considered to be interpretative if the person supplying it to the responsible Commonwealth Minister classified it as a conclusion drawn, or an opinion based wholly or partly from other documentary information and the responsible Commonwealth Minister accepted the person's classification. The third situation would be where the person supplying it to the responsible Commonwealth Minister classified it as a conclusion drawn, or an opinion based wholly or partly on other documentary information and the responsible Commonwealth Minister did not accept the person's classification, and issued a notice disputing the classification under subregulation 10.04 (1). The regulation requires the Minister's notice about the dispute to contain the time for making an objection in response to the notice.

## 10.04 Classification dispute notice

Regulation 10.04 allows the responsible Commonwealth Minister to dispute the classification of documentary information as permanently confidential if the person informs the Minister in writing that the information is a trade secret or information whose disclosure would adversely affect that person's business, commercial or financial affairs, but the Minister did not consider it to be such.

The regulation also allows the responsible Commonwealth Minister to dispute the classification of documentary information as interpretative information if the person informs the Minister in writing that the information is a conclusion or opinion based wholly or partly on other documentary information, but the Minister does not consider it to be such.

In both instances the Minister has to give a notice within 30 days after they receive the information. The regulation lists the information that must be contained in the notice given by the responsible Commonwealth Minister, including the date by which an objection must be given, should the person objet to the Minister's decision.

## 10.05 Making an objection

Regulation 10.05 requires the person who receives a notice under regulation 10.04 to object to the classification of the information, either wholly or in part. Any such objection must be made in writing to the responsible Commonwealth Minister, on or before the date specified in the notice.

#### 10.06 Consideration of objection by Minister

Regulation 10.06 requires the responsible Commonwealth Minister who receives an objection from a person about the classification of information, must decide whether to allow or disallow the objection, either wholly or in part. The Minister may also allow the objection for a part and reject it for another part of the information. The Minister must advise the person in writing of their decision, within 45 days after receiving the objection.

#### 10.07 When objection ceases to be in force

Regulation 10.07 explains the circumstances under which an objection ceases to be in force. The objection would remain in force unless the person withdraws, the responsible Commonwealth Minister disallows it and the person does not seek review of the decision, within the allowed timeframe, or the responsible Commonwealth Minister disallows the objection and all reviews have been finalised.

## **Division 3 Release of documentary information**

The Regulations in this Division are about the time-frame and conditions under which documentary information submitted to the Regulator (in this case the responsible Commonwealth Minister) can be released. There would be different conditions for different categories of information. It is also important to note that although after a certain specified date, some types of information may become releasable this does not mean that it will necessarily be publicly released. There are however, some types of information that will automatically be made publicly available on a particular date.

## 10.08 Purpose of Division

Regulation 10.08 sets out the circumstances in which the responsible Commonwealth Minister may make documentary information publicly known or available to a person other than a Minister, a State or Northern Territory Minister.

Although the Regulations allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Commonwealth Minister on that date.

The provisions in this Division are linked to paragraph 738 (2) (c) of the Act, which is concerned with the protection of the confidentiality of documentary information obtained by the responsible Commonwealth Minister.

#### 10.09 Release of open information about wells and surveys

Regulation 10.09 allows the responsible Commonwealth Minister to be able to make open information about a well or survey publicly known at any time, despite any other requirements in this Division. Open information is information, about either a survey or a well, that is made publicly available at or before the commencement of the survey or of drilling. It serves to inform the other marine users and the public about the activities of the industry without releasing commercial or technical information.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Commonwealth Minister on that date.

## 10.10 Release of information from greenhouse gas accounting reports

Regulation 10.10 provides that the responsible Commonwealth Minister must make monthly greenhouse gas accounting reports an annual greenhouse gas accounting reports publicly available within 15 days and 30 days respectively of their submission, despite any other requirements in this Division. These reports are given under regulations 9.21 and 9.22 respectively.

## 10.11 Release of basic disclosable information

Regulation 10.11 allows the responsible Commonwealth Minister to make documentary information publicly known or available, if it is basic information, disclosable information, and the relevant day for the information has passed. The regulation lists the relevant days for releasing the information in relation to data collected through seismic surveys; data from seismic surveys that has been reprocessed as a condition of the grant of a greenhouse gas injection licence; and for other documentary information relating to seismic surveys.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Commonwealth Minister on that date.

## 10.12 Release of interpretative disclosable information

Regulation 10.12 allows the responsible Commonwealth Minister to make documentary information publicly known, if it is interpretative information; disclosable information, and relates to the sea-bed or subsoil or greenhouse gas substance in a block, and it is more than 5 years after the end of the operation to which it relates.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made publicly available or released by the Commonwealth Minister on that date.

The release of such information is linked to a fee worked out under regulation 11.05. This fee must be paid before the documentary information is made available.

## 10.13 Release of documentary information — prior availability or consent

Regulation 10.13 allows the responsible Commonwealth Minister to make documentary information publicly known, if it was already made public by the greenhouse gas titleholder who gave it to the Minister. It can also be made publicly known if the titleholder has consented in writing to it being made publicly known or available.

Although the regulation allows that information to be released (ie it has become releasable) it does not mean that it will automatically be made public by the Commonwealth Minister.

The release of such information is linked to a fee worked out under regulation 11.05. This fee must be paid before the documentary information is made available.

## Division 4 Release of eligible samples

The Regulations in this Division are about the treatment of samples (rather than data). They deal with the protection of the confidentiality of the material submitted to the Regulator, in this case the responsible Commonwealth Minister.

## 10.14 Purpose of Division

Regulation 10.14 explains that this Division sets out the circumstances in which the responsible Commonwealth Minister can make publicly known any details of an eligible sample or allow a person (other than a Minister, a Minister of a State or the Northern Territory) to inspect an eligible sample.

The regulations in this Division are linked to paragraph 739 (2) (c) of the Act, which deals with the protection of confidentiality of eligible samples obtained by the responsible Commonwealth Minister.

#### 10.15 Release of eligible samples after relevant day

Regulation 10.15 allows the responsible Commonwealth Minister to make publicly known any details of an eligible sample or permit a person to inspect the sample if the relevant day

for that sample has passed. The regulation sets out the title and the regulated operation to which the sample relates and the relevant day of release for each.

## 10.16 Release of eligible samples — prior availability or consent

Regulation 10.16 allows the responsible Commonwealth Minister to make publicly known any details of an eligible sample if the greenhouse gas titleholder has already made those details publicly known, or has caused the details to become publicly known or has consented in writing to the Minister making the information publicly known or available for inspection. These conditions would not apply to a greenhouse gas special authority or a greenhouse gas research consent during the period of that authority/consent is in operation.

#### Part 11 Fees

The regulations in this part are based on the *Offshore Petroleum and Greenhouse Gas Storage Resource Management Regulations 1985*.

## 11.01 Application fees

Regulation 11.01 sets out the application fees for subsections 256(2) and 427 (2) of the Act. These are set out in detail in Schedule 6.

Subsection 256 (2) of the Act specifies that applications for grant or renewal of a petroleum exploration permit, or a petroleum retention lease, or petroleum production licence, or infrastructure licence, or a pipeline licence or a petroleum special prospecting authority must be accompanied by the fee prescribed in these regulations.

Subsection 427(2) of the Act specifies that applications for the grant or renewal of a greenhouse gas assessment permit, or greenhouse gas holding lease, or greenhouse gas injection licence or greenhouse gas search authority or a site closing certificate must be accompanied by the fee prescribed in these Regulations.

## 11.02 Registration fees

Regulation 11.02 sets out the registration fees for paragraphs 483 (2) (b); 485 (2) (b); 534 (2) (b); and 536 (2) (b) of the Act.

Paragraph 483 (2) (b) of the Act specifies that any application by the registered titleholder to the Designated Authority to have their name entered in the Register as the holder of the petroleum title must pay the fee prescribed in these Regulations.

Paragraph 485 (2) (b) of the Act specifies that any application by a company to have its new name substituted for its previous name in the Register in relation to a particular petroleum title must pay the fee prescribed in these Regulations.

Paragraph 534 (2) (b) of the Act specifies that any application by the registered titleholder to the responsible Commonwealth Minister to have their name entered in the Register as the holder of the greenhouse gas title must pay the fee prescribed in these Regulations.

Paragraph 536 (2) (b) specifies that any application by a company to have its new name substituted for its previous name in the Register in relation to a particular greenhouse gas title must pay the fee prescribed in these Regulations.

## 11.03 Register inspection fee

Regulation 11.03 sets out the register inspection fees for subsection 515 (1) and (2) and 564 (1) and (2) of the Act.

Subsection 515 (1) and (2) of the Act specifies that the Designated Authority must ensure that the Register of petroleum titles is open for inspection by any person on payment of a fee, that is calculated under the Regulations.

Subsection 564 (1) and (2) of the Act specifies that the responsible Commonwealth Minister must ensure that the Register of greenhouse gas titles is open for inspection by any person on payment of a fee that is calculated under the Regulations.

This regulation sets out that the fee for both of these applications is \$19.

## 11.04 Document and certification fees

Regulation 11.04 sets out the application fees for subsection 516 (2) and (4) 565 (2) and (4) of the Act.

Subsection 516 (2) of the Act states that the Designated Authority can on payment of a fee, calculated under the Regulations, supply a certified copy or extract from the Register, or from any instrument lodged in relation to petroleum titles registration and transfer. Such certified copies of extracts are admissible in evidence in all courts and proceedings without requirement for further proof or the original.

Subsection 516 (4) of the Act allows the Designated Authority to issue a written certificate confirming that an entry or thing required or permitted in relation to petroleum titles registration and transfer, has been done or has not been done.

Subsection 565 (2) of the Act states that the responsible Commonwealth Minister can on payment of a fee, calculated under the Regulations, supply a certified copy or extract from the Register, or from any instrument lodged in relation to greenhouse gas titles registration and transfer. Such certified copies of extracts are admissible in evidence in all courts and proceedings without requirement for further proof or the original.

Subsection 565(4) of the Act allows the responsible Commonwealth Minister to issue a written certificate confirming that an entry or thing required or permitted in relation to greenhouse gas titles registration and transfer, has been done or has not been done.

This regulation sets out that the fees for sections 516 (2) and 565 (2) of the Act are \$3.50 per page, and that the fees for sections 516 (4) and 565 (4) of the Act are \$45 per request.

#### 11.05 Information fees

Regulation 11.05 sets out how the information fees for subsections 717 (2) (a) and 741 (2) (a) of the Act is calculated, on the basis of three situations: if the information is contained in a document that is lent to the person who made the request; if the information is contained in a document that is not readily available and a search had to be made to locate the information and where the information is copied or reproduced, or forwarded or consigned to the person making the request.

Paragraph 717 (2) (a) of the Act specifies that in relation to release of technical information about petroleum, the Designated Authority can charge a fee for making information available to a person.

Paragraph 741 (2) (a) of the Act specifies that in relation to release of technical information about greenhouse gas, the responsible Commonwealth Minister can charge a fee for making information available to a person.

This regulation sets out the fees in the event that:

- The information requested is contained in a document and that document is lent to the
  person making the request, the fee is \$38 per day, or part of a day during which the
  document is on loan.
- The information requested is contained in a document that is not readily available and a search has to be made to locate the information, \$38 per hour is payable (or part of an hour, after the first half hour) for the time it takes to locate the information.
- The information requested is copied or reproduced or forwarded or consigned to the
  person making the request, an amount equal to all costs incurred in the copying or
  reproduction or forwarding or consignment, including the costs of packaging (if
  applicable) are payable.

## 11.06 Sample inspection fees

Regulation 11.06 sets out how the fee for allowing a person to inspect a sample is calculated (for paragraphs 717 (2) (b) and 741 (2) (b) of the Act), on the basis of two situations: if the sample is lent to the person who made the required, and if the sample is forwarded or consigned to that person.

Paragraphs 717 (2) (b) of the Act specifies that that in relation to allowing the inspection of samples of petroleum, the responsible Designated Authority can charge a fee.

Paragraphs 741 (2) (b) of the Act specifies that that in relation to allowing the inspection of samples of greenhouse gas, the responsible Commonwealth Minister Authority can charge a fee.

This regulation sets out the fees in the event that where the sample is lent to the person making the request, the fee will be \$38 per day or part of a day during which the sample is on loan, and if the sample is forwarded to consigned, the fee is an amount equal to all costs incurred by the regulator in the forwarding, consignment and packaging (if applicable).

#### Part 12 Miscellaneous

The provisions in this part are based on those of the Offshore Petroleum and Greenhouse Gas Storage Resource Management Regulations 1985, Petroleum (Submerged Lands) (Pipelines) Regulations 2001, and directions 619 and 650 from the Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction, which is a set of prescriptive standing directions under section 574 of the Act. They also include such matters as the form of an instrument of transfer pursuant to paragraphs 474(a) and 526(a) of the Act.

#### 12.01 Form of instrument of transfer

Regulation 12.01 requires that for paragraphs 474 (a) and 526 (a) of the Act, an instrument of transfer must be in the form set out in Schedule 7.

Paragraph 474 (a) of the Act sets out the documents to accompany the application to the Designated Authority for approval of a transfer of a petroleum title. These include the instrument of transfer executed by the registered holder, or if there are two or more registered holder, by each registered holder. The transferee must also execute the instrument, or if there are two or more transferees, it must be executed by each transferee.

Paragraph 526 (a) of the Act sets out the documents to accompany the application to the responsible Commonwealth Minister for approval of a transfer of a greenhouse gas title. These include the instrument of transfer executed by the registered holder, or if there are two or more registered holder, by each registered holder. The transferee must also execute the instrument, or if there are two or more transferees, it must be executed by each transferee.

## 12.02 Prescribed details for supplementary instrument for approval of dealing

Regulation 12.02 contains the details that are required for supplementary instruments for approval of dealing, for subsections 489 (2) and 540 (2) of the Act. This includes description and date of execution of the instrument evidencing the dealing, details of the title, name and business address of each party, details of the effects, and interest in the title of all parties to the dealing. The regulation also defines related dealing in terms of dealing that affects the title to which the instrument refers.

## 12.03 Survey of wells, structures or equipment

Regulation 12.03 allows the regulator to ask a titleholder to survey the position of the well, pipeline, infrastructure facility, structure or equipment specified in the notice. The notice must be in writing and must specify a reasonable time period within which this is to be done.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It

provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

The regulation also defines regulator for this purpose as the Designated Authority for petroleum titleholders, infrastructure or pipeline licensees and for a greenhouse gas titleholder as the responsible Commonwealth Minister.

## 12.04 Notice of route followed by pipeline

Regulation 12.04 requires the pipeline licensee to inform both the Designated Authority and the Australian Hydrographic Office in writing, of the route followed by the pipeline, by either the day before the pipeline is operated or 14 days after the completion of the pipeline, whichever occurs first. Failure to comply is an offence under this regulation.

## 12.05 Requirement to give notice of pipeline incident

Regulation 12.05 requires a pipeline licensee to give notice (oral or written) of the occurrence of a reportable incident in relation to a pipeline, to the Designated Authority, a petroleum project inspector or a greenhouse gas inspector, as soon as practicable after the first occurrence of the incident or a the time of the detection of the incident by the licensee. Failure to comply is an offence under this regulation.

Reportable incident is defined under this regulation as an incident that results in significant damage to a pipeline or is likely to result in significant damage, or is of a kind that a reasonable pipeline licensee would consider requires immediate investigation. An example of what is meant by damage is provided as something that could reduce the capacity of the pipeline to contain the substance flowing through it.

A reportable incident under these Resource Management Regulations would not be a reportable incident within the meaning of the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Resource Management Regulations* 2009.

## 12.06 Requirement to provide written report about pipeline incident

Regulation 12.06 requires a pipeline licensee to give the Designated Authority a written report about a pipeline incident as soon as practicable, within 3 days after the first occurrence or first detection of the incident. In the event that the Designated Authority has specified a different reporting period in writing, then the report is due within that period. Failure to comply is an offence under this regulation.

Incident report is defined in this regulation through a list of all the information that it must include.

Failure to comply carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It

provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

However, sub regulation (2) allows as a defence where the licensee has been asked to provide a report within a period specified by the Designated Authority and it was not practicable for the licensee to do so within the specified period. Defences reverse the fundamental principle of criminal law that the prosecution must prove every element of the offence. The defendant bears an evidential burden ie to show evidence that suggests that complying within the specified period was not practicable. The defendant does not have to 'prove' it was not practicable. Whether the evidence they have constitutes proof would be a matter for the court to decide.

## 12.07 Requirement for notice of geophysical or geological survey

Regulation 12.07 requires the petroleum titleholder or greenhouse gas titleholder to notify the relevant regulator at least 48 hours before commencing an approved geophysical or geological survey. Note that the survey also requires approval as an activity under the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations* 2009.

Failure to provide notification carries a strict liability under the Criminal Code. The application of strict liability is considered an important element of ensuring the effectiveness of the regulatory regime, given the remoteness of offshore operations and limited ability of regulatory staff to directly and comprehensively monitor, with any frequency, the titleholders' activities. It provides an incentive to comply in a high-investment, high-return commercial activity where the key driver for titleholders is to maximise return on investment.

The Regulator is defined as being the Designated Authority for a petroleum titleholder and the responsible Commonwealth Minister for a greenhouse gas titleholder.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clauses 401(1) and (3) of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

A survey also require approval as an activity under the Act.

## 12.08 Requirement to give notice of actions for Royalty Act purposes

Regulation 12.08 requires the petroleum titleholder to notify the Designated Authority in writing, of the intention to sample a petroleum stream, so as to work out the amount of royalty payable under the Royalty Act. The petroleum titleholder is also required to notify the Designated Authority in writing, that they intend to 'prove' a meter that is used to work out the amount of royalty payable under the Royalty Act. Failure to comply is an offence under this regulation.

Meter proving is conducted in order to verify the accuracy of a gas meter. A device called a prover is used. Provers are devices that work by comparing a known volume of air across a meter with the gas meter's index or register. A series of mathematical computations are used

to produce what is called a proof. A proof is a numeric value given to represent the accuracy of the meter as compared to the known volume of air used during the test.

This regulation also incorporates and reflects the requirement relating to approval to flare as articulated in clauses 618 and 619 of the *Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction*.

#### Schedules 1 - 5

These Schedules are based on the *Offshore Petroleum and Greenhouse Gas Storage Resource Management Regulations 1985*.

## Schedule 1 Initial well completion data

This Schedule sets out the initial well completion data for regulations 7.13 and 9.13 and list the type of data, standard media and standard formats in which it must be provided.

## Schedule 2 Final well completion data

This Schedule sets out the final well completion data for regulations 7.14 and 9.14 and list the type of data, standard media and standard formats in which it must be provided.

## Schedule 3 Survey acquisition data

This Schedule sets out the data required to be submitted for all geophysical and geological surveys undertaken, regardless of what type of survey was conducted. This data is required to be submitted at the same time as the survey acquisition report detailed in these Resource Management Regulations

## Part 1 For seismic surveys

This Part sets out the survey acquisition data for regulations 7.16 and 9.16 and list the type of data, standard media and standard formats in which it must be provided.

These items also list what information should be included in a survey acquisition report and define survey acquisition data.

## Part 2 For other surveys

This Part sets out the survey acquisition data for regulations 7.16 and 9.16 and list the type of data, standard media and standard formats in which it must be provided.

These items also list what information should be included in a survey acquisition report and define survey acquisition data.

## Schedule 4 Processed survey data

## Part 1 For 2D seismic surveys

This Part sets out the processed survey data for regulations 7.17 and 9.17 and lists the type of data, standard media and standard formats in which it must be provided.

These regulations also list what information should be included in a survey processing report and define processed survey data.

## Part 2 For 3D seismic surveys

This Part sets out the processed survey data for regulations 7.17 and 9.17 and lists the type of data, standard media and standard formats in which it must be provided.

These items also list what information should be included in a survey processing report and define processed survey data.

## Part 3 For other surveys

This Part sets out the processed survey data for regulations 7.17 and 9.17 and list the type of data, standard media and standard formats in which it must be provided.

These items also list what information should be included in a survey processing report and define processed survey data.

## Schedule 5 Interpretative survey data

This Schedule relates to digital images of interpretation maps which must be provided in Georeferenced TIF or PDF formats on CD-Rom, DVD or portable hard drive media.

This requirement is linked to the interpretative survey data for regulations 7.18 and 9.18.

## **Schedule 6 Application fees**

This Schedule lists the application fees that relate to regulation 11.01.

## Part 1 Fees for petroleum applications

Part 1 sets out the fees for petroleum applications, including: work-bid petroleum exploration permit; special petroleum exploration permit; cash-bid petroleum exploration permit; renewal of petroleum exploration permit (all types); petroleum retention lease (all types) renewal of petroleum retention lease (all types) petroleum production licence over a surrendered block; petroleum production licence (other than a licence in items 7 and 8); renewal of petroleum production licence (all types); infrastructure licence; pipeline licence; variation of pipeline licence; petroleum special prospecting authority.

## Part 2 Fees for greenhouse gas applications

Part 2 sets out the fees for greenhouse gas applications, including: work-bid greenhouse gas assessment permit; cash-bid greenhouse gas assessment permit; renewal of greenhouse gas assessment permit; greenhouse gas holding lease (all types); renewal of greenhouse gas holding lease; greenhouse gas injection licence; greenhouse gas search authority; greenhouse gas site closing certificate.

## **Schedule 7 Transfer of title**

This Schedule contains the template instrument of transfer, which is mentioned under regulation 12.01.

## **CONCORDANCE TABLES**

## Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004\*

| Petroleum (Submerged  | Offshore Petroleum and           |
|-----------------------|----------------------------------|
| Lands) (Management of | Greenhouse Gas Storage           |
| Well Operations)      | (Resource Management and         |
| Regulations 2004      | Administration) Regulations 2011 |
| 1                     | 1.01                             |
| 2                     | 1.02                             |
| 3                     | 1.04                             |
| 4                     | 1.05, 5.02                       |
| 5                     | 5.06                             |
| 6                     | 5.10                             |
| 7                     | 5.08                             |
| 8                     | 5.07                             |
| 9                     | 5.10                             |
| 10                    | 5.11                             |
| 11                    | 5.13                             |
| 12                    | 5.14                             |
| 13                    | 5.15                             |
| 14                    | 5.16                             |
| 15                    | 5.13(7)                          |
| 16                    | 5.17                             |
| 17                    | 5.22, 5.23, 5.25                 |
| 18                    | 5.18                             |
| 19                    | 5.19                             |
| 20                    | 5.20                             |
| 21                    | 5.21                             |
| 22                    | 5.04                             |
| 23                    | Not included – transitional      |
| 24                    | 5.05                             |
| 25                    | 5.26                             |

<sup>\*</sup> NOTE: This table is a guide only as the structure of some of the previous regulations has changed significantly, and some requirements have been redistributed across a number of the provisions of these Regulations.

## Guidelines for Reporting and Submission of Petroleum Data - Petroleum Titleholders\*

| C : 1 1: C     | O.C. 1 D . 1           | C 111          | O.C. 1 D . 1        |
|----------------|------------------------|----------------|---------------------|
| Guidelines for | Offshore Petroleum     | Guidelines     | Offshore Petroleum  |
| Reporting and  | and Greenhouse Gas     | for Reporting  | and Greenhouse Gas  |
| Submission of  | Storage (Resource      | and            | Storage (Resource   |
| Petroleum      | Management and         | Submission of  | Management and      |
| Data           | Administration)        | Petroleum      | Administration)     |
|                | Regulations 2011       | Data           | Regulations 2011    |
| 5.1            | 7.12                   | 5.5.3          | 3.07                |
| 5.2            | 7.15                   | 5.5.4          | 3.08                |
|                |                        |                | Part 4, Div 4       |
| 5.3            | 7.19                   | 5.6            | 7.13                |
| 5.3.3          | 12.03                  | 5.6.2          | 7.14                |
| 5.4.1          | 3.06                   | 5.7.1          | 7.16                |
| 5.4.2          | 3.08                   | 5.7.2          | 7.17                |
| 5.5.1          | 2.02                   | 5.7.3          | 7.18                |
| Table 1 –      | Schedules 1 and 2      | Table 2 –      | 7.16, 7.17, 7.18,   |
| digital data   |                        | final reports  | Schedule 5          |
| Table 1 –      | 7.20 (4) – table       | Table $3 - 3D$ | Schedule 3, Part 1, |
| Samples        |                        | field data     | Schedule 4 - 103    |
| Table 1 –      | Schedules 1 and 2      | Table 3 –      | Schedule 4, Part 2  |
| Reports/Images |                        | Processed      |                     |
|                |                        | data           |                     |
| Table 1 –      | 7.13, 7.14, 9.08, 9.07 | Table 2 –      | 7.16, 7.17, 7.18,   |
| Special study  |                        | final reports  | Schedule 5          |
| Table 2 – 2D   | Schedule 3 –101, 102,  | Table 5 –      | Schedule 4, Part 2  |
| Field data     | 103, 104, 202          | Reprocessed    |                     |
|                | Schedule 4 - 103       | Seismic data   |                     |
| Table 2 –      | Schedule 4, Part 1     | Table 5 –      | 7.16, 7.17, 7.18,   |
| Processed data |                        | final reports  | Schedule 5          |

<sup>\*</sup> NOTE: This table is a guide only as the structure of some of the previous regulations has changed significantly, and some requirements have been redistributed across a number of the provisions in these Regulations.

# $\begin{array}{l} \textbf{Petroleum (Submerged Lands) (Data Management) Regulations 2004-Petroleum Titleholders*} \end{array} \\$

| Petroleum           | Offshore Petroleum | Petroleum           | Offshore Petroleum     |
|---------------------|--------------------|---------------------|------------------------|
| (Submerged          | and Greenhouse Gas | (Submerged          | and Greenhouse Gas     |
| Lands) (Data        | Storage (Resource  | Lands) (Data        | Storage (Resource      |
| Management)         | Management and     | Management)         | Management and         |
| ,                   | S                  | 0 /                 | Administration)        |
| Regulations<br>2004 | Administration)    | Regulations<br>2004 | ,                      |
|                     | Regulations 2011   |                     | Regulations 2011       |
| 1                   | 1.01               | 26                  | Not required – DMP     |
| 2                   | 1.02               | 27                  | Not required – DMP     |
| 3                   | 1.04               | 28                  | Not required – DMP     |
| 4                   | 1.05               | 29                  | 8.09, 8.11             |
| 5                   | 8.02               | 30                  | 8.15                   |
| 6                   | 8.03               | 31                  | 8.13                   |
| 7                   | Not required       | 32                  | 8.16                   |
| 8                   | 8.04               | 33                  | 8.12                   |
| 9                   | Not required       | 34                  | 8.04                   |
| 10                  | Not required - DMP | 35                  | 8.05, 8.06, 8.07, 8.08 |
| 11                  | Not required – DMP | 36                  | 7.02, 7.03, 7.06,      |
|                     | -                  |                     | 7.07, 7.08, 87.09,     |
|                     |                    |                     | 7.10                   |
| 12                  | Not required – DMP | 37                  | Transitional           |
| 13                  | Not required – DMP | Schedules           |                        |
| 14                  | Not required – DMP | 1- Part1            | Not required – DMP     |
| 15                  | Not required – DMP | 201                 | 7.12                   |
| 16                  | Not required – DMP | 202                 | 715                    |
| 17                  | Not required – DMP | 203                 | Not required           |
| 18                  | Not required – DMP | 204                 | Repealed               |
| 19                  | Not required – DMP | 205                 | 3.06                   |
| 20                  | Not required – DMP | 206                 | 7.13                   |
| 21                  | Not required – DMP | 301                 | 7.13                   |
| 22                  | Not required – DMP | 302                 | 7.16                   |
| 23                  | Not required – DMP | 303                 | 7.16                   |
| 24                  | Not required – DMP | 304                 | Not required           |
| 25                  | Not required – DMP |                     |                        |

<sup>\*</sup> NOTE: This table is a guide only as the structure of some of the previous regulations has changed significantly, and some requirements have been redistributed across a number of the provisions in these Regulations.

## Data Management Regulations - Greenhouse Gas Titleholders\*

| Petroleum    | Offshore Petroleum | Petroleum    | Offshore Petroleum     |
|--------------|--------------------|--------------|------------------------|
|              | and Greenhouse Gas |              | and Greenhouse Gas     |
| (Submerged   |                    | (Submerged   |                        |
| Lands) (Data | Storage (Resource  | Lands) (Data | Storage (Resource      |
| Management)  | Management and     | Management)  | Management and         |
| Regulations  | Administration)    | Regulations  | Administration)        |
| 2004         | Regulations 2011   | 2004         | Regulations 2011       |
| 1            | 1.01               | 26           | Not required – DMP     |
| 2            | 1.02               | 27           | Not required – DMP     |
| 3            | 1.04               | 28           | Not required – DMP     |
| 4            | 1.05               | 29           | 10.08, 10.11           |
| 5            | 10.02              | 30           | 10.15                  |
| 6            | 10.03              | 31           | 10.13                  |
| 7            | Not required       | 32           | 10.16                  |
| 8            | 8.04               | 33           | 10.12                  |
| 9            | Not required       | 34           | 10.04                  |
| 10           | Not required - DMP | 35           | 10.05, 10.06, 10.07    |
| 11           | Not required – DMP | 36           | 9.02, 9.03, 9.06,      |
|              |                    |              | 9.09, 9.08, 9.09, 9.10 |
| 12           | Not required – DMP | 37           | Transitional           |
| 13           | Not required – DMP | Schedules    |                        |
| 14           | Not required – DMP | 1- Part1     | Not required – DMP     |
| 15           | Not required – DMP | 201          | 9.12                   |
| 16           | Not required – DMP | 202          | 9.15                   |
| 17           | Not required – DMP | 203          | Not required           |
| 18           | Not required – DMP | 204          | Repealed               |
| 19           | Not required – DMP | 205          | 3.06                   |
| 20           | Not required – DMP | 206          | 9.13                   |
| 21           | Not required – DMP | 301          | 9.13                   |
| 22           | Not required – DMP | 302          | 9.16                   |
| 23           | Not required – DMP | 303          | 9.16                   |
| 24           | Not required – DMP | 304          | Not required           |
| 25           | Not required – DMP |              |                        |

<sup>\*</sup> NOTE: This table is a guide only as the structure of some of the previous regulations has changed significantly, and some requirements have been redistributed across a number of the provisions of these Regulations.

# Guidelines for Reporting and Submission of Petroleum Data - Greenhouse Gas Titleholders $^{\ast}$

| Guidelines for | Offshore Petroleum     | Guidelines for  | Offshore Petroleum  |
|----------------|------------------------|-----------------|---------------------|
| Reporting and  | and Greenhouse Gas     | Reporting and   | and Greenhouse Gas  |
| Submission of  | Storage (Resource      | Submission of   | Storage (Resource   |
| Petroleum      | Management and         | Petroleum       | Management and      |
| Data           | Administration)        | Data            | Administration)     |
|                | Regulations 2011       |                 | Regulations 2011    |
| 5.1            | 9.12                   | 5.6             | 9.13                |
| 5.2            | 9.15                   | 5.6.2           | 9.14                |
| 5.3            | 9.19                   | 5.7.1           | 9.16                |
| 5.3.3          | 12.03                  | 5.7.2           | 9.17                |
| 5.5.1          | 2.02                   | 5.7.3           | 9.18                |
| Table 1 –      | Schedules 1 and 2      | Table 2 – final | 9.16, 9.17, 9.18    |
| digital data   |                        | reports         | Schedule 5          |
| Table 1 –      | 9.23(4) – table        | Table $3 - 3D$  | Schedule 3, Part 1, |
| Samples        |                        | field data      | Schedule 4 - 103    |
| Table 1 –      | Schedules 1 and 2      | Table 3 –       | Schedule 4, Part 2  |
| Reports/Images |                        | Processed data  |                     |
| Table 1 –      | 9.13, 9.14, 9.08, 9.07 | Table 2 – final | 9.16, 9.17, 9.18    |
| Special study  |                        | reports         | Schedule 5          |
| Table 2 – 2D   | Schedule 3 –101,       | Table 5 –       | Schedule 4, Part 2  |
| Field data     | 102, 103, 104, 202     | Reprocessed     |                     |
|                | Schedule 4 - 103       | Seismic data    |                     |
| Table 2 –      | Schedule 4, Part 1     | Table 5 – final | 9.17, 9.18          |
| Processed data |                        | reports         | Schedule 5          |

<sup>\*</sup> NOTE: This table is a guide only as the structure of some of the previous regulations has changed significantly, and some requirements have been redistributed across a number of the provisions of these Regulations.

# Schedule of Specific Requirements as to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction\*

| Schedule of Specific Requirements Direction (SRD) | Offshore Petroleum and Greenhouse Gas<br>Storage (Resource Management and |
|---|---|
| Zirection (SNZ)                                   | Administration) Regulations 2011  |
| 401(1) and (3) – Geological and geophysical       | 12.07   |
| surveys approval                                  |   |
| 512 – Approval for production or drill stem       | 5.22, 5.23, 5.24.   |
| tests   | Note: DAs receive results of production tests                             |
|   | through:  |
|   | 7.13 (initial well completion report), and                                |
|   | 7.14 (final well completion report), and 7.19                             |
|   | (monthly production report).  |
| 550(1)  | 2.04(3)(e), 2.06  |
| 550(2)  | 3.06, 3.07, 3.08, 7.13,7.14.  |
| 550(3)  | 2.04(3)(b), (e), (f); 2.06.   |
| 550(4)  | 3.06, 3.07, 3.08, 7.13, 7.14.   |
| 552 – Weekly report of drilling operations        | 7.12, 9.12  |
| 601(1)(d) – Consent for production                | 4.02, 4.14  |
| equipment and recovery of petroleum               |   |
| 602(a), (b) and (d) – Other operations            | 4.07(g)(i)-(iii)  |
| 609 – Rate of recovery of petroleum               |   |
| 609(1) and (2)                                    | 4.17,4.18(1) + (2)(a)-(c)   |
| 609(3)  | 4.07(h), 3.08, 7.19   |
| 610 – Production tests on producing wells         | 7.19  |
| 611 – Surface connections                         | 4.07(i)(i)  |
| 612 – Production from more than one               | 4.07(i)(ii)   |
| reservoir from one well                           |   |
| 613 – Production from more than one               | 4.07(i)(iii)  |
| reservoir from more than one well                 |   |
| 614(4) – Measurement of petroleum and             | 4.18(2)(d)  |
| water   |   |
| 615 – Approval to flare                           | 4.03, 4.08, 4.14(2)(d)  |
| 618 – Sampling petroleum streams                  | 12.08(1)  |
| 619 – Meter proving                               | 12.08(2)  |
| 650 – Programme of work                           | 3.08 + Part 4 (FDPs)  |
| 651 – Estimate of recoverable in-place            | 2.02, 2.04, 3.08  |
| petroleum   |   |

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