



Australian Government  
Department of Resources,  
Energy and Tourism



# AUSTRALIAN PETROLEUM NEWS

## The September Issue 2011

### Highlights

- International Offshore Petroleum Regulators and Operators Summit
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### International Offshore Petroleum Regulators and Operators Summit

The Australian Government hosted the International Offshore Petroleum Regulators and Operators Summit (the Summit) on 10-11 August 2011 in Perth Western Australia. The Summit was well attended with over 400 national and international delegates representing governments, regulators, industry representatives and leading academics from the United States, Europe, South America, Indonesia, Papua New Guinea, Timor-Leste, China, New Zealand and Singapore.

The Summit provided an opportunity to share the collective lessons learnt and applied post the August 2009 Montara and the April 2010 Montara incidents. The Summit provided an international forum to further develop a common understanding of how governments, industry and regulators can better collaborate and establish a consistent approach to the regulation of the global offshore petroleum industry. The Summit provided a global perspective with International representatives and Australian Chief Executives and Managing Directors of major offshore resource companies presenting at the Summit.



The International Offshore Petroleum Regulators and Operators Summit reinforced the commitment of governments, regulators and the industry to take meaningful steps to avoid incidents like Montara and Macondo in the future and that ongoing significant and sustained effort is required by governments, regulators and industry to ensure that the twin goals of protecting human health and safety and preserving the marine environment in global offshore waters continue to be met.

The Summit recognised that this objective will only be achieved by continuous improvement where governments, regulators and industry work together to promote ongoing improvement in skills development, competence and a culture of compliance.

The Australian Government reconfirmed its response to the Montara incident and commitment to establishing a single national regulator for offshore petroleum, mineral and greenhouse gas storage activities. The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) will be responsible for well integrity, safety and environmental regulation in Australian waters. The National Offshore Petroleum Titles Administrator (NOPTA) will administer titles and data relating to offshore petroleum, minerals and greenhouse gas storage activities in Australian waters.

The Australian Government also outlined its commitment to work with industry and regulators to progress the outcomes of the Summit and Australia's Action Plan.



The Hon Martin Ferguson AM MP

#### Summit Closing Comments

*"As responsible custodians of our marine environment together we are implementing the lessons learnt from Montara and Macondo and raising our regulatory and operating practices and procedures accordingly. In doing so, we are ensuring that the global offshore petroleum industry will maintain its social license to operate, to the benefit of all."*

The Hon Martin Ferguson AM MP  
Minister for Resources and Energy

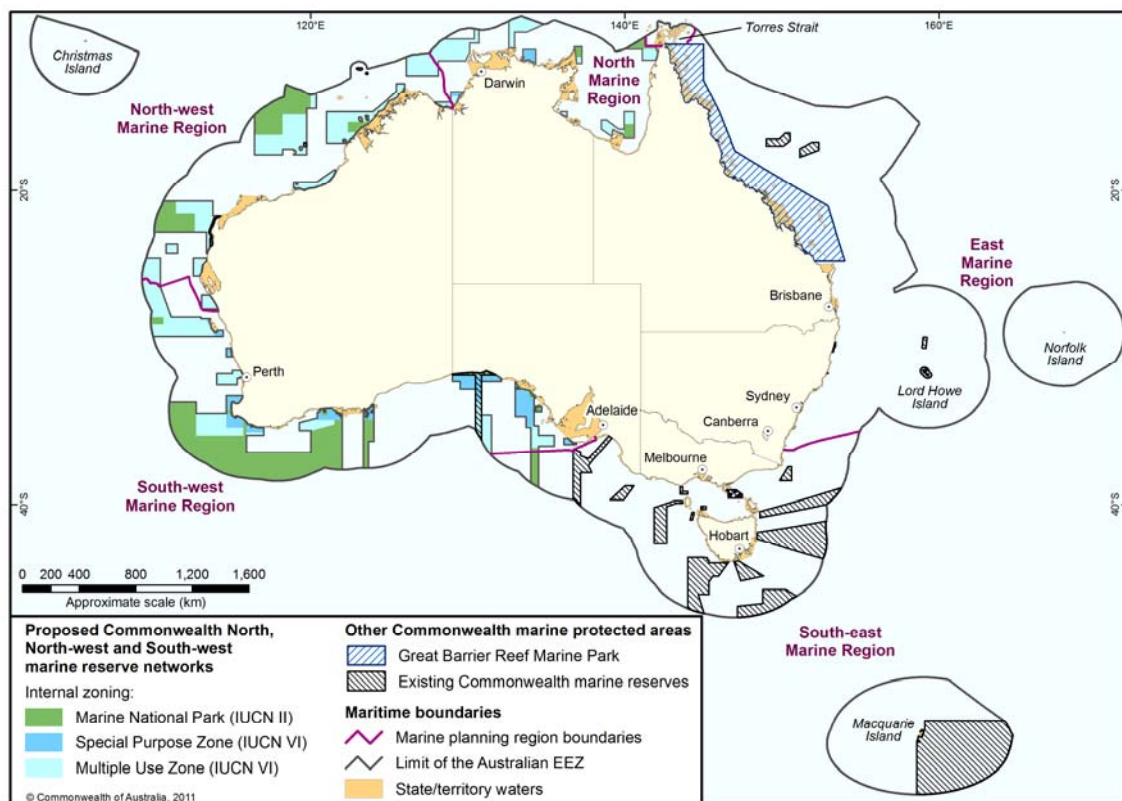
Detailed information on the Summit, including the Program, Speakers, Outcomes Statement and Action Plan are available on the Department's website at [www.ret.gov.au](http://www.ret.gov.au).

## Marine Bioregional Planning

The Minister for Sustainability, Environment, Water, Population and Communities, the Hon Tony Burke MP, released draft marine bioregional plans and proposed marine reserve networks to protect Australia's north and north-west marine environment on 23 August 2011.

The proposed networks of marine reserves are in Commonwealth waters which start 3 nautical miles (5.5 kilometres) off the coast. The proposed reserves in the north-west region cover an area of approximately 377 296km<sup>2</sup> and those in the north cover 121 723km<sup>2</sup>.

The north region extends from as far west as the Northern Territory-Western Australian border to the Gulf of Carpentaria, Arafura Sea and the Timor Sea and the north-west region extends from Kalbarri, south of Shark Bay in Western Australia to the Western Australian - Northern Territory border.



Proposed Commonwealth North, North-west and South-west marine Reserve Networks.

Under the proposed marine reserve network there would be three zones including:

- Marine National Park zones which would provide the highest level of protection and would be managed to protect areas where marine life live and the important conservation values of the area; limited activities would be permitted;
- Multiple Use zones which would protect and maintain the conservation values of the area while allowing sustainable economic use; and
- Special Purpose zones which would allow some activities not allowed in other zones. For example, Special Purpose zones in the proposed north marine reserve network would allow the use of some fishing gear types that would not be permitted in Multiple Use zones.

Oil and gas exploration and development will be allowed in multiple use and special purpose zones subject to the normal assessment and approval processes under the *Environment Protection and Biodiversity Conservation Act 1999*.

The Government has worked with the petroleum industry through APPEA, the fishing industry, environment groups, recreational fishing groups and other marine users in the development of draft bioregional plans and proposed marine reserves networks.



Officers from the Department of Sustainability, Environment, Water Population and Communities will be visiting coastal centres throughout the North and North-west regions in the coming weeks to hold information sessions and meet with representatives of various industries and stakeholder groups including APPEA.

Stakeholders have 90 days to provide written submissions on the draft north and north-west bioregional plans and proposed Marine Reserves Networks. **The consultation period will end of 28 November 2011.**

A draft bioregional plan and proposals for marine reserves for the East marine region are still being developed. When these drafts are released for public consultation, notices will be published in the media.

For more information on the draft marine bioregional plans and the proposed Commonwealth marine reserves in the north-west and north regions, including details of how to make a submission, go to [www.environment.gov.au/coasts/mbp/index.html](http://www.environment.gov.au/coasts/mbp/index.html).

If you would like to discuss issues related to the draft marine bioregional plans and proposed marine reserve networks or your submission with the Department of Resources Energy and Tourism, the contact is Chris Michel, telephone 02 6213 7944 ([chris.michel@ret.gov.au](mailto:chris.michel@ret.gov.au)).

## Exploration Investment Opportunities

The *2011 Offshore Petroleum Exploration Acreage Release* was launched by Australian Minister for Resources and Energy, the Hon Martin Ferguson AM MP on 11 April 2011. The Release comprised 29 areas in Commonwealth waters off Western Australia, the Northern Territory, Victoria, Tasmania and in the Territory of Ashmore and Cartier Islands.

On **Thursday 13<sup>th</sup> October** bids close for 16 of the 29 areas released. On this same date, bids for 3 areas re-released from the 2010 acreage release also close. Exploration work undertaken in re-release acreage may fulfil Good Standing Arrangement obligations, which have been entered into by a company following the cancellation or expiry in default of an exploration permit.

Release/Round	Areas	Bid Closing Date
<b>2010 Acreage Re-Release</b>	W10-7, W10-21, W10-22	<b>Thursday 13 October 2011</b> <i>4pm local standard time</i>
<b>2011 Acreage Release</b> First Round	AC11-1 & AC11-2 W11-1, W11-10 to W11-15 V11-1 to V11-6 & T11-1	
<b>2011 Acreage Release</b> Second Round	NT11-1 & NT11-2 W11-2 to W11-9 W11-16 to W11-18	<b>Thursday 12 April 2012</b> <i>4pm local standard time</i>

Further information on these areas, bid application requirements and a bid checklist can be found by visiting <http://www.petroleum-acreage.gov.au>

Pre-competitive geological data associated with release areas may be available and industry is invited to contact Geoscience Australia, which offers secure access to the latest seismic and geological data supporting the Acreage Release. For bookings please email: [biu@ga.gov.au](mailto:biu@ga.gov.au).



## Preparing a Bid for Offshore Petroleum Exploration Acreage

The Government encourages applications from offshore petroleum explorers who propose work program bids that will significantly enhance the geological understanding of acreage on offer and, ultimately, increase Australia's pre-competitive geological knowledge base. In awarding an exploration permit the Joint Authority must be satisfied that the applicant has developed an exploration strategy and work program that will '*significantly advance the assessment and understanding of the petroleum potential of the permit area*'.

Applications for the acreage on offer must contain a **technical assessment of area** and a **proposed exploration program** covering the initial term of the permit (6 years); and evidence of the explorer's **technical & financial capacity** to undertake the proposed work program.

To assist with preparing bids, the offshore exploration guidelines, including the *Requirements of Bid and Renewal Applications Guideline* (previously Applications for Exploration Areas) were updated in 2010 to clearly set out the expectations of Regulators in relation to the day to day administration of petroleum exploration operations in Australian waters. The revised guidelines **commenced on 1 January 2011** and can be found at [www.ret.gov.au/offshoreresourceslegislation](http://www.ret.gov.au/offshoreresourceslegislation).

The detailed 2011 Acreage Release information package is now available. The information package contains:

- an overview of the Australian offshore petroleum sector;
- guidance for preparing an exploration permit application, including the selection criteria and assessment process;
- a summary of petroleum prospectivity and geological settings; and
- a summary of available data.

An application checklist and the Guidelines are also available online at [www.petroleum-acreage.gov.au](http://www.petroleum-acreage.gov.au) or on USB by contacting [petroleum.exploration@ret.gov.au](mailto:petroleum.exploration@ret.gov.au). Please note the website contains the most up to the minute information.

## 2012 Acreage Release

Nominations of areas for inclusion in the *2012 Acreage Release* closed at the end of July 2011. As in previous years, there was substantial interest and participation across all sectors of the industry.

*Thank you to all organisations involved in this process.*

Noting the Australian Government's objective of a sustainable, annual petroleum exploration acreage release offering quality exploration investment opportunities it is possible that not all nominated areas will be included in the 2012 Acreage Release. All nominations are, however, considered seriously and are subjected to a rigorous assessment and short listing process.

Industry will be advised of shortlisted areas in the December issue of *Australian Petroleum News*.

Proposed areas remain subject to change until the Acreage Release is launched by the Commonwealth Minister for Resources and Energy. This generally occurs at the annual Australian Petroleum Production and Exploration Association conference which in 2012 will be held 13-16 May in Adelaide, SA.

## Update: Offshore Petroleum Regulatory Reform Implementation

On 25 May 2011, the Minister for Resources and Energy, the Hon Martin Ferguson AM MP, introduced into Parliament a package of five amendment Bills to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act) and associated Acts.

The Bills propose to implement a regulatory reform model for the upstream petroleum sector in Commonwealth waters. The reforms include the establishment by 1 January 2012 of a national offshore petroleum regulator by expanding the functions of the existing National Offshore Petroleum Safety Authority (NOPSA) to become the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). A National Offshore Petroleum Titles Administrator (NOPTA) will also be established.

The package of Bills was referred for inquiry and report, by both the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry and the Senate Economics Legislation Committee. Both Committees recommended the passage of the Bills through the House of Representatives and the Senate, with a dissenting report from Coalition Senators.

Debate on the Bills commenced in the House of Representatives on 5 July 2011. The Bills with two Government amendments were passed in the House of Representatives on 6 July 2011. The Governments amendments include:

- amending the Royalty Bill to replace the functions of the Designated Authority in the *Offshore Petroleum (Royalty) Act 2006* with the responsible State Minister, rather than the Titles Administrator; and
- an amendment to the National Regulator Bill relating to a technical aspect regarding incorporation of extraneous material into directions.

The Bills were re-introduced to the Senate on 18 August 2011 and debate commenced on 25 August but was suspended for further consideration until the parliamentary period commencing 12 September 2011.

The Bills were passed by the Senate on 14 September 2011 with a single amendment proposed by the Greens to increase the size of the NOPSEMA Advisory Board by one member. This amendment to the National Regulator Bill was referred back to the House of Representatives on 15 September 2011 and was passed.

### Establishment of NOPTA

The establishment of NOPTA is progressing well. Applications for recruitment of staff for NOPTA closed on 25 August 2011, with expected vacancies to be filled subject to passage of the legislation in September 2011. NOPTA premises in Perth have been located, with fit-out expected to be completed by December 2011. The NOPTA Melbourne office is also close to being finalized. Development on the National Electronic Approvals Tracking System (NEATS) commenced on 25 July 2011 and progress is continuing with establishment set for 1 January 2012.

### Further Information

For further information on offshore petroleum regulatory reform please email [offshorepetroleumreform@ret.gov.au](mailto:offshorepetroleumreform@ret.gov.au) or view our webpage: <http://www.ret.gov.au/Department/responses/pc-review/Pages/pc-review.aspx>

## Environmental Impact Assessments Law Reform

Federal environment minister the Honorable MP Tony Burke recently announced major reforms of national environment law to better protect Australia's unique environment, while reducing red tape and increasing certainty for business.

The reforms outline better environmental protection focusing on whole regions and ecosystems and faster environmental assessments.

They also outline a consistent national approach to environmental impact assessments that removes duplication, cuts red tape and provides better upfront guidance on legislation requirements, with more long-term certainty and transparency.

"We are looking at the bigger picture in environmental protection, through strategic assessments and regional environmental plans, so that we can plan ahead for whole regions, taking account of the environmental, social and economic needs of communities," Mr Burke said.

"These assessments greatly benefit business. They provide certainty by clearly defining what can and can't be done, and they reduce delay, because for those projects that are in line with a plan endorsed under a strategic assessment, there is no need for individual environmental impact statements.

Mr Burke said the changes would also streamline individual assessments, including through a new assessment method for lower impact projects with decision-ready documentation, which will provide a final decision in 35 business days.

He said that better upfront guidance, including legally binding guidelines, would remove unnecessary referrals out of the system, freeing up resources to focus on those needing full environmental assessments.

"We are also talking to the states and territories on working together to reduce duplication and cut red tape," Mr Burke said.

"We want to provide a one-stop-shop for environmental approvals, as well as a single list of threatened species and ecological communities, so that business doesn't have to go through essentially the same process to meet federal and state obligations."

Mr Burke also announced that consultation would soon begin on potential mechanisms for cost recovery under national environment law. For environmental assessments, the introduction of cost recovery would ensure that the resources required to undertake assessments are linked with demand, and address calls by stakeholders for a faster assessment process. A consultation paper on cost recovery options will soon be released, and stakeholder views will be carefully considered.

Mr Burke also called for expressions of interest for a National Centre for Cooperation on Environment and Development, and started consultation on the Australian Government Biodiversity Policy and the national environment law Offsets Policy.

For more information, go to [www.environment.gov.au/epbc/reform](http://www.environment.gov.au/epbc/reform)

## Greenhouse Gas (GHG) Assessment Permits

In March 2009 the Australian Government released ten offshore areas for bids for the rights to explore for greenhouse gas (GHG) storage sites. The release comprised 10 areas across five basins in Commonwealth waters in the offshore areas of Western Australia (2 areas), the Northern Territory (2 areas), South Australia (1 area) and Victoria (5 areas) with bidding to close two months after the promulgation of the associated regulations. With the promulgation of the final set of regulations (being the Offshore Petroleum and Greenhouse Gas Storage (Greenhouse Gas Injection and Storage) Regulations 2011 (Greenhouse Gas Specific Regulations)) on 16 June 2011, the closing date was effectively 16 August 2011.

The GHG Specific Regulations (<http://www.comlaw.gov.au/Details/F2011L01106>) were the last of the five sets of GHG related regulations that underpin CCS operations under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The other four sets of regulations deal with: fees for GHG titles; environment; safety; and petroleum like (resource management) respectively, and are dual purpose covering both petroleum and GHG. These four sets of regulations are available on the RET website at: [http://www.ret.gov.au/resources/carbon\\_dioxide\\_capture\\_and\\_geological\\_storage/Pages/ccs\\_legislation.aspx](http://www.ret.gov.au/resources/carbon_dioxide_capture_and_geological_storage/Pages/ccs_legislation.aspx).

Given the finalisation of the last set of GHG related regulations on 16 June 2011 it was agreed that the closing date would be extended in order to keep the release areas available for GHG exploration and to give potential bidders more time to consider the uptake of the acreage.

The closing dates have been extended to:

- Friday 30 September 2011 for release areas GIPP-01, GIPP-02 and GIPP-03; and
- Friday 30 March 2012 for the remainder of the release areas (TORQ-01, TORQ-02, OTWY-01, VLAM-01, VLAM-02, PTRL-01 and PTRL-02)

In all other respects the original conditions for application and assessment accompanying the April 2009 Gazettal remain the same. This information can be found at: [http://www.ret.gov.au/resources/carbon\\_dioxide\\_capture\\_and\\_geological\\_storage/carbon\\_capture\\_and\\_storage\\_acreage\\_release/Pages/default.aspx](http://www.ret.gov.au/resources/carbon_dioxide_capture_and_geological_storage/carbon_capture_and_storage_acreage_release/Pages/default.aspx)

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