

Well and Well Activity Levies

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1. Purpose

The purpose of this policy is to provide a documented, systematic and consistent approach to the application of well and well activity levies.

2. Scope

This policy applies to well and well activity levies as provided for in the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003* and detailed in the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022*.

3. Relevant legislation

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003 (Levies Act)

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

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022 (Levies Regulations)

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

For simplicity, this policy only refers to the Commonwealth legislation, however the policy will also be applied to state or territory jurisdictions where powers have been conferred on NOPSEMA.

4. Levies

4.1. Annual well levy

Regulation 49 of the Levies Regulations sets the amount of annual well levy for each 'eligible well'.

Under regulation 50 of the Levies Regulations, NOPSEMA notifies titleholders of the imposition of a levy in January each year. The levy is payable 30 days after 1 January of each year.

4.1.1. Eligible wells

For the purposes of s 10A of the Levies Act, NOPSEMA considers a well to be an eligible well based on:

- information provided annually by titleholders (see section 4.3 below), or
- information provided in Well Operations Management Plans (WOMPs), if contradictory to the information provided annually by titleholders.

For the purposes of s 10A(7) NOPSEMA considers a well to be abandoned either:

- when NOPSEMA has notified the titleholder in writing that it is reasonably satisfied in accordance with sub regulation 5.17(c) of the Resources Management and Administration Regulations, or
- based on a review of information provided by the titleholder to demonstrate a regulated process was administered by a previous Designated Authority, for wells where abandonment activities which were conducted prior to 29 April 2011.

4.1.2. Number of eligible wells

To facilitate the calculation of the annual well levy for all eligible wells, NOPSEMA will, in December of each year, request the following information from titleholders:

- the name and current title of wells drilled in previous years but not abandoned
- the name, current title and abandonment date of wells drilled in a previous year and abandoned in the current year
- the name, current title, and spud date of wells drilled in the current year but not abandoned
- the name, current title, spud date and abandonment date of wells drilled and abandoned in the current year.

NOPSEMA will review information provided by titleholders against information held by NOPSEMA and, where applicable, liaise with titleholder to reconcile any discrepancies identified.

4.4. Well activity levy

Regulation 55 of the Levies Regulations sets the amount of well activity levy imposed on submission of a Well Operations Management Plan (WOMP) or revision.

Under regulation 56 of the Levies Regulations, NOPSEMA will notify a well activity levy to the applicable titleholder as soon as practicable after receiving a WOMP submission. The levy is imposed on submission and is due and payable within 30 days of the submission.

5. Monitoring

Compliance with the policy is to be assessed by the Chief Financial Officer on an annual basis.