



NOPSEMA

Australia's offshore
energy regulator

Australia's Offshore Decommissioning Journey

The Regulator's Perspective in 2023

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nopsema.gov.au



Acknowledgement of country

NOPSEMA respectfully acknowledges the Traditional Custodians of the land on which we meet today; the Whadjuk people of the Noongar Nation, and pay our respect to their Elders past, present and emerging.

NOPSEMA

The National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) is Australia's independent expert regulator for health and safety, structural (well) integrity and environmental management for all offshore energy operations and greenhouse gas storage activities in Commonwealth waters, and in coastal waters where regulatory powers and functions have been conferred.

Our vision is for a safe and environmentally responsible offshore industry.

Introduction and overview

- Australia's offshore decommissioning landscape

- Status check: progress and outlook

- Learnings, feedback and key issues

- Regulatory guidance updates

- Questions and Comments



Australia's offshore decommissioning landscape

Current situation

WA & NT



35 platforms



11 Floating facilities



6,076 km pipelines and static umbilicals



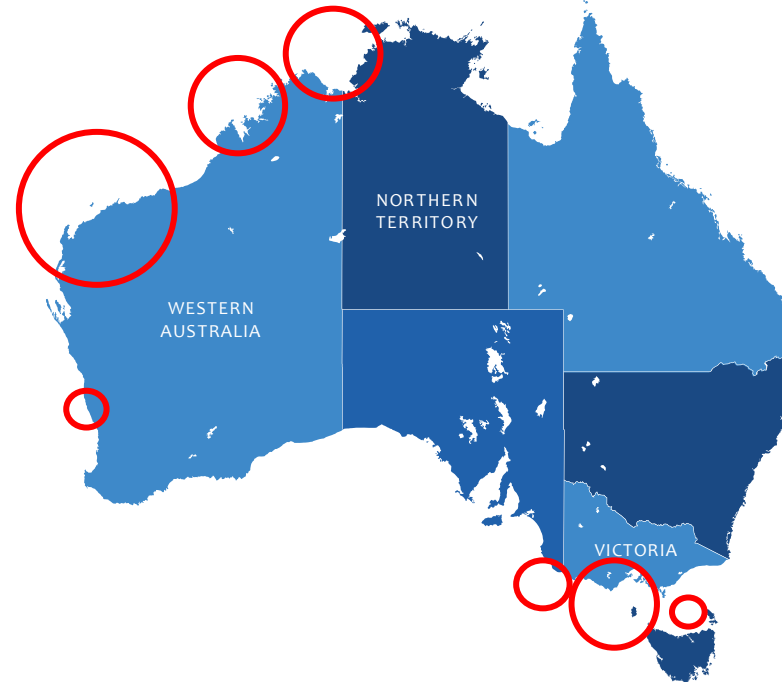
120 flexible risers and dynamic umbilicals



483 subsea lifts



~548 wells to be plugged and abandoned



Victoria



22 platforms



2,089km pipelines and umbilicals



120 flexible risers and dynamic umbilicals



52 subsea lifts



~460 wells to be plugged and abandoned

AUD 50 bn* 10 years

* Wood MacKenzie 2020

Australia's offshore decommissioning landscape

Milestones and legislative framework

1965
Bass Strait

1970s
North-West
Shelf

1980-2020s
Carnarvon
Gippsland
Otway
Perth
Bonaparte
...

2019
Ichthys
Prelude

2020
NOGA Liquidation
Walker Report

PSL Act
1967

Sea
Dumping
Act
1981

EPBC Act
1999

OPGGS
Act 2006

IMO Member
1953

MARPOL
73/78

IMO Resolution
A672(16)
1989

UNCLOS
1958

London
Convention &
Protocol 1972

Basel
Convention
1992

Minamata
Convention 2013

Legislative basis



Offshore Petroleum and Greenhouse Gas Storage Act 2006

No. 14, 2006

- **Section 572** of the Act is a long-standing, key provision. Titleholders are required to:
 - Maintain all structures, equipment, and property in a title area in good condition and repair.
 - Remove these when no longer being used in connection with operations authorised by the title.
 - Alternative to full removal via acceptance of an Environment Plan (i.e., a 'Deviation').
- **Section 270** of the Act requires NOPSEMA to advise if it is satisfied titleholder decommissioning's obligations have been met prior to the surrender of the title.
- Requirement for permissioning documents (Environment Plans, Safety Case, WOMP) to undertake petroleum activities, through the Regulations.

What is 'decommissioning'?

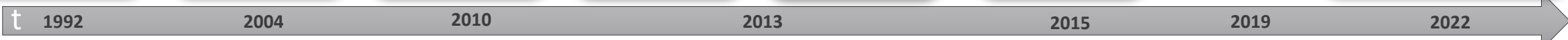
The process of removing or otherwise satisfactorily dealing with offshore petroleum property (including wells) in a safe and environmentally responsible manner when it is neither used nor intended to be used.

- Cessation of production / disused equipment
- End-state deviations
- Execution of removal activities
- Monitoring and remediation
- Plugging and abandonment of wells
- Any combination of the above



Status check

Decommissioning to date



Talisman Field
(Aqua Blue FPSO)

Buffalo Field
(Buffalo Venture FPSO)

Legendre Field
(Ocean Legend MOPU,
Karratha Spirit FSO)

Jabiru & Challis Fields
(Jabiru Venture FPSO
Challis Venture FPSO)

Puffin Field
(Front Puffin FPSO)

Northern Endeavour
ceases production

Woollybutt Field
(removal of property)

MEFF
(removal of floating property)

Griffin Venture
FPSO sailed in 2009

BMG Crystal Ocean
FPSO sailed in 2010

Woollybutt Four Vanguard
FPSO sailed in 2012

Mutineer-Exeter MV11
FPSO sailed in 2013

Stybarrow MV16
FPSO sailed in 2015

Balnaves Armada Claire
FPSO sailed in 2016

Enfield Nganhurra
FPSO sailed in 2018

P&A & Wellhead
end-states

...

Status check

Decommissioning to come – next five years

Title Holder & Project
Eni Australia Limited - <u>Woollybutt</u>
Santos Limited - <u>Mutineer-Exeter</u>
Woodside Energy Julimar Pty Ltd - <u>Balnaves</u>
Woodside Energy Ltd - <u>Echo Yodel Subsea</u>
Woodside Energy (Australia) Pty Ltd - <u>Stybarrow field</u>
Woodside Energy Ltd - <u>WA-28-L (Enfield)</u>
Woodside Energy (Australia) Pty Ltd - <u>Griffin Development</u>
Woodside Energy (Victoria) Pty Ltd - <u>Minerva Development</u>
Cooper Energy Limited - <u>Gippsland Offshore Development (BMG)</u>
Esso Australia Resources Pty Ltd - <u>Bass Strait Development</u>

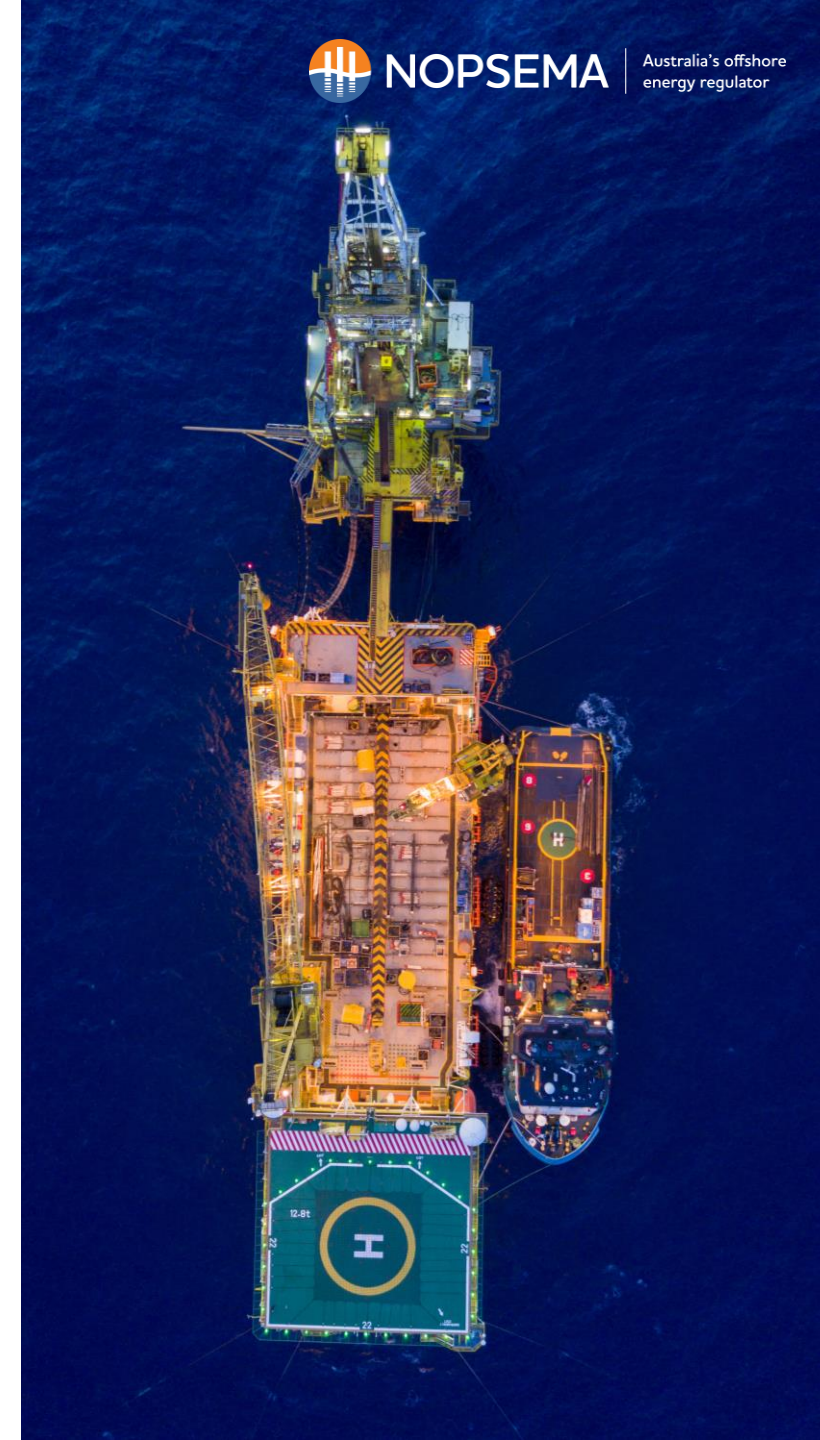


Learnings and key issues

- The General Directions effectively established a pathway to resolve the backlog.
- Long lead decommissioning requirements seem to be under recognised.
- Actual costs can be significantly higher than estimates, especially where planning was late.
- Visibility on EOFL and CoP is limited, and estimates are uncertain.
- The importance of inspection, monitoring and repair of disused property.
- Unseized opportunities:
 - Consolidating existing data, commissioning studies to inform planning, technical innovation and cooperation between title holders.

Learning and key issues

- In situ proposals can only progress by demonstrating environmental benefits are resolving long-term uncertainties:
 - Consistent with principles of Ecologically Sustainable Development (ESD)
 - Consistent with national plans and key documents (e.g. plastics)
 - No impacts on matters of National Environmental Significance (NES)
- Assumptions are not always supported by robust scientific evidence.
- Consider Sea Dumping Act requirements (Abandonment, Dumping or Reefing permits).



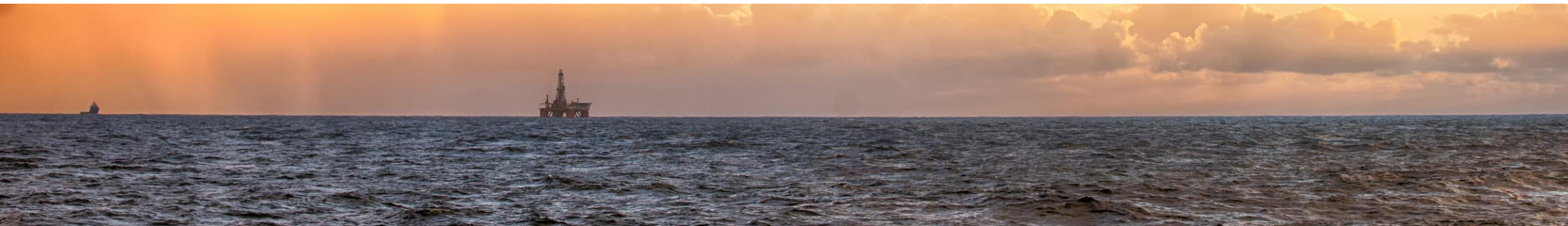
Consultation and community acceptance

Barossa Pty Ltd v Tipakalippa [2022] FCAFC 193 (appeal decision) on 2 December 2022.



Current focus

- Continued compliance monitoring of Tier 1 projects.
- Heightened compliance monitoring of Tier 2 projects, typically operating assets with uncertain or upcoming EOFL/CoP <5 years.
- Continued use of EP revisions to firm up decommissioning expectations and plans.
- Seeking evidence of leadership, planning and provisioning by title holders.
- Collaboration with government departments and agencies (e.g. DCCEE, NOPTA and ASIC) and other organisations (e.g. research bodies, CODA, APPEA).
- Continuing provision of guidance and information to title holders (e.g. indirect impacts).

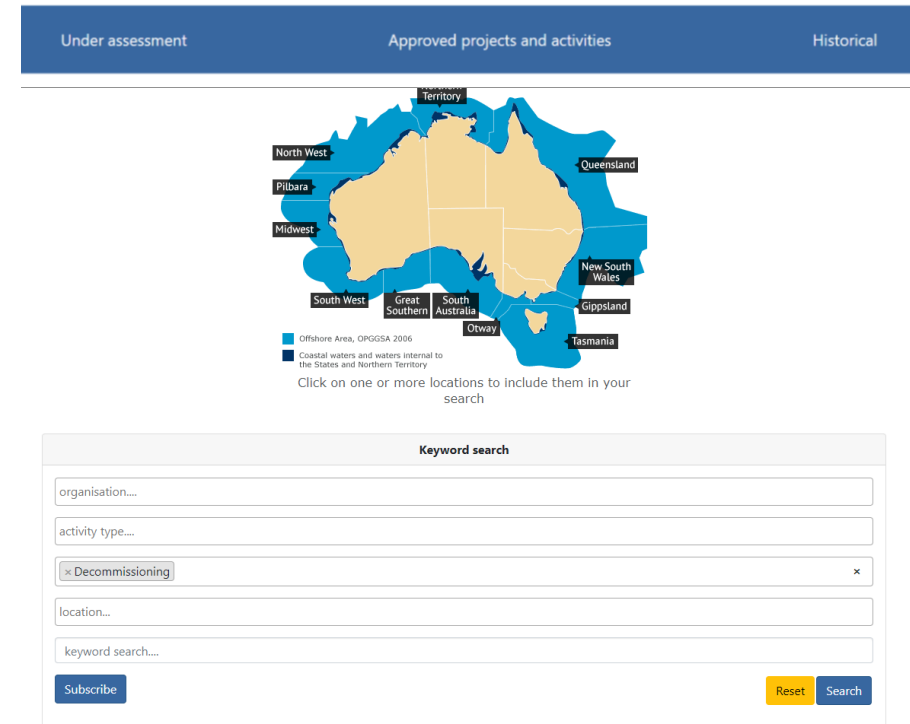


Regulatory guidance update

[Home](#) | [NOPSEMA](#)



The screenshot shows the top navigation bar of the NOPSEMA website. It includes the NOPSEMA logo and name, a search bar, and a 'Careers at NOPSEMA' button. Below this is a horizontal menu with links for 'About', 'Offshore industry', 'Document hub', 'News and resources', 'Contact us', and 'Offshore Infrastructure Regulator'. A vertical sidebar menu on the left lists categories such as 'Safety', 'Well integrity', 'Environmental management', 'Directions, notices and alerts', 'Compliance monitoring and enforcement', and 'Cost effectiveness and levies'. A central panel displays 'To notify N' with a large '1300' and a 'Raise a saf' link. A right-hand panel lists 'Expectations', 'Guidance and tools', and 'NOPSEMA strategy plan and performance'.



The screenshot displays a filter bar at the top with three tabs: 'Under assessment', 'Approved projects and activities', and 'Historical'. Below the filter is a map of Australia with various coastal regions highlighted in blue. Labels on the map include Territory, Queensland, New South Wales, Gippsland, Tasmania, Otway, South Australia, Great Southern, South West, Pilbara, Midwest, and North West. A legend indicates that blue represents the 'Offshore Area, OPGSA 2006' and dark blue represents 'Coastal waters and waters internal to the States and Northern Territory'. Below the map is a 'Keyword search' form with input fields for 'organisation...', 'activity type...', 'location...', and 'keyword search...'. A 'Decommissioning' filter is selected in the activity type field. The form includes 'Subscribe', 'Reset', and 'Search' buttons.

In-force Decommissioning EPs: **17**

Under Assessment Decommissioning EPs: **22**

Regulatory guidance update

NOPSEMA's revised Research Strategy

20.03.2023

Considerations when preparing for decommissioning activities

15.12.2022

Section 572 Maintenance and removal of property regulatory policy

09.12.2022

Section 270 Consent to surrender title policy

02.09.2022

Planning for proactive decommissioning

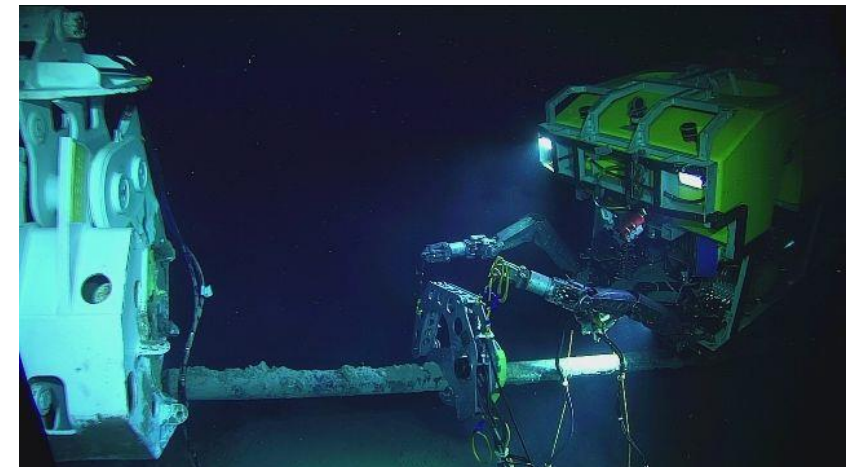
16.12.2021

Decommissioning Compliance Plan

12.05.2021

Decommissioning Compliance Strategy

12.05.2021



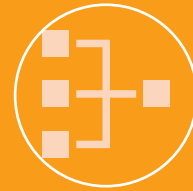
Decommissioning Compliance Strategy and Plan

Vision

Decommissioning of offshore petroleum wells, structures and property is completed in a timely, safe, and environmentally responsible manner.



Ensure titleholders have appropriate plans for decommissioning and are completing activities in a timely manner



Provide certainty to industry regarding their obligations to decommission



Improve understanding and build capacity in safe and responsible decommissioning

OBJECTIVES

Targets

Moored or tethered buoyant infrastructure removed within 12 months of permanently ceasing operation

All wells plugged and closed-off with accepted abandonment report within 3 years of permanently ceasing operation

All structures, equipment and property decommissioned to approved end-state within 5 years of permanently ceasing operation

Thank you

Questions and discussion

**National Offshore Petroleum Safety and
Environmental Management Authority**

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