

Approval notice and statement of reasons

Petroleum (Environment) Regulations 2016 (NT) (Regulations)

Interest Holder	Central Petroleum Ltd (CTP002-02) ABN 95 081 592 734
Petroleum interest/s	PL6 and PL7
Environment management plan (EMP) title	Field Environment Management Plan Dingo Gas Field and Surprise Oil Field for Operations and Maintenance Activities
EMP document reference	Revision 0 prepared by Central Petroleum Ltd dated 23 March 2020
Department of Environment and Natural Resources (DENR) EMP assessment document reference	NTEPA2019/0121-007~0005
Regulated activity	Operation and maintenance of existing Dingo Gas Field (PL7) and maintenance of Surprise Oil Field (PL6)
Is the EMP a new plan submitted under reg 6 or a revision of a current plan submitted in accordance with reg 18?	Five year revision of existing plans for development of Dingo Gas Field (PL7) and Surprise Oil Field (PL6)
Was the regulated activity referred ¹ for consideration whether an environmental impact statement or public environmental report was required?	No
Was an environmental impact statement or public environmental report required?	N/A
Has an Authority Certificate under the <i>Northern Territory Aboriginal Sacred Sites Act 1989</i> (NT) (NTASSA) been issued for the regulated activity?	Yes Authority Certificates C2020/034, C2020/032 NTEPA2019/0121-007~0010, NTEPA2019/0121-007~0011
Date an EMP compliant with reg 8 was first submitted under reg 6	7 February 2020
Dates within which the EMP was published for comment under reg 8A, if applicable	N/A
Date further information was required and submitted under reg 10, if applicable	3 March 2020 NTEPA2019/0121-004~0006
Date of resubmission notice under reg 11(2)(b), if applicable	N/A
Date EMP was resubmitted under reg 11(3), if applicable	N/A
Date a notice setting out a proposed timetable for consideration of the EMP was issued under reg 11(2A) if applicable	N/A
Proposed timetable given in notice under reg 11(2A) if applicable	N/A

¹ This means a referral under the *Environmental Assessment Act 1982* (NT) or the *Environment Protection and Biodiversity Conservation Act 1994* (Cth) (EPBC Act).

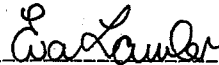
Where provided under s29B of the Northern Territory Environment Protection Authority Act 2012 (NT) (NT EPA Act), the dates the Northern Territory Environment Protection Authority (NT EPA) was requested to, and provided, advice on EMP

Date of Minister's request for advice:
25 February 2019
Date of NT EPA Advice: 6 May 2020

Date of decision

3 / 7 / 2020

Decision maker



Signature

Hon Eva Dina Lawler MLA, Minister for
Environment and Natural Resources

1 Approval notice

1. The EMP is approved.

reg 11(2)(a)

2. The approval is subject to the following conditions:

reg 12(2)

Condition 1: The Interest Holder must submit to DENR, an updated timetable for the regulated activities prior to the commencement of the activity and provide an updated timetable to DENR each quarter thereafter. The timetable must include dates for the implementation of commitments and associated hold points, and progressive rehabilitation activities, including proposed dates for commencement of rehabilitation at each of the Dingo Gas Field and the Surprise Oil Field.

Condition 2: The Interest Holder must submit to DENR within three calendar months of the date of this approval, a site-specific Erosion and Sediment Control Plan for each of Dingo Gas Field and Surprise Oil Field, to guide civil maintenance activities and detail corrective actions.

Condition 3: The Interest Holder must submit to DENR within one month of the date of this approval a groundwater monitoring plan to demonstrate there is no change in groundwater quality as a result of activities at Dingo Gas Field and Surprise Oil Field. The groundwater monitoring plan must include:

- i. a location map (and associated spatial files) for proposed monitoring bores relative to the respective field
- ii. a commitment to commence groundwater monitoring within six months of the date of EMP approval
- iii. a commitment to monitor for the range of analytes specified in clause B.4.17.1 Table 6 of the Code
- iv. development of site-specific performance standards for groundwater quality
- v. a commitment to provide groundwater monitoring reports and data to DENR annually.

Condition 4: The Interest Holder must provide an annual report to DENR on its environmental performance, in accordance with item 11(1)(b) in schedule 1 of the Regulations. The first report must cover the 12 month period from the date of this approval, and be provided within three calendar months of the end of the reporting period. The annual environmental performance report must align with the template prepared by DENR for this purpose and must include a signed declaration by the Interest Holder.

Condition 5: The Interest Holder must not undertake vegetation clearing outside of the current disturbed footprint and any proposed clearing activities outside of the current disturbance footprint must be presented with geospatial data, at least one month prior to proposed commencement, to DENR Petroleum Operations for consideration under the Regulations.

2 Material considered

1. The following material has been taken into account in making this decision:
 - a. Dingo Gas Field and Surprise Oil Field for Operations and Maintenance Activities, PL7 and PL6 EMP, dated 23 March 2020
 - b. The principles of ecologically sustainable development set out in reg 4 and the approval criteria
 - c. The NT EPA advice provided at my request under s29B of the NT EPA Act.
 - d. The Authority Certificate issued under the NTASSA and associated response provided by the Aboriginal Areas Protection Authority.
 - e. The Code of Practice: Onshore Petroleum Activities in the Northern Territory (Code) as set out in reg 4A.

3 Statement of reasons

1. The EMP meets the approval criterion in reg 9(1)(a), because it contains all the information required by Schedule 1 of the Regulations. reg 9(1)(a)
2. The EMP meets the approval criterion in reg 9(1)(b) for the following reasons: reg 9(1)(b)
 - a. The nature of the regulated activities are as follows:

The program occurs at two production licences Dingo Gas Field (DGF; PL7) and Surprise Oil Field (SOF; PL6), and includes the following field activities:

 - i. Maintenance activities at both Dingo Gas Field (DGF; PL7) and Surprise Oil Field (SOF; PL6), involving civil works (access track maintenance, to remediate and prevent ongoing erosion where it is found to exist, removal of vegetation regrowth, repairing fences, maintaining well pads, lease pads and hardstands)
 - ii. Temporary waste storage, disposal and transport
 - iii. Transport, handling and use of hazardous materials and chemicals (which are not permanently stored at either location)
 - iv. Environmental surveys and monitoring, including weed surveys and weekly inspections for erosion

- v. At DGF only, well site operations and workover operations, which may include cleaning sand out of the well, fishing to recover original production equipment, installing equipment to prevent sand from entering the well, replacing liners, plugging the well, repairing casing, and re-perforating existing zones in production, but is not to include drilling activities.
 - b. The scale of the regulated activities is as follows:
 - i. All activities are to occur within the existing approved footprint. There is no clearing of vegetation proposed or approved.
 - ii. The regulated activities do not include groundwater extraction.
 - iii. The regulated activities do not include management of produced water; there is no produced water at SOF as the wells are suspended and the site is non-operational, and produced water from DGF is sent via pipeline to the Brewer Estate City Gate Station (which is not subject to a petroleum title).
 - iv. There are no actively used evaporation ponds on either site.
 - v. Well maintenance activities are not to include drilling.
 - c. The EMP contains an appropriate level of detail for the nature and scale of the activities proposed. The regulated activities are clearly described. The description of the existing environment is informed by adequate field surveys, desktop assessments and knowledge gained from ongoing operations of the facilities. Uncertainty relating to environmental data is clearly stated. The identification of environmental impacts and risks is comprehensive and contains a sufficient level of detail to inform the assessment. The EMP provides detail on environmental outcomes and performance standards, implementation strategy, personnel, emergency contingency plan, stakeholder engagement, legislative requirements, recording, monitoring, reporting and notifications, to an appropriate level of quality and applicability.
 - d. Having regard to the above, the information in the EMP is appropriate for the nature and scale of the regulated activities to which it relates.
3. The EMP meets the approval criterion in reg 9(1)(c) for the following reasons: reg 9(1)(c)
- a. I have considered reg 4(d), which requires that I give fundamental consideration to the conservation of biological diversity and ecological integrity as follows:
 - i. I believe the information I have regarding the existing biodiversity and ecosystems that are to be affected by the regulated activities, the effects that are likely, and the mitigation measures reasonably available, is sufficient.
 - ii. The regulated activities pose a low risk to the ecosystem within the Finke Bioregion (PL7) and the Great Sandy Desert Bioregion (PL6). This EMP does not propose land clearing or civil works. Given the relatively small area of impact, and the very large area of similar habitat within the region, the regulated activities do not pose a significant risk to any regional populations of threatened species. Twelve threatened fauna species have been identified as having potential to occur within the regulated activities area, based on habitat availability; no threatened flora species have been identified as present. Due to the management strategies outlined in the EMP and the relatively small area of impact, it is unlikely that the regulated activities will pose a risk to the identified threatened species. Impacts and risks to flora, fauna, and ecosystems have been mitigated to an acceptable level.
 - iii. The conservation of biological diversity and ecological integrity is vital to the achievement of ecologically sustainable development. Given the fundamental

nature of this consideration, I have given central importance to the conservation of biodiversity and ecological integrity in weighing whether I am satisfied the approval criterion in reg 9(1)(c) has been met.

- iv. If carried out in accordance with the EMP, the regulated activities are not considered to have an impact on the conservation of biological diversity. The EMP outlines measures to minimise impacts on affected environmental values, including maintaining surface water and groundwater quality, soil quality and habitat integrity. The potential impacts and risks of the regulated activities identified in the EMP relate to animal welfare and do not pose a significant risk to threatened species at a population level due to the low likelihood of threatened species inhabiting the area and implementation of control measures to avoid impacts to fauna. The EMP outlines measures to minimise impacts on fauna, including control measures to prevent interactions of fauna with vehicles and heavy machinery.
 - v. Where relevant, management measures are consistent with the requirements of the Code, including preparation of a weed management plan, a fire management plan, an erosion and sediment control plan and inclusion of water management commitments outlined in the EMP. The EMP includes the required elements of a spill management plan and an emergency response plan. There is no proposed use of groundwater and there is no onsite management of produced water, and hence a wastewater management plan is not included.
 - vi. If carried out in accordance with the EMP, the regulated activities are not considered to have an impact on the conservation of ecological integrity.
- b. I have considered reg 4(a) (which concerns the integration of long-term and short-term economic, environmental, social and equitable considerations) as follows:
- i. The expression *environment* as defined in the *Petroleum Act 1984* relevantly includes the well-being of humans, structures made or modified by humans, amenity values of an area and economic, social and cultural conditions. The requirements under the Regulations include stakeholder engagement and a broad consideration of the environmental impacts and environmental risks of the regulated activities in question. In making that broad consideration, the long-term and short-term environmental impacts and environmental risks were identified and assessed in the EMP.
 - ii. The regulated activities are low impact and are ongoing, and for DGF, are critical to gas supply for the town of Alice Springs. The EMP adequately assesses the environmental impacts and risks associated with the regulated activities and outlines appropriate avoidance and mitigation measures. This includes the assessment and management of social impacts and risks, including the appropriate management of cultural heritage. An Authority Certificate under the NTASSA has been issued for the regulated activities. The Interest Holder has undertaken stakeholder engagement with landholders and land managers, traditional owners and the Central Land Council (CLC) and has consulted with Northern Territory Government agencies, in accordance with regulations 7 and 9 of the Regulations.
 - iii. The regulated activities have considered environmental controls that ensure well integrity and long term protection of aquifers. These controls are appropriately described in the EMP and will be documented in the Well Operations Management Plans approved by, and with oversight from, the

Department of Primary Industry and Resources. In addition, a groundwater monitoring program has been committed to, to allow for ongoing confirmation that previously installed gas and oil wells have not had an impact on groundwater quality.

iv. No extraction licenses are currently required for the regulated activities. Any future consideration of groundwater use will include an application for an extraction license.

v. The EMP in this case is considered to have adequately assessed and integrated economic, social and environmental considerations.

vi. I observe that in carrying out the regulated activities there is no particular contest between economic, social and environmental considerations that requires further mention.

vii. Accordingly, I am satisfied that the concept of integration has been taken into account.

c. I have considered reg 4(b) (which concerns the 'precautionary principle') as follows:

i. The regulated activities do not pose a threat of serious or irreversible environmental damage which warrants the application of the precautionary principle.

d. I have considered reg 4(c) (which concerns the principle of intergenerational equity) as follows:

i. The environmental burdens of the regulated activities will not disproportionately affect particular stakeholders. No gas is routinely vented or flared within the DGF or SOF. Maintenance activities include leak detection at both locations and reports are made under the National Greenhouse and Energy Reporting Scheme.

ii. Cumulative impacts of the activity have been assessed as not increasing as currently the Interest Holder has the only producing conventional gas field in the region, there is no routine flaring or venting at either location, and ongoing maintenance activities aim to minimise cumulative impacts that may arise from leaks and spills.

iii. Cultural values relating to sacred sites will be protected through the application of Authority Certificates issued to the Interest Holder under the NTASSA and measures for reporting on discovery of archaeological sites during civil maintenance activities. No new ground disturbance is planned to occur. Accordingly I do not believe that the carrying out of the regulated activities in accordance with the EMP would have an effect contrary to the principle of intergenerational equity.

e. I have considered reg 4(e) (which concerns the promotion of improved valuation, pricing and incentive mechanisms) as follows:

In accordance with the 'polluter pays principle':

(1) The Interest Holder has committed to the remediation of impacts of the regulated activities, as is set out in the EMP.

f. The NT EPA did not consider the EMP required assessment as a Notice of Intent under the *Environmental Assessment Act 1982*, as the regulated activities are low impact and cover existing approved facilities and ground disturbance. reg 9(2)(b)

- g. The NT EPA has provided the following in relation to the regulated activities and the EMP:
- i. In accordance with my request under s29B of the NT EPA Act, the NT EPA reviewed the EMP for the regulated activities against the approval criteria in regulations 9(1)(b), 9(1)(c) and 9(2)(a) of the Regulations and other matters the NT EPA considered relevant, and has provided advice about the EMP.
Relevantly:
 - (1) The NT EPA recommended that should the EMP be approved, it be subject to five conditions. The NT EPA's recommendations have informed the conditions of this approval. All conditions are outlined in section 1 (2) of this Approval Notice.
 - (2) The NT EPA concluded that the EMP for the regulated activities, subject to the recommended approval conditions, is appropriate for the nature and scale of the regulated activities and demonstrates that the regulated activities can be carried out in a manner that environmental impacts and environmental risks of the activity will be reduced to a level that is as low as reasonably practical and acceptable.
 - ii. I have considered the NT EPA's advice and recommendations and these have been incorporated where relevant into the comments in this statement of reasons and the conditions in the Approval Notice.
- h. The existing environment along with its particular values and sensitivities is appropriately identified in Section 5 of the EMP. reg 9(1)(c)
- i. The anticipated environmental risks are appropriately identified in Section 7 of the EMP.
 - j. I agree with the risk assessment set out in Section 7 of the EMP, and to the extent I do not agree or there is some uncertainty, I have imposed conditions to address the relevant risk or risks.
 - k. The Interest Holder's risk assessment is applicable to activities in all seasons and the outcomes are reflected in the EMP that includes water management commitments and the required elements of an emergency contingency plan and spill management plan. This is consistent with the requirements of the Code that allows for regulated activities to occur in the wet season months when contingency planning is provided and minimum freeboard in wastewater infrastructure is maintained.
 - l. The anticipated environmental impacts are appropriately identified in Section 7 of the EMP. The regulated activities are a continuation of current activities and cumulative effects have been identified and assessed. In EMPs for subsequent stages (if they proceed) the Interest Holder will need to continue to address cumulative effects.
 - m. The EMP demonstrates how the Interest Holder will comply with relevant requirements of the Code in undertaking these regulated activities. This includes reference to applicable ISO/API and other standards that have been adopted for regulated activities, as applicable. The EMP cross references relevant sections of the Code that apply to the mitigation and management measures to enable the reviewer to identify and confirm that the proposed activities comply with the Code, as applicable. The EMP provides water management commitments, a methane emissions monitoring plan, a fire management plan, a rehabilitation management plan, the required elements of a spill management plan, an

emergency response plan, well integrity measures and monitoring commitments that meet the requirements of the Code.

- n. I am satisfied that the Interest Holder has conducted ongoing stakeholder engagement in accordance with the Regulations. The EMP provides details of stakeholder engagement that meets Regulation 7 and Schedule 1, Clause 9 of the Regulations (Section 14 and Appendix 5). Stakeholder engagement records (Appendix 5) demonstrate that stakeholders did not raise objections about environmental impacts of the proposed activity that required specific changes from the Interest Holder. The EMP provides details of written feedback and input from stakeholders as part of the stakeholder engagement records. The risk assessment in the EMP details the potential environmental impacts of the activity and proposed environmental outcomes to manage impacts on social and cultural surroundings.
- o. I recognise the importance the community places on the protection of water, human health management of chemicals and waste, stakeholder engagement, social impacts and regulation and compliance. The EMP appropriately identifies the risks and potential impacts from the regulated activities and commits to mitigation and management measures to address these risks and potential impacts.
- p. There are no environmental impacts or environmental risks relating to the proposed regulated activities which I consider to be unacceptable.
- q. Overall, having regard to the above, I am satisfied that the EMP demonstrates that the regulated activities are to be carried out in manner by which the environmental impacts and environmental risks are reduced to a level that is:
 - i. as low as reasonably practicable; and
 - ii. acceptable.