

Approval notice and statement of reasons

Petroleum (Environment) Regulations (NT) (Regulations)

Interest holder	Central Petroleum (NT) Pty Ltd
Petroleum interest/s	OL3
Environment management plan (EMP) title	Field Environment Management Plan 2019
EMP document reference	PVL-650-PLN-0001 Rev 6
DPIR EMP assessment document reference	E2015/0046~0103
Regulated activity	Operations and Maintenance of the existing Palm Valley Gas Field
Was the regulated activity referred ¹ for consideration whether an environmental impact assessment or public environmental report was required?	No Palm Valley Gas Field is an existing and ongoing operation with no new disturbances proposed under the EMP. Refer to Section 4.1.1
Was an environmental impact assessment or public environmental report required?	No - Refer above.
Date EMP was first submitted under reg 6	22/11/2016
Date further information was submitted under reg 10, if applicable	27/02/2018 17/04/2018 19/10/2018 08/11/2018 06/12/2018 11/01/2019 29/01/2019
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 of decision	<u>15 / 02 / 2019</u>
Decision maker	<u>Paul Kirby</u> Signature Paul Andrew Kirby Minister of Primary Industry and Resources

1 Approval notice

1. The EMP is approved. reg 11(a)
2. The approval is subject to the following conditions. reg 12(2)
 - a. Determination of an environmental security in a form accepted by the DPIR to be submitted no later than the 14 March 2019;

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

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- b. The quantum of the security determined under condition 2(a) is to be submitted to and received by the department on or before 12 June 2019 or as agreed to by the DPIR.
- c. A plan for the appropriate removal and disposal of the accumulated salts/sediments from the PV9 evaporation pond, is to be submitted to the DPIR on or before 31 May 2019.

2 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 activity is as follows:
 - i. General operations and maintenance of the Palm Valley Gas Field
 - b. The scale of the regulated activity is as follows:
 - i. The scale of the activity is considered low-moderate as this EMP is for the ongoing operations of the existing Palm Valley Gas Field and requires no additional clearing. Activities are confined to the existing disturbance footprint and limited to the general operations as described in the Palm Valley Field EMP.
 - c. The Palm Valley Field EMP contains an appropriate level of detail for the nature and scale of the activities proposed being ongoing operations of the existing Palm Valley Gas Field. The identification of the activity, environment, environmental risks, and environmental impacts is comprehensive and contains a sufficient level of detail. The assessment of risks, environmental outcomes and performance standards, implementation strategy, personnel, emergency contingency plan, stakeholder engagement, legislative requirements, recording, monitoring, reporting and notifications is detailed 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 activity to which it relates.
3. The EMP meets the approval criterion in reg 9(1)(c) for the following reasons: reg 9(2)(a)
 - 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 activity; the effects that are likely; and the mitigative measures reasonably available, is sufficient.
 - ii. The regulated activity poses a low risk to the ecosystem in the OL3 area. The regulated activity does not include any additional clearing as the activities are within the existing Palm Valley Gas Field disturbance area. The build-up of sediment in the PV9 evaporation pond contributes to the operator's environmental liability and limits the available contingency water storage at the Palm Valley Gas Field. While there are other means of dealing with excess water, additional water storage should be available as a contingency measure. Whilst this is considered a low risk, Condition 2(d) has been included to address this contingency, which is also geared towards reducing future environmental liabilities. All other risks to flora, fauna and ecosystems has been addressed and mitigated to an appropriate standard. I consider that the mitigation measures identified in the EMP and under the condition 2(d) will effectively manage the environmental risks of the regulated activity. 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.

- iii. If carried out in accordance with the EMP, the risks of the regulated activity to the conservation of biological diversity is considered to be low.
 - iv. If carried out in accordance with the EMP, the risks of the regulated activity to the conservation of ecological integrity is considered to be low.
- 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 Regulations 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 activity 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. In this way, the concept of integration has been implemented.
 - ii. In carrying out the regulated activity a contest between economic, social and environmental considerations that requires further mention. The current security for the regulated activity is considered insufficient to cover the current costs of rehabilitation of the Palm Valley Gas Field. To bring the project in-line with the current *Petroleum (Environment) Regulations* and environmental standards, the Field EMP was updated with this approval representing that achievement. Condition 2(a) and 2(b) have been included on the approval requiring Central Petroleum to calculate and submit an appropriate environmental security to the satisfaction of the DPIR. These conditions have been developed to allow sufficient time for an appropriate security calculation to be developed with consideration for the complexity of the calculation over historical works. With consideration that the Palm Valley Gas Field is an existing field and that no additional disturbances are proposed, approval will be granted on the condition that the security requirements be addressed within a strict timeframe as per the Approval Notice Conditions.
 - iii. 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 activity does 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 activity will not disproportionately affect particular [future or present] stakeholders. Accordingly I do not believe that the carrying out of the regulated activity 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:
 - i. In accordance with the 'polluter pays principle':
 - (1) The interest holder will cover the cost of remediation of the impacts of the regulated activity, as is set out in section 11 of the EMP
 - (2) If the interest holder fails to remediate the impacts, a security is held by the Minister which is not currently considered adequate to cover the resulting costs. This will be addressed in accordance with 3(e)(ii) and condition 2(a) and 2(b) of this approval.
 - ii. The regulated activity is an existing and ongoing operation which was originally approved under former legislation. The security held against this Oil Lease is not considered sufficient to cover the current costs of remediation. To counteract this issue Central Petroleum are required to calculate an appropriate environmental security to the satisfaction of the DPIR in accordance with condition 2(a) and 2(b).
 - iii. Through the above, the interest holder will be incentivised to complete rehabilitation work to recover their security.
- f. No environmental report or statement has been required to be prepared in relation to the regulated activity under the Environmental Assessment Act. Section 4.1.1 of the EMP outlines the operations against the Northern Territory Environment Protection Authority's standards and objectives for referral under the NOI process. It was determined that the regulated activity does not have the potential to have a significant effect on the environment. As such referral was not required. reg 9(2)(b)
- g. The existing environment along with its particular values and sensitivities is appropriately identified in section 5 of the EMP. reg 9(1)(c)
- h. The anticipated environmental risks are appropriately identified in section 7 of the EMP.
- i. I agree with the risk assessment set out in section 7 of the EMP.
- j. The anticipated environmental impacts are appropriately identified in section 7 of the EMP. I agree this is a reasonable identification of the environmental impacts of the regulated activity.
- k. There are no environmental impacts or environmental risks relating to the proposed regulated activity which I consider to be unacceptable.
- l. Overall, having regard to the above, I am satisfied that the EMP demonstrates that the regulated activity is 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.