



Department of **Energy, Mines,
Industry Regulation and Safety**

Policy

Decommissioning of petroleum and geothermal energy property, equipment and infrastructure in Western Australian onshore areas and State coastal waters

March 2024

For activities regulated under the *Petroleum and Geothermal Energy Resources Act 1967*, *Petroleum Pipelines Act 1969* and *Petroleum (Submerged Lands) Act 1982*.

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Version History

Version	Date	Changes
0.1	2023	Draft for consultation
1.0	2024	Final post consultation

Purpose

This document outlines the Department of Energy, Mines, Industry Regulation and Safety's (DEMIRS) position for the decommissioning of onshore petroleum and geothermal energy property, equipment and infrastructure pursuant to the *Petroleum and Geothermal Energy Resources Act 1967* (PGERA) and *Petroleum Pipelines Act 1969* (PPA) and decommissioning in State coastal waters pursuant to the *Petroleum (Submerged Lands) Act 1982* (PSLA) (together, the Petroleum Acts).

Objective

The objective of this document is to articulate DEMIRS' expectations for the decommissioning of petroleum, geothermal energy or pipeline property and associated disturbance areas, and the rehabilitation of affected lands and waters in Western Australia (WA).

Scope

This policy applies to activities regulated under the Petroleum Acts and associated regulations. The suite of regulations establish that decommissioning is to be addressed in Environment Plans, Field Management Plans, Geothermal Energy Recovery Development Plans, Well Management Plans and Safety Cases or Safety Management Systems, which are required to be submitted for each proposed activity.

Policy

DEMIRS' position for decommissioning and rehabilitation is guided by the below key principles.

1. Early planning, continual review and preparation is critical to decommissioning and rehabilitation success

- Early and appropriate planning, including stakeholder engagement, is critical to the success of decommissioning and rehabilitation. Decommissioning planning must be integrated in the life of activity planning and should start as early as possible and continue through to final surrender / relinquishment of the title.
- Rehabilitation closure planning should demonstrate that ecologically sustainable closure can be achieved consistent with the agreed post-activity end state, outcomes and land uses, and without unacceptable liability to the State. Closure planning should be adaptive, identify relevant experience from other projects and be informed by research and scientific data. Planning should identify good quality rehabilitation material that is suitable and intended to be used during rehabilitation.
- Post-activity land uses should be identified and agreed upon where possible through consultation with relevant stakeholders before approval of new projects, and should take into account the operational life span of the project. For all projects, post-activity land uses should be agreed as soon as practicable.
- Environmental legacies (such as contaminated sites) that may restrict the post-activity land use(s) should be identified, as well as an appropriate course of action for remediation and monitoring to be undertaken until closure objectives are met.
- It is important that the cost of decommissioning and rehabilitation is factored into projections of economic limits prior to the field becoming uneconomic to ensure financial and environmental liabilities are accurately accounted for.
- DEMIRS expects the information for decommissioning planning provided in application documents to be commensurate to the nature, scale and duration of the relevant activity.

2. Progressive decommissioning and rehabilitation should be undertaken as early as possible in the development phase

- Progressive decommissioning and rehabilitation should be undertaken in a safe and environmentally responsible manner. DEMIRS will use a risk-based approach to provide an indicative guide for the timing for asset decommissioning.
- If any property, equipment or infrastructure is not in use and has no demonstrated future use (via accepted permissioning documents), registered holders are expected to undertake decommissioning of such property, equipment or infrastructure. As a minimum, and subject to case-by-case consideration, DEMIRS expects decommissioning and rehabilitation activities to be undertaken when any property, equipment or infrastructure:
 - ▶ is not currently in use;
 - ▶ has no recent history of use;
 - ▶ has not been maintained in working order such that it can be used; or
 - ▶ has no associated permissioning documents allowing for and outlining plans for future use.

3. Case-by-case consideration is appropriate but the end goal should be the complete removal of property and return the site to an agreed state

- Consistent with DEMIRS' Environmental Regulatory Strategy and overall objective for environmental regulations, DEMIRS' position is that equipment, facilities and infrastructure related to resource industry activities are to be decommissioned and rehabilitated:
 - i) to be safe, stable and non-polluting;
 - ii) in an ecologically sustainable manner;
 - iii) consistent with agreed environmental outcomes and end land uses; and
 - iv) without unacceptable liability to the State.
- DEMIRS operates with the base case of full removal of all property, equipment and infrastructure unless it can be demonstrated that it is more beneficial to leave property, equipment and infrastructure in situ. Exceptions to full decommissioning may be considered on a case-by-case basis.
- Approval to leave property, equipment and infrastructure in situ will only be provided in instances where it can be demonstrated that equal or greater sustained / long-term outcomes are likely to be achieved.
- It is very unlikely that DEMIRS will approve operators leaving any plastics in situ; any decision to do so will be considered at the Minister's discretion and may, in part, take into account the feasibility of removing the plastics. Operators and title holders should apply a whole-of-lifecycle approach in the design and planning phase of their projects and consider the use of alternative materials to plastics, where appropriate, for use in cases where later removal may have potential environmental impacts or not be feasible.
- DEMIRS expects registered holders to monitor the status of the affected environment (and any infrastructure that has been approved to be retained / left in situ) and undertake remedial works to address any subsequent risks or impacts. The duration of the monitoring phase will occur over a number of years and will be risk-based, before any title can be surrendered.

Definitions

Activity

A petroleum activity or a geothermal activity.

Environment

- a) Ecosystems and their constituent parts, including people and communities;
- b) Natural and physical resources;
- c) the qualities and characteristics of locations, places and areas; and
- d) the heritage value of places.

This includes the social, economic and cultural features of the matters mentioned in paragraphs (a), (b), (c) and (d).

Environment Plan

In relation to an activity, means an environment plan submitted by the operator of the activity that is approved and revised from time to time but does not include:

- if the environment plan is approved in part – that part of the plan that is not approved; or
- an environment plan for which the approval has been withdrawn.

Environmental Impact

Any change to the environment, whether adverse or beneficial, that wholly or partly results from an activity of an operator.

Field Management Plan

A plan submitted by the licensee or applicant for a licence, for the recovery of petroleum from a petroleum pool that is approved and revised from time to time.

Geothermal activity

- Any operations or works carried out in the State under a geothermal instrument; or
- any other operations or works carried out in the State relating to geothermal exploration or development which may have an environmental impact, and includes (but not limited to):
 - seismic or other surveys;
 - drilling;
 - hydraulic fracturing;
 - construction and installation of a facility;
 - operation of a facility;
 - modification of a facility;
 - decommissioning, dismantling or removing a facility; and
 - processing or conveyance of geothermal energy.

Maintained in working order such that it can be used

The state of an asset and whether it is fit to operate or able to be operational with minor repairs. That is, the asset is not in a substantial state of disrepair rendering it to be unable to be safely and effectively operated.

No recent history of use

A lack of use or operation within a recent period of time or approximately, the last five years.

Operator

- If there is a person recorded by the Minister as the operator of the activity; or
- in any other case:
 - if there is a petroleum instrument or geothermal instrument for the activity - the person responsible to the instrument holder for the overall management and operation of the activity (whether or not the activity has commenced); or
 - if there is no petroleum instrument or geothermal instrument for the activity - the person carrying out the activity.

Petroleum activity

- Any operations or works carried out in the State under a petroleum, geothermal or pipeline instrument; or
- any other operations or works carried out in the State relating to petroleum exploration or development which may have an environmental impact, and includes (but not limited to):
 - seismic or other surveys;
 - drilling;
 - hydraulic fracturing;
 - construction and installation of a facility;
 - operation of a facility;
 - modification of a facility;
 - decommissioning, dismantling or removing a facility; and
 - processing, conveyance and storage of petroleum.

Recent history

A period not greater than five years from the current date or at the Minister's discretion.

Registered holder

In relation to a permit, drilling reservation, lease, licence, special prospecting authority or access authority, means the person whose name is for the time being shown in the Register as being the holder of the permit, drilling reservation, lease, licence, special prospecting authority or access authority.

Can be any of the following under the Petroleum Acts:

- ▶ a permittee
- ▶ a lessee
- ▶ a licensee
- ▶ any other authority holder

Well Management Plan

A plan submitted by the operator, for the activity to be carried out in relation to a well, that is approved and revised from time to time.

Government of Western Australia

**Department of Energy, Mines, Industry Regulation
and Safety**

8.30am – 4.30pm

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