

Frequently Asked Questions

Title requirements for undertaking exploration operations and other activities outside of a title area

All information should be read in conjunction with the <u>Offshore Petroleum and Greenhouse Gas Storage Act 2006</u> (the OPGGS Act), associated regulations, relevant guidelines, fact sheets and policies (available on <u>NOPTA's website</u>).

The purpose of this document is to provide a set of frequently asked questions (FAQs) on title requirements following the decision of the Full Federal Court in the *Commissioner of Taxation v Shell Energy Holdings Australia Limited* [2022] FCA FC 2, on appeal from *Shell Energy Holdings Australia Limited v Commissioner of Taxation* [2021] FCA 496 (the Judgments) on the extended meaning of 'explore' under the OPGGS Act.

This FAQ should be read in conjunction with the

- Offshore Petroleum: Special Prospecting Authority, Access Authority & Scientific Investigation Consents Guideline
- Fact Sheet: The Offshore Greenhouse Gas Search Authority, Special Authority and Research Consents
- Fact Sheet: Updated licensing requirements for petroleum and greenhouse gas activities following the Federal Court ruling in the Commissioner of Taxation v Shell Energy Holdings Australia Limited.

Please note: this document is intended as a guide only and should not be relied on as legal advice or regarded as a substitute for legal advice in individual cases. Legislative references in this FAQ relate to the OPGGS Act unless stated otherwise.

Overview

The Judgements clarified the term 'explore' under the OPGGS Act should be given a broader meaning than discovery operations, as it has been to date, and should include appraisal and operations to determine the commercial viability of a discovery. NOPTA will apply the following petroleum-referenced questions and responses to GHG title types and operations. The Judgements do not alter the purposes or rights of sections 242 or 415 of the OPGGS Act.

Questions

I have a retention lease and will be drilling appraisal wells. Is this exploration and do I need an additional authority?

Works conducted in a retention lease are considered exploration in nature as their purpose is to determine the commercial viability of the recovery of a resource. Provided all operations are conducted within the boundary of the lease area, no additional title is required. However, if any infrastructure to support the drilling is to be placed outside the lease area, an additional title right such as an access authority (AA), will be required.

I need to conduct a pre-drill seabed survey. Does this require an additional authority?

It does not matter if the survey is for exploration or for other purposes regulated under OPGGS Act, provided the activity falls within the existing title for which the titleholder has rights.

If any part of the survey is to be conducted outside of the title, an authority giving rights to conduct the survey outside of the title is required.

To determine the placement of seabed infrastructure, surveys, including biota environmental, cultural heritage and geotechnical, will need to be completed. Is a title required?

To undertake these activities a title or authority is required as they may be considered exploration in nature. If any part of the operation/s are to be conducted outside of a title with existing rights, please contact NOPTA to discuss if an authority is required.

I will need to undertake a site/seabed survey to map the best route to lay a pipeline prior to applying for a pipeline licence. Is this exploration and do I need a title?

Yes. A survey undertaken prior to the grant of a pipeline licence to determine the best route or placement of the pipeline is considered exploration in nature. A title right, such as an AA or equivalent, will be required to ensure the operation/s is conducted without breaching the OPGGS Act by exploring without a title right.

Do I require an additional authority to conduct routine survey monitoring and/or maintenance on my licenced pipeline?

The right to conduct routine surveys to monitor and maintain a pipeline is authorized under the rights of a pipeline licence. Provided operations are conducted within the parameters specified on the licence instrument and conditions, no further title would be required.

For any proposed operations that may not be covered by the pipeline licence, NOPTA recommends titleholders meet during the planning stages to discuss whether an authority would be required or if a variation to the existing licence is the appropriate way forward.

www.nopta.gov.au Version 1.0



Frequently Asked Questions

I hold a petroleum production licence and a pipeline licence to convey hydrocarbons from the petroleum field to the onshore. Further, I have a petroleum retention lease and intend conducting feasibility studies and surveys to determine the best methodology to tie-in the retention lease resource to my existing infrastructure. Would this now be considered exploration, and do I need an additional title right?

Yes, these activities would be considered exploration in nature. However, no additional title rights would be required to conduct desktop or feasibility studies or to conduct operations within the boundary of, and under the rights of, your existing titles. A right given by an additional authority right would be required for any part of the operation/s conducted outside of your existing title boundaries or beyond their existing title rights. NOPTA suggests early consultation.

A licensee is about to drill a series of development wells within its licence which will require a semi-submersible MODU. Preliminary engineering indicates one of the cans, some of the anchors, some of the mooring lines will extend beyond the licence area? Is this now considered exploration?

No, operations related to the recovery of petroleum remain unchanged. However, the requirement to have a title over any part of the operation or the placement of supporting infrastructure that is outside the production licence remains. The exception would be if the area in which the operations are to be undertaken, or infrastructure placed, will be wholly within the boundary of a further title giving those rights held by the same titleholders as the petroleum production licence.

A licence holder wishes to permanently anchor or moor or tether a structure such as a platform or FPSO, and the infrastructure will be either partially or wholly outside the licence area. Will an AA be required?

The permanent placement of infrastructure cannot be achieved under an AA or other authority type. Please contact NOPTA to discuss the potential requirement for an infrastructure licence.

I hold a petroleum title and an overlapping greenhouse gas (GHG) title. Can I conduct a survey or conduct another petroleum operation beyond the boundary of my petroleum title under my GHG title rights, or vice versa?

A petroleum titleholder has the right to explore for GHG storage formations and GHG injection sites within the boundary of the petroleum title. Those rights do not extend to a special prospecting authority (**SPA**) or AA.

A GHG titleholder does not have a reciprocal right to explore for petroleum.

Depending on the purpose of the operation, and area the operations are proposed to be undertaken, it is possible that multiple authority types may be required.

Prior to commencing any operations, it is advisable to contact NOPTA and discuss the titleholder's permissions.

Are the requirements the same for greenhouse gas titleholders in each of the above scenarios?

NOPTA will apply the same principles to GHG titles and GHG operational activities.

Questions

If you have any further questions, please contact NOPTA via titles@nopta.gov.au for petroleum related enquiries, and GHG@nopta.gov.au for GHG related enquiries.

Version history

	Version	Date	Comment
	1.0	08/01/2025	Creation of the FAQs

www.nopta.gov.au Version 1.0