

# Guideline: Offshore Greenhouse Gas Assessment Permits – Work-bid

In relation to the Offshore Petroleum and Greenhouse Gas Storage Act 2006

Effective 24 January 2025

This document has been developed as a general guide only. It is subject to, and does not replace or amend the requirements of the <u>Offshore Petroleum and Greenhouse Gas Storage Act 2006</u> and associated regulations, which should be read in conjunction with the Offshore Greenhouse Gas Storage Guideline for Work-bid Greenhouse Gas Assessment Permits (Guideline: Offshore Greenhouse Gas Assessment Permits – Work-bid or the Guideline).

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This document has been prepared by the <u>Department of Industry, Science and Resources</u> (the Department). It will be reviewed and updated as required.

This document is available online at www.nopta.gov.au.

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# 1. Purpose

- 1.1 The purpose of this guideline is to provide information on the grant, administration and management of offshore work-bid greenhouse gas (GHG) assessment permits under <a href="Chapter 3 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006">Chapter 3 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006</a> (the OPGGS Act). This includes an overview of the requirements for all relevant processes including:
  - a) the grant of a work-bid GHG assessment permit
  - b) suspension, extension, variation and exemption applications
  - c) surrender of permits
  - d) expiry of permits
  - e) cancellation of permits
  - f) renewal of permits.
- 1.2 This guideline also assists applicants and titleholders to understand the expectations of the responsible Commonwealth Minister (RCM) when making decisions on GHG assessment permit applications under the <a href="OPGGS Act">OPGGS Act</a>.

# 2. Overview of a work-bid greenhouse gas assessment permit

- 2.1 A GHG assessment permit authorises the titleholder to explore within the area that is the subject of the permit (the permit area) for potential GHG storage formations and potential GHG injection sites. Assessment activities, such as seismic acquisition and drilling, can occur subject to relevant regulatory approvals being met. This includes approval by the RCM for the titleholder to undertake a key GHG operation (section 292 of the OPGGS Act), and the acceptance of environment plans, well operations management plans and safety cases by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). Additional environmental approvals, including under the Environment Protection and Biodiversity Conservation Act 1999 and the Environment Protection (Sea Dumping) Act 1981, will also be required.
- 2.2 A GHG assessment permit is awarded, subject to conditions, which may be suspended and/ or varied, for an initial term of six (6) years, with the potential for extension in certain circumstances. At the end of the initial term, the GHG assessment permit may be renewed for two (2) further terms of three (3) years each. Each term may be extended in certain circumstances.
- 2.3 If the titleholder has reasonable grounds to suspect that there may be an *eligible GHG storage* formation situated wholly within the permit area, they must notify the RCM, in accordance with section 451 of the OPGGS Act. The titleholder may then apply for a declaration of identified GHG storage formation. Please refer to the Guideline: Declaration of Identified Greenhouse Gas Storage Formation (including under a Cross-boundary Greenhouse Gas Assessment Permit) and Notification of an Eligible Greenhouse Gas Storage Formation (Guideline: Greenhouse Gas Storage Formations) for next steps.
- 2.4 All communication with the RCM must be through the <u>National Offshore Petroleum Titles</u> Administrator (NOPTA).

# 3. Legislative framework

- 3.1 The <u>OPGGS Act</u> governs Australia's offshore petroleum and GHG storage regulatory framework. It articulates the framework of rights, entitlements and responsibilities of governments and industry. An object of the <u>OPGGS Act</u> is to provide an effective regulatory framework for GHG injection and storage in offshore areas.
- 3.2 The legislative framework creates a regime that enables progression from GHG storage assessment through to injection, site closing and decommissioning, and managing long term liabilities.
- 3.3 It is the responsibility of applicants to understand their obligations under other Commonwealth environmental legislation and to seek all necessary approvals.

Note: All legislation references in this guideline are from the OPGGS Act, unless stated otherwise.

# 4. Obtaining a work-bid greenhouse gas assessment permit

#### **Division 2 of Part 3.2 of the OPGGS Act**

#### Overview

- 4.1 To responsibly manage resources, the Australian Government seeks to ensure applicants are capable, competent, can responsibly manage their activities and meet all regulatory obligations.
- 4.2 The release of offshore GHG storage acreage is managed by the Department and areas are released for bidding after consultation. Applications are submitted as part of a competitive bidding process.
- 4.3 The RCM awards a GHG assessment permit to the applicant that:
  - a) best proposes a work strategy and work program that will significantly advance the understanding of the *fundamental suitability determinants* of potential GHG storage formations and potential GHG injection sites (see <u>paragraph 4.15 of this Guideline</u>)
  - b) best demonstrates potential GHG storage formations or potential GHG injection sites within the permit area
  - c) has a satisfactory record of past performance.
- 4.4 In accordance with subsection 296(3) of the OPGGS Act, the RCM must also consider:
  - the technical advice and financial resources available to the applicant to carry out the proposed work program, per <u>subsections 298(2A) and (2B) of the OPGGS Act</u>
  - b) the matters specified in section 695YB of the OPGGS Act, and
  - c) any other matters prescribed by the regulations.

Refer to the bid assessment section below and the Guideline: Applicant suitability.

4.5 The RCM offers assessment permits subject to a set of standard conditions. If deemed appropriate, the RCM may also place additional conditions on the permit in accordance with <u>subsection 291(1) of the OPGGS Act</u>. See paragraphs 5.15 to 5.18 of this Guideline.

## How to apply

### Application requirements

- 4.6 To be validly made an application must be:
  - a) in the approved application form, correctly completed and executed, and be accompanied by any information or documents required by the application form, in accordance with subsection 296(3) and section 426 of the OPGGS Act, and
  - b) submitted within the timeframe specified in the relevant <u>Australian Government Gazette</u> notice.
- 4.7 For further information on submission requirements refer to section 7 of this Guideline.

#### Additional information requirements

- 4.8 Applications should be compliant with the requirements published in the <u>Australian Government</u>

  <u>Gazette</u> notice inviting applications and meet the minimum expectations of the RCM, as outlined in this guideline.
- 4.9 Applicants are expected to account for all relevant matters, such as environmental protection, defence, navigation, native title interests, fisheries, impact on overlapping petroleum titles, access restrictions applying in release areas and any other users of the marine area.
- 4.10 Applicants are expected to have obtained and submitted any other approvals necessary to allow for the potential offer of an assessment permit. This includes approval by the <a href="Foreign Investment">Foreign Investment</a> Review Board (FIRB), if applicable.
- 4.11 Once an application is submitted, the composition and timing of the proposed work program may not be amended through the submission of further information. Other changes will also not be accepted.
- 4.12 A separate application must be lodged for each release area.

## Technical evaluation

- 4.13 The technical evaluation should summarise the applicant's understanding of the geology and permanent storage potential of the release area. It should include the concepts underlying the proposed work program, with sufficient detail to support that program.
- 4.14 The technical evaluation should include, but is not limited to, a description of:
  - a) the data and/ or studies the technical evaluation is based on
  - b) any geological studies (including geophysical, geotechnical, geomechanical and geochemical studies), seismic interpretation, mapping or any other work that has been undertaken as part of the technical evaluation
  - c) consideration of the geotechnical characteristics of a geological formation for the permanent storage of a GHG substance
  - d) consideration of data to support the spatial extent and monitoring of a potential future storage project that might be undertaken in the permit area
  - e) any potential storage formations mapped within the release area, including supporting material such as images, interpreted seismic sections and horizon maps, and if feasible, a

- description of the *fundamental suitability determinants* (see <u>subsection 21(8) of the OPGGS Act</u> and <u>paragraph 4.15 of this Guideline</u>) that relate to the potential storage formation.
- f) how the applicant proposes to use any existing data over the release area, including how this data is to be used in the proposed work program.
  - i) It is preferable that analysis of any existing data occurs during the primary term (see paragraph 4.23 of this Guideline), rather than being unreasonably delayed to the secondary term (see paragraph 4.24 of this Guideline).
- 4.15 Fundamental suitability determinants of an eligible GHG storage formation have the meaning given by subsection 21(8) of the OPGGS Act:
  - a) the amount of GHG substance that may be stored, noting that it must be at least 100,000 tonnes, per <u>subsections 21(1) and (2) of the OPGGS Act</u>
  - b) the particular GHG substance which the storage formation is suitable to store
  - c) the proposed injection point or points
  - d) the proposed injection period
  - e) the engineering enhancements (if any) required
  - f) the effective sealing feature, attribute or mechanism of the storage formation that enables permanent storage.

## Work strategy

- 4.16 The work strategy should link the technical evaluation of the release area with the work program proposed for the permit term.
- 4.17 Applicants should propose a work strategy that has the capability to significantly advance the understanding of the *fundamental suitability determinants* of potential GHG storage formations and potential GHG injection sites within the release area to demonstrate the existence (or otherwise) of an *eligible GHG storage formation*.
  - a) An *eligible GHG storage formation* is a part of a geological formation that is suitable, with or without engineering enhancements, for the permanent storage of a particular amount (at least 100,000 tonnes) of a particular GHG substance injected at a particular point or points, in accordance with section 21 of the OPGGS Act.
- 4.18 The work strategy should explain how the release area will be explored over the permit term, including how the different work program elements will investigate the *fundamental suitability determinants* to mature potential storage formations of the area.
- 4.19 If the applicant has access to, or expects to have access to, a source (or sources) of GHG for storage, this information should also be included, along with a description of the GHG source(s), timing of when the GHG stream is expected to become available for injection, and the nature of any agreements between the applicant and capture facility(ies).

## Work program

4.20 The work program proposed for the initial six (6) year term should be commensurate with the applicant's technical evaluation of the area and supported by their work strategy and available data. The proposed work program should be regarded as significantly advancing the understanding of fundamental suitability determinants and the storage potential of the permit area.

- 4.21 The amount, type and timing of proposed work program activities should be stated precisely.
- 4.22 Work programs for the initial 6 year permit term are divided into primary and secondary terms. Both terms are implemented via permit conditions.
- 4.23 Permit Years 1, 2 and 3 of a work program are referred to as the **primary term.** The first three years of the permit term are combined and the minimum work requirements must commence and be completed within that primary term. This requirement is specified in the conditions imposed on a GHG assessment permit.
  - a) Once the work-bid GHG assessment permit is granted, the work program commitments for the primary term become guaranteed and cannot be reduced. Work activities that cannot be guaranteed should not be included in the primary term.
- 4.24 Permit Years 4, 5, and 6 are referred to as the **secondary term**. Each year's work program becomes guaranteed upon entry into that permit year and the minimum work requirements must commence and be completed within the permit year.

An example of a six-year work program:

Year	Start date	End date	Activity	Indicative cost \$A
	01/07/2021	30/06/2024	4,000 km of 2D seismic reprocessing	X00,000
1-3			2,000 km² of new 3D seismic acquisition and processing	XX,000,000
			Geological and geophysical studies including seismic interpretation, reservoir, seal and fault studies, and evaluation of legacy wells	X00,000
4	01/07/2024	30/06/2025	Geological and geophysical studies including static modelling, core-based injectivity studies	X00,000
5	01/07/2025	30/06/2026	Geological and geophysical studies including dynamic modelling of plume migration and uncertainty analysis	X,000,000
6	01/07/2026	30/06/2027	Geological and geophysical studies including ranking of storage formation portfolio	X,000,000

- 4.25 The early elements of the proposed work program should be sufficient to enable the later elements to proceed and be aligned with the work strategy. This includes the need for the number and timing of wells to be justifiable and be supported by the perceived storage potential. That is, the work program should be pursuable if storage potential within the permit area does not increase.
- 4.26 Proposed work program activities should only include work that will be undertaken in the permit area. Any work, studies or reprocessing proposed outside the permit area should be clearly differentiated, including a statement about their relevance to advancing the understanding within the permit.
- 4.27 Non-operational activities including but not limited to the preparation of future applications, statutory reports, environmental or regulatory approvals, and commercial studies at the assessment permit phase are not considered exploration activities for the purposes of the minimum work requirements. These activities should be clearly differentiated.

- 4.28 The minimum acceptable work program for an area will vary depending on the size of the area, its perceived storage potential, its location and available data.
  - a) For areas with limited data availability, the work program should contain operational activities commensurate with the perceived storage potential.
- 4.29 If there is no current potential storage formation defined, there must be sufficient data acquisition (or use of existing data if available), seismic reprocessing and other relevant studies such as, but not limited to, rock property studies and migration modelling, to enable exploration for a potential storage formation within the permit area. Exploration activities should ultimately lead to a potential storage formation being defined.
- 4.30 Where extensive non-exclusive seismic data or significant reprocessed seismic data (normally from field tapes) are available over an area, it would generally be expected that the primary work program would include the licensing of the relevant portion of those data sources.
- 4.31 Where an area is fully covered by 3D seismic data, reprocessing a majority of this data may form part of the proposed work program and can be undertaken instead of acquiring new seismic data. The reprocessing would be expected to be from raw data or quality-controlled traces and utilise techniques not previously undertaken on seismic data within the permit area.
- 4.32 Where an area has existing drill results, significant new assessments or analysis of these data may form a substantial part of the proposed work program commitments.
- 4.33 GHG assessment permit release areas may overlie petroleum exploration permits where related exploration activities may generate information relevant to GHG assessment.
- 4.34 In some cases, the applicant for a GHG assessment permit may be a titleholder in an overlapping petroleum title area. In this case, the work being undertaken for a petroleum title work program can also be included in the GHG work program bid, provided that the work is expected to generate significant new knowledge relevant to the GHG assessment of the GHG permit area.
- 4.35 If an applicant proposes either new seismic surveying or drilling within the first three years of the work program, it is expected that the applicant will have made preliminary enquiries as to the availability of either a seismic vessel or drilling rig to meet these work program commitments.

  Applicants should provide evidence of these enquiries.
- 4.36 The description of the proposed work program should include:
  - a) an overview of the activities proposed to be completed in the work-bid GHG assessment permit area during the full term
  - b) for each of the six years of the program, an explanation of the extent and nature of the GHG storage assessment to be carried out (year-by-year explanation of activities to be undertaken)
  - c) details of the nature, scope and objectives of any proposed geotechnical studies and any proposed static and/ or dynamic modelling
  - d) indicative expenditure in Australian dollars for each work activity proposed within each permit year at current market value
    - for operational activities, calculations detailing how the cost of the activities has been estimated should be provided.

- e) the number of line kilometres of 2D seismic data and proposed line spacing and/ or square kilometres of 3D seismic data that will be acquired and processed within the permit area, including:
  - i) full fold numbers within the permit area
  - ii) a map showing the indicative location of the 2D lines or 3D survey outline (all existing seismic surveys should also be identified on this map)
  - iii) the parameters and methodology of the seismic acquisition and processing that will be undertaken (if known)
  - iv) whether acquisition of seismic survey data relates to purchase or licensing of existing seismic data, or whether a new seismic survey will be undertaken as part of the work program.
- f) the amount, type and details of the applicable dataset of any new reprocessing the applicant proposes to undertake, including:
  - i) the number of line kilometres of 2D and/ or square kilometres of 3D seismic data that will be reprocessed within the permit area clearly stated
  - ii) a map showing the indicative location of the 2D lines or 3D survey outline (all existing seismic surveys should also be identified on this map)
  - iii) the parameters and methodology of the reprocessing that will be undertaken (if known)
  - iv) whether the proposed seismic reprocessing relates to the purchase or licensing of existing reprocessed data or whether new seismic reprocessing will be undertaken.
- g) the licensing or use of any existing exclusive or non-exclusive datasets and, if applicable, how these are proposed to be used in conjunction with any reprocessing or geophysical studies proposed in the work program
- h) a description of the conceptual locations, targets and total depths of any wells that are proposed
- i) a description of, and the conceptual locations, targets and purpose of any other operational activities that are proposed
- j) a high resolution map indicating where the activities are anticipated to be carried out in the permit area
- k) an overview of proposed studies relating to potential impacts on overlapping, adjacent or nearby petroleum titleholders (current or future) for key GHG operations proposed in the work program. See <u>paragraph 4.42 of this Guideline</u>.

### Important notes on treatment of new vs existing seismic data

- 4.37 The reprocessing and interpretation of existing data undertaken during the applicant's pre-bid evaluation will be considered in assessing the relative merits of the proposed work program.
- 4.38 An applicant who pre-licences multi-client data or undertakes reprocessing of pre-licenced multi-client data as part of its pre-bid evaluation and who therefore does not propose the work as part of its work program, will not be disadvantaged. As such, applicants should provide details of pre-bid evaluation work, including the extent of the work undertaken, the outcomes and how this has informed the work strategy and proposed work program.

### Non-exclusive seismic data: Multi-client surveys and reprocessing products

- 4.39 If an applicant proposes to licence new or reprocessed non-exclusive seismic data as part of a work program, the applicant should:
  - a) state whether the data is part of:
    - i) an existing non-exclusive seismic survey or reprocessed data volume, or
    - ii) a planned or not-yet-completed non-exclusive seismic survey or reprocessed data project.
  - b) state when the processed or reprocessed data will become available for licencing
  - c) ensure that:
    - i) the data is in an industry standard format that is fit for purpose in meeting the objective of the work program
    - ii) the applicant would be able to provide information to <u>NOPTA</u> that demonstrates the work program obligation has been met
    - iii) the data submission and release requirements can be met.
- 4.40 If the final processed dataset will not become available until after the closing date of bids, this will be assessed as new seismic acquisition for the purposes of the bid assessment.
- 4.41 An applicant may meet a proposed seismic surveying commitment by licensing an equivalent amount of non-exclusive seismic data that has been acquired within the permit area after the grant of a GHG assessment permit.

#### Consideration of significant risk of a significant adverse impact

4.42 The applicant's proposed work program should have regard to sections 27, 291 and 292 of the OPGGS Act, which refer to an assessment by the RCM whether there is a significant risk of a significant adverse impact (SROSAI) from any key GHG operational activity proposed during the permit term on either petroleum exploration or recovery operations that are being or could be carried on under an existing or future petroleum title.

## Applicant's technical advice and financial resources

- 4.43 In deciding whether to offer a work-bid GHG assessment permit under <u>subsection 298(2) of the OPGGS Act</u>, the RCM must have regard to the matters specified in <u>subsection 298(2B) of the OPGGS Act</u> on:
  - a) whether the technical advice and financial resources available to the applicant are sufficient to:
    - i) carry out the operations and works that will be authorised by the permit, and
    - ii) discharge the obligations that will be imposed under the OPGGS Act, or a legislative instrument under the OPGGS Act, in relation to the permit
  - b) the applicant's suitability to hold a GHG assessment permit in accordance with the matters specified in <u>section 695YB of the OPGGS Act</u>. See <u>section 7 of this Guideline</u> and the <u>Guideline</u>: Applicant suitability
  - c) any other matters prescribed by the regulations.
- 4.44 The RCM may also have regard to any other matters the RCM considers relevant.

4.45 Applicants should include with their application any relevant information to demonstrate sufficient technical advice and financial resources available. Refer to section 7 of this Guideline, the Factsheet:

Declarations of experience and disclosures and the Guideline: Applicant suitability for further details on application submission requirements, assessments and decision making against these criteria.

### Lodgement of a security

- 4.46 An applicant should take into consideration the possible requirement for a security, pursuant to section 300 of the OPGGS Act.
  - a) An offer document for the grant of a GHG assessment permit may specify the form and amount of a security to be lodged by the applicant, per subsection 430(4) of the OPGGS Act.

#### Bid assessment

- 4.47 Applications for a work-bid GHG assessment permit will be assessed with consideration to this guideline by NOPTA, who will provide advice to the RCM.
- 4.48 <u>NOPTA</u>, on behalf of the RCM, is the first point of contact on all titles administration matters relating to offshore GHG assessment permits. If <u>NOPTA</u> deems it necessary to clarify the content of the application, supplementary written information may be sought from the applicant.
- 4.49 If areas are released for both GHG and petroleum work program bidding, assessment of these applications will be treated separately.
- 4.50 As noted in <u>paragraphs 4.43 and 4.44 of this Guideline</u>, the RCM must have regard to the matters specified in <u>subsection 298(2B) of the OPGGS Act</u>, and may have regard to any other matters the RCM considers relevant, per <u>paragraph 298(2A)(a) of the OPGGS Act</u>. Other matters the RCM may consider relevant include:
  - a) which bid is likely to significantly advance the understanding of the *fundamental suitability determinants* of potential GHG storage formations and potential GHG injection sites. See paragraph 4.15 of this Guideline and the <u>Guideline</u>: Applicant suitability
  - b) whether the applicant's proposed work program has had regard to sections 27 and 292 of the OPGGS Act, which refer to assessing whether there is a SROSAI from an operational activity on petroleum exploration or recovery operations that are being or could be carried on under an existing or future petroleum title. See paragraph 4.42 of this Guideline.
- 4.51 Where there is a single applicant, the RCM may also have regard to the criteria in <u>paragraph 4.53 of this Guideline</u>.
- 4.52 Where there are multiple applicants for the grant of an assessment permit, section 299 of the OPGGS Act provides that the RCM may give an offer document to whichever applicant, in the RCM's opinion, is most deserving of the grant of the permit. In determining which of the applicants is most deserving, the RCM must have regard to the criteria in paragraph 4.53 of this Guideline, in relation to the proposed primary work program.
- 4.53 These criteria are, in no particular order:
  - a) the relevance of the proposed work program to the technical evaluation and work strategy
  - b) the amount, type, scope, objectives, timing and relevance of proposed geological studies (including geophysical, geotechnical, geomechanical and geochemical studies), modelling relating to potential migration pathways for injected GHG substances, or testing with respect

- to the characterisation of potential or *eligible GHG storage formations* and how these studies align with other work program activities and the work strategy
- c) the amount, type and timing of seismic acquisition and processing to be carried out, including parameters and methodology
- d) the amount, type and timing of other surveying, sampling, monitoring and data acquisition to be carried out
- e) the amount, type and timing of seismic data to be purchased or licenced
- f) the amount, type and timing of seismic data reprocessing to be carried out, including parameters and methodology
- g) the number and timing of exploration wells to be drilled and their utility in advancing the understanding of the perceived storage potential of the area and alignment with a supporting program of geological and geophysical work
- h) the proposed studies relating to potential impacts on petroleum operations
- i) the past performance of the applicant.
- 4.54 The work program must be credible, coherent and supportable.
- 4.55 Preference will be given to applications that can demonstrate the availability of a **GHG stream for injection** or describe the expected provision of a GHG stream. A decision on whether an applicant has an available stream of GHG for injection will take into account a number of factors including:
  - in the case of GHG associated with a petroleum accumulation, whether a petroleum retention lease or production licence has been awarded over the field which is to be the source of the GHG substance
  - b) in the case of GHG from other sources, whether substantial investment has been committed to feasibility and design processes for the capture of the GHG substance
  - c) the maturity or stage to which the overall project has advanced (for example, to Front End Engineering and Design study, or a final investment decision)
  - d) the nature of any agreements between the applicant and capture facility(ies), where relevant
  - e) the expected timeframe in which a GHG stream is expected to become available for injection
  - f) the public interest, including taking into account such factors as the best use of the total available storage capacity of the area and the amount of GHG proposed to be stored.
- 4.56 If an applicant satisfies the RCM that it has an available stream of GHG for injection, then the work program should be sufficient to lead to a possible declaration of *identified GHG storage formation* in the permit area. Provided that this criterion is met, then the application will be preferred over other applications that do not have a readily available stream of GHG for injection.
  - a) This is only applicable where the comparative work programs are broadly equivalent with respect to the advancement of the understanding of the perceived storage potential of the area.
- 4.57 If an applicant cannot be chosen on the basis of the primary work program, using the criteria in paragraphs 4.53 to 4.56 of this Guideline, the secondary work program will be assessed and ranked.
- 4.58 If two or more applicants are considered to be equally deserving of the grant of a GHG assessment permit, in accordance with subsection 299(9) of the OPGGS Act the RCM may invite the applicants to

- submit supplementary written proposals for additional work and expenditure, as a basis for the selection of a successful applicant.
- 4.59 If an applicant is made an offer for the grant of a GHG assessment permit and declines the offer, or the offer lapses as it is not accepted within the required timeframe, the RCM may make an offer to the second ranked applicant, where applicable.
- 4.60 There is no penalty or disadvantage should an applicant not accept an offer by the RCM.
- 4.61 In accordance with <u>subsection 298(3) of the OPGGS Act</u>, the RCM must make a decision on whether to offer the grant of a GHG assessment permit within 12 months after bidding closes.

## Refusal to grant a greenhouse gas assessment permit

- 4.62 The RCM may refuse to grant a GHG assessment permit if one or more of the following applies:
  - a) the proposed work program is assessed as inferior to that of a competing bid
  - b) the proposed work program is assessed as inadequate to significantly advance the understanding of the GHG storage potential of the area
  - c) the proposed work program is not supported by a sound technical evaluation
  - d) the RCM is not satisfied that the financial resources or technical advice available to the applicant are sufficient to:
    - i) carry out the operations and works, including the proposed work program, authorised by the permit, in addition to other guaranteed work program commitments in other titles under the OPGGS Act the applicant and/ or parent company has an interest in
    - ii) discharge the obligations that will be imposed under the OPGGS Act, or a legislative instrument under the OPGGS Act, in relation to the permit, in addition to obligations under other titles under the OPGGS Act the applicant and/ or parent company has an interest in.
  - e) the RCM is not satisfied the applicant is a suitable person to hold a GHG assessment permit in Australian waters
  - the RCM is not satisfied with the past performance of the applicant in Australia or internationally.

# 5. Greenhouse gas assessment permit conditions and administration

#### Division 1 of Part 3.9 and Division 1 of Part 3.10 of the OPGGS Act

#### Overview

- 5.1 Titleholders are expected to ensure that all obligations under the <u>OPGGS Act</u> and associated regulations, including the <u>Offshore Petroleum and Greenhouse Gas Storage</u> (Greenhouse Gas <u>Injection and Storage</u>) Regulations 2023 (the GHG Regulations), the <u>Offshore Petroleum and Greenhouse Gas Storage</u> (Regulatory Levies) Act 2003 (the Levies Act), and any directions and title conditions are met at all times.
- 5.2 Titleholders must comply with the data management and reporting requirements under the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 (the RMA Regulations).
- 5.3 The OPGGS Act allows for a:
  - a) variation or suspension of permit conditions and/ or exemption from compliance with permit conditions, per section 436 of the OPGGS Act
  - b) surrender of permit, per sections 441 to 443 of the OPGGS Act.
- 5.4 The RCM may also approve an extension to the permit term in accordance with <u>section 437 of the OPGGS Act</u> if the RCM has decided under <u>section 436 of the OPGGS Act</u> to suspend any of the conditions to which the permit is subject.
- 5.5 The RCM acknowledges elements of an assessment permit work program or its timing may need to change:
  - a) on technical grounds, for example if geological or technical knowledge is gained, requiring additional work
  - b) if the timing of an activity is impacted by *force majeure* circumstances, per <u>paragraphs 5.30</u> to 5.32 of this Guideline.
- 5.6 All applications per <u>paragraph 5.3 of this Guideline</u> are considered by the RCM on a permit-by-permit basis. A separate application must be lodged for each permit. Application forms are available on <u>NOPTA's website</u>. Further information on application requirements is at <u>section 7 of this Guideline</u>.
- 5.7 Applications made under <u>section 436 of the OPGGS Act</u> may be submitted at any time but should not be made later than 60 days before the end of the primary term or the permit year. This is to provide decision-makers with sufficient time to appropriately consider the application. It is the responsibility of the titleholder to ensure there is sufficient time for a decision to be made before entering the next permit year.

#### Titleholder's technical advice and financial resources

5.8 <u>Subsection 436(2A) of the OPGGS Act</u> provides that the RCM may take into account technical advice and financial resources available to the titleholder and any other matters the RCM considers relevant when making a decision under <u>subsection 436(2) of the OPGGS Act</u> to vary, suspend or exempt the titleholder from compliance with permit conditions.

- 5.9 Titleholders should include with their application any relevant information to demonstrate sufficient technical advice and financial resources are available. Refer to the <u>Factsheet: Financial resources</u> and the <u>Guideline: Applicant suitability</u> for further details on application submission requirements, assessments and decision making against these criteria. Further information on application requirements is at <u>section 7 of this Guideline</u>.
- 5.10 Following review of the initial information provided, <u>NOPTA</u> and/ or the RCM may request further information from a titleholder.
- 5.11 When determining whether a titleholder has sufficient financial resources and technical advice for the purpose of making a decision on their application, the RCM may consider:
  - a) whether there has been any material change in the financial resources and technical advice available to the titleholder since the title was granted or last renewed
  - b) the impact of the application on the overall work program commitments
  - c) where future funding proposals have previously been identified to fund work program commitments, what progress has been made to date.

# Important notes on work program commitment – seismic data and reprocessing

- 5.12 A titleholder may meet a seismic surveying commitment by licencing an equivalent amount of non-exclusive seismic data if the final processed data becomes available after the date the permit was granted.
- 5.13 A titleholder may purchase and/ or licence reprocessed seismic data to meet a seismic reprocessing work program commitment subject to the following conditions:
  - a) reprocessed data will only be accepted to the extent it meets, in part or in full, the original work program commitment
  - b) data must have been reprocessed after the date the permit was granted
  - c) reprocessing will be from raw data or the quality controlled traces
  - d) reprocessing must utilise techniques not previously undertaken on seismic data acquired within the permit.
- 5.14 If a titleholder proposes to licence data to use in its current form, or to reprocess as part of a work program commitment, it must ensure that:
  - a) data is in an industry standard form that is fit for purpose in meeting the objectives of the work program
  - b) it can provide information to <u>NOPTA</u> that demonstrates the work program commitment has been met
  - c) data submission and release requirements can be met.

## Work program conditions

5.15 Under section 291 of the OPGGS Act, the RCM may grant a work-bid GHG assessment permit subject to whatever conditions the RCM thinks appropriate. Work-bid assessment permits will typically contain standard conditions in relation to minimum work requirements.

- 5.16 Titleholders must comply with all permit conditions, including the work program conditions specified in the permit. Failure to comply with the conditions of the permit may result in the refusal of an application to renew the permit (section 310 of the OPGGS Act), or refusal to consent to surrender of the permit (section 442 of the OPGGS Act), or in cancellation of the permit (section 446 of the OPGGS Act).
- 5.17 Undertaking assessment activities in excess of the specified work requirements is allowed.
- 5.18 Compliance with the permit conditions will be taken into account by the RCM in considering any application by a titleholder under section 436 of the OPGGS Act to vary, suspend or seek exemption from compliance with any of the work program conditions of the permit, or for consent to surrender the permit under section 441 of the OPGGS Act.

#### Work program credit

- 5.19 The RCM places a standard condition on title instruments that enables <u>NOPTA</u>, at its discretion, and by written instrument, to credit activities undertaken within an earlier permit year as meeting the work program commitments of a later permit year.
- 5.20 It is the responsibility of titleholders to obtain <u>NOPTA's</u> agreement to credit an activity to a later permit year.

# Suspension of a permit condition and extension of the permit term

#### Division 1 of Part 3.9 of the OPGGS Act

- 5.21 Titleholders may apply to suspend any of the conditions to which the permit is subject <u>or</u> apply to suspend any of the conditions to which the permit is subject together with an extension of the permit term a 'suspension and extension' (sections 436 and 437 of the OPGGS Act).
- 5.22 The RCM will decide these applications on a case-by-case basis, considering:
  - a) the existence of force majeure circumstances (see paragraphs 5.30 5.32 of this Guideline)
  - b) if the titleholder is seeking to undertake substantial above-commitment work that has critical implications for the assessment of the permit area, and requires additional time to complete that work (see paragraphs 5.41 5.45 of this Guideline).
- 5.23 The RCM considers the whole work program when reviewing a suspension or suspension and extension application.
- 5.24 The RCM will generally only consider a suspension with an extension of the permit term if the proposed work program for subsequent permit year/s is reliant on the work to be undertaken in the current permit year that is requested for suspension.
- 5.25 If a suspension application is lodged and the permit would otherwise expire before the RCM makes a decision on the application, the permit will remain in force until a decision is made by the RCM. If the RCM refuses the application, the permit will continue in force for two months, or such longer period as the RCM allows, effective from the date the titleholder was notified of the refusal (section 437A of the OPGGS Act). This ensures the titleholder has time to apply for a renewal of the permit or for the grant of a GHG holding lease or GHG injection licence prior to the expiry of the permit.
- 5.26 A suspension or a suspension and extension will not change the reporting date for the Annual Titles Assessment Report. Refer to <u>regulation 3.03 of the RMA Regulations</u>.

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- 5.27 For the purposes of the work program conditions of a permit, a **suspension** will defer the end date of a current permit year for the purposes of meeting work program commitment(s) but will not alter the end dates of subsequent permit years. By comparison, an **extension of the permit term** will extend the end date of the current permit year and all subsequent permit years.
- 5.28 A suspension of condition(s) of the permit under <u>section 436 of the OPGGS Act</u> does not suspend the rights conferred on the titleholder by <u>section 290 of the OPGGS Act</u> to undertake work activities, subject to the conditions of the permit, the <u>OPGGS Act</u> and regulations.
- 5.29 Applications for suspension of the permit condition(s), or suspension with an extension of the permit term, must be submitted before the permit expires and should be submitted no later than 60 days before the conclusion of the permit year to which the application relates.

#### Force majeure circumstances

- 5.30 If the ability of a titleholder to meet a work program commitment is adversely impacted by an event that cannot be reasonably anticipated or controlled during the course of the assessment permit work program via experience or care (*force majeure*) the RCM may approve a suspension or a suspension and extension.
- 5.31 An application for a suspension or suspension and extension on *force majeure* grounds must include substantial and compelling documentary evidence to demonstrate how the *force majeure* circumstance has adversely impacted the ability to complete the work program, and a Gantt chart showing the proposed schedule for the forward work program.
- 5.32 Commercial circumstances and common risks in the industry are **not considered** to constitute *force majeure*. These may influence the perceived commercial viability of an activity but would not normally prevent the titleholder from adhering to its commitment. Such circumstances and risks may include, but are not limited to:
  - a) changes in carbon prices
  - b) difficulty attracting a farm-in partner
  - c) difficulty in raising capital
  - d) avoidable delays in contracting a drilling rig/seismic vessel
  - e) avoidable delays in receiving processed/reprocessed data from contractors
  - f) disappointing GHG storage potential assessment results
  - g) the need to wait for the results of work activities undertaken outside the permit area
  - h) poor quality seismic data
  - i) rescheduling of appraisal/injection/monitoring wells ahead of exploration wells.

### Technical grounds

- 5.33 If the ability of a titleholder to meet an existing work program commitment is affected by new geological knowledge or unexpected technical challenges, the RCM may approve a suspension or a suspension and extension on technical grounds.
- 5.34 If a titleholder proposes additional work activities to address new geological knowledge or unexpected technical challenges, the RCM would generally expect this work to be varied into the work program through an above-commitment work variation (see <u>paragraphs 5.41 5.45 of this Guideline</u>).

5.35 An application for a suspension or a suspension and extension on technical grounds should include compelling documentary evidence to demonstrate how these technical grounds have adversely impacted the ability to complete the work program, and a Gantt chart showing the proposed schedule for the forward work program.

## Variation of work program conditions

#### **Section 436 of the OPGGS Act**

- 5.36 Titleholders may apply to vary any of the conditions to which the permit is subject. In submitting variation applications titleholders should note that:
  - a) proposed work program activities to be varied into the permit should only include work that will be undertaken within the permit area. Any work, studies or reprocessing proposed outside the permit area must be clearly differentiated
  - b) if a titleholder lodges an application in the last 60 days of the primary term or the relevant permit year, the titleholder may wish to consider lodging a suspension and extension application in the event an adverse decision is made by the RCM
  - c) if a titleholder applies for a suspension (or suspension and extension) and variation at the same time, this can be lodged as a single application on the appropriate application form.

#### 5.37 A titleholder may apply for:

- a) <u>a work equivalent variation</u> to replace a guaranteed work program activity with an equivalent work program activity
- b) <u>an above-commitment work variation</u> to undertake above-commitment work that has critical implications for the assessment of the GHG storage potential of the permit area
- c) <u>a secondary term work program variation</u> to vary the work program conditions in Permit Years 4, 5 and/ or 6 of an initial permit term, or a variation to future years in any renewal term.

#### Work equivalent variation

- 5.38 A titleholder may apply to replace a guaranteed work program activity with an equivalent work program activity.
- 5.39 The RCM will generally only agree to a variation if the proposed replacement work program activity is a similar or superior technique and the activity meets or exceeds the objective of the original work program commitment.
- 5.40 It is the responsibility of the titleholder not to commence the requested work equivalent activity until it has received notice of the work equivalent variation.

#### Above-commitment work variation

- 5.41 A titleholder may apply to include significant above-commitment work into the work program that will have critical implications for the assessment of the storage potential for the permit area. The RCM may agree to an above-commitment variation, to vary the work into the current permit year so that the work becomes guaranteed.
- 5.42 In deciding whether to vary the work program the RCM will consider whether the titleholder has demonstrated a significant effort to progress the understanding of the GHG storage potential of the permit.

- 5.43 An application should be supported by:
  - a) technical evidence as to why the work program should be varied
  - b) a detailed outline of the proposed new activities
  - c) a Gantt chart showing the proposed schedule for the forward work program, and
  - d) documentary evidence (such as contracts with a relevant service provider to undertake the new activities).
- 5.44 When considering an application for an above-commitment work variation, the RCM may also agree to either a suspension or suspension and extension to enable the titleholder sufficient time to undertake the work.
  - a) An application for a suspension or suspension and extension should be lodged with the variation application.
- 5.45 Generally, in the case of an above-commitment work variation, the RCM will consider up to a 12 month suspension or a 12 month suspension and extension, if supported by the circumstances of the application. However, a longer timeframe may be requested and the RCM will consider this on a case-by-case basis and on its merits for circumstances such as when the proposed work is significant and assessed to have critical implications on the titleholder's forward work plans.

# Secondary term work program variation and variations to future years in a renewal term

- 5.46 A titleholder may apply to vary individual permit years before entry into the relevant permit year:
  - a) for an initial permit term:
    - i) the whole secondary term work program before entry into Permit Year 4
    - ii) Permit Years 5 and 6 before entry into Permit Year 5
    - iii) Permit Year 6 before entry into Permit Year 6.
  - b) for a renewed permit:
    - i) Permit Years 2 and 3 before entry into Permit Year 2.
    - ii) Permit Year 3 before entry into Permit Year 3.
- 5.47 As highlighted in <u>paragraph 6.4 of this Guideline</u>, there is no primary or secondary term during the three-year renewal term. However, in accordance with <u>paragraph 5.46 of this Guideline</u>, a titleholder may apply to vary individual permit years before entry into the relevant permit year.
- 5.48 Applications under <u>section 436 of the OPGGS Act</u> to vary the minimum work requirement commitments for individual permit years before entry into the relevant permit year should be supported by a revised work program and proposed work strategy that covers any or all of the remaining years of the permit term.
- 5.49 An application should be made no later than 60 days before commencement of the permit year for which the variation is sought.
- 5.50 The application should be supported by the results from the primary term or previous permit years and technical evidence as to why the work program should be varied.

5.51 Where a substantial operational activity is sought to be varied out of the secondary term of an assessment permit, resulting in no substantial activity in the initial permit term, the RCM may agree to the variation on the basis that the titleholder proposes guaranteed operational activities during the three year term of any renewal application for that title.

## Exemptions from compliance with conditions

#### **Section 436 of the OPGGS Act**

- 5.52 The titleholder may apply to the RCM for exemption from compliance with any condition to which the permit is subject, pursuant to <u>section 436 of the OPGGS Act</u>. An exemption application may be made on exceptional technical or *force majeure* grounds.
- 5.53 In deciding whether to exempt a titleholder from compliance with a work program condition, the RCM will consider:
  - a) if the titleholder has demonstrated a significant effort to identify and assess the GHG storage potential of the permit and has provided substantial and compelling documentary evidence, and
  - b) if the objective of the original work program commitment has been met.
- 5.54 With respect to work program requirements, the RCM will approve an exemption in exceptional circumstances. However, applications will be assessed on a case-by-case basis.
- 5.55 Substantial and compelling documentary evidence, demonstrating the circumstances and that the objectives of the assessment work program has been met, should be provided with the application.
- 5.56 The RCM may not approve an exemption which would relieve a titleholder from having to complete an activity if the following permit years are reliant on that work being undertaken.

## Permit surrender

#### Division 1 of Part 3.10 of the OPGGS Act

- 5.57 A titleholder may apply for consent to surrender all the blocks that the permit is in force over.
- 5.58 The RCM may only consent to the surrender if the criteria in <u>section 442 of the OPGGS Act</u> have been met, including that the titleholder has:
  - a) paid any fees and amounts payable under the <u>OPGGS Act</u>, the <u>RMA regulations</u>, and <u>section 10E of the Levies Act</u>, or has made arrangements that are satisfactory to the RCM for the payment of those fees and amounts pursuant to <u>paragraph 442(3)(a) of the OPGGS Act</u>
  - b) complied with all conditions to which the permit was subject in accordance with paragraph 442(3)(b) of the OPGGS Act, including if:
    - i) work program commitments have been met. In determining whether work program commitments have been met, if a permit condition requires specified work during a permit year, and the application is made during that year, the titleholder is taken not to have complied with the condition unless the titleholder has completed the work specified for the year, pursuant to <u>subsection 442(8) of the OPGGS Act</u>
    - ii) all reports (including reports required by any directions given to the titleholder) have been submitted (for example, reports on specified activities, quarterly reports, annual reports), and
    - iii) all required data has been submitted as required under the RMA Regulations.

- c) complied with the relevant provisions of the OPGGS Act and regulations in accordance with paragraph 442(3)(b) of the OPGGS Act
- d) satisfied the RCM or made arrangements that are satisfactory for the remediation, protection and preservation of the marine environment in accordance with <u>paragraphs 442(3)(c) to (f) of</u> the OPGGS Act.
- 5.59 In undertaking its assessment, in accordance with the OPGGS Act, NOPTA consults with NOPSEMA.
- 5.60 The RCM may give consent to surrender, notwithstanding that the permit conditions, relevant provisions of the <u>OPGGS Act</u> or regulations have not been complied with, if the RCM is satisfied there are sufficient grounds to warrant the giving of consent to the surrender in accordance with <u>subsection 442(7) of the OPGGS Act</u>. In determining if sufficient grounds exist for a surrender in non-compliance, the RCM may consider:
  - a) if the titleholder has demonstrated a significant effort to identify and assess the GHG storage potential of the permit and has provided substantial and compelling documentary evidence
  - b) if the objective of the original work program commitment has been met
  - c) other matters as considered relevant by the RCM.
- 5.61 Following the RCM's consent to surrender, the titleholder may surrender the permit by written notice to the RCM via NOPTA in accordance with subsection 443(2) of the OPGGS Act.
- 5.62 <u>NOPTA</u> will publish notice of the surrender of the permit in the <u>Australian Government Gazette</u>, in accordance with <u>item 5 of section 734 of the OPGGS Act</u>.
- 5.63 The surrender takes effect the day a notice is published in the <u>Australian Government Gazette</u>, in accordance with <u>subsection 443(3) of the OPGGS Act</u>.

## Permit expiry

- 5.64 The expiry date of a permit is the day on which the permit ceases to be in force, in accordance with table item 3 of subsection 10(2) and section 293 of the OPGGS Act. This will usually be the day following the last day of the end of Year 6 for initial permit terms, or Permit Year 3 for renewed permit terms, noting that the expiry date may be extended from time to time by the grant of an extension of the permit term by the RCM (see paragraphs 5.21 5.29 of this Guideline).
- 5.65 The duration of the permit term may be extended where an application has been lodged for:
  - a) renewal of the permit, in accordance with <u>subsection 308(6) of the OPGGS Act</u>
  - b) declaration of an *identified GHG storage formation*, in accordance with <u>section 294 of the</u>

    <u>OPGGS Act</u>
  - c) a GHG holding lease or GHG injection licence, in accordance with section 295 of the OPGGS Act.
- 5.66 If the permit is eligible for renewal, the titleholder may apply to renew the permit under section 308 of the OPGGS Act, prior to the expiry date, and within the prescribed timeframe (see section 6 of this Guideline).
- 5.67 Titleholders are not required to lodge an application if it is intended to let a permit expire. In this event, a titleholder should ensure that:
  - a) all conditions of the title, including any work program commitments, have been met

- b) all relevant provisions of <u>Chapters 3, 5, 5A and 6 and Part 8.1 of the OPGGS Act</u> and the regulations have been complied with including the submission of all reports and data due to <u>NOPTA</u>, and completion of any decommissioning obligations
- c) any direction(s) given by the RCM and/ or NOPSEMA have been complied with
- d) all outstanding fees and amounts are paid or arrangements have been made that are satisfactory to NOPTA for the payment of those fees and amounts.
- 5.68 When a permit has expired, <u>NOPSEMA</u> or the RCM may give remedial directions to former titleholders for the remediation, protection and preservation of the marine environment, in accordance with <u>sections 594A and 595 of the OPGGS Act</u>.
- 5.69 After the expiry of the permit, NOPTA will:
  - a) undertake a compliance check of the title and if any of the matters outlined in <u>paragraph 5.67</u>
     of this <u>Guideline</u> are outstanding, <u>NOPTA</u> will contact the titleholder
  - b) publish a formal notice of expiry in the <u>Australian Government Gazette</u>, in accordance with item 8 of section 734 of the OPGGS Act
  - make an entry on the Register of Titles regarding expiry of the title, in accordance with section 523 of the OPGGS Act
  - d) advise the titleholder in writing that the title has expired.

### Permit cancellation

#### Division 1 of Part 3.11 of the OPGGS Act

- 5.70 Titleholders are expected to ensure that all obligations under the <u>OPGGS Act</u>, <u>Levies Act</u>, associated regulations, any directions and permit conditions are met at all times. Failure to comply with any such obligations, directions or permit conditions is a ground for the RCM to cancel the permit under section 446 of the OPGGS Act.
- 5.71 If there is ground for cancellation, before making a decision the RCM will issue the titleholder a written notice of intention to cancel the permit, setting out the reasons for the proposed cancellation and inviting a written submission to the RCM per section 448 of the OPGGS Act.
- 5.72 Titleholders will be given at least 30 days to make a submission regarding the proposed cancellation, and to provide any information or raise any issues that the titleholder wishes the RCM to consider in reaching a decision in respect of the cancellation, in accordance with <u>subsections 448(1) and (2) of the OPGGS Act</u>.
- 5.73 Before deciding to cancel a title, the RCM must:
  - a) consider any submissions made by the titleholder or other relevant persons, in accordance with <u>subsection 448(3) of the OPGGS Act</u>
  - b) take into account any action taken by the titleholder to remove the grounds for cancellation, or prevent its recurrence, in accordance with <u>paragraphs 447(2)(a) and (b) of the OPGGS Act</u>.
- 5.74 The titleholder will be advised in writing regarding the RCM's decision in respect of the cancellation.
- 5.75 The cancellation takes effect the day a notice is published in the <u>Australian Government Gazette</u>, in accordance with subsection 447(3) of the OPGGS Act.

# 6. Renewal of permits

#### Division 4 of Part 3.2 of the OPGGS Act

#### Overview

- 6.1 A titleholder may apply to renew a GHG assessment permit. Renewal applications must be lodged in accordance with section 308 of the OPGGS Act.
- 6.2 A GHG assessment permit cannot be renewed more than twice.
- 6.3 It is the RCM's expectation that the proposed work program for the renewal will be supported by a proposed work strategy that has the capability to significantly advance the understanding of GHG storage potential within the permit area during the three-year renewal term.
- There is no primary or secondary term during the three-year renewal term. Work program commitments will be split over three separate permit years and become guaranteed upon entry into the individual permit year.
- 6.5 The proposed work strategy underpinning the work program should deliver an increased understanding of the *fundamental suitability determinants* (see <u>paragraph 4.15 of this Guideline</u>) of GHG storage formations within the permit area.

## How to apply

- An application must be made at least 180 days before the expiry date of the permit, but not more than 12 months before the expiry date. An application may be accepted later than 180 days before the expiry date, but no later than the expiry date, pursuant to subsection 308(4) of the OPGGS Act.
- An application to renew a GHG assessment permit must be submitted to <u>NOPTA</u> in an approved manner, in accordance with <u>section 426 of the OPGGS Act</u>.
- 6.8 To be validly made the application must be made in the correctly completed and executed application form, and accompanied by any information or documents required by the application form, in accordance with <u>subsection 308(5) of the OPGGS Act</u>. The application must also be accompanied by the correct fee, in accordance with <u>section 427 of the OPGGS Act</u>.
- An application is taken to be accompanied by the documents or information referenced in <a href="mailto:paragraph-6.8">paragraph-6.8 of this Guideline</a> where they are given to the RCM or <a href="MOPTA">NOPTA</a> before the expiry date of the permit, in accordance with <a href="mailto:subsection-308(5A)">subsection 308(5A)</a> of the OPGGS Act. An application is taken to be accompanied by the correct fee if the fee is received by NOPTA before the end of 10 days after the day the application was made, in accordance with <a href="mailto:subsection-427(4A)">subsection 427(4A)</a> of the OPGGS Act.
- 6.10 A renewal application should include:
  - a) an overview of the permit history, including work undertaken in the permit during the initial permit term or last renewal term
  - b) a technical evaluation of the storage potential of the area
  - c) a proposed work strategy for the permit area
  - d) a work program and activities, including proposed expenditure for the renewal term
  - e) an overview of compliance with the permit conditions, <u>Chapters 3, 5, 5A and 6 and Part 8.1 of</u> the OPGGS Act and the associated regulations, and

- f) technical advice and financial resources available to the applicant.
- 6.11 For further information on submission requirements refer to <u>section 7 of this Guideline</u> and <u>NOPTA</u>
  Forms Guidance.

#### Assessment criteria

- 6.12 In offering a renewal of a GHG assessment permit the RCM must have regard to the criteria mentioned in section 309 of the OPGGS Act:
  - a) compliance with the permit conditions, <u>Chapters 3, 5, 5A and 6 and Part 8.1 of the OPGGS Act</u> and the regulations
  - b) whether, during the permit term, at least one notice was given under <u>section 451 of the</u>

    <u>OPGGS Act</u> (notification of *eligible GHG storage formation*) about a part of a geological formation wholly situated in the permit area
  - the technical advice and financial resources available to the titleholder and whether they are sufficient to carry out operations and works authorised by the permit and discharge obligations in relation to the permit
  - d) any other matters prescribed by the regulations.
- 6.13 If during the period when the GHG assessment permit was in force no notice under section 451 of the OPGGS Act was given about a part of a geological formation wholly situated in the permit area, the RCM must be satisfied that there are sufficient grounds to warrant the granting of the renewal of the GHG assessment permit in accordance with subsection 309(4) of the OPGGS Act.

## Work program

- 6.14 The proposed work program for the three-year renewal term should be consistent with the proposed work strategy and underpinned by the technical evaluation of the area incorporating results and findings from the previous permit term.
- 6.15 The early elements of the proposed work program should be sufficient to enable the later elements to proceed and be aligned with the work strategy. This includes the need for the number and timing of operational activities to be justifiable and be supported by the maturity of the titleholders understanding of the *fundamental suitability determinants* and the number of storage formations defined within the permit area. That is, the work program should be pursuable if storage potential within the permit area does not increase.
- 6.16 There is no primary or secondary term during the three-year renewal term, as outlined in paragraph 6.4 of this Guideline.
- 6.17 The proposed work program should significantly advance the understanding of *fundamental* suitability determinants and the storage potential of the permit area.
- 6.18 The minimum acceptable work program for an area will vary depending on the size of the area, its perceived storage potential, its location and the nature of any existing data. At a minimum, it is expected that the proposed work program will contain either one or both of the following:
  - a) new operational activities, such as data acquisition and/ or exploration well/s
  - b) <u>reprocessing and/ or geophysical and geological studies</u> to enable enhanced understanding of the *fundamental suitability determinants* and storage potential of the permit area.

- 6.19 Where extensive non-exclusive seismic data or significant reprocessed seismic data (normally from field tapes) are available over an area, it is generally expected that the work program includes the licensing of the relevant portion of those data.
- 6.20 Where an area is fully covered by 3D seismic data, reprocessing a majority of this data may form part of the proposed work program and can be undertaken instead of acquiring new seismic data. The reprocessing would normally be expected to be from raw data or the quality controlled traces and to utilise techniques not previously undertaken on seismic data within the permit area.
- 6.21 Where an area has existing drill results, substantial new assessments or analysis of these data may form a substantial part of the proposed work program commitments.
- 6.22 If a titleholder proposes either new seismic surveying or drilling within the renewal term work program, it is expected that the titleholder will have made preliminary enquiries as to the availability of either a seismic vessel or drilling rig to meet these work program commitments and provide evidence of these enquiries.
- 6.23 Work program activities should only include work that is to be undertaken within the permit area. Any work, studies or reprocessing to be undertaken outside the permit area must be clearly differentiated.
- 6.24 The amount, type and timing of proposed work program activities should be stated precisely to avoid ambiguity. The description of the proposed work program for the renewal term should include:
  - a) an overview of the activities proposed to be completed in the GHG assessment permit area during the full term
  - b) for each of the three years of the program, explain the extent and nature of the GHG storage assessment to be carried out (year-by-year explanation of activities to be undertaken)
  - details of the nature, scope and objectives of any proposed geological studies (including geophysical, geotechnical, geomechanical and geochemical studies) and any proposed static and/ or dynamic modelling
  - d) indicative expenditure in Australian dollars for each work activity proposed within each permit year at current market value:
    - i) for operational activities, calculations detailing how the cost of the activities has been estimated should be provided.
  - e) the number of line kilometres of 2D and proposed line spacing and/or square kilometres of 3D seismic data that will be acquired and processed within the permit area, including:
    - i) full fold numbers within the permit area
    - ii) a map showing the indicative location of the 2D lines or 3D survey outline (all existing seismic surveys should also be also identified on this map)
    - iii) the parameters and methodology of the seismic acquisition and processing that will be undertaken (if known)
    - iv) whether acquisition of seismic survey data relates to purchase or licensing of existing seismic data, or whether a new seismic survey will be undertaken as part of the work program.
  - f) the amount, type and details of the applicable dataset of any new reprocessing the titleholder proposes to undertake, including:

- i) the number of line kilometres of 2D and/ or square kilometres of 3D seismic data that will be reprocessed within the permit area clearly stated
- ii) a map showing the indicative location of the 2D lines or 3D survey outline (all existing seismic surveys should also be identified on this map)
- iii) the parameters and methodology of the reprocessing that will be undertaken (if known)
- iv) whether the proposed seismic reprocessing relates to the purchase or licensing of existing reprocessed data or whether new seismic reprocessing will be undertaken.
- g) the licensing or use of any existing exclusive or non-exclusive datasets and, if applicable, how these are proposed to be used in conjunction with any reprocessing or geophysical studies proposed in the work program
- h) a description of the conceptual locations, targets and total depths of any proposed wells
- i) a description of, and the conceptual locations, targets and purpose of any other operational activities that are proposed
- j) a high resolution map indicating where the activities are anticipated to be carried out in the permit area
- an overview of proposed studies relating to potential impacts on overlapping, adjacent or nearby petroleum titleholders (current or future) for key GHG operations proposed in the work program.
- 6.25 Evaluation of the titleholder's proposed work strategy and assessment of the titleholder's work program will also be undertaken in accordance with the principles outlined in section 2 of this Guideline.

### Consideration of significant risk of a significant adverse impact

6.26 The proposed work program should have regard to <u>sections 27 and 292 of the OPGGS Act</u>, which refer to assessing whether there is a SROSAI from any key GHG operational activity proposed within the renewal term on petroleum exploration or recovery operations that are being or could be carried on under an existing or future petroleum title.

## Applicant's technical advice and financial resources

- 6.27 As set out in <u>paragraph 6.12 of this Guideline</u> in deciding whether to renew a GHG assessment permit, the RCM must have regard to the following, per <u>subsection 309(2), 309(3A) or 309(4A) of the OPGGS Act</u>:
  - a) whether the RCM is satisfied that the technical advice and financial resources available to the titleholder are sufficient to:
    - i) carry out the operations and works that will be authorised by the permit
    - ii) discharge the obligations that will be imposed under the OPGGS Act, or a legislative instrument under the OPGGS Act, in relation to the permit
  - b) whether the RCM is satisfied of any other matters prescribed by the regulations.
- 6.28 Refer to <u>section 7 of this Guideline</u> and the <u>Guideline</u>: <u>Applicant suitability</u> for further details on application submission requirements, assessments and decision making against these criteria.

## Refusal to renew a permit

- 6.29 <u>Section 310 of the OPGGS Act</u> provides that the RCM must refuse to renew a permit if:
  - a) the RCM is not satisfied as to the sufficiency of the technical advice and financial resources available to the titleholder, per <u>subsection 310(3A) of the OPGGS Act</u>
  - b) there has been non-compliance with permit conditions (where the RCM is not satisfied that the non-compliance is attributable to unavoidable delays caused by the unavailability of essential services and/ or equipment), the provisions of <a href="Chapters 3">Chapters 3</a>, 5, 5A or 6 or Part 8.1 of the OPGGS Act and/ or the provisions of the regulations, and the RCM is not satisfied that there are sufficient grounds to warrant the renewal of the permit, per <a href="Subsection 310(2">subsection 310(2)</a>) of the OPGGS Act
  - during the period when the permit was in force, no notice was given under <u>section 451 of the OPGGS Act</u> about a part of a geological formation wholly situated within the permit area, and the RCM is not satisfied that there are sufficient grounds to warrant the renewal of the permit, per <u>subsection 310(3) of the OPGGS Act</u>.
  - Sufficient grounds may include whether the titleholder has taken any reasonable actions to resolve or mitigate the non-compliance.
- 6.30 The RCM may refuse to renew a permit if the RCM is not satisfied of the matters (if any) prescribed by the regulations, per <u>subsection 310(3B) of the OPGGS Act</u>.
- 6.31 Where the RCM intends to refuse to renew a GHG assessment permit, consultation procedures apply under section 434 of the OPGGS Act.

# 7. General information about applications

## **Decision making**

- 7.1 The OPGGS Act provides that the decision-maker must (or in some cases, may) have regard to certain suitability matters when making decisions in respect of certain applications for or in respect of GHG titles. These include:
  - a) the matters set out in section 695YB of the OPGGS Act
  - b) the sufficiency of the technical advice and financial resources available to the applicant
  - c) any other matters prescribed by the regulations.
- 7.2 The decision-maker may also have regard to any other relevant matters.
- 7.3 Where the decision-maker is not satisfied that the applicant has access to sufficient technical advice and financial resources or does not meet the suitability criteria (where relevant), the application must (or in some cases may) be refused.
- 7.4 Matters relating to the assessment of the suitability of an applicant can be found in the <u>Guideline:</u>
  Applicant suitability.

## **Decision-maker**

- 7.5 The RCM is the decision-maker on applications for the grant, renewal and surrender of GHG assessment permits; as well as variation and suspension of, and exemption from compliance with, permit conditions and the extension of permit terms.
- 7.6 Applications are assessed by <u>NOPTA</u> and technical advice is provided to the RCM.

## Related guidance, factsheets and information

- 7.7 When preparing an application, the applicant should review the associated documents relevant to that application, including:
  - a) provisions within the OPGGS Act
  - b) the GHG Injection and Storage Regulations
  - c) the RMA Regulations
  - d) subject matter guidelines and factsheets published by NOPTA, in particular the
    - i) Factsheet: Declarations of experience and disclosures
    - ii) Guideline: Applicant suitability
  - e) NOPTA Forms Guidance, which is a consolidated application guidance document covering:
    - i) submission requirements and details
    - ii) forms execution (signatures)
    - iii) notification requirements
    - iv) other government considerations such as foreign investment and prior usage rights
  - f) application forms.

## Submission requirements

- 7.8 To be validly made all applications must be:
  - a) in the approved form
  - b) accompanied by any information or documents required by the form
  - c) submitted in the approved manner
  - d) accompanied by the application fee.
- 7.9 Applicants should also familiarise themselves with the <u>Factsheet: Declarations of experience and disclosures</u> and determine if a declaration or change of circumstances form is required to be submitted with an application.

## Information gathering powers

- 7.10 The RCM has powers to require applicants to provide further information in connection with an application, as set out in section 429 of the OPGGS Act. Where further information is required, applicants will be notified in writing. The notice will specify the time within which the information is to be provided.
- 7.11 Failure to provide the required information may result in the RCM deciding to refuse to consider the application or take any action (or further action) in relation to the application, in accordance with subsection 429(3) of the OPGGS Act.