



## Cessation of pipeline operations and/or cessation of petroleum production

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

This fact sheet provides information about regulatory approvals and considerations that may be required prior to ceasing either (or both) of:

- operation of a pipeline; or
- production from a petroleum field within a petroleum production licence.

### Approvals required

Under the OPGGS Act and the [Offshore Petroleum and Greenhouse Gas \(Resource Management and Administration\) Regulations 2011 \(RMA Regulations\)](#) titleholders must:

- obtain the consent of the Joint Authority prior to ceasing to operate a pipeline; and
- apply for acceptance of a variation of a field development plan (FDP), if the cessation of production from the petroleum field(s) occurs before the date(s) proposed in the accepted field development plan (see below).

It is important to notify NOPTA (who will also inform NOPSEMA) before a long-term or permanent cessation of production to assist both NOPTA and NOPSEMA to undertake their regulatory functions.

### Ceasing to operate a pipeline

Section 228 of the OPGGS Act requires a pipeline licensee to obtain the consent of the Joint Authority prior to ceasing to operate a pipeline<sup>1</sup>, except where the cessation of operation:

- is in the ordinary course of operating the pipeline.
- is for the purpose of repairing or maintaining the pipeline; or
- was in response to an emergency in which there was a likelihood of loss or injury.

The OPGGS Act does not define 'pipeline operations' however it is expected that, except in the above circumstances, consent be sought before the licensee intends to cease conveying petroleum or a greenhouse gas substance through the pipeline.

Licensees may wish to discuss with NOPTA where there is any uncertainty about whether the Joint Authority's prior consent is required (e.g., whether a proposed cessation is 'in the ordinary course of operating a pipeline').

Failure to obtain consent to cease to operate a pipeline could result in the titleholder committing an offence under the OPGGS Act and becoming non-compliant with its title obligations.

Note that obtaining consent to cease operating a pipeline in the above circumstances does not necessarily preclude carrying out other pipeline operations. For example:

- to support production/tie-ins from other facilities by providing fuel gas, gas-lift gas, hydraulic fluids etc;
- conveying fluids to support decommissioning of other infrastructure such as wells and platforms.
- flushing, cleaning, and filling the pipeline with inhibited seawater in preparation for decommissioning.

Licensees should identify any potential future operations as part of their application for consent (see below).

### Early Engagement

Titleholders planning to cease to operate a pipeline should seek early engagement with NOPTA to ensure ongoing compliance.

### Application

As the Joint Authority's consent to cease operating a pipeline is required to be in place before the proposed cessation occurs, applications should be submitted at least 12 weeks prior to the proposed cessation of operations. The following information should be included with an application:

- reasons for the proposed cessation of operation.
- whether the cessation of operation is of a permanent or temporary nature.
- if the cessation is temporary, the estimated period of cessation and the licensee's plans for care and maintenance during that period;

<sup>1</sup> Note: a 'secondary line', as defined in section 7 of the OPGGS Act is not a pipeline within the meaning of Part 2.6 of the OPGGS Act, and therefore is not captured by section 228.



- if the cessation is permanent, the licensee's evaluation and engagements in relation to possible other uses for the pipeline (e.g., third party access) and plans for decommissioning (refer to the decommissioning guideline on NOPTA's website).

Note, cessation of production of petroleum from a related production licence (see 'notice of cessation of production' below) does not negate the requirement to obtain the Joint Authority's prior consent to cease to operate a pipeline.

An application form is available on [NOPTA's website](#).

## Cessation of production - variation of FDP

Under Part 4 of the RMAR, titleholders must apply to vary an accepted FDP if the titleholder intends to make a major change from the accepted FDP (reg 4.08).

"Major changes" are those changes undertaken under the control of and by the Titleholder. These include, among other things, the permanent or long-term cessation of production before the date proposed in the FDP (where applicable) (reg 4.01).

For a major change, the application for a variation to the accepted FDP must be made at least 90 days before the major change (reg 4.09).

Failure to do so could result in the titleholder committing an offence under the OPGGS Act/RMAR and becoming non-compliant with its title obligations.

For further information about varying a FDP please refer to the [Developing a Petroleum Resource factsheet](#) on NOPTA's website.

## Notice of cessation of production

### Early Engagement & Preliminary Considerations

Titleholders are encouraged to engage with NOPTA on a regular basis to provide updates regarding field performance, which are expected to include estimates of expected field life.

For fields at a mature stage of production, this should include details of activities and strategies being undertaken to optimise remaining production.

Prior to ceasing production from a field, titleholders should consider what regulatory approvals, if any, should be sought (see 'ceasing to operate a pipeline' and 'variation of FDP' above).

### When to notify

Titleholders should notify NOPTA as soon as possible when:

- they become aware that cessation of production, on either a long-term or permanent basis, is imminent; and
- when subsequent production actually ceases.

### How to notify

NOPTA should be formally notified of a cessation of production by letter or email correspondence via [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

NOPTA should also be kept informed on an ongoing basis of any likely or actual cessation of production in Annual Title Assessment Reports.

## What information to provide

### Likely cessation of production

When a titleholder becomes aware that cessation of production from a field is imminent, they should notify NOPTA by providing the following information:

- the name of the field(s) that will cease producing and, if applicable, the project name.
- the title number of the production licence(s) in which the field(s) is located; and
- the estimated timeframe when production is likely to cease (month/year).

### Actual cessation of production

Once production from a field has ceased, the titleholder should notify NOPTA as soon as possible.

Within one month of providing notice, or such other period agreed with NOPTA, the titleholder should also provide NOPTA with a brief summary of:

- the date on which production ceased (note – where this is the only field within a production licence, this is generally taken to be the last date of petroleum recovery operations for the purposes of section 147, 166 and 186 of the Act);
- the underlying factors for ceasing production.
- the field's production history (including differences between FDP assumptions and actual performance).
- key learnings and insights from the project, including projects, work or studies undertaken to mature resources, and views as to alternative opportunities for maturing those resources in the future (e.g., applying new technology).
- quantities of all remaining hydrocarbons within the field (including contingent resources).
- decommissioning timeframes and anticipated costs.
- the status of any other fields in the licence area, either currently producing or planned to be produced in the future.



- the status of any infrastructure relevant to the licence (e.g., platform, pipelines etc.) and whether these will be continued to be used.
- any other relevant information.

Depending on the timing of cessation (e.g., when in the licence year it occurs) further detail may be provided in the ATAR. Please contact NOPTA if you have any questions regarding content and timing.

## How does NOPTA use this information?

NOPTA uses the information provided to:

- inform and assist the Joint Authority and NOPSEMA with their respective decision-making and regulatory activities; and
- as part of regional resource stewardship efforts, including considerations for future resource development and field development benchmarking.

## Implications for termination of licences

The Joint Authority has a discretionary power to terminate:

- a life-of-field production licence if no petroleum recovery operations have been carried on at any time during a continuous period of at least five years (section 166).
- a pipeline licence if the licensee has not used the pipeline or a part of a pipeline at any time during a continuous period of at least five years (section 215).

*Note, this excludes any period where petroleum recovery operations were not carried on or where a pipeline or part of a pipeline was not used because of circumstances beyond the licensee's control. This does not include the depletion of recoverable petroleum.*

Where the Joint Authority intends to terminate a licence the licensee will be notified in writing and provided with an opportunity to make submissions with respect to the proposed termination.

Titleholders should therefore consider the potential impact that a long-term or permanent cessation of production may have on related petroleum titles. Titleholders may contact NOPTA to discuss any questions they may have.

## Decommissioning

Please refer to the [Offshore Petroleum Decommissioning Guideline](#) on NOPTA's website for information about decommissioning.

Prior to seeking consent to surrender relevant titles, titleholders must, among other things, have documentary evidence showing all wells and/or property within the titles have been through a regulated abandonment process. This includes demonstrating that the titleholders have:

- removed all property (or made other arrangements that are satisfactory to NOPSEMA) from the area.
- plugged or closed off any wells.
- provided for the conservation and protection of the natural resources in the area; and
- made good any damage to the seabed or subsoil.

Failure to demonstrate that these matters have been carried out to the satisfaction of NOPSEMA may result in the Joint Authority refusing to consent to the surrender of the title.

For further information about matters relating to the surrender of petroleum titles please refer to the [Guideline: Offshore petroleum decommissioning](#)

## Further information or questions

If you have any questions about this factsheet, please contact NOPTA via [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

*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.*

## Version history

Version	Date	Comment
2.0	17/02/2023	Edit hyperlinks
1.0	12/10/2021	Creation of fact sheet