Offshore Petroleum and Greenhouse Gas Storage Titles

An introduction to the Greenhouse gas (GHG) storage legislative framework
Disclaimer

The information in this presentation is a guide only and does not replace or amend information provided in the *Offshore Petroleum and Greenhouse Gas Storage Act* (the OPGGS Act), associated regulations and guidelines available at: www.nopta.gov.au/legislation.

It is not intended as legal advice and should not be relied on when making commercial decisions.

In the event that there is any discrepancy between this information and the legislation or regulations, the legislation or regulations has precedence.
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Key OPGGS Act institutions and functions – GHG

National Offshore Petroleum Titles Administrator (NOPTA)
- Contact for titles applications, guidance & associated title administration
- Provides technical advice to the relevant decision maker
- Manages the titles register
- Monitors data and title compliance aspects
- Decision maker for transfers, dealings and change in control applications

Responsible Commonwealth Minister (RCM)
- Decision maker for all GHG decisions (excluding infrastructure licences, pipeline licences & cross-boundary assessment permits)

Offshore Petroleum Joint Authority (JA)
- Decision maker for GHG decisions relating to infrastructure and pipeline licence

Department of Industry, Science, and Resources (DISR)
- Offshore GHG policy and legislation development and oversight
- Offshore GHG acreage release

National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)
- Independent regulator for health and safety, structural (well) integrity and environmental management for all offshore GHG operations in Commonwealth waters and in coastal waters where regulatory powers & functions have been conferred.

1 The Cross-Boundary Authority is the decision maker on cross-boundary applications
Legislation and guidance information for offshore GHG title applications

**Legislation**

*Offshore Petroleum and Greenhouse Gas Storage Act 2006*

- *Offshore Petroleum and Greenhouse Gas Storage (Greenhouse Gas Injection and Storage) Regulations 2011 (GHG Regulations)*

**Guidance**

- Offshore GHG Assessment Permits
  - Guideline: Offshore GHG Assessment Permits – Work Bid
  - Guideline: Offshore GHG Declaration of Storage Formation
  - Guideline: Offshore GHG Consolidated and Cross-boundary GHG Assessment Permits – Work Bid
- GHG Application Forms
- Forms Guide
What’s in the Legislation for Offshore GHG titles

<table>
<thead>
<tr>
<th>An offshore GHG title grants the titleholder the right to explore, appraise, inject and store a GHG substance (depending on the title type).</th>
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<tbody>
<tr>
<td>Injection and storage of GHG substances in offshore areas, and sets out a basic framework of rights, duties, obligations, entitlements and responsibilities of governments and industry</td>
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<tr>
<td>Additional options for the storage of any GHG substance that may be produced through petroleum operations.</td>
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<tr>
<td>Access and property rights through a title system similar to that used for petroleum for exploring and using GHG storage formation and injection sites</td>
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<tr>
<td>Mechanisms for managing interactions with petroleum industry</td>
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<tr>
<td>Right to use GHG for enhanced petroleum recovery remain unchanged and can be undertaken under a petroleum production licence.</td>
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<tr>
<td>Ensuring safe, secure and permanent storage of GHG substance</td>
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<td>Site closure and treatment of long-term liability</td>
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<td>Titles alone do not authorise GHG activities</td>
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2023 Offshore GHG Legislative Framework
The legislation requires ‘permanent storage’ of a GHG substance.

The storage formation must be wholly situated in the individual GHG Assessment Permit area, Petroleum Retention Lease area or Petroleum Production Licence area and wholly within the Commonwealth Waters.

The plume cannot migrate outside of the title area.

GHG assessment permits and holding leases may require a significant risk of significant adverse impact assessment (e.g.; s27, s292 and s321 of the OPGGS Act) prior to carrying out Key GHG Operations.

May need a significant risk of significant adverse impact assessment prior to offering a GHG injection licence (s28, s362).
The OPGGS Act provides two pathways to obtain a GHG Injection License

1. GHG Assessment Permit (through acreage release process similar to petroleum)

   GHG Acreage Release → GHG Assessment Permit → GHG Holding Lease or GHG Injection Licence

2. If you have an existing retention lease or production licence petroleum title (conditions apply)

   Petroleum Retention Lease GHG → Holding lease (granted under s345 of the OPGGS Act)
   Petroleum Production licence → GHG injection licence

   Conditions:

   A declaration of identified storage formation (DoSF) must be approved first before applying for an injection licence (s312 of the OPGGS Act – see slide 13)

   Existing petroleum title holders should be aware of potential complexities in relation to tied titles

   NB:

   - There is no pathway from a petroleum exploration permit to a GHG assessment permit
   - The OPGGS Act does permit some GHG exploration in petroleum titles such as exploring the title area for potential GHG storage formations or potential injection site(s), requirements of notification under RMA regulations – Part 6
**GHG Acreage Release Process**

GHG acreage is released on an irregular basis in response to expressions of interest.

<table>
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<tr>
<th>Step</th>
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<tr>
<td>The acreage release process is similar to petroleum</td>
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<tr>
<td>Nomination of areas in designated timeframe</td>
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<tr>
<td>Review of nominated areas</td>
</tr>
<tr>
<td>Public consultation on proposed areas</td>
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<tr>
<td>Decision made on areas to be released for bidding</td>
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<tr>
<td>Bidding opened</td>
</tr>
<tr>
<td>Applications received and assessed</td>
</tr>
<tr>
<td>Decision made to offer / refuse application</td>
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<tr>
<td>Action</td>
</tr>
<tr>
<td>--------------------</td>
</tr>
<tr>
<td><strong>EXPLORE</strong></td>
</tr>
<tr>
<td><strong>DECLARE</strong></td>
</tr>
<tr>
<td><strong>APPRAISE</strong></td>
</tr>
<tr>
<td><strong>OPERATE &amp; DECOMMISSIONING</strong></td>
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Estimated timeframes - GHG injection licence via a petroleum production licence

- **Declaration of identified storage formation**
  - Application to NOPTA – Assessment – RCM decision
  - Timeframe – at least 6 months

- **GHG Injection licence**
  - Application to NOPTA, inc site plan, decommissioning plan – Assessment – RCM decision
  - Timeframe – at least 8 months

- **Injection activities commence**
  - Environmental and other [regulatory approvals](#) may be applicable; for example a sea dumping permit from Department of Climate Change Environment Energy and Water (DCCEEW)
## Category of Storage Formation

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<tr>
<th>Category</th>
<th>Criteria</th>
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| i. A ‘potential GHG storage formation’ (s 20)                            | • Suitable for storage, with or without engineering enhancements.  
• Further detailed analysis of formation is necessary before can progress to criteria (ii). |
| ii. An ‘eligible GHG storage formation’ (s 21)                           | • Suitable for storage, with or without engineering enhancements (at least 100 000 tonnes).  
• Must notify RCM within 30 days of reasonable suspicion of eligible formation (s 451).  
• May apply for a storage formation declaration to progress to criteria (iii). |
| iii. An ‘identified GHG storage formation’ (s 312)                       | • Assessed in accordance with ‘fundamental suitability determinants’ under s 21(8).  
• RCM declares as identified storage formation. |
Application for an Identified Storage Formation

Intention of OPGGS Act is for titleholder to demonstrate unequivocal, high-quality containment.

In accordance with s 21(8) of the OPGGS Act a permittee must clearly outline the ‘fundamental suitability determinants’ for the storage site:

- The amount of GHG that may be stored
- The particular GHG substance suitable to be stored
- The proposed injection point or points
- The proposed injection period
- Any proposed engineering enhancements
- The effective sealing feature of the storage site
- Understand the extent of the plume migration (at p10)

Act and Regulations designed to ensure ‘what goes in, stays in!’

See the Greenhouse gas guideline—Declaration of an identified GHG storage formation for further information in applying for a Declaration of Identified Storage Formation
Coming Soon

- GHG Injection licence guideline
- GHG Holding lease

Published on NOPTA Website

Application Fact Sheets:
- GHG Cancellation
- GHG Surrender
- Key GHG Operations
- Notification of an Eligible GHG Storage Formation
- GHG Expiry
- GHG Search Authority, Special Authority and Research Consent
Where to find more information

Acreage Release | GHGAcreage@industry.gov.au
- Current release areas open for bidding
- Nomination of blocks for future acreage release

- Guidelines and factsheets
- Application forms
- Current application fees and annual levies

- Metadata about new & legacy well, survey and title activities from the date of activity commencement
- More than a million searchable records, linked to downloadable data

NOPSEMA | www.nopsema.gov.au
- Links to Commonwealth Marine Reserves and National Parks information

If you would like to discuss anything in this presentation please contact NOPTA at: ghg@noppta.gov.au