



# Response to submissions

## Draft guideline on how to prepare a field management plan.

An approved Field Management Plan (FMP) must be in place and a production licence must have been granted before petroleum recovery operations can commence from a field. A FMP can only be applied for by a production licence holder (licensee) or a production licence applicant, as per regulation 43(1) of the Petroleum and Geothermal Energy Resources (Resource Management and Administration) Regulation 2015 and the Petroleum (Submerged Lands) (Resource Management and Administration) Regulation 2015 (RMAR 2015).

Schedule 3 of the RMAR 2015 sets out the detailed technical content that must be included in an FMP as required by regulation 48. The [Guidelines to RMAR 2015](#) describe the FMP requirements as identified in the regulations.

On 24 September 2021, the Department of Mines, Industry Regulation and Safety (DMIRS) released the draft guideline to assist registered title holders to develop their plans and revisions to:

- ensure the technical quality of the information provided
- ensure all significant aspects in relation to the management of the resource are included in the application
- reduce the time for assessment; and
- minimise the requirements for ongoing submission of data after the lodgement of the application in accordance with the requirements of Schedule 3 of RMAR 2015.

### Stakeholder Comments

This document provides DMIRS' responses to those comments.

The review process notified respondents that their submissions would be made publicly available on the DMIRS website.

For the purposes of more easily grouping and responding to feedback from stakeholders, the submissions have been sorted by section of the draft document, however the text of submissions are included verbatim.

DMIRS thanks all stakeholders for their considered input into the process.

General Comments				
Ref #	Stakeholder	Section	Comment	DMIRS Response / Action
1.	<b>Australian Petroleum Production &amp; Exploration Association (APPEA)</b>	General Comments	<p>APPEA would like to acknowledge the Department of Mines, Industry Regulation and Safety (DMIRS) for consulting on the Draft Guideline and its willingness to receive industry comment. APPEA appreciates the briefing session that was held by DMIRS for its members to provide context as to why the Draft Guideline has been developed. At the briefing session, held on 29 October 2021, DMIRS framed the Draft Guideline as a "how to guide" to assist in the submission of an FMP, through the Petroleum and Geothermal Register (PGR).</p> <p>DMIRS, alongside the Department for Water and Environmental Regulation (DWER) have adopted a document hierarchy model for environmental approvals documents which are categorised into four tiers. There are two descriptions of the intent of a guideline listed on the WA Government website which include "documents that provide guidance or procedural information on technical and legal matters and the work of the agency" and "agencies develop guidelines to identify how requirements are administered in line with policy objectives and legislation".</p> <p>APPEA is concerned that a guideline, the purpose of which is to assist in explaining the legislative requirements, is being used by DMIRS as a tool to be overly prescriptive for content requirements of an FMP as opposed to making regulatory changes via the appropriate Act and/or regulations.</p> <p>The content requirements in Schedule 3 of the RMA Regulations are complex and APPEA understands that certain information is required for the integration of the FMP into the PGR. However, being overly prescriptive in the Draft Guideline where DMIRS is requesting such detailed, complex and technical information, does not reflect the requirements in the legislation. Notwithstanding, APPEA is, however, appreciative of the intention to assist titleholders and applicants to lodge their FMP in a more effective and efficient manner using the PGR.</p>	<p>The intent of the guideline is to provide guidance on the implementation of the existing regulations to ensure titleholders are providing the appropriate information, and not to change the existing legislative requirements.</p>
2.	<b>APPEA</b>	Step 9. Decommissioning	<p><b>Decommissioning, rehabilitation, and cessation of production</b></p> <p>Whilst it is understood that Schedule 3 of the RMA Regulations requires FMPs to include estimated dates for cessation of production (CoP) and field closure, forecasting of the timing of CoP and subsequent decommissioning, rehabilitation, and relinquishment prior to the commencement of production and throughout operations is challenging for titleholders. The timing of CoP is not typically a fixed point in time and may change significantly throughout operations. Therefore, the duration of decommissioning is dependent on variables that may be outside of the titleholder's control and outlining specific dates at this stage of the project is difficult and uncertain. APPEA recommends this is removed as a requirement in the Draft Guideline.</p>	<p>Information on cessation of production is a legislative requirement under RMAR 2015, Schedule 3 Item 9 (b), which requires "<i>estimated dates for cessation of production and field closure</i>".</p> <p>DMIRS notes that these are estimated dates, and there are existing established provisions and procedures for revisions to Field Management Plans. As this information is required by the regulations it cannot be removed from the Guideline.</p> <p>The cessation of production date may be revised as outlined on page 4 of the draft Guideline presented. This is identified as a potential reason for a FMP Revision (third bullet point, second paragraph, which states the reason "<i>cessation of production, permanently or for the long term, before the date proposed in the approved FMP</i>").</p>

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3.	<b>Chevron Australia (Chevron)</b>	Step 9. Decommissioning	<p>Chevron understands that the Guidelines have been prepared to assist registered titleholders to develop FMPs and revisions in accordance with the requirements of Schedule 3 of both the Petroleum and Geothermal Energy (Resource Management and Administration) Regulations 2015 and the Petroleum (Submerged Lands) (Resource Management and Administration) Regulations 2015. Chevron seeks clarification on both the level of information required and how DMIRS will use information provided in an FMP. In particular, will acceptance of an FMP describing decommissioning provide certainty for a titleholder in relation to property end state? Chevron is concerned that the Guidelines requires information to be included that is beyond legislated requirements of the regulations.</p> <p><b>Decommissioning and End State</b></p> <p>In relation to the decommissioning content in an FMP, the Guidelines require information on the plans for field decommissioning including a description of activities, end state and proposed timing. Comprehensive plans for decommissioning are unlikely to be available prior to production and may only be bedded down much closer to cessation of production (CoP). Recommendations and decisions on infrastructure end state, including an assessment of whether decommissioning of infrastructure in situ provides equal or better outcomes, are likely to be made closer to CoP when risks and benefits are better understood and when relevant stakeholders can be consulted.</p> <p>Chevron understands that for infrastructure brought into the title area, the base case is for removal of all infrastructure, however exceptions to this requirement may be considered by the Minister on a case by case basis. Further explanation is required as to how the decommissioning content within FMPs will be used to support agreement on end state decisions and whether the FMP, or an alternative permissioning document, would be used for acceptance of decommissioning end state. In particular, what is the interaction between the FMP and Environment Plan? The DMIRS Decommissioning Guideline (2017) sets out that a Comparative Assessment process can be used to inform end state. How does the Comparative Assessment process interact with the FMP, including stakeholder consultation which typically forms an integral component of undertaking a Comparative Assessment?</p> <p>Given an FMP is submitted prior to production and the Regulations do not require mandatory 5 yearly resubmissions, Chevron recommends that the level of information on decommissioning provided in a FMP be commensurate with the maturity of the project. Any description of end state within the FMP needs to be acknowledged as preliminary and that it may be subject to change following assessment of alternatives, engagement with stakeholders and consideration by the Minister.</p> <p><b>Rehabilitation and Relinquishment</b></p> <p>Similar to the above discussion on decommissioning, Chevron recommends that the information associated with rehabilitation and relinquishment included in the FMP be high level and acknowledged as preliminary. DMIRS recently released a draft revision of the Environment Plan Development Guidelines (July 2021) with updates focused on rehabilitation and closure. Clarification is sought on the level of detail on rehabilitation and relinquishment required in the initial FMP as compared to the Environment Plan i.e. commitment to undertake rehabilitation is acceptable and that detailed methodology and rehabilitation completion criteria are not required to be included in the initial FMP.</p> <p>Clarification is sought as to how the decommissioning end state information in the FMP relates to the Petroleum and Geothermal Energy Resources Act 1967 (PGERA) s. 98 and the Petroleum (Submerged Lands) Act 1982 (PSLA82) s. 104. Is acceptance of an FMP which includes a plan for property to be left in situ taken to constitute arrangements that are satisfactory to the Minister for the purpose of PGERA s. 98 and PSLA s. 104? Therefore would the titleholder not be required to remove the property in order to comply? Or are the requirements of s.98 or s.104 and in relation to alternative arrangements managed through a different process and permissioning document?</p>	<p>DMIRS acknowledges that there appears to be uncertainty as to which approval mechanism will provide for approving decommissioning plans and end of state. Schedule 3, Item 16 requires "a description of the applicant's plans for closure of the field, including plans for decommissioning and rehabilitation". The Environment Plan will be the mechanism for approving the detailed rehabilitation plan, however, decommissioning arrangements are required to be provided in the FMP and should be consistent with the Environment Plan.</p>

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			<p><b>Estimated timing of Decommissioning, Rehabilitation and Relinquishment in relation to cessation of production</b></p> <p>Whilst it is understood that Schedule 3 of the Resource Management and Administration Regulations 2015 requires FMPs to include estimated dates for CoP and field closure, Chevron would like to highlight that forecasting the timing of CoP and subsequent decommissioning, rehabilitation and relinquishment early in project life is difficult. The timing of CoP is not typically a fixed point in time and can undergo significant change throughout operations due to internal and external factors. Duration of decommissioning is dependent on variables that may be outside of the titleholders' control such as agreement on end state (including in situ abandonment), rig or vessel availability, contracting and obtainment of regulatory approvals.</p> <p>In relation to relinquishment, it may take numerous years to meet rehabilitation success criteria and this is subject to environmental variables outside of titleholders' control. Given there is significant complexity in providing estimated timing of decommissioning, rehabilitation, and relinquishment, any information provided in the FMP should be recognised as preliminary and subject to change.</p>	<p>Information on cessation of production is a legislative requirement under RMAR 2015, Schedule 3 Item 9 (b), which requires "estimated dates for cessation of production and field closure".</p> <p>DMIRS notes that these are estimated dates, and there are existing established provisions and procedures for revisions to Field Management Plans. As this information is required by the regulations it cannot be removed from the Guideline.</p> <p>The cessation of production date may be revised as outlined on page 4 of the draft Guideline presented. This is identified as a potential reason for a FMP Revision (third bullet point, second paragraph, which states the reason "cessation of production, permanently or for the long term, before the date proposed in the approved FMP").</p>
4.	APPEA	Financial Capability and Decommissioning Costs	<p><b>Financial capability requirement</b></p> <p>APPEA is supportive of planning for decommissioning however, there is a requirement included in the Draft Guideline for applicants to outline their strategy for ensuring that the licensee will have the required financial capability to undertake and complete decommissioning at the end of the field life. The expectation to provide financial capability in the decommissioning section of the FMP should be considered by titleholders and applicants, however, this inclusion goes beyond legislated requirements of Schedule 3 of the RMA Regulations. Schedule 3 of the RMA Regulations already states what is required to be in an FMP, with the Draft Guideline extending the content of Schedule 3 and moving towards greater prescription of how the requirements of Schedule 3 must be met. The greater level of prescription included in the Draft Guideline (and other guidelines that have been released recently) is in conflict with an objective-based regulatory regime.</p> <p>In addition, there is reference to the Decommissioning Guideline published on the DMIRS website however, in section 3.4 of the Decommissioning Guideline there is no description of any requirements to outline financial capability in an FMP. APPEA seeks clarification as to why this has been included in the Draft Guideline, whilst also recognising that titleholders and applicants may include this information even though this is a legislated requirement for a production licence application and not for FMP lodgement. Outlining financial capability for potentially unknown.</p> <p>Outlining financial capability for potentially unknown activities (at this stage) may be unrealistic. APPEA therefore recommends that DMIRS remove the financial capability requirement in the decommissioning step of the Draft Guideline.</p> <p>We understand DMIRS is looking to review the decommissioning framework including the decommissioning guideline in the coming months and appreciate that industry will form part of the consultation process. APPEA is mindful that any changes or significant amendments to decommissioning requirements will therefore impact the content requirements included in the Draft Guideline. APPEA recommends that the Draft Guideline refer to decommissioning requirements as per the regulations, to ensure that the Draft Guideline will not require revision following any regulatory change.</p>	<p>Decommissioning costs are mandated as part of the requirements of granting a Production Licence and will continue to be required through this mechanism.</p>

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5.	<b>Chevron</b>	Decommissioning Costs	<p><b>Provision of Decommissioning Costs</b></p> <p>In relation to decommissioning, Item 16 of Schedule 3 of the Regulation is limited to "A description of the applicant's plans for closure of the field, including plans for decommissioning and rehabilitation." Chevron's position is that the inclusion of estimated costs for decommissioning of infrastructure as set out in the Guidelines is beyond the legislated requirement of Schedule 3. Forecasting decommissioning costs is complex and can change significantly depending on the decommissioning scope and timing. These costs are impacted by agreement on end state, including consideration and acceptance of in situ decommissioning of infrastructure, future accepted use of onshore sites, along with rig and vessel hire costs and application of future technologies. Decommissioning costs are also typically calculated per asset rather than per production title.</p> <p>Given that the Resource Management and Administration Regulations do not include the requirement for decommissioning costs to be included in an FMP, Chevron considers that a change to Schedule 3 of the Regulations is necessary if decommissioning costs are required to be included in FMPs. If the provision of decommissioning costs were to become a requirement of the Regulations, Chevron considers that the inclusion of a high level cost estimate only would be appropriate for the reasons stated above and would be sufficient to enable government oversight of mature and late life assets.</p>	Decommissioning costs are mandated as part of the requirements of granting a Production Licence and will continue to be required through this mechanism.
6.	<b>APPEA</b>	Step 10. Other Information	APPEA requests DMIRS provide a concordance table to support the Draft Guideline which outlines each step of the lodgement process of the FMP into the PGR. This will assist in providing a clear and concise relationship between the regulations, Draft Guideline, and the PGR system for titleholders and applicants to refer to when lodging their FMP.	Each step of the FMP Guideline identifies which regulation it aligns with. In addition, as requested, DMIRS has now added in an Appendix to the FMP Guideline to include a concordance table.
7.	<b>APPEA</b>	Conclusion	<p>APPEA would like to reiterate that we support DMIRS efforts to provide context and understanding for the preparation of FMPs, particularly with the aim of assisting in the reduction of timeframes through less requests for further information which has, in some cases, resulted in project delays.</p> <p>APPEA also notes that the PGR system is outdated, and the functionality is challenging for titleholders/ applicants to lodge permissioning documents effectively. It would be helpful if there was a system upgrade project in the future to allow for more flexible capability and appreciate that any associated guideline would need to be amended to reflect this.</p> <p>In summary however, the Draft Guideline is prescriptive in nature and APPEA is concerned that the release of multiple guidelines, as opposed to making substantive regulatory amendments, is not a fair and reasonable process, and expectations on titleholders to provide information on decommissioning and financial capability in an FMP is contrary to legislative requirements.</p>	<p>The intent of the guideline is to provide guidance on the implementation of the existing regulations to ensure titleholders are providing the appropriate information, and not to change the existing legislative requirements.</p> <p>Providing information on decommissioning is current required by item 16 of Schedule 3 of the Regulations, and therefore is not contrary to legislative requirements.</p> <p>DMIRS notes the comments in regard to the Petroleum Geothermal Register (PGR) online system and the recommendation for an upgrade project to this system to allow more flexibility. The Guideline is written in relation to the current system.</p>

Government of Western Australia

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and Safety**

8.30am – 4.30pm

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