I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following Regulations under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Dated 25 February 2010

QUENTIN BRYCE
Governor-General

By Her Excellency’s Command

MARTIN FERGUSON
Minister for Resources and Energy
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2010, 28  
**Offshore Petroleum and Greenhouse Gas Storage**  
(Management of Greenhouse Gas Well Operations)  
Regulations 2010
Part 1  Introduction

1.1 Name of Regulations

These Regulations are the *Offshore Petroleum and Greenhouse Gas Storage (Management of Greenhouse Gas Well Operations) Regulations 2010.*

1.2 Commencement

These Regulations commence on the day after they are registered.

1.3 Object of Regulations

The object of these Regulations is to ensure that, for petroleum exploration, appraisal and production in an offshore area:

(a) the design of downhole activities is in accordance with good oil-field practice; and

(b) downhole activities are carried out in accordance with an accepted well operations management plan; and

(c) risks are identified and managed in accordance with sound engineering principles and good oil-field practice.

Note 1 These Regulations are objective-based, to allow for well activity arrangements to be changed in response to technologies and other circumstances while adhering to the key legislative principles.

An essential part of this flexibility is the development of an agreed well operations management plan that specifies acceptable methods of conducting well operations in accordance with sound engineering principles and good oil-field practice.

Note 2 The requirements of these Regulations are in addition to the requirements imposed on a person by any other regulations made under the Act.
1.4 Definitions

In these Regulations:

accepted well operations management plan means a well operations management plan that has been accepted by the responsible Commonwealth Minister under regulation 2.4.


greenhouse gas title means any of the following:
(a) a greenhouse gas assessment permit;
(b) a greenhouse gas holding lease;
(c) a greenhouse gas injection licence.

risk means the likelihood of a specific undesired event occurring within a specific period or in specified circumstances.

Note A risk may be understood as a frequency (the number of specified events occurring within a period) or a probability (the likelihood of a specific event following another event).

titleholder means any of the following:
(a) a greenhouse gas assessment permittee;
(b) a greenhouse gas holding lessee;
(c) a greenhouse gas injection licensee.

well includes all equipment located downhole from a well, including equipment leading to:
(a) a blow-out preventer; or
(b) a well head; or
(c) a Christmas Tree.

well activity means an activity relating to a greenhouse gas well that is carried out during the life of the well.

Examples
1 Drilling of exploration well.
2 Drilling of injection well.
3 Drilling of appraisal well.
4 Testing a well.
5 A well workover.
6 A well re-completion.
Regulation 1.4

7 Maintenance of a well.

**well integrity**, for a well, means that the well bore:

(a) is under control, in accordance with an accepted well operations management plan; and

(b) is able to contain reservoir fluids; and

(c) is not the subject of any unforeseen risk.

**well integrity hazard** means:

(a) an event that:

   (i) may compromise the well integrity of a well; and

   (ii) would, if it occurred, have the consequence of a significant threat to the safety of individuals; or

(b) an event that may involve a risk of significant damage to:

   (i) the environment; or

   (ii) the well reservoir of a well; or

(c) an event that may involve a risk of leakage of a greenhouse gas substance to the surface.

**workover operation** means the performance of at least 1 activity in relation to a well for the purpose of:

(a) altering the injection of a greenhouse gas substance into the well; or

(b) rectifying a problem that has occurred downhole.

*Note* Several other words and expressions used in these Regulations have the meaning given by section 7 of the Act. For example:

- greenhouse gas assessment permit
- greenhouse gas assessment permittee
- greenhouse gas holding lease
- greenhouse gas holding lessee
- greenhouse gas injection licence
- greenhouse gas injection licensee
- offshore area
- responsible Commonwealth Minister.
Part 2                   Well operations management plan

2.1            Request for acceptance of well operations management plan

(1) A titleholder that wishes to carry out a well activity for which an accepted well operations management plan is required, or that wishes to replace an accepted well operations management plan, must:
   (a) give a well operations management plan to the responsible Commonwealth Minister; and
   (b) ask the responsible Commonwealth Minister to accept the well operations management plan.

   Note   There is no compulsory form of request for this regulation.

(2) The titleholder must give the well operations management plan to the responsible Commonwealth Minister:
   (a) at least 30 days before the proposed start of the well activity; or
   (b) if the responsible Commonwealth Minister, in writing, allows another period — within that period.

(3) The well operations management plan:
   (a) must be in writing; and
   (b) may apply to well activities for more than 1 well.

   Note   Section 25 of the Acts Interpretation Act 1901 explains the meaning of the word writing when it is used in legislation. The responsible Commonwealth Minister will make arrangements to notify the industry of formats for well operations management plans.

(4) The titleholder must submit the well operations management plan as a single document unless the responsible Commonwealth Minister has given the titleholder permission, in writing, to submit the well operations management plan as 2 or more documents.
Regulation 2.2

(5) The titleholder must submit the entire well operations management plan unless the responsible Commonwealth Minister has given the titleholder permission, in writing, to submit parts of the well operations management plan, for particular stages of the activity, at 1 or more later times.

2.2 Contents of well operations management plan

(1) A well operations management plan must:
   (a) comply with the Act and these Regulations; and
   (b) be appropriate for the nature and scale of the well activity; and
   (c) show that the risks identified by the titleholder in relation to the well activity will be managed in accordance with sound engineering principles, standards, specifications and good oil-field practice.

(2) The well operations management plan must include the following material, unless the responsible Commonwealth Minister has given the titleholder permission, in writing, not to include material specified in the permission:
   (a) information about the conduct of the well activity;
   (b) an explanation of:
      (i) the philosophy of, and criteria for, the design, construction, operational activity and management of the well; and
      (ii) the possible production activities of the well; showing that the well activity, and all associated operational work, will be carried out in accordance with good oil-field practice;
   (c) performance objectives against which the performance of the well activity is to be measured;
   (d) measurement criteria that define the performance objectives;
Regulation 2.3

(e) an explanation of how the titleholder will deal with:
   (i) a well integrity hazard; or
   (ii) a significant increase in an existing risk in relation to the well;
       including the possibility of continuing an activity for the purpose of dealing with the well integrity hazard or the risk;

(f) details of when and how the titleholder will notify the responsible Commonwealth Minister, and give reports and information, about:
   (i) the well activity; and
   (ii) well integrity hazards; and
   (iii) significant increases in existing risks in relation to the well; and
   (iv) other matters relevant to the conduct of the well activity;

(g) an explanation of the way in which the titleholder will keep information required by the well operations management plan.

(3) The well operations management plan may include other material.

2.3 Reasons for acceptance of well operations management plan

(1) A well operations management plan may be accepted only if:
   (a) it complies with regulation 2.2; and
   (b) the responsible Commonwealth Minister is satisfied that the way in which the well activity will be carried out:
       (i) will not result in the occurrence of any significant new detrimental risk or effect to the well activity; and
       (ii) will not result in any significant increase in a detrimental risk or effect to the well activity that already exists.
(2) A well operations management plan must not be accepted unless subregulation (1) applies.

2.4 Decision on well operations management plan

(1) Within 30 days after a titleholder gives a well operations management plan to the responsible Commonwealth Minister, the responsible Commonwealth Minister must:

(a) accept the well operations management plan, or 1 or more parts of the well operations management plan; or

(b) reject the well operations management plan; or

(c) notify the titleholder, in writing, that the responsible Commonwealth Minister is unable to make a decision without further assessment of the well operations management plan.

Example for paragraph (a)
The responsible Commonwealth Minister may accept a well operations management plan to the extent that it deals with a particular stage of a well activity, but not to the extent that it deals with other stages.

(2) If the responsible Commonwealth Minister is unable to make a decision, the responsible Commonwealth Minister must:

(a) notify the titleholder, in writing, that the responsible Commonwealth Minister is unable to make a decision without further assessment of the well operations management plan; and

(b) include in the notification:

(i) a proposed timetable for assessment of the well operations management plan that gives the titleholder a reasonable opportunity to modify or resubmit the well operations management plan; and

(ii) a description of any further information the responsible Commonwealth Minister may require to assist him or her to assess the well operations management plan.
(3) If the responsible Commonwealth Minister further assesses a well operations management plan in accordance with subregulation (2), the responsible Commonwealth Minister must, as soon as practicable:

(a) accept the well operations management plan, or 1 or more parts of the well operations management plan; or

(b) reject the well operations management plan.

(4) The responsible Commonwealth Minister may accept a well operations management plan subject to any conditions decided by the responsible Commonwealth Minister.

(5) The acceptance of 1 or more parts of a well operations management plan is taken to be the rejection of any other parts of the well operations management plan that are not accepted by the responsible Commonwealth Minister.

(6) The responsible Commonwealth Minister must notify the titleholder, in writing, of the following matters as soon as practicable after making a decision:

(a) the terms of the decision;

(b) if the decision is to reject, or to accept 1 or more parts of, the well operations management plan:

(i) the reasons for the decision; and

(ii) for a well activity that is to be carried out in the offshore area of a Territory mentioned in section 34 of the Act — a statement or summary of the right, under section 746 of the Act, of reconsideration or review of the decision;

(c) if the decision is to accept the well operations management plan, or 1 or more parts of the well operations management plan, subject to a condition:

(i) the terms of the condition; and

(ii) the reason for making the acceptance subject to the condition;

(d) the effect of regulation 3.6.
2.5 Status of well operations management plan

(1) If a titleholder has been given permission to give a well operations management plan in parts:
   (a) the first part of the well operations management plan that the responsible Commonwealth Minister accepts is taken to be an accepted well operations management plan in its own right; and
   (b) a part that is given to the responsible Commonwealth Minister after that acceptance is taken to be a variation to which Part 3 applies.

(2) If the responsible Commonwealth Minister accepts 1 or more parts of a well operations management plan:
   (a) the part of the well operations management plan that the responsible Commonwealth Minister accepts is taken to be an accepted well operations management plan in its own right; and
   (b) a part that is given to the responsible Commonwealth Minister after that acceptance is taken to be a variation to which Part 3 applies.

(3) If the responsible Commonwealth Minister accepts a well operations management plan as a replacement for an accepted well operations management plan, the previous accepted well operations management plan ceases to have effect.
Part 3 Variation of well operations management plan

Division 1 Variation by titleholder

3.1 Request for variation of accepted well operations management plan

(1) A titleholder that wishes to vary an accepted well operations management plan must:
   (a) give each of the variations to the responsible Commonwealth Minister; and
   (b) ask the responsible Commonwealth Minister to accept each variation.

   Note 1 If the titleholder wishes to replace an accepted well operations management plan, Part 2 applies to the new well operations management plan.

   Note 2 There is no compulsory form of request for this regulation.

(2) The variation must be in writing.

   Note Section 25 of the Acts Interpretation Act 1901 explains the meaning of the word writing when it is used in legislation. The responsible Commonwealth Minister will make arrangements to notify the industry of formats for well operations management plans.

(3) The responsible Commonwealth Minister must notify the titleholder that the titleholder’s accepted well operations management plan is not varied unless the responsible Commonwealth Minister accepts the variation.

3.2 Decision on request for variation

(1) As soon as practicable after a titleholder gives a variation to the responsible Commonwealth Minister, the responsible Commonwealth Minister must:
   (a) accept the variation if the well operations management plan, as varied, would comply with regulation 2.2; or
   (b) reject the variation; or
(c) notify the titleholder, in writing, that the responsible Commonwealth Minister is unable to make a decision without further assessment of the variation.

*Note* In the majority of cases, a period of 30 days should be sufficient time for making a decision to accept or reject a variation.

(2) If the responsible Commonwealth Minister is unable to make a decision, the responsible Commonwealth Minister must:

(a) notify the titleholder, in writing, that the responsible Commonwealth Minister is unable to make a decision without further assessment of the variation; and

(b) include in the notification:

   (i) a proposed timetable for assessment of the variation that gives the titleholder a reasonable opportunity to modify or resubmit the variation; and

   (ii) a description of any further information the responsible Commonwealth Minister may require to assist him or her to assess the variation.

(3) If the responsible Commonwealth Minister further assesses a variation in accordance with subregulation (2), the responsible Commonwealth Minister must, as soon as practicable:

(a) accept the variation if the well operations management plan, as varied, would comply with regulation 2.2; or

(b) reject the variation.

(4) The responsible Commonwealth Minister may accept a variation subject to any conditions decided by the responsible Commonwealth Minister.

(5) The responsible Commonwealth Minister must notify the titleholder, in writing, of the following matters as soon as practicable after making a decision:

(a) the terms of the decision;

(b) if the decision is to reject the variation:

   (i) the reasons for the decision; and
(ii) for a well activity being carried out in the offshore area of a Territory mentioned in section 34 of the Act — a statement or summary of the right, under section 746 of the Act, of reconsideration or review of the decision;

(c) if the decision is to accept the variation subject to a condition:
   (i) the terms of the condition; and
   (ii) the reason for making the acceptance subject to the condition;

(d) the effect of regulation 3.6.

Division 2 Variation at request of responsible Commonwealth Minister

3.3 Requirement to vary well operations management plan

The responsible Commonwealth Minister may give a titleholder a notice, in writing:
(a) advising the titleholder that the responsible Commonwealth Minister requires the titleholder to give to the responsible Commonwealth Minister the variation or variations of the titleholder’s well operations management plan set out in the notice; and
(b) setting out the reasons for requiring the variation or variations; and
(c) identifying the proposed date of effect of the variation; and
(d) advising the titleholder of the effect of regulation 3.4.
3.4 Objection to requirement to vary

(1) If the responsible Commonwealth Minister gives a titleholder a notice under regulation 3.3, the titleholder may give an objection, in writing, to the responsible Commonwealth Minister:
   (a) stating 1 or more of the following:
       (i) that the variation should not occur;
       (ii) that the variation should be in terms different from the proposed terms;
       (iii) that the variation should take effect on a date later than the proposed date; and
   (b) giving reasons for the objection.

(2) The titleholder must make the objection within:
   (a) 21 days after receiving the notice; or
   (b) if the responsible Commonwealth Minister, in writing, allows a longer period — that period.

(3) If the titleholder does not make an objection, the responsible Commonwealth Minister must notify the titleholder of the effect of regulation 3.6.

3.5 Decision on objection

(1) As soon as practicable after a titleholder gives an objection to the responsible Commonwealth Minister under regulation 3.4, the responsible Commonwealth Minister must:
   (a) accept the objection; or
   (b) reject the objection; or
   (c) notify the titleholder, in writing, that the responsible Commonwealth Minister is unable to make a decision without further assessment of the objection.
(2) If the responsible Commonwealth Minister notifies the titleholder that the responsible Commonwealth Minister is unable to make a decision, the responsible Commonwealth Minister must include in the notification:

(a) a proposed timetable for assessment of the objection that gives the titleholder a reasonable opportunity to modify or resubmit the objection; and

(b) a description of any further information the responsible Commonwealth Minister may require to assist him or her to consider the objection.

(3) If the responsible Commonwealth Minister further assesses an objection in accordance with subregulation (2), the responsible Commonwealth Minister must, as soon as practicable:

(a) accept the objection; or

(b) reject the objection.

(4) The responsible Commonwealth Minister must notify the titleholder, in writing, of the following matters as soon as practicable after making a decision:

(a) the terms of the decision;

(b) if the decision is to reject the objection:

(i) the reasons for the decision; and

(ii) for a well activity being carried out in the offshore area of a Territory mentioned in section 34 of the Act — a statement or summary of the right, under section 746 of the Act, of reconsideration or review of the decision;

(c) the effect of subregulation (5) or (6), as applicable.

(5) If the responsible Commonwealth Minister accepts an objection that a variation should be in terms different from the proposed terms, or that a variation should take effect on a date later than the proposed date:

(a) the titleholder must give the responsible Commonwealth Minister the variation required by the responsible Commonwealth Minister, as affected by the objection, as soon as practicable; and
(b) the responsible Commonwealth Minister must accept the variation as soon as practicable if it is in accordance with the objection; and
(c) the responsible Commonwealth Minister must notify the titleholder of the effect of regulation 3.6.

(6) If the responsible Commonwealth Minister rejects the objection:
(a) the titleholder must give the responsible Commonwealth Minister the variation or variations required by the responsible Commonwealth Minister as soon as practicable; and
(b) the responsible Commonwealth Minister must accept the variation or variations as soon as practicable; and
(c) the responsible Commonwealth Minister must notify the titleholder of the effect of regulation 3.6.

Division 3 Operation of well operations management plan

3.6 Commencement of well operations management plan and variations of well operations management plan

(1) A well operations management plan commences on the day on which the responsible Commonwealth Minister accepts it.

(2) A variation of a well operations management plan commences on the day on which the responsible Commonwealth Minister accepts it.

3.7 Termination of well operations management plan

An accepted well operations management plan ceases to have effect at the earliest of:
(a) when the titleholder withdraws the well operations management plan; and
(b) when the responsible Commonwealth Minister accepts another well operations management plan that replaces the well operations management plan; and
(c) when the responsible Commonwealth Minister withdraws his or her acceptance of the well operations management plan under Part 5; and

(d) the end of the period of 5 years starting when the well operations management plan was accepted; whether or not the well operations management plan has been varied since being accepted.

Note An effect of paragraph (d) is that a titleholder will be required to submit another well operations management plan to the responsible Commonwealth Minister after 5 years because the existing well operations management plan has ceased to have effect.
Part 4 Requirements for specific well activities

4.1 Approval

(1) A titleholder must not commence any of the following well activities, that lead to the physical change of a wellbore, without the approval of the responsible Commonwealth Minister:
(a) well drilling;
(b) testing;
(c) well completion;
(d) abandonment or suspension of a well;
(e) well intervention.

Note Other well activities that do not alter the well configuration, such as wireline activities, require only notification to the responsible Commonwealth Minister.

(2) Subregulation (1) applies whether or not:
(a) the titleholder has a current accepted well operations management plan relating to the activity; or
(b) a new well integrity hazard exists that requires the titleholder to vary the titleholder’s accepted well operations management plan.

(3) An application for approval to commence a well activity must include:
(a) a description of the well activity; and
(b) the titleholder’s proposed timetable for carrying out the well activity.

Note There is no compulsory application form for this regulation.
Part 5 Withdrawal of acceptance of well operations management plan

5.1 Reasons for withdrawal of acceptance
The responsible Commonwealth Minister may withdraw his or her acceptance of a titleholder’s accepted well operations management plan if:

(a) the titleholder has not complied with the Act, these Regulations, or a direction given under section 580 of the Act; or

(b) the titleholder has not complied with the accepted well operations management plan; or

(c) the responsible Commonwealth Minister is satisfied for any other reason that his or her acceptance of the well operations management plan should be withdrawn.

5.2 Notice of proposal to withdraw acceptance
(1) If the responsible Commonwealth Minister believes it may be necessary to withdraw his or her acceptance of a well operations management plan, the responsible Commonwealth Minister must, at least 30 days before the responsible Commonwealth Minister would withdraw his or her acceptance:

(a) notify the titleholder, in writing, that the responsible Commonwealth Minister is considering the withdrawal of the acceptance; and

(b) include in the notification:

(i) an explanation of the reasons why the responsible Commonwealth Minister is intending to withdraw the acceptance; and

(ii) a date by which the titleholder may give the responsible Commonwealth Minister any information that the responsible Commonwealth Minister may take into account before deciding whether to withdraw the acceptance; and
Regulation 5.3

(iii) any other information that the responsible Commonwealth Minister considers appropriate.

(2) The responsible Commonwealth Minister may give a copy of the notice to a person other than the titleholder if:
(a) the responsible Commonwealth Minister considers it appropriate; and
(b) the titleholder agrees in writing.

5.3 Decision to withdraw acceptance

(1) If the responsible Commonwealth Minister notifies a titleholder under subregulation 5.2 (1), the responsible Commonwealth Minister must, as soon as practicable after the date mentioned in subparagraph 5.2 (1) (b) (ii) has passed:
(a) withdraw his or her acceptance of a well operations management plan; or
(b) decide not to withdraw his or her acceptance.

(2) The responsible Commonwealth Minister must not withdraw his or her acceptance unless the responsible Commonwealth Minister:
(a) has taken any information given under subparagraph 5.2 (1) (b) (ii) into account; and
(b) is satisfied that a reason mentioned in regulation 5.1 exists.

(3) The responsible Commonwealth Minister must notify the titleholder, in writing, of the following matters as soon as practicable after making a decision:
(a) the terms of the decision;
(b) if the decision is to withdraw his or her acceptance of a well operations management plan:
   (i) the reasons for the decision; and
   (ii) for a well activity being carried out in the offshore area of a Territory mentioned in section 34 of the Act — a statement or summary of the right, under section 746 of the Act, of reconsideration or review of the decision to withdraw the acceptance.
5.4 Relationship between withdrawal and other provisions

(1) The responsible Commonwealth Minister may withdraw his or her acceptance of a well operations management plan even if the titleholder has been convicted of an offence because of a failure to comply with a provision of the Act or of these Regulations.

(2) If the responsible Commonwealth Minister withdraws his or her acceptance of a well operations management plan, the withdrawal does not prevent the titleholder from being convicted of an offence because of a failure to comply with a provision of the Act or of these Regulations.
Part 6  Titleholder’s general duties

6.1 Undertaking activity
(1) A titleholder must not undertake a well activity in an offshore area under a title unless the titleholder has a well operations management plan for the well activity that is accepted and current.

Penalty: 50 penalty units.

(2) An offence against subregulation (1) is an offence of strict liability.

Note For strict liability, see section 6.1 of the Criminal Code.

6.2 Compliance with accepted well operations management plan and Regulations
(1) A titleholder that has an accepted well operations management plan must carry out well activities for the well in accordance with:
(a) the accepted well operations management plan; and
(b) any requirements set out in these Regulations.

Penalty: 50 penalty units.

Note The Act also requires a titleholder to carry out operations in accordance with good oil-field practice — see section 569 of the Act.

(2) An offence against subregulation (1) is an offence of strict liability.

Note For strict liability, see section 6.1 of the Criminal Code.

6.3 Impact of well integrity hazard or increased risk not identified in well operations management plan
(1) A titleholder must not commence a well activity if:
(a) either:
   (i) a well integrity hazard has been identified in relation to the well; or
(ii) there has been a significant increase in an existing risk in relation to the well; and
(b) the titleholder has not controlled the well integrity hazard or the risk.

Penalty: 50 penalty units.

Note The Act also requires a titleholder to carry out operations in accordance with good oil-field practice — see section 569 of the Act.

(2) A titleholder must not continue a well activity if:
(a) either:
   (i) a well integrity hazard has been identified in relation to the well; or
   (ii) there has been a significant increase in an existing risk in relation to the well; and
(b) the titleholder has not controlled the well integrity hazard or the risk.

Penalty: 50 penalty units.

Note The Act also requires a titleholder to carry out operations in accordance with good oil-field practice — see section 569 of the Act.

(3) It is a defence to a prosecution under subregulation (1) or (2) if the defendant had a reasonable excuse.

Note A defendant bears an evidential burden in relation to the matter in subregulation (3) (see subsection 13.3 (3) of the Criminal Code).
Part 7 Authorisation to explore for greenhouse gas storage formation and greenhouse gas injection site

7.1 Authorisation of permittee for petroleum exploration permit

For subsection 98 (3) of the Act, the permittee for a petroleum exploration permit is authorised in accordance with the conditions (if any) to which the permit is subject:

(a) to explore in the permit area for a potential greenhouse gas storage formation; and

(b) to explore in the permit area for a potential greenhouse gas injection site; and

(c) to carry out such operations and execute such works in the permit area as are necessary for those purposes.

7.2 Authorisation of lessee for petroleum retention lease

For subsection 135 (3) of the Act, the lessee for a petroleum retention lease is authorised in accordance with the conditions (if any) to which the lease is subject:

(a) to explore in the lease area for a potential greenhouse gas storage formation; and

(b) to explore in the lease area for a potential greenhouse gas injection site; and

(c) to carry out such operations and execute such works in the lease area as are necessary for those purposes.
7.3 **Authorisation of licensee for petroleum production licence**

For subsection 161 (3) of the Act, the licensee for a petroleum production licence is authorised in accordance with the conditions (if any) to which the licence is subject:

(a) to explore in the licence area for a potential greenhouse gas storage formation; and

(b) to explore in the licence area for a potential greenhouse gas injection site; and

(c) to carry out such operations and execute such works in the licence area as are necessary for those purposes.

**Note**