



Statement No.

MINISTER FOR THE ENVIRONMENT;
LABOUR RELATIONS

000492

**STATEMENT THAT A PROPOSAL MAY BE IMPLEMENTED
(PURSUANT TO THE PROVISIONS OF THE
ENVIRONMENTAL PROTECTION ACT 1986)**

**CHELONIA -1 AND -2 EXPLORATION WELLS
BOUNDARY OF NINGALOO MARINE PARK, NORTH-WEST SHELF**

Proposal: The drilling of two offshore exploration wells, Chelonia-1 and Chelonia-2, near the boundary of the Ningaloo Marine Park, Northwest Shelf, as documented in schedule 1 of this statement. Both wells will have the same surface location, and will be situated outside the Ningaloo Marine Park, approximately 100 metres from the boundary. The wells will be directionally drilled to reach a drilling target located below the Ningaloo Marine Park.

Proponent: Apache Northwest Pty Ltd

Proponent Address: P O Box 477, West Perth WA 6872

Assessment Number: 1170

Report of the Environmental Protection Authority: Bulletin 914

The proposal to which the above report of the Environmental Protection Authority relates may be implemented subject to the following conditions and procedures:

1 Implementation

- 1-1 Subject to these conditions and procedures, the proponent shall implement the proposal as documented in schedule 1 of this statement.
- 1-2 Where the proponent seeks to change any aspect of the proposal as documented in schedule 1 of this statement in any way that the Minister for the Environment determines, on advice of the Environmental Protection Authority, is substantial, the proponent shall refer the matter to the Environmental Protection Authority.
- 1-3 Where the proponent seeks to change any aspect of the proposal as documented in schedule 1 of this statement in any way that the Minister for the Environment determines, on advice of the Environmental Protection Authority, is not substantial, those changes may be effected.

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11 JAN 1999

2 Proponent Commitments

- 2-1 The proponent shall implement the consolidated environmental management commitments documented in schedule 2 of this statement.
- 2-2 The proponent shall implement subsequent environmental management commitments which the proponent makes as part of the fulfilment of conditions and procedures in this statement.

3 Work Practices

- 3-1 Prior to commencement of drilling, the proponent shall prepare a written prescription for contractor work practices covering drilling and support vessel operation, to ensure that work practices are carried out at the level of international best practice, to the requirements of the Environmental Protection Authority on advice of the Department of Environmental Protection and the Department of Minerals and Energy.
- 3-2 The proponent shall ensure that all drilling works and support vessel operations comply with the prescription referred to in condition 3-1.

4 Proponent

- 4-1 The proponent for the time being nominated by the Minister for the Environment under section 38(6) or (7) of the Environmental Protection Act 1986 is responsible for the implementation of the proposal until such time as the Minister for the Environment has exercised the Minister's power under section 38(7) of the Act to revoke the nomination of that proponent and nominate another person in respect of the proposal.
- 4-2 Any request for the exercise of that power of the Minister referred to in condition 4-1 shall be accompanied by a copy of this statement endorsed with an undertaking by the proposed replacement proponent to carry out the proposal in accordance with the conditions and procedures set out in the statement.
- 4-3 The proponent shall notify the Department of Environmental Protection of any change of proponent contact name and address within 30 days of such change.

5 Production Testing

- 5-1 To reduce the potential for pollution from fall-out and emissions during production testing, the proponent shall use international best available flaring technology. The method of production testing shall be to the requirements of the Environmental Protection Authority on advice of the Department of Minerals and Energy.
- 5-2 To identify the occurrence of particulate fall-out during production testing, the proponent shall monitor the area surrounding the rig during production testing by stationing a monitoring vessel down wind from the platform, to the requirements of the Environmental Protection Authority on advice of the Department of Minerals and Energy. In the event that visible particle fall-out occurs, the proponent shall take immediate remedial action on advice of the Department of Minerals and Energy.

6 Commencement

- 6-1 The proponent shall provide evidence to the Minister for the Environment within five years of the date of this statement that the proposal has been substantially commenced.

- 6-2 Where the proposal has not been substantially commenced within five years of the date of this statement, the approval to implement the proposal as granted in this statement shall lapse and be void. The Minister for the Environment will determine any question as to whether the proposal has been substantially commenced.
- 6-3 The proponent shall make application to the Minister for the Environment for any extension of approval for the substantial commencement of the proposal beyond five years from the date of this statement at least six months prior to the expiration of the five year period referred to in conditions 6-1 and 6-2.
- 6-4 Where the proponent demonstrates to the requirements of the Minister for the Environment on advice of the Environmental Protection Authority that the environmental parameters of the proposal have not changed significantly, then the Minister may grant an extension not exceeding five years for the substantial commencement of the proposal.

7 Compliance Auditing

- 7-1 The proponent shall submit periodic Performance and Compliance Reports, in accordance with an audit program prepared in consultation between the proponent and the Department of Environmental Protection.
- 7-2 Unless otherwise specified, the Chief Executive Officer of the Department of Environmental Protection is responsible for assessing compliance with the conditions, procedures and commitments contained in this statement and for issuing formal clearances.
- 7-3 Where compliance with any condition, procedure or commitment is in dispute, the matter will be determined by the Minister for the Environment.

Note

- 1 The proponent's Oil Spill Contingency Plan must be approved by the Department of Minerals and Energy to meet the requirements of the *Petroleum (Submerged Lands) Act*.
- 2 As a condition of approval of the Oil Spill Contingency Plan, the Department of Minerals and Energy will require the proponent to carry out a successful field trial of the oil spill boom at the project site before drilling commences. The Department of Minerals and Energy will also require the findings of the trial to be incorporated in the oil spill contingency plan as appropriate.
- 3 The Department of Minerals and Energy will require the proponent to take out adequate oil spill insurance to cover damage to third parties and the cost of oil spill clean-up operations, to meet the requirements of the *Petroleum (Submerged Lands) Act*.

CHERYL EDWARDES (Mrs) MLA
MINISTER FOR THE ENVIRONMENT

- 8 JAN 1999

Schedule 1

The Proposal (1170)

The proposal is to drill two offshore exploration wells, Chelonia-1 and Chelonia-2, in Permit Area EP342 which is located at the head of Exmouth Gulf, approximately four kilometres to the south south-west of South Muiron Island. The Chelonia-1 well will be drilled initially and, if hydrocarbons are encountered, the drill string will be pulled back and sidetracked to drill the second well, Chelonia-2. The wells will have the same surface location, situated outside the Ningaloo Marine Park, approximately 100 metres from the boundary. Both wells will be directionally drilled to reach a drilling target located below the Ningaloo Marine Park.

The key characteristics of the proposal are described in the table below.

ELEMENT	DESCRIPTION	
	Chelonia-1	Chelonia-2
Surface location	21°44'38.87" S 114°17'3.88" E	21°44'38.87" S 114°17'3.88" E
Type of well	Directional	Directional
Proposed drilling period	Summer period (1 November - 1 March)	Summer period (1 November - 1 March)
Water depth	20 metres	20 metres
Drilling days	approximately 26	approximately 18
Drilling rig	Jack-up rig	Jack-up rig
Drilling fluid	Water based and Petrofree	Water based and Petrofree
Vertical depth	approximately 2 850 metres	approximately 2 850 metres
Measured depth	approximately 4 100 metres	approximately 3 500 metres
Volume of cuttings	approximately 450 cubic metres	approximately 350 cubic metres
Volume of cuttings on seabed (assuming annulus disposal)	approximately 16 cubic metres	None
Production testing	Yes	Yes
Reservoir access	approximately 6 days	approximately 3 days
Habitat type	Limestone pavement with sand veneer	Limestone pavement with sand veneer
Nearest landfall	Muiron Islands	Muiron Islands
Nearest sensitive resource	Intertidal sand and subtidal fringing reef South Muiron Island (4 - 6 kilometres)	Intertidal sand and subtidal fringing reef South Muiron Island (4 - 6 kilometres)

Maps

Figure 1: Surface location of the proposed Chelonia-1 and -2 exploration wells.

Figure 2: Vertical section of the proposed Chelonia-1 exploration well.

Figure 3: Vertical section of the proposed Chelonia-2 exploration well.

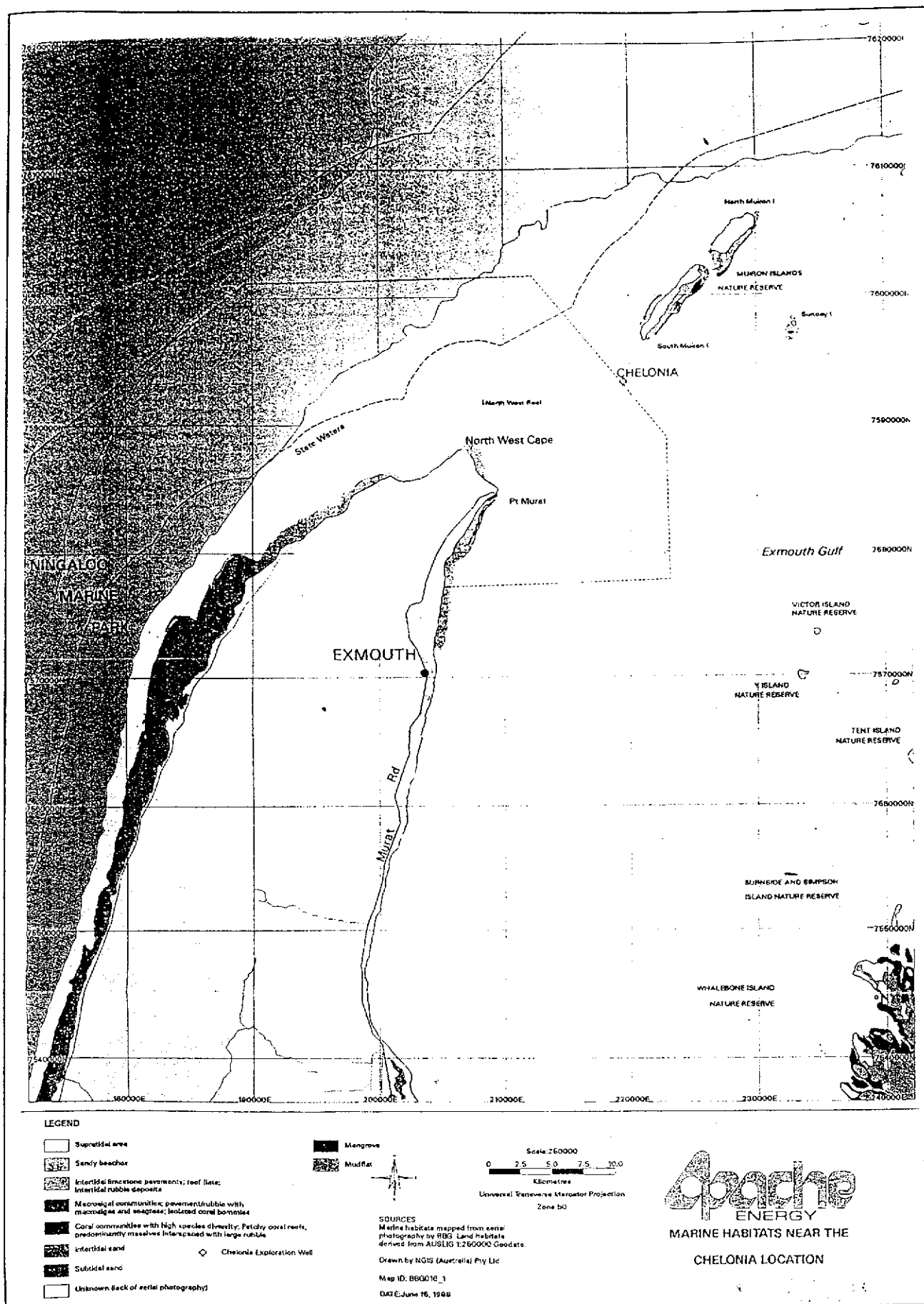


Figure 1.

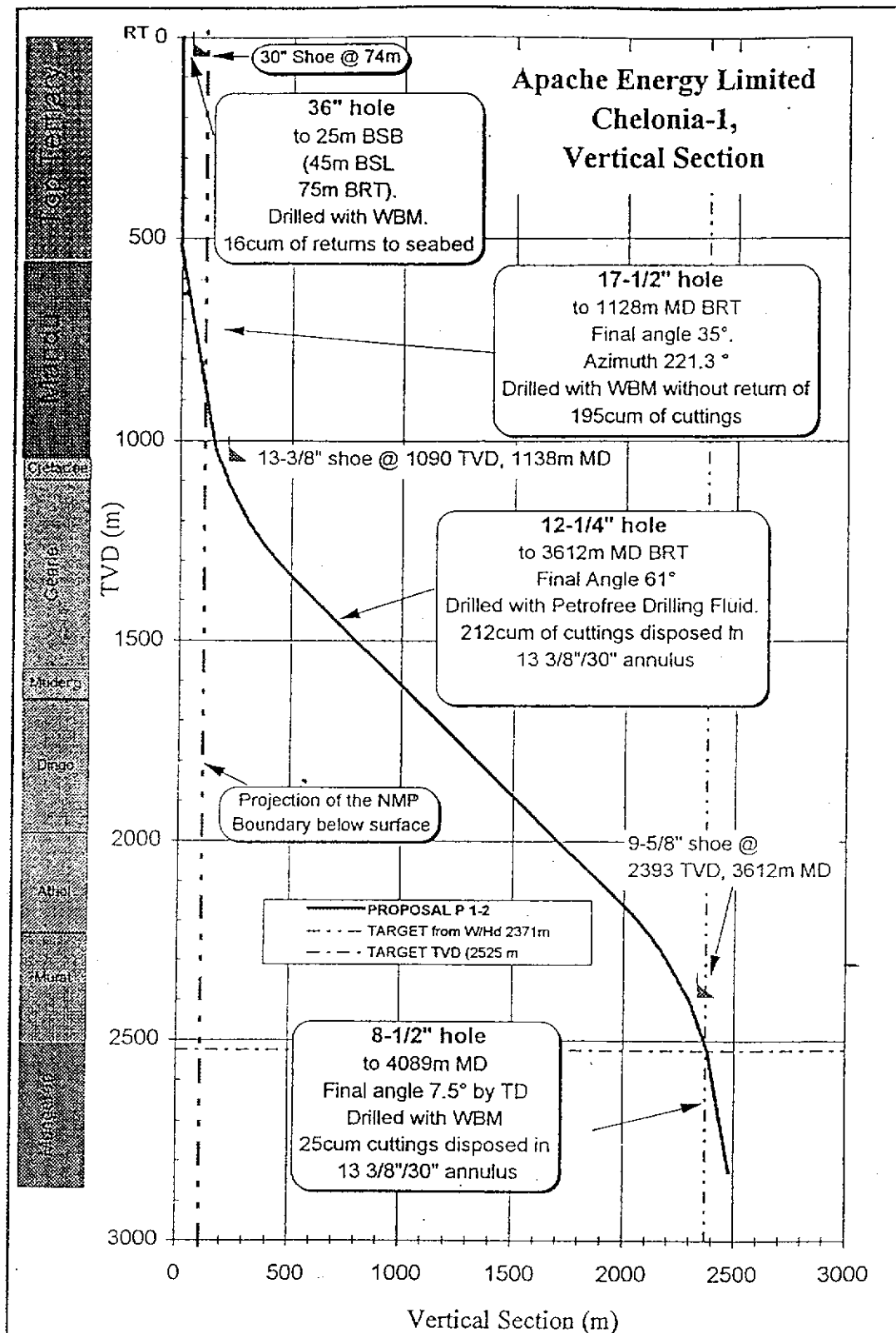


Figure 2.

**Proponent's Consolidated Environmental Management
Commitments**

October 1998

Chelonia-1 and -2 Exploration Wells,
Boundary of Ningaloo Marine Park, North-West Shelf
(Assessment number 1170)

Apache Northwest Pty Ltd

CHELONIA -1 AND -2 EXPLORATION WELLS, BOUNDARY OF NINGALOO MARINE PARK, NORTH-WEST SHELF (1170)

Commitment (what)	Objective (why)	Action (How/where)	Timing (when)	Whose advice (To whom)	Measurement criteria
1. An Environmental Management Plan (EMP) using ISO 14 000 principles will be prepared for the drilling program	To ensure compliance with commitments and Ministerial conditions using the principles of ISO 14 000.	The EMP will be made available to all personnel on the drilling rig. A list of guidelines and procedures as given in the CER will be (1) placed at appropriate locations on the drill rig, and (2) incorporated into the drilling contract.	Prior to the commencement of the drilling program.	DME, DEP	Letter from DME approving the EMP.
2. The proponent and each of the Participants will hold adequate insurance for liability, control of well land clean-up.	To ensure ample financial resources for clean-up and remedial action in the case of an oil spill.	Certification of currency of insurance in accordance with directions from the Minister for Mines.	Prior to the commencement of the drilling program.	DME	Certificates of Insurance from underwriters.
3. Drilling will be carried out in the summer period.	To minimise the risk of an oil spill impacting sensitive resources.	Drilling will be carried out between 1 November and 1 March (summer period) in any year.	During the drilling of the well.	DEP, DME	Letter of confirmation at the end of the drilling program.
4. An Oil Spill Contingency Plan (OSCP) will be prepared.	To develop strategies for the containment, deflection and clean-up of oil spills.	Upgrade the existing EP342 OSCP to include the Chelonia drilling program.	Prior to locating equipment at the drilling location.	DME, DEP, DoT	Letter from the DME approving the OSCP
5. An ocean-rated oil spill boom and a dedicated oil spill combat vessel will be on standby at the location at all times.	For rapid deployment response in the case of an oil spill.	The boom will be stored on the dedicated oil spill vessel which will be in the vicinity of the rig at all times throughout the life of the project.	Prior to the commencement of the drilling program.	DEP, DME, Australian Marine Oil Spill Centre (AMOSOC)	Letter of confirmation to DME from the proponent stating that vessel was on site at all times.

Commitment (what)	Objective (why)	Action (How/where)	Timing (when)	Whose advice (To whom)	Measurement criteria
6. An oil spill response exercise will be carried out.	To ensure an efficient response in the case of an oil spill.	A desk-top and field exercise will be carried out to the point of deployment of equipment.	Within three days of spudding the well.	DME	Letter of confirmation to the DME from the proponent outlining the scope of the exercise and the results.
7. The risk of diesel spillage during refuelling will be minimised.	To protect the marine environment.	A refuelling procedure will be prepared and implemented, including a dry coupling system and carrying out refuelling when any spillage would be carried away from sensitive resources.	Before the commencement of the drilling program.	DEP, DME	Approval of the procedure by the DME. Letter from the proponent to DME with performance report.
8. The risk of crude oil fallout during production testing will be minimised.	To protect the marine environment.	Immediate shutdown if fallout occurs.	During production testing activities.	DME	Approval of the procedure by the DME. Letter from the proponent to DME with performance report.
9. If possible, drill cuttings and excess drilling fluids will be disposed of down the annulus.	Protection of the marine environment.	The procedure for disposing drill cuttings will be incorporated into the drilling program for the well.	Prior to locating equipment at the drilling location.	DEP, DME	Letter from DME for approval of drilling manual.

Commitment (what)	Objective (why)	Action (How/where)	Timing (when)	Whose advice (To whom)	Measurement criteria
10. A debris survey will be conducted.	To confirm that no debris has been left on the seafloor.	A remotely operated vehicle will be used. Report and video submitted to the proponent.	At the completion of the drilling program prior to the rig moving off-site.	DEP, DME	Letter of confirmation that all debris has been removed from the proponent to DME.
11. There will be no access to islands, and support vessel anchorage away from coral reefs will be provided.	Protection of the Muiro Islands and reef habitats.	Confirmation of anchoring positions in log of support vessel. Flight plans will be made for helicopters.	During the entire drilling program.	DEP, DME, CALM	Sighting of vessel and helicopter log books by DME.
12. A community consultation program will be carried out.	To inform the community of the drilling program and address their concerns.	A communication strategy will be developed.	Before the commencement of the drilling program.	DEP, DME	Letter to DME from the proponent outlining the actions carried out and when.
13. All personnel on-site will undergo an education and training program.	To give the personnel the means of identifying the risks and knowledge of the environmental implications of the drilling program.	Inductions to be given to all personnel. Posters and maps are to be provided to rig. Guidelines to be provided to rig.	Prior to the spudding of the well.	DME	No incidents.
14. An environmental audit of the drilling operations will be undertaken.	To ensure compliance with commitments.	An environmental audit will be carried out using ISO 14 000 as the standard.	Within two weeks after drilling has commenced.	DEP, DME	Results of audit will be submitted to DME by the proponent.

