Fact Sheet - Moratorium on Hydraulic Fracturing, Management of Tenure

On 14 September 2016 the Chief Minister of the Northern Territory (NT), the Hon Michael Gunner MLA, announced a moratorium on, and a scientific inquiry into, Hydraulic Fracturing of Unconventional Onshore Reservoirs in the NT (the Inquiry). The moratorium will remain in place until the government has considered the findings of the Inquiry.

Unconventional reservoirs are defined as reservoirs where the oil and/or gas bearing formation is shale.

The moratorium:
- applies to hydraulic fracturing of unconventional onshore reservoirs in the NT
- applies to Diagnostic Fracture Injection Testing (DFIT)
- as prospective, not retrospective
- does not apply to conventional reservoirs.

**What activities cannot be undertaken in relation to unconventional reservoirs?**

With effect from 14 September 2016 oil and gas companies are not allowed to use hydraulic fracturing stimulation techniques in unconventional onshore reservoirs, including the use of DFIT.

**What activities can be undertaken?**

Oil and gas companies can continue other exploration and production activities that do not involve hydraulic fracturing in unconventional onshore reservoirs. These include conducting surveys (such as aerial and seismic surveys), drilling of wells (including well evaluation such as logging, coring, testing etc.).

All activities that are defined as ‘Regulated Activities’ under the Petroleum (Environment) Regulations require companies to have an approved Environment Management Plan (EMP) in place before any activity can be considered for approval to proceed.

The Department of Primary Industry and Resources’ normal EMP assessment processes will continue to apply.

**Exclusion criteria**

Within the framework of approving any new activities, the NT’s criteria for where activities can occur still apply.

Areas where oil and gas exploration or developments will not be allowed include:
- urban living areas including rural residential areas
- areas of intensive agriculture
- areas of high ecological value
- areas of cultural significance
- areas that include assets of strategic importance to nearby residential areas.
Payment of annual fees

The payment of annual fees on all exploration permits, retention and production licences will remain unchanged. All fees are payable on the anniversary date of the permit or licence.

Applications for suspension and extensions

While wholesale extension and suspension of work programs and/or extensions of the term of a permit will not apply, permit holders may apply to vary conditions of an exploration permit or licence.

The Department of Primary Industry and Resources will consider applications for suspension and extensions on a case by case basis during the term of the moratorium and may recommend the Minister:

- suspend the obligation to comply with the work program for a reasonable period, and/or
- extend the term of the permit for the same period.

Further information

Should anyone require further clarification on the management of exploration permits and licences please contact:

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