



Northern Territory of Australia

Petroleum Act 1984

**Petroleum Infrastructure Decommissioning Securities:
Determination of Approach or Methodology**

I, James Robert Pratt, Senior Executive Director Energy Development, Department of Industry, Tourism and Trade, as the delegate for the Minister for Mining, under section 117AV(3) of the *Petroleum Act 1984*, determine that the approach or methodology set out in the Schedule is the approach or methodology to be applied in determining the amount or value to be included in or provided by a particular petroleum infrastructure decommissioning security for costs and liabilities associated with decommissioning appraisal production infrastructure.

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Senior Executive Director Energy Development, Department of Industry,
Tourism and Trade

Dated 10/4/24

Schedule

1 In this Schedule:

relevant infrastructure means any appraisal production infrastructure proposed to be used in connection with the recovery of petroleum on an appraisal basis by the relevant interest holder.

relevant interest holder means the interest holder who is to provide the particular petroleum infrastructure decommissioning security if approval to recover petroleum on an appraisal basis is given.

2 The amount or value (the **security value**) that is to be included in or provided by a particular petroleum infrastructure decommissioning security is to be calculated in accordance with the following formula:

security value = estimated decommissioning costs × 133%

3 The **estimated decommissioning costs** are the estimated ordinary and expected decommissioning costs and liabilities associated with the decommissioning of the relevant infrastructure.

4 Without limiting clause 3, the estimated decommissioning costs are to include costs and liabilities associated with any of the following categories of activities that may be required to be carried out to decommission the relevant infrastructure:

(a) preparation for the decommissioning of the relevant infrastructure, including:

(i) de-energising and isolating mechanical and electrical equipment; and

(ii) venting and purging pipelines and equipment of any residual hydrocarbon or chemical contents;

(b) dismantling or otherwise decommissioning the relevant infrastructure, including:

(i) subject to clause 6(c), any pipelines and gathering networks, whether aboveground or underground; and

- (ii) any storage, processing, containment or electrical equipment; and
 - (iii) any civil foundations and other supporting works for the relevant infrastructure;
 - (c) disposal of any dismantled equipment and materials that are required to be disposed of at an appropriate waste disposal facility, including:
 - (i) transportation of the dismantled equipment and materials from the site to a nominated waste disposal facility; and
 - (ii) payment of any fees for the disposal of the dismantled equipment and materials;
 - (d) removal of all other dismantled equipment and materials from the site, including:
 - (i) transportation of the dismantled equipment and materials from the site; and
 - (ii) any storage requirements for the dismantled equipment and materials;
 - (e) project management for the planning and execution of the decommissioning process;
 - (f) obtaining any additional approvals that are required to carry out the decommissioning of the relevant infrastructure;
 - (g) mobilisation and demobilisation of resources and personnel to the site to decommission the relevant infrastructure, including rotation of personnel if required;
 - (h) provision of personnel support services and equipment required for carrying out the decommissioning of the relevant infrastructure, including the provision of any required living facilities and transport.
- 5 For paragraphs 3 and 4, the estimated decommissioning costs are to include both internal and third party costs and liabilities that may be

incurred by the relevant interest holder in decommissioning the relevant infrastructure.

- 6 To avoid doubt, the estimated decommissioning costs are not to include costs and liabilities associated with the following:
- (a) the decommissioning of any well associated with the relevant interest holder's application to recover petroleum on an appraisal basis;
 - (b) the remediation and rehabilitation of environmental impacts of the relevant interest holder's activities;
 - (c) the decommissioning of any pipeline that is constructed under the *Energy Pipelines Act 1981*.