



Northern Territory of Australia

Petroleum Act 1984

**Petroleum Infrastructure Decommissioning Securities:
Determination of Approach or Methodology in relation to Well
Decommissioning**

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 to secure costs and liabilities associated with well decommissioning, on an exploration permit or retention licence, to which an approved well operations management plan relates.

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

Dated 22/8/24.

Schedule

1 In this Schedule:

deep, in relation to a well, means the well has a vertical depth of over 1 700 m.

intermediate, in relation to a well, means the well has a vertical depth of between 1 000 m and 1 700m.

shallow, in relation to a well, means the well has a vertical depth of less than 1 000 m.

2 The amount or value that is to be included in or provided by a particular petroleum infrastructure decommissioning security is the sum of the amount of standardised costs of decommissioning each well managed under the well operations management plan that is required under clause 4 or 5 as appropriate.

3 The standardised cost of decommissioning a well is as follows:

(a) for the first well and for every 10th well after the first provided for in the well operations management plan, the following amount:

- (i) for a shallow well – \$1 600 000;
- (ii) for an intermediate well – \$1 900 000;
- (iii) for a deep well – \$2 200 000;

(b) for each other well provided for in the well operations management plan, the following amount:

- (i) for a shallow well – \$600 000;
- (ii) for an intermediate well – \$800 000;
- (iii) for a deep well – \$1 100 000.

Example for clause 3

If 32 shallow wells are managed under a well operations management plan, the standardised cost of decommissioning each of the 1st, 11th, 21st and 31st wells is \$1 600 000 and the standardised cost of decommissioning each of the other wells is \$600 000.

- 4 For a well drilled before 22 June 2023:
- (a) an amount equal to 10% of the standardised cost of decommissioning the well is required in the first year that the petroleum infrastructure decommissioning security is required to be provided; and
 - (b) a further amount equal to 10% is required each year thereafter until an amount equal to 100% of the standardised cost of decommissioning the well has been provided.
- 5 For a well drilled on or after 22 June 2023:
- (a) an amount equal to 20% of the standardised cost of decommissioning the well is required in the first year that the petroleum infrastructure decommissioning security is required to be provided; and
 - (b) a further amount equal to 20% is required each year thereafter until an amount equal to 100% of the standardised cost of decommissioning the well has been provided.