

Conventional Gas and the Hydraulic Fracturing Inquiry Recommendations

How do the recommendations of the Hydraulic Fracturing Inquiry impact conventional gas operations in the Northern Territory?

Background

In late 2016 the NT Government announced a moratorium on hydraulic fracturing of onshore unconventional shale gas reservoirs in the Northern Territory.

The moratorium did not apply to activities associated with the development of conventional reservoirs. Central Petroleum continued its conventional gas operations at Mereenie (OL 4 and 5), Palm Valley (OL 3) and Dingo (L7) during the moratorium.

Similarly, the Terms of Reference for the *Scientific Inquiry into Unconventional Reservoirs in the Northern Territory* relate only to unconventional shale gas reservoirs.

The Hydraulic Fracturing Inquiry (HFI) made it very clear in all of its publications and communications that it was not assessing or making any recommendations in respect of the conventional oil and gas industry.

One regulatory framework

Notwithstanding the above, any reforms made to the regulatory framework as a result of Government's acceptance of the HFI's Report and all 135 recommendations will, following extensive consultation with the industry, apply equally to unconventional and conventional operations.

Government is not proposing that there be one regulatory regime for conventional gas development, and another regime for unconventional gas development. When the Minister for Environment is given a separate environmental approval under the new regulatory framework, the Minister will assess and approve or refuse environment management plans for both conventional and unconventional operations.

The current regulatory framework will apply during the reform period

Until the HFI's recommendations are implemented and regulatory reforms are made, the current regulatory framework will apply to conventional operations. That is, any environment management plan that is submitted under the *Petroleum (Environment) Regulations* will be assessed and approved or refused by the Minister for Resources in accordance with those regulations in their current form.

We will consult with all operators during the reform period

Some complexities may arise for conventional gas operators during the upcoming period of regulatory reform. Government will consult extensively with all gas operators throughout the period of regulatory reform to ensure the continued sustainable development of the conventional oil and gas industry in the NT.