

Artisan-1 Exploration Well Drilling Environment Plan

1. Purpose of this report

NOPSEMA accepted the Artisan-1 Exploration Well Drilling Environment Plan (the EP) submitted by Beach Energy Ltd (the titleholder) for an exploratory drilling activity in the Otway Basin.

As required by the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Environment Regulations), the public was provided with an opportunity to comment on the EP. Two public comments were received during the comment period and are summarised as item 1 and 2 in the attached table. After this period, Beach Energy Ltd took into account the public comments and prepared a Report on Public Comment which is contained within the EP.

Following the public comment period, the titleholder submitted the EP for assessment by NOPSEMA on 3 November 2020. NOPSEMA has since completed its assessment of the EP and has determined that it is satisfied that the EP meets the criteria for acceptance¹.

This report explains how NOPSEMA took into account comments received from the public during the public comment period in making its decision². This report also contains other key matters that may be of interest to the public.

This report accompanies the accepted Artisan-1 Exploration Well Drilling Environment Plan, revision 6 submitted by Beach Energy Ltd, which is available on the NOPSEMA website and should be referred to for further information.

1.1. Information relevant to NOPSEMA's decision:

In making the decision to accept this EP, NOPSEMA took into account:

- the Environment Regulations;
- NOPSEMA Assessment Policy (PL0050), Environment Plan Assessment Policy (PL1347) and Environment Plan Decision Making Guidelines (GL1721);
- the Artisan-1 Exploration Well Drilling Environment Plan which includes the titleholder's Oil Pollution Emergency Plan and Operational and Scientific Monitoring Plan;
- the information raised by relevant persons, government departments and agencies that is relevant to making a decision;
- the information raised through two public comments during the public comment period that is relevant to making a decision;
- relevant plans of management and threatened species recovery plans developed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and relevant guidance published by the Department of the Agriculture, Water and the Environment.

¹ Environment Regulations, Regulation 10A Criteria for acceptance of environment plan

² Environment Regulations, Regulation 11(3) Publication of notice, etc.

2. Next steps

Responsibility for the ongoing environmental performance of the exploratory drilling activity remains, at all times, with Beach Energy Limited.

NOPSEMA has legislated responsibilities to inspect and investigate offshore petroleum and greenhouse gas storage activities, and to enforce compliance with environmental law. These functions will be applied to this activity in accordance with NOPSEMA's policies.

3. Sensitive Information

Sensitive information received during the public comment period, such as the names and contact details of commenters and specific information identified by the commenter or relevant person as 'sensitive', is not published in this report. Sensitive information is contained in a sensitive information part of the EP which has been considered by NOPSEMA during its assessment process.

4. Further information

If you would like further information about the activity, please contact the titleholder's nominated liaison person specified in the EP and on NOPSEMA's webpage for the Artisan-1 exploration well drilling Environment Plan.

If you would like to be notified of regulatory information on the activity, such as start and end dates and enforcement actions (if any), please subscribe to updates via NOPSEMA's website.

How NOPSEMA has taken into account key matters raised during public comments, the assessment and decision making process for Artisan-1 exploration well drilling EP

#	Issues raised	Titleholder response	NOPSEMA's assessment and decision
1	<p>Expansion of drilling for gas and extraction will lead to more climate disruptions.</p> <p>Claim: Expansion of drilling for gas and extraction will contribute to more climate disruptions, specifically threatening ecosystems in and around Western Victoria. Call on governing bodies and community leaders to advocate for a more rapid transition towards renewable energies to assist in controlling greenhouse gas emissions.</p>	<p>Whilst, statements of fundamental opposition to oil and gas activity is not part of NOPSEMA's decision making criteria, Beach Energy would like to share its views in our response to you.</p> <p>Beach Energy is a key supplier of gas to Victorian households and businesses. With its significantly lower emissions profile than coal used in power generation, and the ability to provide dispatchable base-load power, gas is an important transition fuel as Australia progresses to greater use of renewable energy.</p> <p>In Australia and globally, gas is used extensively in heavy industry, manufacturing household and commercial goods, manufacturing agricultural products and fertilisers. In Victoria many agricultural products and fertilisers do not have immediate alternative feed stock at present.</p> <p>Australian Commonwealth and State Governments set the policy and regulatory framework for the energy mix. In this context Beach has secured the rights to explore and develop numerous Commonwealth offshore permits in accordance with National Offshore Petroleum Titles Administrator (NOPTA) requirements. Such</p>	<p>NOPSEMA recognises community concern regarding the effects potential greenhouse gas emissions from expanded drilling activities may have on climate change. NOPSEMA does not have a government policy role and does not advocate for expansion of drilling exploration or production activity, or Australia's energy needs. These are policy matters for the Australian Government.</p> <p>In the event a discovery was made during the exploration phase, Beach would be subject to further separate approvals for which NOPSEMA would be required to undertake further assessments to ensure air emissions, including greenhouse gas emissions, from future development or production activity will be acceptable.</p>

		<p>requirements include Beach fulfilling exploration and development commitments to produce the commonwealth resources within those permits (primarily natural gas in the Otway Basin), which Beach does for domestic use.</p>	
<p>2</p>	<p>Risk of a gas blowout due to relaxed safety standards.</p> <p>Claim: Risk of a gas blowout occurring at this drill site. While such blowouts are rare and well regulated, the risk of one occurring may be increased by the federal government relaxing safety standards in their push for a gas-powered COVID recovery.</p> <p>Even though the risk may remain low, the consequences could be comparatively astronomical, with the drill site being so close to Port Campbell and the Great Ocean Road, which remains one of our country's most lucrative tourist attractions due to its seemingly unspoiled natural beauty.</p> <p>Also fear that there is a profound lack of awareness within local communities as to the drilling occurring in the Otway Basin.</p>	<p>Safety is the number one priority for Beach Energy and takes precedence in everything we do. An extensive assessment of risks is undertaken along with mitigation plans developed and documented in the EP and Well Operation Management Plan for acceptance by NOPSEMA. Within the Artisan EP Section 7.18 provides an extensive assessment of a well blowout with the worst case scenario evaluated and details the mitigation plans put in place to prevent the risk.</p> <p>Beach values its good standing and close relationships within the communities in which it operates. Over several years, we have consulted continuously with our local communities regarding our proposed offshore development plans. In Section 9 in the EP you will see the engagement carried out for the Artisan Drilling EP, which represents just the engagement for that project. Similar engagement is carried out for all of our EPs developed in the region.</p> <p>Beach are constantly updating our stakeholder list as different community members come and go. We are very happy to add you to our stakeholder list if you wish to receive all of our updates on our South-West Victorian projects.</p>	<p>NOPSEMA recognises the environmental and cultural values of the Port Campbell and Otway region. Ensuring the protection of the values and sensitivities of the region was a focus of NOPSEMA's assessment.</p> <p>NOPSEMA acknowledges the importance of ensuring that the risks associated with a gas blowout are reduced to as low as reasonably practicable and that in the (extremely unlikely) event of a spill, appropriate control measures are in place to ensure a timely response.</p> <p>NOPSEMA requires significant prevention measures to be adopted as well as detailed advanced response planning and preparedness to respond in the exceedingly rare event of an oil spill/well blow out. For a well control incident to result in an uncontrolled release of hydrocarbons to the environment there would need to be failures in multiple consecutive preventative barriers, as well as failures of the contingency response measures designed to mitigate failures. In addition to the EP, further details regarding the rig safety standards and drilling will be addressed in the safety case and WOMP when they are submitted by Beach, and considered by</p>

			<p>NOPSEMA through additional assessment processes.</p> <p>Given the information provided in the EP, NOPSEMA is satisfied that the details and evaluation of impacts and risks of hydrocarbon spills is appropriate to the nature and scale of the spill risks. In addition, the proposed control measures for reducing the impacts and risks of a spill and arrangements and capability for responding to a spill incident, if it did occur, are considered appropriate and the risks are reduced to a level that is as low as reasonably practicable.</p>
3	<p>There is potential for unacceptable impacts on the pygmy blue whale from underwater noise emissions. The operational area intersects with a foraging biologically important area for the pygmy blue whale.</p>	<p>Beach has evaluated the impact of underwater noise emissions from the activity in section 7.4 of the EP that includes a whale management procedure in Appendix G to address risks from underwater noise on cetaceans.</p> <p>Following a request for further written information, Beach has provided additional information in the form of control measures specific to whale management that are included in the Whale Management Procedure (Appendix G of the published EP).</p>	<p>NOPSEMA recognises the environmental values of the Port Campbell and Otway region. Ensuring the protection of the values and sensitivities of the region, in particular on the pygmy blue whale, was a focus of NOPSEMA's assessment.</p> <p>In making a decision regarding this matter, NOPSEMA took into account the Artisan-1 exploration drilling EP; relevant scientific literature, NOPSEMA's Decision Making Guidelines (GL1721), the relevant plans of management for protected species including the pygmy blue whale.</p> <p>During the course of the assessment NOPSEMA required Beach Energy to provide further information and consider additional control measures for underwater noise impacts/risks to</p>

			<p>cetaceans, in particular pygmy blue whales that may be foraging in biologically important areas that intersect the operational area. In response to this notification, the EP has been modified to include additional control measures including pre-mobilisation surveys, use of marine mammal observers, and implementing an adaptive whale management procedure.</p> <p>NOPSEMA is clear on its interpretation of the CMP in the context of this proposed drilling activity and has assessed the EP accordingly.</p> <p>NOPSEMA is reasonably satisfied that, with the control measures in place, there would not be unacceptable impacts to pygmy blue whales and that the EP is not inconsistent with the Conservation Management Plan for the Blue Whale.</p>
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