



Department initiated Amendment

Part V Division 3 of the *Environmental Protection Act 1986*

Licence Number	L7847/2003/8
Licence Holder	AWE Perth Pty Ltd
ACN	009 204 031
File Number	DER2021/000104~2
Premises	Waitsia Gas Project Stage 1 Pye Road YARDARINO WA 6525 Legal description – Lot 3 and 4 on Plan 13178 and part of Lot 357 on Plan 2993 within Production Licence L1 as shown in Schedule 1 of the Licence
Date of Report	27 April 2023
Decision	Revised licence granted

Table of Contents

1. Decision summary	3
2. Scope of assessment	3
2.1 Regulatory framework	3
2.2 Background	3
2.3 Amendment summary	3
2.4 Legislative context	4
2.4.1 Department of Mines, Industry Regulation and Safety	4
3. Consultation	5
4. Conclusion	5
References	5
Table 2: Consultation	5

1. Decision summary

Licence L7847/2003/8 is held by AWE Perth Pty Ltd (Licence Holder) for the Waitsia Gas Project Stage 1 (the Premises), located at Pye Road, Yardarino.

On 16 December 2022, the department initiated an amendment to Licence L7847/2003/8 to amend the boundary of the premises to incorporate all of the extraction wells associated with the gas processing plant. This Amendment Report documents the decision by the Delegated Officer to initiate an amendment to L7847/2003/8. As a result of the amendment, a Revised Licence has been granted.

2. Scope of assessment

2.1 Regulatory framework

In completing the assessment documented in this Amendment Report, the department has considered and given due regard to its Regulatory Framework and relevant policy documents which are available at <https://dwer.wa.gov.au/regulatory-documents>.

2.2 Background

The Licence Holder currently operates the Waitsia gas field, a free-flowing conventional natural gas reservoir in the onshore North Perth basin, about 20 km southeast of Dongara.

The operations were initially commissioned in 2016 and have been producing from existing gas wells through the refurbished Xyris Production Facility (XPF). The premises was initially developed for an extended production test of the Waitsia gas reservoir and included upgrades to existing assets that connected the Waitsia-01 and Senecio-03 gas wells to the XPF, which had been in care and maintenance since 2010.

The Waitsia operations are supported by infrastructure from the nearby Hovea gas field, which has been in care and maintenance since 2012 and is no longer producing. Supporting infrastructure at the Hovea site (equipment laydown storage, evaporation ponds and turkeys nest) are still in use.

The initial production capacity of the XPF was about 11.5 terajoules per day (TJ/d). In 2020, Works Approval W6320/2010/1 was issued for the Stage 1 expansion project which increased capacity to about 30 TJ/d and. The expansion included the construction of a new extraction well (Waitsia-02). The Stage 1 expansion became operational under the existing licence (L7847/2007/3) in August 2021.

The Licence was renewed in March 2022 for a further 20 year duration.

This Licence relates to Stage 1 operations only and does not include Stage 2 expansions.

2.3 Amendment summary

Licence L7847/2003/8 was granted for Category 10 activities as described in Schedule 1 of the Environmental Protection Regulations 1987:

Oil or gas production from wells: premises, whether on land or offshore, on which crude oil, natural gas or condensate is extracted from below the surface of the land or seabed, as the case requires, and is treated or separated to produced stabilised crude oil, purified natural gas or liquefied hydrocarbon gases.

The prescribed premises defined in the current Licence (Schedule 1) is limited to the gas processing infrastructure at the Xyris Production Facility and associated produced formation storage infrastructure. One of the existing extraction wells (Waitsia-02) is

contained within the existing prescribed boundary however the boundary does not include all remaining gas gathering infrastructure such as extraction/production wells and flowlines. On review of the application of Category 10, the Delegated Officer determined that for Category 10 to apply, the premises must be one on which both of the following occurs:

- the extraction of crude oil, natural gas or condensate (collectively “gas”); and
- the treatment or separation of that gas.

To ensure the correct application of Category 10, the Delegated Officer has determined to amend the premises boundary to incorporate the following infrastructure into the premises boundary specified in the Licence:

- the remaining two operational production wells (Senecio-03 and Waitsia-01) noting that Waitsia-02 well is already contained within the existing premises boundary; and
- flowlines and gathering hubs to convey extracted reservoir fluids from these wells to the Xyris Production Facility.

2.4 Legislative context

2.4.1 Department of Mines, Industry Regulation and Safety

In Western Australia, all onshore petroleum exploration and developments are subject to approval by the Department of Mines, Industry Regulation and Safety (DMIRS) under the following legislation:

- *Petroleum and Geothermal Energy Resources Act 1967* (PGER Act);
- Petroleum and Geothermal Energy Resources (Environment) Regulations 2012 (PGER Regulations);
- *Petroleum Pipelines Act 1969*; and
- Petroleum Pipelines (Environment) Regulation 1969 (Pipeline Regulations).

DMIRS regulate environmental risks associated with the drilling of extraction wells and the transport of reservoir fluids via flowlines to the gas gathering hubs and gas processing infrastructure through approved Environment Plans in accordance with the PGER Regulations and Pipeline Regulations.

The *Perth Basin Facilities Environment Plan* (PB-HSE-PLN-00004) was approved by DMIRS on 25 November 2021. DMIRS advised that the Plan addresses environmental risks and impacts associated with the operation of the Perth Basin facilities including the Waitsia Stage 1 infrastructure such as the northern hub, flowlines, production wells (Senecio-03, Waitsia-01 and Waitsia-02) and the Waitsia Gas Export Pipeline.

DMIRS advised that that the approved *Perth Basin Facilities Environment Plan* (PB-HSE-PLN-00004) meets the requirements of the PGER and Pipelines Regulations. The Delegated Officer considers that environmental risks and impacts associated with the operations of the wells and flowlines can be appropriately managed under DMIRS administered legislation.

Key findings: The Delegated Officer has considered the above legislative context associated with the proposed reinjection activities and has determined that:

- In accordance with DWER’s *Guidance Statement: Setting Conditions*, conditions of a Part V licence “will not unnecessarily duplicate requirements imposed on licensees directly by the EP Act or another written law.”

- DMIRS is the lead agency responsible for the regulation of activities associated with the extraction of reservoir fluids and transport to the gas processing infrastructure.
- Operation of the production wells and transport infrastructure (i.e. flowlines), are managed under DMIRS administered legislation and assessment processes and therefore no further regulatory control is warranted under Part V of the EP Act.
- In order to avoid regulatory duplication, environmental risks associated with the construction and operation of the production wells have not been conditioned further under the works approval.

3. Consultation

Table 1 provides a summary of the consultation undertaken by the department.

Table 1: Consultation

Consultation method	Comments received	Department response
Licence Holder was provided with draft amendment on 13 March 2023	The Applicant confirmed the extent of the premises boundary.	Premises boundary details updated in the Licence.
DMIRS	Refer to section 2.4.1	

4. Conclusion

The Delegated Officer has considered the legislative context of the proposal and determined not to undertake a detailed assessment of environmental risks associated with the operation of the gas gathering infrastructure (i.e. extraction wells and flowlines), as it considers that environmental risks will be adequately regulated via DMIRS administered legislation (refer to section 2.4). On this basis, the Revised Licence has been granted to extend the premises boundary to include the gas gathering network but without the application of specific management controls for regulating environmental risks.

References

1. Department of Environment Regulation (DER) 2016, *Guidance Statement: Environmental Siting*, Perth, Western Australia.
2. DER 2017, *Guidance Statement: Risk Assessments*, Perth, Western Australia.
3. DER 2015, *Guidance Statement: Setting Conditions*, Perth, Western Australia.