

MINES, INDUSTRY REGULATION AND SAFETY — NEW STANDARD ENERGY

180. Hon Brad Pettitt to the minister representing the Minister for Mines and Petroleum:

I refer to the six New Standard Energy Ltd (NSE) petroleum wells in the Canning basin (Lanagan 1, Lawford 1, Gibb Maitland 1, Nicolay 1, Woodward 1, Blachford 1) that were left unplugged and/or unrehabilitated, including four wells that were the subject of directions notices issued by the Department of Mines, Industry Regulation and Safety (DMIRS) to the company in late 2018, and I ask:

- (a) have any of the works required under the directions notices been carried out by the company:
 - (i) if yes to (a), what works and at which well, or wells;
- (b) has any rehabilitation work been carried out at any of the six wells by any other party:
 - (i) if yes to (b), what works and at which well or wells;
- (c) has NSE provided any funds for any closure and rehabilitation works at any of the wells;
- (d) has the DMIRS commenced any legal proceedings against NSE for failure to comply with the directions notices:
 - (i) if no to (d), why not;
- (e) what action has the DMIRS taken to ensure that other companies do not surrender or terminate exploration tenements and have no further legal or financial liability for the unplugged and/or unrehabilitated status;
- (f) given DMIRS earlier estimate that the cost of closing and rehabilitating one of the six wells (Nicolay 1) would be around \$1.5 million, what is the Department's current estimate of the cost of rehabilitating each of the six NSE wells;
- (g) what is the source of the funds to pay for the required closure and rehabilitation of these six petroleum wells;
- (h) could the Minister please list all other petroleum wells (and their original operators) in Western Australia that are now in the position of requiring closure and/or rehabilitation works, but no longer have a company associated with the tenement; and
- (i) will the Government establish a pooled onshore petroleum rehabilitation fund as recommended by the Western Australian fracking inquiry:
 - (i) if yes to (i), when; and
 - (ii) if no to (i), why not?

Hon Alannah MacTiernan replied:

- (a)–(g) DMIRS has a robust compliance regime that aims to ensure companies complete their rehabilitation commitments. DMIRS continues to instruct New Standard Energy Ltd (NSE) that they must complete and fund the rehabilitation and closure works at all sites. Currently, NSE has not commenced the works required under the directions notices. Investigations are ongoing and enforcement options will be considered. The \$1.5 million dollar cost estimate to rehabilitate and close Nicolay-1 is a preliminary cost estimate only. A detailed cost estimate has not been completed for the remaining well sites. The remaining sites do not have wells that require decommissioning as only site preparatory works were completed. Therefore, rehabilitation costs would be considerably less than the Nicolay-1 site.
- (h)–(i) DMIRS is undertaking compliance investigations for two wells (Waggon Creek-1 and Vienta-1) that do not currently have an active title holder due to the title expiring. As an outcome of the Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia (WA), the WA Government published a paper on financial assurance. This paper is available on the WA Government Hydraulic Fracturing website. The Government will continue to keep under review its regulatory regime to ensure the best outcomes for Western Australia.