



Petroleum Division Explanatory Note

Surrender of petroleum titles and pipeline licences in Western Australia

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PURPOSE

This information has been prepared to inform industry of the principles that govern the consent to surrender process and clarify what the Minister gives consideration to prior to giving consent to surrender.

The principles are relevant to petroleum title areas, which consist of permits (including renewal applications in the context of the relinquishment area), drilling reservations, leases and licences, infrastructure licences and petroleum pipeline licences.

BACKGROUND

Western Australia's petroleum legislation, specifically section 98 of the *Petroleum and Geothermal Energy Resources Act 1967* (PGERA67), section 104 of the *Petroleum (Submerged Lands Act 1982)* (PSLA82) and Section 23 of the *Petroleum Pipelines Act 1969* (PPA69), provide that the registered holders of a petroleum title (permit, drilling reservation, lease or licence), infrastructure licence or pipeline licence may apply in writing, at any time for consent to surrender the title instrument for all or some of the blocks in force, or all or some of the pipeline licence in force.

The Minister will give consent to the surrender of a petroleum title area (graticular blocks) or petroleum pipeline licence area where the registered holder(s) has complied with the requirements of the conditions on title and the provisions of the legislation and subsidiary legislation.

KEY PRINCIPLES

1. The Minister will give consideration to the following items, before consenting to a surrender:
 - a. Payment of all fees.
 - b. Compliance with petroleum title or petroleum pipeline licence conditions.
 - c. Removal of property brought onto the petroleum title area or petroleum pipeline licence area by the registered holder.
 - d. Plugging of wells within the graticular block.
 - e. Conservation and protection of natural resources in the area.
 - f. Making good of any damage to the Earth's crust caused by the registered holder.
 - g. Submission of reports, data, core, cuttings or samples.
2. Where the registered holder has not complied with the above considerations the onus is on the holder to demonstrate why special circumstances exist justifying why consent to surrender should be given.
3. The Minister will not unreasonably refuse consent to the surrender of a petroleum title or petroleum pipeline licence, where satisfactory evidence has been provided to demonstrate rehabilitation, and remediation is completed and does not present a liability to the State.
4. If having given due consideration the Minister is of the opinion the legislative requirements have not been met and undue liability would be transferred to the State, the surrender will be refused and action commenced to cancel the petroleum title or petroleum pipeline licence (or the title will be permitted to expire as appropriate).
5. The cancellation process provides for the cessation of the petroleum title and pipeline licence, as well as the incurring of annual fees, allowing the Minister to direct the former holder to resolve outstanding matters thereby removing the impost on the State.
6. Registered holders should progressively remove structures, equipment or other property brought into the title area that are not being used or are not planned to be used. Registered holders should also conduct ongoing and progressive remediation /rehabilitation of cleared and disturbed areas no longer required for operational reasons. If rehabilitation is delayed this may impact the Minister's deliberations for consenting to a surrender and refusal and commencement of cancellation proceedings may be considered.
7. The completion of operations and works within a petroleum title area or petroleum pipeline licence area (provided for under an approved

well management plan, field management plan, safety management plan, safety case or environment plan) and the close out of any outstanding actions from a site audit, may provide reasonably sufficient justification, from the registered holder, as to why consent to the surrender should be expedited by the Minister.

8. For the purpose of a request for a pro-rata refund, justification provided in principle seven above, should not be confused with the effective date of the surrender, which is prescribed under the petroleum legislation, specifically section 89 of the PGERA67 and section 95 of the PSLA82, as on the day and from the day in which notice of the surrender or cancellation is published in the Government Gazette. Where the Minister has consented to an application to surrender a pipeline licence, the surrender is effective upon service of the registrable document on the Minister, under section 23(4) of the PPA69.
9. An application for consent to surrender should be made at least three months before the end date of title year. If this timeframe cannot be met before the end date of the title year, the title holder is eligible for a pro-rata refund of the newly accrued annual fee, up to the time the notice of consent to surrender is published in the *Government Gazette*.
10. For permit holders seeking to decrease overall permit area, during a permit term, a partial surrender should be considered over blocks where no on-ground activities have been undertaken.
11. If a partial surrender relates to a change in exploration rationale that will impact the proposed (future) work program, the permit holder should submit in parallel, an application for variation under section 97 of PGERA67 or section 103 of PSLA82. Clause 4 of the *WA Petroleum and Geothermal Guideline for Exploration Permit Management* provides further guidance on the variation of work program commitments.
12. Section 23 of PPA69 and Section 104(1)(b) of PSLA82 also provides for a pipeline licensee to apply for a partial surrender of a part of the licensed pipeline.

SUPPORTING INFORMATION

This document has associated supporting information, as shown in the following links:

- [WA Petroleum and Geothermal Guideline for Exploration Permit Management](#)
- [Guideline for the Development of Petroleum and Geothermal Environment Plans in Western Australia - November 2016](#)

AUTHORITY

Authorised By: EXECUTIVE DIRECTOR - PETROLEUM