Draft Minerals Programme for Petroleum, 20 November 2024

Climate Justice Taranaki submission to the Ministry for Business, Innovation and Employment (MBIE), 11 February 2025

1. Climate Justice Taranaki (CJT)[1] is a community group dedicated to environmental sustainability and social justice, notably inter-generational equity in relation to climate change. Based in Taranaki 'Gasland', our members, especially tangata whenua and long-term residents living next to oil and gas wells and petrochemical facilities, have generations of experience dealing with the impacts of mining. Using this lived experience and careful research, we have submitted on many consultation papers and Bills in relation to mining, energy and resource management over the past decade.

2. As we expressed in our submission[2] in October 2024, the Crown Minerals Amendment Bill and process is unethical, irresponsible, undemocratic and reckless. It is essentially a Bill to facilitate private profits over public rights while ignoring the multiple ecological and social crises we are in, notably climate change. CJT is opposed to the Bill in its entirety.

3. Likewise, CJT is opposed to all components of the draft Petroleum Programme that relate to the lifting of the 2018 exploration ban beyond onshore Taranaki and providing surface access for petroleum exploration and mining into Taranaki Conservation Land. This submission hereby focuses on chapter 13 of the Programme around Decommissioning.

4. In general, CJT is supportive of the insertion of new chapters on decommissioning. However, it is public knowledge that the sections around decommissioning in the Crown Minerals Amendment Bill are being reworked (and almost certainly weakened) and to be returned to Parliament for debates, following complaints from the industry[3] end of last year. It is not clear how the final amendments might affect the workings of the draft Petroleum Programme.

5. Section 13.5 on the matters the Minister will consider re timeframes for decommissioning obligations do not convey any urgency and appear to be written by the industry to please the industry. For example, an exploratory well that is found to be not viable should be permanently plugged and abandoned straight away. Any compromised wells including "relevant older wells" that have lost their structural integrity should be plugged and abandoned as a matter of urgency by the owner/operator of the field at the time the fault is detected.

6. As a case in point, the KS-2 well in the Kupe field was drilled in 1987, suspended and plugged by a previous owner, but found to be leaking in 2018[4]. The leak may signal a low probability but high impact event (i.e. a well blow out) resulting in release of gas and condensate. This would have both significant environmental effects and represent a significant safety hazard for those working nearby. It would have been reasonable for the current owner operator Beach Energy to re-plug or decommission the well as a matter of priority. A response from MBIE revealed that six vessels, including two involved in decommissioning the Tui field and the Valaris JU-107 rig that did the development drilling for Beach at Kupe, had been in Taranaki since December 2018. They were not deployed to properly decommission KS-2, a missed opportunity. The company was allowed to make the decision that economic considerations outweighed environmental risks including climate wrecking emissions and did nothing to mitigate them. This further highlights the lack of current regulatory oversight.

7. The programme provides so many reasons for exemptions (s 13.9) and deferrals (s 13.10) of decommissioning obligations that it is hard to see when companies would actually need to oblige. Notably, s 13.10(4) "*The Minister may consider the matters listed in section 89ZA(2) of the Act… These matters include 'any other matter the Minister considers relevant'*" S 13.9(3)(c) appears to prepare the way for carbon capture and storage (CCS) which CJT is opposed to, for a range of reasons, notably being a delay tactic for any real emissions reduction[5].

8. It is not clear from S 13.11 when decommissioning plans and costings are required. It is our view that a first version of decommissioning plans and budget costings should be provided as part of the petroleum exploration or mining permit application, along with demonstration of financial securities. All these should be checked by independent third-party experts for quality assurance. The decommissioning plan would ensure a common understanding by all parties of what will eventually be included and excluded in the decommissioning scope. Safety guarantee is critical, especially with onshore wells and associated infrastructure.

9. S13.16 "…*the Minister may assess whether that permit holder is "highly likely" to have the financial capability to carry out and meet the costs of decommissioning*" suggests that financial capability assessment is not mandatory but at the Minister's discretion (s 13.17). This is not acceptable. It is our view that financial capability assessment should be mandatory, and it should not be at the Minister's discretion.

10. We support s 13.21 that "*Permit holders and licence holders must ensure there is in place and maintained an acceptable financial security arrangements*…" But we are concerned about the power given to the Minister who would determine the kind and amount of financial security. S13.23 reaffirms the Minister's power again. Such power could lead to cronyism and corruption. Other than "*bond or monetary deposit paid to the Chief Executive*" (S13.21(2), there are standard industry arrangements for financial guarantees that ought to be considered.

11. We strongly oppose to any prospecting, exploration and mining of gas hydrate (s 10.2-10.5), an unproven technology. It is yet another fossil fuel that must be kept in the ground to increase the narrow chance of humanity avoiding the worst of climate change impacts. Critically, the extraction of gas hydrates is extremely risky. It can cause enormous submarine landslides and devastating tsunamis[6]. It can eliminate or damage unique chemosynthetic biological communities on the seafloor[7]. It can destabilize gas hydrate deposits, potentially trigger and exacerbate the release of methane into the atmosphere. Methane hydrate deposits in marine and permafrost-associated sediments are climate-sensitive and increasingly vulnerable to widespread destabilization. The latter liberates methane, an extremely potent greenhouse gas, and causes feedback loops or tipping points for the earth's climate[8], threatening the survival of humanity and non-human species. There are already records from the South Atlantic of massive gas release to the ocean, linked to ocean warming[9], [10].

12. We will end our submission with this whakataukī:

    Mongamonga noa iho te hiriwa me te koura

    I te kurukurutanga o tāku raukura

    E hai

[1] https://climatejusticetaranaki.info/
[2] https://climatejusticetaranaki.info/wp-content/uploads/2024/10/cjt-sub-on-crown-minerals-amendment-bill-1oct24-final.pdf
[3] https://businessdesk.co.nz/article/law-regulation/govt-facing-embarrassing-gas-law-u-turn
[4] https://www.rnz.co.nz/news/national/504216/regulators-seek-independent-advice-on-leaking-oil-and-gas-well
[5] https://climatejusticetaranaki.info/wp-content/uploads/2024/08/cjt-sub-mbie-proposals-for-regulatory-regime-for-ccus-6aug24-final.pdf
[6] https://www.gns.cri.nz/research-projects/gas-hydrates/
[7] https://oceanexplorer.noaa.gov/facts/hydrates.html
[8] https://www.nature.com/scitable/knowledge/library/methane-hydrates-and-contemporary-climate-change-24314790/
[9] https://www.nature.com/articles/s41467-020-17289-z
[10] https://niwa.co.nz/news/warm-oceans-behind-our-hot-humid-weather