



**Northern Territory of Australia
Background Paper 2**

Timeline detailing the administration of the licence area for Production Licence for Petroleum AC/L7, including the involvement of Northern Territory agencies in the response to the incident on 21 August 2009

Montara Commission of Inquiry

The Montara Commission of Inquiry is examining the uncontrolled release of oil and gas from the Montara Wellhead Platform in the Timor Sea on 21 August 2009 and subsequent events. This background paper has been prepared by the Northern Territory to provide the Commission with relevant background information and may be reproduced without restriction. It provides a timeline of relevant events.

Information in this background paper is current as at 22 December 2009.



Date	Event	Document type
4 April 1986	Grant of Exploration Permit for Petroleum No AC/P7 in pursuance of s22C of the <i>Petroleum (Submerged Lands) Act 1967</i> (Cth) to BHP Petroleum (Australia) Pty Ltd, Conoco Australia Ltd and Indonesia Petroleum Ltd by Gareth John Evans as Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands.	Instrument of Grant and <i>Gazette</i> notification
21 April 1986	Northern Territory Department of Mines and Energy advises BHP of the requirement to formulate a work program prior to the commencement of works or petroleum exploration operations in the permit area.	Letter
24 October 1992	Declaration of Location in pursuance of s37(1) of the <i>Petroleum (Submerged Lands) Act 1967</i> by Alan Gordon Griffiths as Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands. Declaration made in respect of Block Nos 559, 630 and 631. The registered holders of the Exploration Permit at that time were BHP Petroleum (Timor Sea) Pty Ltd, Conoco Australia Ltd and Inpex Ashmore Ltd.	Instrument
5 August 1994	Application by BHP on behalf of the registered holders of the Exploration Permit for a Petroleum Retention Lease for the Montara Field in respect of Block Nos 559, 630 and 631. The registered holders of the Exploration Permit at that time	Letter enclosing Application dated 5 July 1994



were BHP Petroleum (Timor Sea) Pty Ltd, BHP Petroleum (Carnarvon) Pty Ltd and Inpex Ashmore Ltd.

17 May 1996	Completion of the draft joint assessment of the application for a Petroleum Retention Lease in the Montara Field by the Commonwealth and Northern Territory.	Letter from the Commonwealth to the Northern Territory attaching draft Joint Assessment Report
28 October 1996	Notice of Intention to Grant Petroleum Retention Lease.	Instrument
3 January 1997	Request for the grant of a Petroleum Retention Lease by the registered holders of Exploration Permit AC/P7.	Letter
23 February 1997	Grant of Petroleum Retention Lease AC/RL3 over Block Nos 559, 630 and 631 in pursuance of s38B(5) of the <i>Petroleum (Submerged Lands) Act 1967</i> by Warwick Raymond Parer as Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands. The grant was made to BHP Petroleum (Bass Strait) Pty Ltd and Inpex Ashmore Ltd.	Instrument of Grant
27 November 2001	Lodgement of application for renewal of Petroleum Retention Lease AC/RL3. The registered holder at the time was Coogee Chemicals Pty Ltd and Newfield Australia (Ashmore Cartier) Pty Ltd.	Letter dated 23 November 2001 attaching application
January 2002	Completion of the Joint Technical Assessment by the Northern Territory and the Commonwealth for the renewal of Petroleum Retention Lease AC/RL3.	Joint Technical Assessment Report



30 January 2002	Notice of Intention to Grant Petroleum Retention Lease.	Letter attaching Instrument
8 February 2002	Grant of First Renewal of Petroleum Retention Lease AC/RL3 over Block Nos 559, 630 and 631 in pursuance of the <i>Petroleum (Submerged Lands) Act 1967</i> by John Frank Lewis Griffiths as the Delegate of the Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands. The grant was made to Newfield Australia (Ashmore Cartier) Pty Ltd and Coogee Resources Pty Ltd.	Instrument of Grant
18 October 2006	Application lodged by Coogee Resources (Ashmore Cartier) Pty Ltd as registered holder of Petroleum Retention Lease AC/RL3 for the grant of a Production Licence over those blocks under Petroleum Retention Lease AC/RL3.	Letter dated 17 October 2006 attaching Final Field Development Plan
21 December 2006	Reply by Coogee Resources (Ashmore Cartier) Pty Ltd to questions received from the Joint Authority in relation to the application for a production licence.	Letter dated 21 December 2006 attaching reply and enclosures
5 March 2007	Notice of Intention to Grant Production Licence.	Instrument
13 March 2007	Request for the Grant of a Production Licence by the registered holder of Petroleum Retention Lease AC/RL3.	Letter
20 March 2007	Grant of Production Licence for Petroleum AC/L7 over Block Nos 559, 630 and 631 in pursuance of the <i>Petroleum (Submerged Lands) Act 1967</i> by Peter Charles Livingstone as the Delegate of the	Instrument of Grant



Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands. The grant was made to Coogee Resources (Ashmore Cartier) Pty Ltd.

22 March 2007

Direction as to Offshore Petroleum Exploration and Production to the registered holder of Production Licence AC/L7 in pursuance s44 of the *Petroleum (Submerged Lands) Act 1967* by Jeremy Paul Whitfield as the Delegate of the Designated Authority in respect of the adjacent area of the Territory of Ashmore and Cartier Islands. The direction required Coogee Resources (Ashmore Cartier) Pty Ltd to comply with the "Specific Requirements As to Offshore Petroleum Exploration and Production in Waters under Commonwealth Jurisdiction -- November 2005".

Instrument of Direction

7 November 2008

Application by Coogee Resources (Ashmore Cartier) Pty Ltd in accordance with reg 17 of the *Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004* for permission to drill wells Montara-G1, Montara-H1 and Montara-H4. Ancillary applications for the approval of Data Management Plans and acceptance of Well Operations Management Plans ("WOMPs").

Letter dated 7 November 2008 attaching instrument of application and appendices.

18 November 2008

Internal Territory Departmental memorandum advising that the Well Operations Management Plans and Drilling Programs had been assessed and satisfied the applicable

Memorandum dated 14 November 2008



	legislation.	
19 November 2008	Notification to Coogee Resources (Ashmore Cartier) Pty Ltd advising that WOMPs accepted pursuant to reg 8 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004, and drilling approved pursuant to reg 17 of the Regulations.	E-mail dated 18 November 2008
7 January 2009	Coogee Resources (Ashmore Cartier) Pty Ltd notify a Revised Drilling Program.	Letter
18 January 2009	Drilling commenced on Montara-H1.	E-mail dated 19 January 2009 summarising daily drilling reports
20 February 2009	Application to have the name of PTTEP Australasia (Ashmore Cartier) Pty Ltd substituted for its previous name of Coogee Resources (Ashmore Cartier) Pty Ltd in the Petroleum Register in respect of Production Licence AC/L7.	Letter of application
27 February 2009	Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 to sidetrack Montara-H1 from 3190m, and preliminary notification of approval.	E-mail and letter attaching Wellbore Schematic. E-mail preliminary notification of approval.
2 March 2009	Internal Territory Departmental memorandum advising that the application to sidetrack had been assessed and satisfied the applicable legislation. Notification to PTTEP that application to sidetrack approved.	Memorandum and e-mail
6 March 2009	Application by PTTEP	E-mail and letter



	pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 to suspend Montara-H1, and preliminary notification of approval.	attaching Suspension Diagram. E-mail preliminary notification of approval.
7 March 2009	Stage 1 of suspension of Montara-H1 completed.	Daily Drilling Report
8 March 2009	Internal Territory Departmental memorandum advising that the application to suspend had been assessed and satisfied the applicable legislation.	Memorandum
9 March 2009	Notification to PTTEP that application to suspend approved.	E-mail
12 March 2009	Application by PTTEP to perform Stage 2 suspension of Montara-H1.	Letter attaching Suspension Diagram.
13 March 2009	Internal Territory Departmental memorandum advising that the application to perform the Stage 2 suspension had been assessed and satisfied the applicable legislation. Notification to PTTEP that application to perform Stage 2 suspension of Montara-H1 approved.	Memorandum and e-mail
20 March 2009	Operational suspension of Montara Wells completed.	Daily Drilling Reports
8 April 2009	Request by PTTEP for written acceptance of the Environment Plan relating to the operations of Montara-H1.	E-mail
15 April 2009	Confirmation by the Territory Department that the previously accepted Installation and Commissioning Environment Plan covers drilling and completion operations on wells	E-mail dated 9 April 2009



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in the AC/L7 licence area in accordance with reg 11 of the Petroleum (Submerged Lands) (Management of Environment) Regulations 1999.

29 June 2009	PTTEP supply revision of Installation & Commissioning Environment Plan.	Letter
7 July 2009	Internal Territory Departmental memorandum advising that the revised Installation and Commissioning Environment Plan had been assessed and satisfied the applicable legislation.	Memorandum
7 July 2009	Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to drill and complete Montara-H1 development well.	Letter with Drilling Program attached
8 July 2009	Notification to PTTEP that the revised Installation and Commissioning Environment Plan had been accepted pursuant to regs 11 and 17 of the Petroleum (Submerged Lands) (Management of Environment) Regulations 1999.	E-mail dated 7 July 2009
13 July 2009	Internal Territory Departmental memorandum advising that the application for approval to drill and complete the Montara-H1 development well and the Drilling Program had been assessed and satisfied the applicable legislation. Notification to PTTEP that application to drill and complete Montara-H1 approved.	Memorandum and e-mail

17 August 2009

Commencement of drilling re-establishment operations.

Daily Drilling Reports and e-mail summaries

21 August 2009

At 0530 hrs (WST) / 0700 hrs (CST) an uncontrolled hydrocarbon release from the Montara-H1 well estimated to be approximately 40 barrels was observed.

At 0723 hrs (WST) / 0953 hrs (CST) there was a further uncontrolled release of hydrocarbons from the well which continued unabated. The discharge was a mixture of oil, condensate and gas. The drilling unit was abandoned and 69 personnel were evacuated.

At approximately 1145 hrs (CST) the Territory Department received an enquiry from the ABC about an oil/gas leak at the Montara well.

At approximately 1200 hrs (CST) the Territory Department rang PTTEP to enquire about the incident.

At 1305 hrs (CST) the Chief Operating Officer for PTTEP rang the Territory Department and advised of the discharge.

At approximately 1330 hrs (CST) the Territory Department contacted RET, which advised that it was aware of the incident.

At approximately 1630 hrs (CST) the Territory Department received a Situation Report from AMSA advising that AMSA had initiated action to apply dispersant to the oil slick.

At approximately 1800 hrs (CST) the Territory Department received advice that NOPSA had formed an investigation team, was



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conducting preliminary enquiries into the health and safety aspects of the incident, and would be liaising with the Territory Department and AMSA.

At approximately 2000 hrs (CST) PTTEP requested AMSA to take control of the oil spill response.

22 August 2009

NOPSA issue prohibition notices for the West Atlas rig and the Montara wellhead platform.

AMSA confirms that it has assumed the role of the Combat Agency in accordance with the National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances.

23 August 2009

PTTEP advised that it had identified a suitable mobile offshore drilling rig in Singapore (*West Triton*) which was being mobilised and was likely to leave Singapore by barge on 25 August. From departure it will take 20 days for the *West Triton* to be on site and ready to commence drilling activities. The plan was for the *West Triton* to drill a relief well to intersect the existing well and allow for the injection of heavy mud directly into the existing wellbore in order to stop the well flowing. It was estimated that it would take approximately 4 weeks to drill the relief well.

Media Statement

24 August 2009

Request from the Territory Department to PTTEP for technical information in relation to the nature of rig floor operations and the specific event that led to the

E-mail

	loss of well integrity, the current status of the wellhead and wellbore, and other matters.	
25 August 2009	Notification of a reportable incident from PTTEP pursuant to reg 26 of the Petroleum (Submerged Lands) (Management of Environment) Regulations 1999.	Letter (by e-mail)
25 August 2009	Meeting between NOPSA, PTTEP and Atlas Drilling at which the operators stated that they were giving consideration to an attempt to control the well by direct human intervention at the Montara wellhead platform while flammable hydrocarbons continued to be released at the facility. NOPSA expressed concerns that this proposal might pose unacceptable risks to the persons involved, but would await more specific representations from the operators.	Briefing Note dated 26 August 2009
26 August 2009	Advice from PTTEP in response to the Territory Department's request dated 24 August 2009. Notably, the response advised that the specific event that led to the loss of well integrity of the Montara-H1 was not yet known.	Letter
26 August 2009	Offer of assistance to RDPIFR from the Victorian Department of Primary Industries and Geoscience Australia to assess any Environmental Plan and Well Operations Management Plan submitted by PTTEP for the purpose of bringing the Montara-H1 well under control.	E-mail



2 September 2009	Application by PTTEP pursuant to regs 5 and 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to drill for the purpose of bringing the Montara-H1 well under control, and for acceptance of the WOMP.	Letter
2 September 2009	Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Environment) Regulations 1999 for acceptance of a revision to the Environment Plan to accommodate Well Water Deluge Operations.	Letter
3 September 2009	Comments received from Geoscience Australia in relation to the proposed drilling program, and from Victorian Department of Primary Industries in relation to the proposed WOMP and revision to the Environment Plan.	E-mails
3 September 2009	Advice from PTTEP that it will generate a revision to the drilling program once final well kill procedures had been modelled, and addressing certain questions in relation to the proposed drilling program.	E-mail
4 September 2009	Request from the Territory Department to PTTEP for responses to comments in relation to the proposed Environmental Plan and Drilling Program.	E-mail
4 September 2009	Comment received from the Victorian Department of Primary Industries on the proposed PTTEP drilling	E-mail with attachment



program.

4 September 2009	The Territory Department advises Geoscience Australia and Victorian Department of Primary Industries that the aim is to provide initial approval to commence drilling the relief well up to the point of intersection, and then consider a revision to the drilling program to address concerns that have been expressed in relation to the detail of the program.	E-mail
5 September 2009	AMSA advise the location and spread of the oil spill, action taken to date, and a strategy to continue vessel dispersant, containment and recovery operations.	Situation Report
6 September 2009	PTTEP personnel provide a presentation to the Territory Department in relation to the personnel and environmental response to the spill, and proposals and timing for well control activity.	PowerPoint
7 September 2009	NOPSA advise that the Revised Safety Case for the operation stage of the <i>West Triton</i> has been accepted in accordance with reg 38 of the Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996.	Letter
8 September 2009	Geoscience Australia provide further comment in relation to the PTTEP drilling program.	E-mail
8 September 2009	Commonwealth Department of the Environment, Water, Heritage and the Arts seek comment from the Northern Territory Fisheries Division in	E-mail



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relation to PTTEP's draft environmental monitoring plan.

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| 9 September 2009 | Request from the Territory Department to PTTEP for any further technical information to hand in relation to the cause of the loss of well integrity, and for further detail in relation to the drilling program. | E-mail dated 9 September 2009 with supplementary e-mail dated 10 September 2009 |
| 9 September 2009 | Provision by PTTEP of Revision 1 of the Drilling Program for the purpose of bringing the Montara-H1 well under control. | Letter with Revision 1 of the Drilling Program attached |
| 10 September 2009 | Internal Territory Department memorandum advising that the WOMP and Drilling Program for the purpose of bringing the Montara-H1 well under control had been assessed and satisfied the applicable legislation; and that the revised environment plans had been assessed and satisfied the applicable legislation. Notification to PTTEP that application to drill the relief well approved (to step 62). | Memorandum and e-mail |
| 10 September 2009 | RET advises agreement with the proposal for a staged approval for the drilling of a relief well up to the preparation of the mud but not including the intersect. | E-mails |
| 10 September 2009 | Notification to PTTEP that: (a) the application to drill the relief well in accordance with the drilling program submitted on 9 September 2009 had been approved pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004; (b) the WOMP submitted on 1 September 2009 had been | E-mail |



approved pursuant to reg 7 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004; and (c) the addenda to the Environment Plan submitted on 2 and 3 September 2009 had been approved pursuant to regs 11 and 17 of the Petroleum (Submerged Lands) (Management of Environment) Regulations 1999.

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| 10 September 2009 | Northern Territory Fisheries Division provides comment to the Commonwealth Department of the Environment, Water, Heritage and the Arts in relation to PTTEP's draft environmental monitoring plan. | E-mail |
| 11 September 2009 | Geoscience Australia provides comment on the revised drilling program. | E-mail with attachment |
| 14 September 2009 | Drilling of relief well commenced. | |
| 18 September 2009 | Advice received from PTTEP in response to the Territory Department's request dated 4 September 2009, and in response to questions 2 and 3 in the Territory Department's request dated 9 September 2009. | E-mail |
| 18 September 2009 | Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval of Revision 2 of the Drilling Program for the purpose of bringing the Montara-H1 well under control. | E-mail and letter |
| 21 September 2009 | Drilling of the first stage of the relief well to a depth of 1622 m | |



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	completed.	
21 September 2009	Internal Territory Department memorandum advising that Revision 2 of the Drilling Program for the purpose of bringing the Montara-H1 well under control had been assessed and satisfied the applicable legislation. Notification to PTTEP that application approved.	Memorandum and e-mail
29 September 2009	Drilling of the second stage of the relief well to a depth of 2300 m completed.	
2 October 2009	Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to commence wellhead platform clearing and plugging operations on Montara-H1.	Letter enclosing program
5 October 2009	NOPSA advises that the Revised Safety Case for the operation stage of the <i>West Atlas</i> has been accepted in accordance with reg 38 of the Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996.	Letter
5 October 2009	NOPSA advises that the Revised Safety Case for the operation of the Montara Development (inclusive of the Montara Wellhead Platform) has been accepted in accordance with reg 38 of the Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996.	Letter
7 October 2009	Application by PTTEP	Letter

	pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to sidetrack Montara-H1 ST1 RW1.	
7 October 2009	Internal Territory Department memorandum advising that the program for clearing and plugging operations had been assessed and satisfied the applicable legislation. Notification to PTTEP that application approved.	Memorandum and e-mail
7 October 2009	Internal Territory Department memorandum containing assessment of PTTEP application to sidetrack Montara-H1 well, and advising that the application satisfied the applicable legislation.	Memorandum
7 October 2009	Notification to PTTEP that the application for approval to sidetrack Montara-H1 ST1 RW1 had been approved pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004.	E-mail
7 October 2009	PTTEP submit Revision 1 to the program submitted on 2 October 2009.	E-mail
8 October 2009	Notification to PTTEP that Revision 1 application approved.	E-mail
12 October 2009	PTTEP submit Revision 2 to the program submitted on 2 October 2009.	E-mail
13 October 2009	Notification to PTTEP that Revision application approved.	E-mail
14 October 2009	Application by PTTEP pursuant to reg 17 of the	Letter



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Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to sidetrack Montara-H1 ST1 RW1 ST1.

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| 14 October 2009 | Internal Territory Department memorandum containing assessment of PTTEP application to sidetrack Montara-H1 well, and advising that the application satisfied the applicable legislation. | Memorandum |
| 14 October 2009 | Notification to PTTEP that the application for approval to sidetrack Montara-H1 ST1 RW1 received by e-mail on 14 October 2009 had been approved pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004. | E-mail |
| 15 October 2009 | NOPSA advises that the Revised Safety Case for the operation stage of the <i>West Atlas</i> dated 12 October 2009 has been rejected in accordance with reg 39 of the Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996. | Letter |
| 16 October 2009 | Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 for approval to carry out the packer setting operations detailed in the enclosed program. | Letter enclosing program |
| 17 October 2009 | Application by PTTEP pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004 | Letter and e-mail |

	for approval to sidetrack Montara-H1 ST1 RW1 ST2 following a failed attempt to intercept the Montara-H1 ST1 244 mm casing. Preliminary approval provided by e-mail.	
20 October 2009	Notification to PTTEP that the application for approval to sidetrack Montara-H1 ST1 RW1 received by e-mail on 17 October 2009 had been approved pursuant to reg 17 of the Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004.	E-mail
23 October 2009	PTTEP made an urgent telephone application for approval to sidetrack Montara-H1 ST1 RW1 (Stage 3). Preliminary approval was granted subject to the receipt of a formal application.	E-mail
28 October 2009	PTTEP submitted a formal application for approval to sidetrack Montara-H1 ST1 RW1 (Stage 3). Approval for the application was subsequently granted.	Letter
28 October 2009	Internal Territory Department memorandum containing assessment of PTTEP application to sidetrack Montara-H1 well, and advising that the application satisfied the applicable legislation. Notification of the approval was provided to PTTEP on the same date.	Memorandum
1 November 2009	The Montara-H1 ST1 244 mm casing intercepted by the relief well. The well kill operation was underway when the Montara-H1 well ignited.	
2 November 2009	PTTEP advise the possibility	E-mails



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of a loss zone in the formation at the bottom of the leaking well taking mud from the well resulting in not enough mud weight to kill the leak. PTTEP tried running loss control material down the relief well into the leaking well. Attempt unsuccessful. Propose a combination of loss control material and heavy mud with specific gravity of 1.6.

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| 3 November 2009 | Well kill completed and fire extinguished. | |
| 20 November 2009 | NOPSA advises that Prohibition Notice Nos 0223 and 0224 cease to have effect. | Letters |
| 20 November 2009 | NOPSA advises that the Revised Safety Case for the operation stage of the <i>West Atlas</i> with revision dated 20 November 2009 has been accepted in accordance with reg 38 of the Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996. | Letter |
| 24 November 2009 | PTTEP submitted an application for approval to suspend Montara-H1 ST1 and to plug and abandon Montara-H1 ST1 RW1 (Stage 4). Approval for the application was subsequently granted. | |
| 3 December 2009 | AMSA hands control of the licence area back to the Designated Authority. | |