

Proposed Natural Resources Plan:

Submitter:

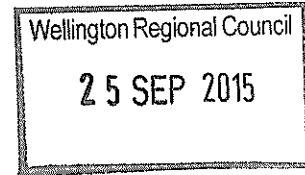
**Petroleum Exploration and Production
Association of New Zealand**

Submitter Number:

S102

25 September 2015

The Proposed Natural Resources Plan
Greater Wellington Regional Council
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Submission on the Proposed Natural Resources Plan for the Wellington Region

Details

This document constitutes the Petroleum Exploration and Production Association of New Zealand's (PEPANZ) submission in respect of the Proposed Natural Resources Plan for the Wellington Region ("the Plan"), which was publicly notified by the Wellington Regional Council on 31 July 2015.

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We could not gain an advantage in trade competition through this submission.

We do wish to be heard in support of our submission.

Introduction

PEPANZ represents private sector companies holding petroleum exploration and mining permits, service companies and individuals working in the industry. PEPANZ members account for more than 95% of New Zealand's hydrocarbon production and include the operators of offshore producing fields and exploration permits.

The upstream petroleum industry in New Zealand has historically not been particularly active in the Wellington Region although wells have been drilled onshore and offshore in the eastern part of the region. Wellington has however for many years been the commercial centre for the industry in New Zealand with a number of firms based in the city. There are currently no exploration permits held over land in the region although some were held until recently. Offshore exploration permits in the Pegasus Basin have been granted by the Crown in recent years. The Hikurangi margin is also thought to be one of New Zealand's promising gas hydrate locations.

General Submission

In the future there is a potential for the upstream petroleum industry to develop in the region, most likely offshore in the Pegasus Basin that extends East and South from the Wairarapa Coast.

Development of petroleum resources in these permits or subsequent ones could bring substantial benefits to the Wellington region and the country.

Exploration for and particularly development of these resources, even if predominately offshore and in the Exclusive Economic Zone, would have implications for the Wellington Region in terms of economic activity and infrastructure. Wellington Harbour would be a logical shore base for offshore operations and any offshore developments could involve onshore production facilities with connecting pipelines to shore through the coastal marine area. Whilst nascent at this stage it is appropriate for this to be factored into planning at this time given the 10-year time horizon for the Plan. We for instance consider the potential for petroleum production and associated facilities (e.g. pipelines) should be factored into the definition of regionally significant infrastructure.

Submission on specific provisions

We support **Objective O53**, which provides that "Use and development in the coastal marine area has a functional need or operational requirement to be located there." Offshore petroleum developments might involve onshore production facilities that would in turn require connecting pipelines through the coastal marine area.

We consider **Policy P92** requires amendment. It appears to be focussed on hydrocarbon wells/bores although it is titled "Discharges from hydraulic fracturing". The rationale for this title is unclear and it is inconsistent with the content of the policy. We recommend the following example, taken from the Draft Freshwater and Land Management Plan for Taranaki¹, which outlines a more comprehensive approach to managing the relevant issues relating to wells and bores:

"Well or bore siting, construction, alteration, or decommissioning must be managed in a way that:

- (a) complies with recognised standards, codes of practice, or regulations, particularly in relation to the maintenance of well or bore integrity and decommissioning;
- (b) avoids aquifer cross-contamination or aquifer contamination from open or unsealed wells or bores, and from other operational activities;
- (c) selects best practice drilling and construction methods, including the type of muds and other construction materials used;
- (d) minimises effects on the reliability of groundwater supply for properly constructed, efficient and fully functioning existing bores; and
- (e) ensures that well or bore logs are prepared and made available for the construction or alteration of wells or bores."

We oppose **Policy P93** (Disposal of hydraulic fracturing chemicals or materials). We can see no logical reason why disposal of such materials if generated within the Wellington region would be treated any differently from that of other chemicals or materials.

¹ Policy 8.3 on page 32, document available from:
<http://www.trc.govt.nz/assets/taranaki/environment/water/DraftPlan2015/DraftPlan-April2015W.pdf>