

Thursday, 17 March 2011

MEDIA RELEASE

Woodside chooses Montara oil spill company as joint venture partner for Browse Basin drilling program

As Woodside's PR campaign to win local confidence over its plans to develop the Browse Basin hits top gear, they may have hit an obstacle in choosing the company responsible for the 2009 Montara oil spill in the Kimberley as their joint venture partner for a proposed drilling program in the Basin.

"Of all the possible joint venture partners in all of the world, why on earth has Woodside chosen the one responsible for the Montara oil spill?" Environs Kimberly Director Martin Pritchard asked today.

"We're gobsmacked. The Government-commissioned Inquiry into the Montara spill found PTTEP to be 'shonky' and that their operation of the Montara oilfield 'was an accident waiting to happen', Mr Pritchard continued.

"This is a company that was found to have provided false and misleading information to officials in the course of the Inquiry – this alone should give Woodside pause for thought when choosing PTTEP as a joint venture partner" said Mr Pritchard.

Instead, Woodside appears to be taking the word of the company - In a recent application to the Federal Government, the company answered yes to the question of whether it has a satisfactory track record of responsible environmental management¹. This is seriously at odds with the Inquiry finding that PTTEPAA was not operating 'within a bull's roar of sensible oilfield practice," Mr Pritchard continued.

"PTTEP is responsible for the worst oil spill of its kind in Australia. Don't forget that this incident was entirely avoidable, the company's understanding of safety protocols was found to be 'manifestly inadequate', and that it took ten weeks to cap the blowout," Mr Pritchard said.

"We are seriously concerned about this latest decision by Woodside – with the Montara spill still fresh in our minds, and with only the assurances of the company that things have changed to go by, this is a poorly judged decision by Woodside", Mr Pritchard concluded.

For further comment: Martin Pritchard 0427 548 075

To read the *Montara Commission of Inquiry Report* in full, please see:
<http://www.ret.gov.au/Department/responses/montara/Pages/MontaraInquiryResponse.aspx>
some key findings and quotes from this report are included below.

¹ PTTEP Australia (Ashmore Cartier) Pty Ltd referral to EPBC for a proposed action: Cash/Maple Appraisal Drilling Programme – AC/RL7. March 2011. http://www.environment.gov.au/cgi-bin/epbc/epbc_ap.pl?name=referral_detail&proposal_id=5840

"The problems were not complicated or unsolvable, and the potential remedies were well known and not costly. This was a failure of 'sensible oilfield practice 101' p.7

"...In essence, the way that PTTEPAA operated the Montara Oilfield did not come within a 'bull's roar' of sensible oilfield practice. The Blowout was not a reflection of one unfortunate incident, or of bad luck. What happened with the H1 Well was an accident waiting to happen; the company's systems were so deficient and its key personnel so lacking in basic competence, that the Blowout can properly be said to have been an event waiting to occur. Indeed during the course of its public hearing, the Inquiry discovered that not one of the five Montara wells currently complies with the company's Well Construction Standards..." p.11

Inquiry rejects NT assertion that all approvals issued by them met relevant legislation, and found the NT's DoR's regulatory environment was *"...totally inadequate, being little more than a 'tick and flick' exercise."* P.14

The NT DoR took just 30 minutes to provide approval to suspend the H1 Well using PCCs rather than a cement plug, even though these were not intended to be used as barriers against a blowout. P.16
"...The approach taken by the NT DoR is in part reflective of a profound misunderstanding of what is required of a regulator under the modern day objective approach to regulatory oversight..." p.16

Inquiry notes it took until 15 September 2009 for DEWHA to act as the Environmental and Scientific Co-ordinator: *"...There were no legislative provisions available to DEWHA to require PTTEPAA to undertake scientific monitoring and the cost of scientific monitoring was not recoverable under the National Plan. It needed to be undertaken on a voluntary basis, and there was certainly no funding, resources or equipment available to DEWHA to undertake scientific monitoring...." p.24*

A scientific monitoring program (the 'Monitoring Plan') was not agreed until 9 October 2009 via a MoU between PTTEPAA and DEWHA. *"...It is unlikely that the full environmental consequences of the Blowout will ever be known. This reflects the vast and remote area affected by the spill; the absence of solid reliable baseline data on species and ecosystems; and the slow response in putting in place the Monitoring Plan..." p.26*

"...PTTEPAA's submission to the Inquiry of December 2009 was seriously deficient in terms of its depiction of what had occurred. Subsequent statutory declarations provided by PTTEPAA personnel shortly prior to the Inquiry's public hearing displayed no real appreciation of the issues that the Inquiry needed to address. In fact, PTTEPAA's efforts in this regard were in important respects misleading and unhelpful to the Inquiry's task of determining the circumstances and causes of the Blowout..

"By its own admission, PTTEPAA made no substantive effort subsequent to the Blowout to truly find out what had happened and why. It tried in its submission to limit responsibility to PTTEPAA personnel on the rig. It failed in that endeavour, with senior onshore personnel being shown to be critically involved, or directly involved in oversighting shonky procedures..." p.29

"The Inquiry considers that PTTEPAA's investigative inertia was both extraordinary and irresponsible." p.331

"The egregious failure of PTTEPAA to come to grips with the circumstances and likely causes of the Blowout cannot be regarded as a matter of little significance or as a side issue. It resulted in PTTEPAA, on numerous occasions, giving false and misleading information to various officials. Further, that failure undermines the extent to which PTTEPAA can be relied upon to make proper judgments, and act responsibly, when its interests are at stake." p.333

"...in the seven months since the Blowout PTTEPAA has supplied a good deal of false and misleading information to NOPSA and to this Inquiry p.340

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