

Kaikoura Community Forum with Anadarko

Question Sheet 1

The following questions, circulated in advance, are intended to capture a range of likely questions that various representatives within the Kaikōura community may have for the Ministry and Anadarko, and would wish to have answered during the presentations and the following question and answer forum. These will be used as the basis of the question and answer forum, and are arranged in broad themes.

Please refer to the accompanying Fact Sheet for background information, which provides answers to some questions around statutory processes and agency responsibilities.

Permit Processes

During the Block Offer consultation process Ngāti Kuri requested that the Minister consider the following:

- i. The credentials and experience of the applicant in petroleum exploration or mining in off-shore ecologically sensitive areas, including within and near migratory paths of marine mammals; and
- ii. The credentials and experience of the applicant in petroleum mining or exploration in culturally sensitive areas and working with indigenous peoples, and the applicant's proposed approach for working with Ngāti Kuri; and
- iii. The applicant's contingency planning for managing any impact on the environment from petroleum exploration including, but not limited to, any potential for the leaking or spillage of petroleum or other hazardous substances into the marine environment; and
- iv. The applicant's proposal for monitoring marine mammals, researching and studying their behavioural patterns, and a response or exit strategy in the event of adverse effects on marine mammals in and around the block area.

(1) What factors did the Ministry consider when granting the exploration permits?

(a) What aspects of the issues raised by Ngāti Kuri during the Block Offer consultation process were considered in awarding the permits?

(b) How will the issues raised by Ngāti Kuri be managed by Anadarko going forward, and how will they fit with the marine consent process under the EEZ Act?

New Zealand Petroleum & Minerals, a branch of the Ministry of Business, Innovation and Employment, was responsible for undertaking the evaluation.

The evaluation panel selected the best applicants for each block, based on a competitive tender process. Applications were evaluated on a number of criteria including the applicants' proposed work programme, technical and financial capability, and corporate profile, along with iwi engagement strategies, risk management practices and operating experience.

The points raised by Ngāti Kuri in their submission can be grouped as environmental concerns (including marine mammals) and cultural concerns.

Anadarko have significant experience in offshore exploration and environmental risk management. The risk to marine mammals will be managed by the 2012 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations, which was developed by the Department of Conservation and the oil industry, and any operational practices DoC want to implement in addition to that.

The Code of Conduct includes provisions for observers to be on board vessels and for seismic operations to stop if marine mammals are spotted near the ship. Anadarko is a signatory to the Code, and they have advised us it will be adopted for any surveying they carry out around New Zealand.

Well sites will also be subject to the Health and Safety in Employment (Petroleum Exploration and Extraction) Regulations (HSE Regulations) 1999, which have recently been reviewed and strengthened, with the amended regulations coming into force on 30 June this year. The operator is required to submit a health and safety case

which has to be approved by MBIE's High Hazards Unit. The operator also has to submit a well operation plan that covers proposed well activity, from installation to abandonment.

Activities in the exclusive economic zone (EEZ), beyond 12 nautical miles from shore, will be subject to the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act) when it takes effect in June 2013. It will be a condition for seismic surveys in the EEZ to comply with the Doc Code of Conduct, and exploratory drilling will require marine consent from the Environmental Protection Authority (EPA). The EPA will consider the effects of the activity on the environment and existing interests, and measures to avoid, remedy, or mitigate any adverse effects. The EPA may grant a consent subject to any appropriate conditions, or decline an application.

Marine Environment

The Kaikōura community is a sea dependent community - economically, socially and culturally – so there will be community wide interest in reducing risk to the marine environment from petroleum extraction and exploration activities.

(2) How will risks to marine mammals be managed?

(a) Does Anadarko have experience working near migratory paths of marine mammals and in ecologically sensitive areas?

(b) How are impacts on marine mammals likely to be managed and monitored?

(c) Will Anadarko work with the community and Te Korowai o Te Tai o Marokura to protect marine mammals in the area?

Anadarko provided an answer to this question on the day of the meeting and are committed to continuing to work with the Kaikoura community in the future to address any outstanding issues.

Seismic surveying is proposed to be a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act). To comply with permitted activity status under the EEZ Act, Anadarko must comply with the 2012 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations, developed by the Department of Conservation (DOC). This requires, amongst other things, that Anadarko has marine mammal observers on their seismic vessels, which Anadarko has indicated they will be doing.

(3) How will oil spill risks be managed?

(a) Will Anadarko share details of oil spill risk management and oil spill response planning with the community and Te Korowai o Te Tai o Marokura and work through options or potential conditions together, in advance of the marine consent hearing process?

(b) What lessons have been learned by Anadarko as a result of the Gulf of Mexico spill that will be applied to activities off the Kaikōura coast?

(c) What details can Anadarko provide at this stage around oil spill risk management and oil spill response planning?

Anadarko provided answers to this question on the day of the meeting and are committed to continuing to work with the Kaikoura community to address any outstanding issues in the future

Community Benefits

(4) How will petroleum exploration and extraction benefit Kaikoura?

(a) How will Anadarko invest in the local community, through potential for jobs, training, or products and services associated with industry activities?

(b) Are there opportunities for partnership in areas of marine research?

(c) Will Anadarko work with the Kaikōura community and its leaders to identify ways in which Kaikōura can benefit directly?

Anadarko provided an answer to this question on the day of the meeting and are committed to continuing to work with the Kaikoura community in the future to address any outstanding issues.

