

Hon Dr Megan Woods

MP for Wigram

Minister of Housing

Minister of Energy and Resources

Minister of Research, Science and Innovation

Associate Minister of Finance



Ref: OIA21-198

Richard Woodd,
fyi-request-16298-81041d5b@requests.fyi.org.nz

Dear Mr Woodd,

I refer to your email of 5 August 2021 requesting the following information under the Official Information Act:

“AWE was the Tui field operator from 2005 to 2017, during which time it yielded \$539 million in Crown royalties.

Was this company required by either its permit or the Crown Minerals Act to hold funds for the field decommissioning at some future time?

Was this requirement legally enforceable or not by the permit authority and please explain why?

If so, did the company actually hold funds and how much?

What happened to those funds when the field was sold to Tamarind?”

Petroleum Mining Permit 38158 (PMP 38158), covering the Tui Field, was granted in November 2005 to the following permit holders:

- New Zealand Overseas Petroleum Limited
- AWE New Zealand Pty Limited
- Stewart Petroleum Company Limited
- Mitsui E&P New Zealand Limited, and
- WM Petroleum Limited.

At the time that PMP 38158 was granted there was no requirement, under the Crown Minerals Act 1991 (the Act) or any regulations under that Act, for permit holders to set aside funds for the purposes of decommissioning at some future point in time.

In the intervening period, changes have been made, and more are planned, to mitigate the risk of permit and licence holders failing to carry out and fund decommissioning. The 2019 reforms introduced a requirement to obtain the prior consent of the Minister of Energy and Resources to changes of control of petroleum and minerals Tier 1 permit operators. There was no such requirement when Tamarind assumed control of the Tui Field in 2017.

On 23 June 2021, the Crown Minerals (Decommissioning and Other Matters) Amendment Bill (the Bill) was introduced in Parliament (<https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed->

laws/). The Bill proposes changes to strengthen the regulation for petroleum infrastructure decommissioning under the Act. These proposals apply to all current and future petroleum permit and licence holders. The Cabinet papers related to this Bill have been proactively released and are available for viewing on the Ministry of Business, Innovation and Employment website: .

I trust you find this information helpful, however, you have the right to seek an investigation and review by the Ombudsman of my response to your request, in accordance with section 28(3) of the Official Information Act 1982. The relevant details can be found at: www.ombudsman.parliament.nz.

Warm regards

A handwritten signature in blue ink, appearing to read 'M. Woods', with a stylized flourish at the end.

Hon Dr Megan Woods
Minister of Energy and Resources