Esso offshore projects

Introduction
Esso Australia, a subsidiary of ExxonMobil Australia, is undertaking a program of work across some of its offshore assets, including those owned jointly by the Gippsland Basin Joint Venture and the Kipper Unit Joint Venture, in 2018 and 2019.

This program forms part of Esso’s ongoing investment in exploring for domestic gas development opportunities to ensure that we can continue to meet Australia’s energy needs.

This fact sheet provides high level details about the projects, regulatory requirements and consultation that is occurring to facilitate information sharing and stakeholder engagement.

Projects
VIC/P70 drilling program
Esso is undertaking an exploration drilling program in the VIC/P70 block, approximately 90km off the East Gippsland Victorian coast. The program will involve drilling two exploration wells, known as Baldfish and Hairtail.

All regulatory requirements are in place with the Environmental Plan accepted by NOPSEMA on 4 July 2018 (a summary is available on the NOPSEMA website and on the ExxonMobil Australia website www.exxonmobil.com.au).

The drilling program is expected to start in the second half of 2018 and continue for approximately 60 days, using the Ocean Monarch mobile offshore drilling unit (MODU).

The exploration wells will determine the extent of any gas reserves contained within the field and the potential for development of much needed new gas supplies from the Gippsland Basin, which has been producing for more than 45 years.

The Baldfish and Hairtail wells are located outside the Bass Strait “Area to be Avoided” as defined on marine chart AUS357 and temporary fairways have been established to protect the rig and other marine users (see figure below).

Temporary petroleum safety zones will also be in place for the duration of the drilling program, to further provide protection. (VIC/P70 well coordinates: Baldfish Latitude 38° 36’ south, Longitude 148° 35’ east / Hairtail Latitude 38° 36’ south, Longitude 148° 31’ east).

Esso is working with stakeholders, including the Australian Marine Safety Authority, to manage the impact and communicate with marine users.
VIC/L20 Blackback

Esso is undertaking a project to work on the Blackback wells also using the Ocean Monarch MODU. The program is expected to start in the second half of 2018 and continue for approximately 60 days. (Well coordinates: Latitude 38° 32’ south, Longitude 148° 33’ east).

Ocean Monarch MODU

VIC/L1 development

Esso is examining options to develop a gas field in block VIC/L1 known as West Barracouta, approximately 6km south west of the existing Barracouta platform. The project is likely to involve the drilling of two subsea wells within one petroleum safety zone, which will be tied back to our existing Barracouta infrastructure in Bass Strait.

A subsea flowline approximately 6km in length connected via a subsea hot tap into the existing gas export pipeline and controls umbilical approximately 6.5 km in length to the Barracouta platform is planned to be installed. This project will be undertaken within Esso’s current Bass Strait “Area to be Avoided”.

To support the project’s development, Esso has conducted environmental and seabed surveys and geotechnical surveys are planned to be completed the first half of 2019 (previously planned for 2018), subject to regulatory approval. The results of these surveys will be used to assess the location of the well sites and flowline and umbilical routes.

Seabed surveys

In addition to the seabed surveys to be conducted for the VIC/L1 development, Esso will be conducting seabed surveys to help inform potential drilling activities in VIC/L9, as well as potential plug and abandonment activities at a number of existing licence areas as shown in the figure below.

The proposed surveys will involve collection of geophysical data (i.e. measurements of seabed characteristics, imaging and profiling), collection of water and sediment samples, and collection of subsea floor materials. Geotechnical data will also be collected.

Map of proposed seabed surveys
A range of measures will be implemented to reduce potential environmental impacts to acceptable levels:

- Survey vessels will not anchor or refuel during the activity
- Measures will be taken to protect marine fauna from noise and to prevent vessel collisions
- All discharges (e.g. sewage, grey water) will meet legal and environmental requirements
- Appropriate spill response plans will be established
- Survey vessels will be assessed and managed to prevent the introduction of invasive marine species

**VIC/L05 Cobia Pipeline project**

The Cobia Pipeline project will undertake maintenance and repair works on the Cobia pipeline, which runs from the Cobia platform to the Halibut platform in Bass Strait.

This project will be undertaken within the existing Bass Strait “Area to be Avoided” and a temporary petroleum safety zone will be implemented to provide protection during the project.

The offshore work for this project is planned to be carried out by the Seven Eagle, a dive support vessel, in December 2018 and will take approximately two weeks.

**Dive support vessel ‘Seven Eagle’**

**VIC/L05 Mackerel and other platform based activities**

Esso is also considering work on the Mackerel wells with the program expected to begin in November 2018 and continue for approximately 10 months (Platform coordinates: Latitude 38° 27’ south, 148° 18’ east), with various platform based activities scheduled throughout 2019 to 2022.

**VIC/L25 and VIC/L9 Kipper 1B and Pilchard**

Esso and its Kipper Unit Joint Venture partners are planning to drill a number of additional wells at Kipper (Well coordinates: Latitude 38° 11’ south, Longitude 148° 36’ east). These wells were part of the original Kipper plan and are referred to as Stage 1B.

The wells will be tied into the existing subsea infrastructure within the current Kipper petroleum safety zone as shown in the following artist’s impression. The current schedule is for the Kipper 1B wells to be drilled in 2020.
In addition to the Kipper infield drilling, a similar gas field, Pilchard, is being assessed by Esso and its Gippsland Basin Joint Venturers and may be drilled and developed in a future drilling campaign.

**Offshore environment regulations**

Esso is preparing Environment Plans and associated Oil Pollution Emergency Plans to identify, assess and manage environmental risks for these projects.

These plans will be submitted to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the offshore environment regulator, for review and acceptance in accordance with the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009.

In addition, Esso will be conducting a five-yearly review of existing Environment Plans for platforms operating in Bass Strait commencing mid-2019, in accordance with the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009.

In developing the Environment Plans, Esso will conduct an environmental risk assessment to evaluate environmental risks associated with the activities being planned, and will incorporate prevention and mitigation measures that reduce these risks to As Low as Reasonably Practicable (ALARP).
Consultation

As these projects develop, additional consultation with stakeholders will be conducted, including key impacts and environmental risks.

This fact sheet provides information to allow stakeholders to make an informed assessment of the possible consequences of the proposed activities to their functions, interests or activities. We will address questions and consider feedback from stakeholders relating to these projects throughout this consultation process.

If you have any specific questions or feedback about any of these projects please contact Esso at consultation@exxonmobil.com or call 03 9261 0260.

About Esso

Esso Australia is a subsidiary of ExxonMobil Australia, the country’s largest integrated oil and gas company. Esso’s Longford Plants has processed more than four billion barrels of oil and eight trillion cubic feet of gas since production began in 1969.

We place the highest priority on operating flawlessly in all aspects of our business. All of these offshore projects will be managed in accordance with all regulatory requirements, as well as Esso’s Operational Integrity Management System to reduce risks to ALARP.

Environment Plans detailing each program of work and how the risks of the program will be managed by Esso will be submitted to NOPSEMA for acceptance.

Esso is continuously striving to improve all aspects of our safety performance including for our people, our processes, security, health, and environmental performance.

For more information about our operations please visit www.exxonmobil.com.au.