PEPANZ
PETROLEUM EXPLORATION & PRODUCTION ASSOCIATION OF NEW ZEALAND

Advocate. Educate. Support.

PO Box 25259, Featherston Street, Wellington 6146
pepanz.com / energymix.co.nz / petroleumconference.nz

27 January 2020

Submission on the *Review of the Crown Minerals Act 1991*
Ministry of Business, Innovation and Employment
Submitted by email to resource.markets.policy@mbie.govt.nz

PEPANZ Submission: Review of the Crown Minerals Act 1991

Introduction

1. The Petroleum Exploration and Production Association of New Zealand ("PEPANZ") represents private sector companies holding petroleum exploration and mining permits, service companies and individuals working in the upstream petroleum industry.
2. This document constitutes PEPANZ's submission to the Ministry of Business, Innovation and Employment ("MBIE") on the *Review of the Crown Minerals Act 1991*[1], which was released in November 2019 and for which submissions are due on 27 January 2020.

Executive summary

What the Crown Minerals regime should achieve

i. PEPANZ supports a Crown Minerals regime under which the Crown seeks for its petroleum estate to be developed, so as to realise an economic return on its asset through royalty payments with the co-benefits of economic development, energy security and supply of minerals.
ii. The fundamental role of the Crown Minerals Act 1991 ("CMA") is to provide the institutional framework to efficiently allocate permits to competent commercial operators, and to look after the Crown's rightful interest in its resource being developed efficiently. Other regimes in the broader regulatory system are better suited to (and already do) manage externalities and provide for non-market objectives.
iii. We recognise the pressure of climate change issues globally, but believe an effective CMA regime can and should have retain its role in allocating permit rights, while sitting alongside a range of other measures to manage environmental effects.

Concerns about the policy development and consultation process

iv. In relation to this review, we are concerned that the policy process is poorly conceived and that the timeframes are highly ambitious and inadequate for both submitters and officials alike.
v. It is difficult to meaningfully engage with many of the questions in the review as they solely focus on the CMA with no reference or discussion to the crucial details that must be delivered through amendments to the critically important Petroleum Programme.

[1] We note that after originally releasing the discussion document online, MBIE uploaded a new version without notification to interested parties. This new version has different pages numbers from the first version circulated. We draw this to the attention of officials as some submitters' submissions may refer to page numbers on the first version released. Our submission references the first version released.

vi. The Legislation Design and Advisory Committee's *Legislation Guidelines* recommend that amendments to legislation include consideration of secondary and tertiary legislative design and content, unless there is good reason not to.

Comments on chapter 1: Role and purpose statement

vii. The Crown Minerals regime should focus on the efficient allocation of permits. It should not stray into the roles and functions of other statutes that would complicate what is fundamentally a clear and simple regime, as this would create regulatory overlap and duplication.

PEPANZ supports retention of the purpose statement

viii. We support retention of the current purpose statement, which is "to promote prospecting for, exploration for, and mining of Crown owned minerals for the benefit of New Zealand."

The role of legislation must align with its purpose

ix. The discussion document states in paragraph 23 that "The CMA review is not proposing to change the fundamental role of the CMA to allocate and manage rights to Crown minerals". If the "fundamental role" is not changing then there can be no ground for amending the purpose.

The "promote" purpose is common in legislation

x. A number of other statutes in the resources and environmental system use the term "promote". It is not unusual or inappropriate.

The purpose statement applies to all Crown minerals, not just to petroleum

xi. The CMA governs both petroleum and non-petroleum Crown-owned minerals. The effects of changing the purpose statement will affect *all* Crown minerals and the impacts should be carefully considered.

Comments on chapter 2: Balancing the rights, interests and activities of marine users

xii. We strongly oppose removal of the non-interference provisions under the CMA. We do not consider that any reason warrants protestors breaching non-interference zones and do not consider they impinge on the rights of the public to express their views. The offshore working environment is typically remote, hazardous, and specialised and it is not appropriate for protestors to enter it.

xiii. Permit holders require the non-interference provisions, as the CMA is the only regime that offers protection for mobile vessels such as seismic survey ships and drilling vessels.

xiv. Diluting protection by removing the non-interference provisions will send a negative signal that the Government will not protect the legitimate rights of lawful operations, and that the risk transfers fully to the operator which would need to establish trespass orders and to request police support.

Comments on chapter 3: Ensuring offshore petroleum permits contribute to a managed transition

xv. It is positive that the chapter acknowledges that an objective is "providing a secure and affordable supply of critical resources". The offshore permit management model is no longer fit-for-purpose following the prohibition on new petroleum exploration permits outside onshore Taranaki. Without new exploration acreage available, it makes little sense to require permit holders to relinquish land (as no competing party can apply for it).

Comments on chapter 4: community participation

xvi. We do not support broader public consultation being required under the CMA. Petroleum permit applications (compared to resource consents) are unlikely to involve enough information about the precise location and details of operations to facilitate meaningful and detailed public engagement and discussion. Permit applications typically involve commercially sensitive information. The public is however appropriately involved in statutory consultation on the development of Mineral Programmes.

Comments on chapter 5: Maori engagement and involvement in Crown minerals

xvii. Operators have extensive bilateral relationships with iwi and hapu organisations, and our general position is we prefer to maintain these relationships without the Crown duplicating these requirements or requiring further engagement purely by statute.

Comments on chapter 6: Compliance and enforcement

xviii. We accept that it is appropriate for MBIE to have a greater suite of compliance and enforcement tools, as proposed in the discussion document. We would expect to be closely involved in the development of the relevant regulations, as the policy detail will be critical.

Comments on chapter 7: Improving petroleum sector regulation

Decommissioning requirements

xix. We accept that the CMA, as the principal petroleum statute, should also explicitly require operators to decommission infrastructure and plug and abandon wells. In the body of this submission we suggest improvements to the relevant proposed definitions.

Cessation of production approval

xx. We oppose the proposed requirement that permit holders must obtain Ministerial approval to cease petroleum production. Permit holders are incentivised to maintain production (and therefore revenue to the Crown) as long as they obtain an economic profit and operators are well-placed to determine this.

xxi. Achieving the desired outcome (of continuing to maximise economic recovery) and the associated principal-agent problem (whereby operators may wish to cease production before the Crown does) can be managed through the ability to transfer permits to different businesses that are willing to invest capital to continue operations.

Periodical assessment of the financial capability of permit holders

xxii. We support the proposal in the discussion document to allow MBIE to periodically assess the financial capability of permit holders. We could support the proposal to enable MBIE to impose financial security obligations, but only if permit holders fail to maintain sufficient financial capability. The details of the regulations and financial security impositions will be crucial to ensure that the tests and rules are reasonable and workable.

Comments on chapter 8: technical amendments

Permit allocation in onshore Taranaki

xxiii. In the current context with the Crown Minerals (Petroleum) Amendment Act 2018, there is merit in reconsidering the allocation method including a potential shift away from block offer. The allocation method could revert to the first-in, first-served 'acceptable work programme offers' allocation method used in Petroleum Programme 2005.[2] However, a key benefit of the block offer process is its predictability and regularity. 'Acceptable work programme offers' may be administratively efficient for MBIE, but the timeframes for competing applications to be made may not work because of the time needed to obtain internal corporate approvals.

[2] https://www.nzpam.govt.nz/assets/Uploads/our-industry/rules-regulations/minerals-programme-petroleum-2005.pdf

Submission

Scene-setting remarks – what we consider the Crown Minerals regime should do

An explanation of the scene-setting

3. The opening section of this submission presents a first-principles description of what we consider to be the appropriate role of the Crown Minerals Act 1991 ("CMA"). The rest of the submission responds to the request for submissions in light of these principles. We accept some proposals as 'second-best' options which are appropriate in the new legislative context although they do not necessarily align with our first principles view of the ideal regime.

The Crown's interest in seeking an economic rent from its resource

4. The Crown owns certain minerals including petroleum but does not explore or produce these minerals itself. Instead, it issues permits to commercial businesses to explore on behalf of the Crown. Permit holders are entitled to an economic profit in exchange for their exploration and mining work, and above that rate the Crown obtains an economic rent through the royalty regime. This has been the basis of petroleum legislation since the Petroleum Act 1937, and was amplified when the Crown exited its direct role in the petroleum industry when it sold Petrocorp in 1988 (which meant development would from then on only occur if commercial businesses undertook the activity).
5. We consider this type of petroleum regime to be appropriate. PEPANZ supports a Crown Minerals regime under which the Crown seeks for its petroleum estate to be developed, so as to realise an economic return on its asset through royalty payments with the co-benefits of economic development, energy security and supply of minerals. We consider this to be in line with its economic interests as the resource owner, given revenue can fund the Government expenditure across its various interests in the economy and the well-being of society.

The efficient role of the Crown in relation to permit allocation

6. The fundamental role of the Crown Minerals Act 1991 is to provide the institutional framework to efficiently allocate permits to competent commercial operators, and to look after the Crown's rightful interest in its resource being developed efficiently. Because the resource is nationalised there are no pure markets for allocating rights and no capital market to signal whether markets consider government is managing its resource efficiently, so a permit regime that promotes competition and efficient allocation is important if the efficiency of market allocation is to be mimicked. To achieve a market-led allocation, the Crown should leave acreage open to nominations for offers or direct applications from the commercial operators and this contrasts to a government-directed planning model whereby the Crown decides what areas can be available for applications.
7. Contestability of access to permit acreage (and ability to acquire permits through transfers) is appropriate as this encourages innovation and competition between potential operators. To be attractive to investors and to expedite development of the Crown's resource, the institutional framework should seek to minimise transaction costs in the permit allocation and management framework. This will also maximise the return to the Crown.
8. We believe the Crown should seek to manage permits in a way to ensure its resource is developed efficiently, and in relation to this we consider that most often the Crown and commercial operators' interests are shared (maximising economic recovery and minimising adverse effects so as to maintain social licence to operate).
9. Current legislative settings, with the Crown Minerals (Petroleum) Amendment Act 2018[3] in place, are inconsistent with our view on the optimal nature of the Crown Minerals regime.
10. The Government also has a role to play in correcting genuine market failures and ensuring that externalities are managed (where they cannot be managed through voluntary arrangements). The

[3] This Amendment Act prohibits the issuance of new petroleum exploration permits except in onshore Taranaki.

Government may also wish to provide for non-market objectives which do not fall within managing market failure or externalities, because some values (cultural ones for example) may be so strongly held that they must be achieved even if not efficient in a purely economic sense.

11. The CMA should serve as a simple statute to deliver efficient allocation of rights to explore and mine petroleum resources. This is an economic focus, from which major social co-benefits arise. Other regimes in the broader regulatory system are better suited to (and already do) manage externalities and provide for non-market objectives – these include managing adverse effects and risks to the environment, health and safety and community and providing for conservation and cultural protection.
12. We recognise the pressure of climate change issues, but believe an effective CMA regime can and should have retain its role in allocating permit rights, while sitting alongside a range of other measures to manage environmental effects.
13. Stable and predictable settings and clear property (and other) rights are important, especially given the long lead in times, long life span of production assets, and significant capital commitments required for petroleum operations. We appreciate that outcomes cannot be certain in all cases, but what can and should be consistent and predictable are the regulatory and administrative rules and operational policies. Clear and transparent rules and procedures will help to ensure a neutral regime that provides consistency between operators and for the Crown. Relevant to this concern is the importance of minimising the political risk (also known as 'sovereign risk') of major unexpected policy changes, as this both discourages investment and reduces the value of the petroleum resource as firms price in risk. Policy and legislation must also be reasonable and workable, so that the petroleum sector can understand and comply with requirements.

How the Crown Minerals Act contributes to energy security

14. Aside from the royalties and direct and indirect taxes to the Crown, there are a number of important benefits associated with a vibrant domestic petroleum and minerals sector. The discussion document appropriately acknowledges that "the sector also has a role to play in providing us with raw materials and energy we need to achieve our objective of a productive, sustainable and inclusive economy". In relation to energy from petroleum, affordable and reliable natural gas is crucial as it:
    - is the cleanest-burning fossil fuel;
    - provides an essential security of supply role in relation to the largely renewable electricity generation system through firming/peaking;
    - provides a direct source of energy for process heat;
    - provides a key petrochemical input to domestic methanol, as an alternative to higher carbon-emitting sources such as coal, and urea production; and
    - facilitates energy independence (by minimising the need to rely on other jurisdictions for imports).
15. Promoting the petroleum estate is not inconsistent with delivering on climate change policies. Natural gas plays a critical role in backing up renewable generation and ensures that electricity remains affordable. This is important not only from an economic and social well-being perspective, but also promotes electrification of energy, as explained by:
    - Concept Consulting, which said "Lower cost electricity facilitates the far bigger prize of decarbonising process heat and decarbonising transport";[4]
    - the New Zealand Initiative, which analysed the difficulties of completely replacing hydrocarbons in our electricity system and found that "Tackling it could add more than

[4] "Govt open to changing goalposts on 100% renewable target – Shaw", New Zealand Herald 6 March 2019.

$800 million to the annual cost of electricity. The higher cost of electricity under such a scenario would delay the transition from fossil fuels to electricity. Perversely, this could increase overall carbon emissions"; and [5]

- the Interim Climate Change Committee, which recognised the importance of affordable electricity to promote broader decarbonisation in its Accelerating Electrification report.[6]

16. Because New Zealand's natural gas consumption all comes from domestic production, we consider it crucial to apply an energy trilemma[7] lens when considering the domestic framework for allocation of petroleum permits. Affordable and secure supply of natural gas relies on ongoing domestic production and that should be favoured over imports. We note that under the recent BEC2060 Energy Scenarios,[8] *both* modelling outputs have electricity firming from hydrocarbons, either through imported LNG or coal with carbon capture and storage (after domestic gas reserves are depleted). This shows the importance of ongoing natural gas production, and that requires positive settings under the CMA aligned with its current purpose statement.
17. Oil, whether produced locally or imported, will also remain a key element within NZ's energy, agricultural and manufacturing industries for decades to come. New Zealand's oils have positive characteristics such as lightness and sweetness (i.e. low sulphur) that mean its production is positive for global emissions compared to production from many other jurisdictions (such as oil sands in Canada and heavy high sulphur oils from Venezuela).

The policy and consultation process

18. In relation to this review, we are concerned that the policy process is poorly conceived and that the timeframes are highly ambitious and inadequate for both submitters and officials alike.
19. The Discussion Document was released in mid-November, initially with submissions due on 20 December 2019. After a letter to the Minister of Energy and Resources, this was extended to 27 January 2020 which was positive. However, we have not been able to obtain clarity on whether subsequent steps in the policy process have in turn been extended. If there are no subsequent deferment of post-consultation policy development this will create a major time constraint between milestones, which we would not support.
20. We are concerned that a tight timeframe between receipt of submissions and the lodgement of cabinet papers will compromise the ability for officials to meaningfully review submissions and to engage with submitters before finalising policy advice. If this process is to be meaningful and robust, there must be adequate time for genuine and deep consideration of submissions including time for workshops if appropriate. This is critical because the review may lead to the most significant reform to petroleum legislation since 1991 if not even 1937.

The Petroleum Programme is critical

21. The Minerals Programme for Petroleum 2013 ("Petroleum Programme/ MPP") has a fundamental role in the petroleum regime and is not merely a guideline or an implementation detail, as it is secondary legislation which contains statutory policy and underpins the interpretation and application of the CMA. Being a statutory interpretive device means in day-to-day operational policy the Petroleum Programme rules supreme. This is implicitly recognised in Part 1A, and

[5] New Zealand Initiative media release "New report: Pricing carbon properly key to successful renewables policy", 27 March 2019. https://nzinitiative.org.nz/ reports-and-media/media/media-release-new-reportpricing-carbonproperly-key-to-successful-renewablespolicy/

[6] https://www.iccc.mfe.govt.nz/assets/PDF_Library/daed426432/FINAL-ICCC-Electricity-report.pdf

[7] The 'energy trilemma' is the concept, devised by the World Energy Council, that three key factors must be considered in relation to energy: sustainability, security and equity (equity can be considered synonymous with affordability and access).

[8] https://www.bec.org.nz/our-work/scenarios/bec2060-energy-scenarios

particularly section 14, of the CMA, which gives the minerals programmes a special statutory status and role.

22. The Legislation Design and Advisory Committee recommends that amendments to legislation include consideration of secondary and tertiary legislative design and content, unless there is good reason not to[9]. This represents an issue of integrity of the legislative design process as well as natural justice from the perspective of the affected industry and stakeholders.
23. The changes contemplated for the CMA will have major flow-on effects to the Petroleum Programme. Apart from a general remark in paragraph 403 of the discussion document ("...there will likely be required changes to Regulations and Programmes to give effect to policy decisions made through this Review") there is no assessment of likely Petroleum Programme changes or the process and timeframe for making changes.
24. It is difficult to meaningfully engage with many of the questions in the review as they focus solely on the CMA with no reference or discussion to the crucial details that must be delivered through amendments to the Petroleum Programme. We recommend that officials carefully consider potential implications for the Petroleum Programme arising from any amendments to the CMA during this current CMA review process, and not to leave consideration of Petroleum Programme changes for a later process.
25. We submit that a robust policy development and engagement process for any Petroleum Programme amendments must be followed.

The direction of travel is unclear and this creates uncertainty

26. It is difficult to understand the Government's direction in relation to Crown-owned minerals given the conflicting objectives in the discussion document (e.g. removing the 'promote' purpose statement while seeking to maximise economic recovery by not allowing production to cease without approval). This leads to significant uncertainty on the part of industry when it comes to understanding the government's preferences and interpreting the intention of the discussion document. A comprehensive and holistic approach is required and is what we recommend.

COMMENTS ON CHAPTER 1: ROLE AND PURPOSE STATEMENT

Aspects of wellbeing (natural capital, human capital, social capital or financial capital) considered in the CMA

27. Consistent with our views on what the CMA regime should do, it is and should remain a clear statute to deliver efficient allocation of rights to explore and mine Crown-owned minerals. For both petroleum and minerals resources, this is an economic focus, from which major social benefits arise. Other regimes in the broader regulatory system look at managing the adverse effects and risks to the environment, health and safety and community.
28. The Crown Minerals regime should focus on the efficient allocation of permits. It should not stray into the roles and functions of other statutes that would complicate what is fundamentally a clear and simple regime and would create regulatory overlap and duplication. With scope creep and duplication comes the significant risk that responsibility and accountability is *diminished* rather than enhanced, whereby different regulators feel less need to focus on areas where another regulator also has responsibility. In addition, if multiple regulators are considering the same matter and imposing requirements or conditions, the risk arises that contradictions and inconsistent requirements are imposed which puts operators in a difficult position in terms of knowing which standard to meet. If there are demonstrable inadequacies with matters pertaining to say environmental protection, then the relevant environmental statutes should be reviewed, rather than using the CMA which is arguably not the right tool. In addition, there are economies of scale by using specialist statutes to manage specific technical matters (whether relating to

[9] *Legislation Guidelines* (Chapter One especially).

environmental management or health and safety), so including non-resource matters in the CMA will have higher costs compared to using other regimes.

29. We support the goal that "risks and downsides associated with the sector can be appropriately managed", but it is crucial that this is only done through the CMA to the extent that the CMA is the best vehicle to achieve that (and PEPANZ does not believe that it is). Policies should be delivered through legislation best designed to deliver the outcomes sought. Arguably the most important negative externality associated with the use of petroleum products is where greenhouse gas emissions are released into the atmosphere and this must be managed. The most economically efficient tool to manage the externality of greenhouse gas emissions is pricing which New Zealand achieves through its Emissions Trading Scheme.
30. The "Objectives and Principles" section introduces the concept of "responsible regulation" which in turn includes 'coherence'. We support this principle, and it is important that reforms do not compromise the coherence of the CMA including how it sits in the country's broader regulatory system.
31. If the criteria for granting permits are broadened, or if the purpose of the Act is expanded, this increases the risk of judicial review. With more factors (especially those relating to climate change), the increased risk of challenge driven by extraneous considerations can pose a significant disincentive to investment due to the uncertainty facing permit applicants. This would undermine the Government's goals (stated elsewhere in the discussion document) of ensuring a managed transition and ensuring security of supply.
32. In terms of managing environmental effects, we also note that petroleum permits only give rights to explore for or produce a resource. Petroleum permits do not necessarily have information about the precise location and details of operations, meaning that not enough information is contained within them to make meaningful decisions on environmental or health and safety effects. It is typically later in the regulatory process through resource consents that enough operation-specific information is available to inform sound decisions on the effects of activities. This is the current position and it should be maintained.
33. As noted above, Emissions Trading Scheme is the most appropriate and economically efficient tool to manage greenhouse gas emissions. Trying to account for greenhouse gas emissions at the permitting phase has two significant challenges, namely:
    - using the CMA is unlikely to achieve emissions reductions at the lowest marginal abatement cost (compared to the efficient pricing mechanism under the ETS), and
    - at the permitting stage, the ultimate use of the hydrocarbon is uncertain, i.e. it may or may not result in emissions depending on the end use, and to automatically assume combustion and release of emissions is unreasonable given the petrochemical use of hydrocarbons and possibilities for emissions reductions or capture. Also, at the exploration stage, the economic viability of resource has not been established.

The purpose statement of the Crown Minerals Act

PEPANZ supports retention of the purpose statement

34. We support retention of the current purpose statement, which is "to promote prospecting for, exploration for, and mining of Crown owned minerals for the benefit of New Zealand." This purpose has been an effective part of the CMA regime in New Zealand and is aligned with the Crown's economic interest in realising an economic return on its resource. The CMA is the only statute that specifically encourages development of Crown minerals, and this is entirely consistent with the Minister's opening statement about the important role that the industry needs to play. Further, given the Crown's role as resource owner it makes good policy sense for it to promote development, just as a landlord wants to see desirable tenants rent a house. In addition, the government has the objectives of maintaining energy affordability and security of supply. These are key considerations in favour of the status quo.

35. We acknowledge that the current purpose statement was added quite recently, in 2013. However, it is aligned with the founding purpose of the modern Crown minerals regime which was: "maximise the contribution of energy and mineral resources to the long-term welfare of New Zealand". In that sense, there is nothing new about the purpose statement added in 2013.

36. The promotion of prospecting/exploration/mining for the benefit of NZ is appropriate. "Benefit of NZ" takes into account aspects beyond pure financial economics, and the discussion document acknowledges that:

    - the CMA already includes consideration of on natural, human, social and financial capital (as reflected in Figure 2 "Wellbeing in the regulatory systems for Crown Minerals"); and
    - other legislation focuses more specifically on human, natural and social capital elements.

The role of legislation must align with its purpose

37. The discussion document states in paragraph 23 that "The CMA review is not proposing to change the fundamental role of the CMA to allocate and manage rights to Crown minerals". If the "fundamental role" is not changing then there can be no ground for amending the purpose, as the role is to achieve the purpose. In support of this, we refer to Para 22.3 of the Government's *Legislation Guidelines 2018*[10] which makes clear that:

    > "Legislation establishing the role of a regulator should set out the regulator's functions, powers and, sometimes, objectives and how it is expected to perform them. These provisions should expressly link the roles of the regulator to the purpose of the regime it operates within."

38. A purpose statement that is aligned with the role is critical because, as the *Legislation Guidelines* outline:

    > "A well-articulated purpose should be capable of explaining the regime, guide interpretation of its provisions when there is uncertainty, and act as a test for decision making."[11]

The promote purpose is suitable and seen in other legislation

39. The "promote" term also aligns with our view that each statute has a role to play as part of the broader regulatory regime. We note that a number of other statutes in the resources and environmental system use the term "promote". For example (emphasis added):

    - the Electricity Industry Act 2010 states that "The objective of the Authority is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers;
    - the Gas Act 1992 states that a purpose of the Act is "to promote the prevention of damage to property in connection with the supply and use of gas in New Zealand";
    - the Resource Management Act 1991 states "The purpose of this Act is to promote the sustainable management of natural and physical resources";
    - the Energy Efficiency and Conservation Act 2000 states "The purpose of this Act is to promote, in New Zealand, energy efficiency, energy conservation, and the use of renewable sources of energy"; and
    - the Conservation Act 1987 states it is "An Act to promote the conservation of New Zealand's natural and historic resources, and for that purpose to establish a Department of Conservation".

40. The emphasis in each purpose statement reflects the specific purpose of each statutory regime.

Stable and predictable settings are important

41. In terms of ensuring that existing petroleum permits and licences can, in the Government's words, contribute to a managed transition, it is important that settings are stable and predictable. Changing the purpose statement will reduce confidence in the regime and send a signal that the

[10] http://ldac.org.nz/assets/documents/abd05c2ba9/Legislation-Guidelines-2018-edition-2019-01-16.pdf

[11] *ibid*. Page 12.

Government is not supportive of the sector. This is unlikely to support the Government's apparent interest to increase flexibility for current permits to maximise opportunities for exploration and development (as presented in chapter 3 of the discussion document).

The purpose statement applies to all Crown minerals, not just to petroleum

42. The CMA governs both petroleum and non-petroleum Crown-owned minerals. The effects of changing the purpose statement will affect *all* Crown minerals and the impacts should be carefully considered. Even if the Government does not currently favour issuance of new Petroleum Exploration Permits (PEPs), removing the "promote" purpose would compromise development of "green tech" minerals that are essential for electric technologies. To the extent that those minerals are Crown-owned, the 'promote' purpose is important. Removing it would send a negative signal to potential green tech investors, just as it would for petroleum.

The petroleum sector contributes to the Government's goals and adverse effects are managed

43. The discussion document essentially suggests that promoting development of Crown minerals is inconsistent with the "the Government's economic priority [shifting] to transitioning to a more productive, sustainable and inclusive economy". We disagree with this on the basis that petroleum is productive (it contributes significantly to the economy), it is inclusive (in terms of being socially beneficial), and the "sustainable" outcome relates to the environmental impacts of its end use, which is appropriately managed through other legislation.
44. Weakening the purpose statement to merely 'management' or 'administration' would be inconsistent with Minister's statement which acknowledges the sector's "role to play in providing us with raw materials and energy we need to achieve our objective of a productive, sustainable and inclusive economy"[12].

COMMENTS ON CHAPTER 2: BALANCING THE RIGHTS, INTERESTS AND ACTIVITIES OF MARINE USERS

45. We strongly oppose removal of the non-interference provisions under the CMA. PEPANZ certainly supports the right to peaceful and lawful protest and considers this can be done without the need to interfere with lawful operations authorised by the Crown (in potentially dangerous offshore environments). We do not consider that any reason warrants protestors breaching non-interference zones and do not consider they impinge on the rights of the public to express their views.
46. Permit holders require the non-interference provisions, as the CMA is the only regime that offers protection for mobile vessels such as seismic survey ships and drilling vessels. Removing the provisions from the CMA will leave operators with inadequate protection. The provisions are especially necessary for safety given the increased frequency of disruptive protests.
47. Although on their face the non-interference provisions provide for health and safety (of both operators and protestors alike), we see this as aligned with the purpose of ensuring legitimate operations are not interfered with. The rationale for these rules being in the CMA (as opposed to health and safety legislation) is that the Crown, as resource owner, has a direct stake in the timely and efficient exploration and development of its petroleum estate.
48. There is nothing unusual about the non-interference zones under the CMA. The Continental Shelf Act 1964 established protection zones around fixed production installations. Exploration drilling rigs become fixed installations when drilling and should have similar protections available, and when *en route* such vessels also should be able to have non-interference zones established.
49. Diluting protection by removing the non-interference provisions will compromise industry confidence. It would send a negative signal that the Government will not protect the legitimate rights of lawful operations that develop the Crown's own resource. Removing statutory

[12] Minister's Foreword in the discussion document.

protections would fully transfer the risk to the operator which would need to establish trespass orders and to request police support.

50. It is important for breach of non-interference to remain a strict liability criminal offence (especially where NGOs encourage volunteers to flout the law if they consider they can 'get away with it'). Breaching non-interference zones can result in significant risks to health and safety. Retention of a fine is also appropriate, as some people will not be deterred by criminal record. The statutory penalties for the offences seem reasonable (and are actually modest compared to the cost for operators of having to cease operations), but we raise the question of enforcement and whether the rule of law is being applied in relation to unlawful protest activity.
51. Para 60 in the discussion document considers that "NIZ provisions could be seen to affect peoples' freedom of expression" is a weak proposition that does not withstand scrutiny. Any rights to protest are not limitless – they are subject to reasonable limitations and this would include endangering safety and potentially also property and the marine environment. In particular, the offshore working environment is typically remote, hazardous, and specialised. There is no good reason for protesters to interfere in these offshore operations, or for the Government to send the signal that this will be tolerated. Consider also the potential breaches of health and safety under the HSWA that this would potentially encourage.

COMMENTS ON CHAPTER 3: ENSURING OFFSHORE PETROLEUM PERMITS CONTRIBUTE TO A MANAGED TRANSITION

Responding to the proposals

52. It is positive that the chapter acknowledges that an objective is "providing a secure and affordable supply of critical resources". We agree with the assessment in the discussion document that the offshore permit management model is no longer fit-for-purpose following the prohibition on new petroleum exploration permits outside onshore Taranaki. Under current relinquishment obligations, acreage will rapidly fall away thereby compromising the ability to make new discoveries to maintain New Zealand's security of supply and affordable energy choices. We note that since April 2018 approximately 30% of exploration acreage has already been relinquished.
53. The Crown Minerals (Petroleum) Amendment Act 2018[13] compromised key dynamics of the Crown Minerals Act including market-led allocation of acreage and the desirability of requiring prompt surrender of acreage to achieve efficient allocation to highest value use. Although supportive of the proposals in this chapter in the new legislative context, many of the proposals are only warranted because of this context. Put differently, we support increased flexibility to amend permits even though looser timeframes may not strictly align with our first principles view of the ideal Crown Minerals regime under which work the Crown seeks development and therefore wants work programmes to be pursued vigorously.
54. Without new exploration acreage available, it makes little sense to require permit holders to relinquish land (as no competing party can apply for it). Instead, the focus must be on maximising options for exploring and developing in the existing permits.
55. We support the proposed changes, but note they are fundamentally reliant on changes to the Petroleum Programme which have not been addressed as part of the review. We suggest engagement with the sector on Petroleum Programme amendments happen as soon as possible, and well in advance of any finalisation of policy changes currently proposed in this discussion document.

[13] This amendment act gave effect to the announcement of 12 April 2018 to end the issuance of new petroleum exploration permits outside onshore Taranaki.

56. We recommend a regime that is consistent as possible across the offshore and onshore domains. A number of the proposed amendments should also apply onshore, such as provisions relating to extending a permit area, appraisal extensions, and amending work programme conditions.

57. In light of the inability obtain new PEPs, there is merit in considering instituting 'retention permits'. Australian provides for retention leases, which intend to encourage "the timely development of petroleum resources and provides security of title for those resources that are not currently commercially viable but are likely to become so within 15 years."[14]

58. We make some comments in the table below.

PEPANZ'S proposed changes to the Petroleum Programme

Topic	Clause	Status quo	PEPANZ's proposed amendment	Rationale
Change of conditions for commercial reasons	CMA: s36 MPP: 12.2(2)(c)	Change of Conditions are currently only available if one of the following has changed: • Rig or seismic vessel availability • New geological information • Land access issues • Consenting issue	Allow Change of Conditions ("CoC") to be considered for wider reasons, and specifically allow commercial reasons as a ground for CoC	Many drilling commitments in offshore permits are required in the next 2-3 years. If well commitments are not made the permits must be surrendered. As there is currently no other way to re-acquire the acreage again, significant investment and opportunity is lost. The ability to extend those commitments for non-technical grounds will better allow for recovery of investment in existing permits and will maximise likelihood of discoveries. We note that the Minerals Programme for Petroleum 2005* had a wide regime for amending permit conditions compared to the current 2013 Programme. In the new context we consider going back to the settings in sections 5.5 and 5.7 of the 2005 Programme is the best option. *https://www.nzpam.govt.nz/assets/Uploads/our-industry/rules-regulations/minerals-programme-petroleum-2005.pdf
Relinquishment obligations	CMA: s35B, C MPP: 7.10	The Minister may currently impose up to two	Relinquishment/partial relinquishment should be voluntary. This can	The policy objective for relinquishment obligations was to work the acreage by returning it through the

[14] https://www.nopta.gov.au/application-processes/development/petroleum-retention-lease.html

		relinquishment obligations	be done as a change of conditions	following bid round. The decision not to offer new acreage conflicts with this policy objective and therefore relinquishment obligations become redundant.
Permit Extensions of Duration	CMA: s35 MPP: 7.8, 12.5	Offshore permits are currently awarded for a 12- or 15-year term without the ability to extend beyond that term	Allow permit holders the ability to extend the duration of a permit other than S35A (appraisal extension), and without necessarily requiring a commitment to at least one exploration well as per 7.8(8)(b)	Without new acreage available, there is no driver to force relinquishment of acreage.
Extensions of Land and the current Work Programme obligations	CMA: s36 MPP: 12.4	A permit holder must identify a drill ready prospect and commit to drill a well within 30 months of an Extension of Land being awarded	Remove the requirement for a drill ready prospect and a committed well	From changes in 2013, Extensions of Land became more difficult to receive because it was offset with the ability to obtain that acreage in a more regular bid round. In addition, some offshore leads straddle the permit boundary and investment has been made to understand whether the leads should be the subject of a bid in the following year. With that ability lost, investment on those leads and possible discoveries, has been lost but this could be mitigated by allowing Extensions of Land with less onerous work programme requirements.
Transition from PEPs to PMPs	CMA s32(3) MPP: 8.3, 8.5	Only the areas subject to a discovery in a PEP can be converted to PMP	A PMP should include that part of a PEP that includes (1) a discovery that is intended to be developed as well as (2) any other discovery or near-field exploration prospect that would be developed using	Without new acreage available, there is no driver to force relinquishment of acreage.

			the same infrastructure (e.g. prospects around a central hub).	

COMMENTS ON CHAPTER 4: COMMUNITY PARTICIPATION

59. Our members proactively engage with their communities in an open manner, are very supportive of engagement and have a strong understanding of the importance of obtaining and maintaining social license through engagement.
60. We do not support broader public consultation being required under the CMA. Iwi and hapu are already consulted under the CMA. Similar to our comments on potential broadening of the purpose and scope of the CMA, we are concerned that increased public consultation requirements will duplicate the already significant consultation expectations required under other regimes that are specifically designed to seek public input such as the Resource Management Act 1991 ("RMA") and Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 ("EEZ Act") in relation to consent applications. We consider that the council jurisdictions in which the sector operates (all within the Taranaki region) already have more than adequate consultation requirements.
61. As noted earlier, we are also not convinced that petroleum permit applications involve enough information about the precise location and details of operations to facilitate meaningful and detailed public engagement and discussion. The information provided for permit applications under the CMA is typically commercially sensitive and confidential and is not appropriate for public disclosure as part of public consultation. The public is however appropriately involved in statutory consultation on the development of Mineral Programmes. It is typically later in the regulatory process through resource consents that enough operation-specific information is available to seek meaningful public input on consent applications.
62. Public consultation through the CMA would effectively become referenda on whether activity should go ahead, and this is inconsistent with what the Crown should be trying to achieve as the resource owner. The public are appropriately consulted on development of the CMA, the Petroleum Programme and other regulations.
63. If there are demonstrable inadequacies with matters pertaining to say public consultation, then the relevant statutes (which effectively operate as checks and balances) that focus on public input should be reviewed accordingly. With scope creep and duplication comes the significant risk that responsibility and accountability is diminished rather than enhanced.
64. The concept of 'consultation fatigue' amongst key stakeholders should be considered, as further disparate consultation may not meet the needs of stakeholders.

COMMENTS ON CHAPTER 5: MAORI ENGAGEMENT AND INVOLVEMENT IN CROWN MINERALS

65. Many of the questions raised in this chapter are best discussed between the Crown and iwi and hapu as it is up to the two parties to ensure that bilateral processes are workable. Therefore we do not presume to know the best process for this bilateral engagement, but would ask that the value of any Crown owned minerals in the land be factored into decisions on whether to quarantine land from development. This suggested test would align with section 61(1A)(6)(b) in the CMA.
66. Petroleum operators already engage widely on permit activities under the CMA and other legislative requirements (EEZ Act, RMA etc.) and have extensive bilateral relationships with iwi and hapu organisations, and our general position is we prefer to maintain these relationships without the Crown duplicating these requirements.
67. We note that comments on previous chapters have stated that the CMA is not the right tool to promote greater public engagement, and would like to explain why in relation to iwi and hapu

involvement the factors are different and warrant Maori engagement directly with the Crown. The petroleum resource is owned by the Crown and the Crown has direct relationship with iwi and hapu under the Treaty (whereas this direct bilateral relationship does not exist with the general public). The general public can engage on matters through resource consenting or marine consenting, but that engagement is not with the Crown directly (it is with local councils or the Environmental Protection Authority which is a Crown entity). The only guaranteed direct route to the Crown is through the Crown Minerals Act so we support iwi having a say through CMA processes.

COMMENTS ON CHAPTER 6: COMPLIANCE AND ENFORCEMENT

68. We accept that it is appropriate for MBIE to have a greater suite of compliance and enforcement tools, as proposed in the discussion document. We note that some of the proposals would simply add an enabling provision to the CMA which allows the relevant regulation to be made (e.g. infringement fines). If this is progressed, we would expect to be closely involved in the development of those regulations, as the policy detail will be critical.
69. In addition to the need for well-developed regulations, it will be crucial that sound operational policy and practice is employed if new powers are obtained. For example, there should be some ability to challenge compliance notices with the regulator at the first level without having to go to court.
70. We would hope that, with new powers, MBIE would continue to issue a letter and/or engage in discussion with relevant operators in the first instance rather than immediately proceed with a compliance notice or infringement fine.
71. If legislation requires increased record keeping, it should provide the same allowances as the Tax Administration Act 1994 and Companies Act 1993 (e.g. the ability to keep records offshore and to prepare financial statements consolidated for the New Zealand group unless there is a specific enquiry otherwise).

COMMENTS ON CHAPTER 7: IMPROVING PETROLEUM SECTOR REGULATION

72. This chapter contains some of the most significant proposals in the discussion document, and will require extreme care if progressed.

On decommissioning and plugging and abandonment being required in the Crown Minerals Act itself

73. The discussion document explains that the broader decommissioning regime includes the RMA, EEZ Act and Health and Safety Act. We consider it is appropriate that the RMA and EEZ Act as land-use statutes should generally regulate decommissioning and removal at end of permit life. We also accept that the CMA, as the principal petroleum statute, should also explicitly require operators to decommission infrastructure and plug and abandon wells. This will send a clear signal to operators and provide MBIE with the formal avenue to require that these activities take place before permits are surrendered. However, any requirements should only be at a 'high level' because details are better suited to secondary legislation or permit conditions.
74. Paragraph 330 of the discussion document proposes that permit holders must "suspend or abandon wells... in a timely manner", but without explanation of what is considered timely. To be workable and reasonable, this must only be required as part of end-of-field decommissioning and not earlier, because wells may have uses including for water or CO_2 injection, future development, or sidetracking (i.e. drilling a secondary well from the original well's location).
75. If any new statutory requirements go beyond what is currently in any permits or licences, it may be appropriate to provide transitional provisions to allow existing operations to continue or be amended by agreement with the Crown.
76. Although we are comfortable with the CMA requiring decommissioning in the Act itself, we put forward a different perspective which officials may want to consider. The lines of the CMA vis-à-vis other legislation may be blurred if the CMA starts explicitly requiring that petroleum

infrastructure be decommissioned – this is because the CMA is principally about issuing permits to competent parties, and not about the physical infrastructure associated with operations (as physical effects are very much in the jurisdiction of the RMA and EEZ Act). Notably, a range of other sectors deploy large scale energy infrastructure without a central statute requiring decommissioning (instead, rules under the RMA plans apply to wind farms, hydro-electric dams, transmission lines etc.). It is therefore important to ask what the public policy rationale is for treating petroleum differently. We do not raise this point so as to necessarily dissuade the proposal, but simply so that another point of view can be considered.

Definition of decommissioning

77. The review proposes to define decommissioning as "To permanently take out of service petroleum infrastructure before a permit or licence can be surrendered, relinquished, revoked or before it expires." By adding the phrase "before a permit or licence can be surrendered, relinquished, revoked or before it expires", the definition goes well beyond what decommissioning is and defines it in relation to a normative preference about its sequencing. Establishing a definition which requires decommissioning before permit surrender may go beyond the requirements in some licences. The proposed definition may impose retrospective and new requirements on some permits/licences, meaning they cannot be surrendered until this happens even though that was not a requirement at the time of grant.
78. This proposed definition could result in production having to cease early, to allow decommissioning to be complete before the term ends (which could require the ability to obtain permit extensions to complete decommissioning). This drafting could also necessitate the statutory ability to extend permit duration to allow for decommissioning.
79. We recommend that decommissioning be defined as "to permanently take petroleum infrastructure out of service" and (using this definition) recommend that the CMA requires that "petroleum infrastructure be decommissioned before a permit or licence can be surrendered or relinquished". It may be unwise and not in the Crown's interest to have a strict requirement that decommissioning happen before a permit can be revoked. This is because conceptually an imprudent permit holder may no longer be fit to hold a permit (for whatever reason), but if that permit holder is unable to decommission its facilities then the Crown would, by virtue of the statutory definition, be unable to revoke the permit.

Definition of petroleum infrastructure

80. Given that the discussion document proposes to separately define and manage "plugging and abandonment" of wells, the definition of "petroleum infrastructure" should likely exclude:
    - wells (because without an exclusion, wells would be captured by the term 'structure'); and
    - 'exploration' too, as there is no associated infrastructure aside from the wells, and these are covered under WorkSafe approvals.
81. The non-exhaustive way in which petroleum infrastructure is proposed to be defined may cause uncertainty, as a clear requirement to decommission is imposed but permit holders may be unclear about the scope of that requirement unless the term is defined exclusively.

Non-petroleum decommissioning

82. We note that the proposed definition of decommissioning only applies to petroleum operations and not other Crown minerals such as gold. We query the basis for this distinction given all extractive operations involve end of life decommissioning liabilities.

Cessation of production approvals

83. We oppose the proposed requirement that permit holders must obtain Ministerial approval to cease petroleum production. Permit holders are incentivised to maintain production (and therefore revenue to the Crown) as long as they obtain an economic profit. We accept that conceptually there may arise a point where the financial interests of the Crown and permit holders may diverge (for example, whereby an operator may wish to cease production due to

opportunity costs of continued investment). However, an actual approval role is fraught with practical difficulties and achieving the desired outcome (of continuing to maximise economic recovery) and the associated principal-agent problem can be managed through the ability to transfer permits to different businesses that are willing to invest capital to continue operations.

84. Permit holders, with their range of technical and operational expertise and experience and knowledge of the operation, are generally best placed to determine when production should cease for reasons relating to profitability, safety, technical feasibility or other factors. Maximising economic recovery is part of good industry practice that is already established in the Petroleum Programme, and this should provide the Crown with comfort that operators will act properly.
85. Introducing an approval role for cessation of production would introduce a new risk and cost to operators. For new entrants, the risk of the Crown not approving an application for cessation of production (and therefore increasing costs) will be priced into assessment of whether to operate or not. If the Crown will impose new potentially costly requirements then operators (and associated contractors) should be compensated for this risk.
86. The discussion document does not adequately make the case for an approval, and does not present the magnitude of any loss from cessation of production earlier than the Crown might theoretically like. As an aside, this proposal highlights the lack of coherence in the discussion document when on one hand the government is seeking to maximise recovery through approving cessation of production while also looking to remove the CMA's purpose of promoting development.
87. If the intention is not to force permit holders to operate beyond their own commercial preference, then the proposal is redundant as it will have no practical use but will create uncertainty and should therefore be abandoned.
88. The discussion document appears to connect an approval for cessation of production with helping to ensure that decommissioning occurs properly.[15] We accept the Crown requiring decommissioning, but a new approval to cease production is not the right means to achieve this.

Periodical assessment of the financial capability of permit holders.

89. We support the proposal in the discussion document to allow MBIE to periodically assess the financial capability of permit holders. However, the details of the regulations and operational policy will be crucial to ensure that the test for financial capability, including its scope, frequency and nature is reasonable and workable. If this is progressed, we would expect to be closely involved in the development of those regulations, as the policy detail will be critical.
90. Theoretically we could support the proposal to enable MBIE to impose financial security obligations, but (as per the proposal), only if permit holders fail to maintain sufficient financial capability. We prefer that any statutory amendments outline criteria that must be met before financial security can be required (as opposed to providing a broad discretion). Short of the details being presented, it is unclear when any bond would be required and what the exact 'trigger' is.
91. However, a number of important practical questions arise in relation to how these tests and assessments would work in reality. In the event that MBIE determines that a company is no longer financially able to meet its financial obligations, then it is probably too late in terms of recovering funds. We would like to understand what the government would actually do if it is concerned about financial capability. At the extreme, interventions to require bonding could perversely *precipitate* the demise of the firm before decommissioning can be undertaken.

[15] Para 309 of the discussion document states "We propose to include an obligation that a permit/licence holder must obtain approval from the Minister of Energy and Resources to cease petroleum production, and for the associated timeline for doing so. This aims to make sure that permit/licence holders demonstrate that they will meet the necessary statutory obligations (such as relevant decommissioning requirements)".

92. Great care must be taken in considering financial securities that can be imposed. Any financial security requirements must be workable and obtainable on the international market at the necessary scale. We draw attention to our experience of working with the Ministry of Transport and other agencies on offshore financial assurance requirements, and note that this process has taken many years of prolonged work to get to a near-final state. Our key issue in that process was that the financial security requirements proposed were unobtainable earlier versions of the proposals.
93. Unless financial security is obtainable at affordable rates, operators may need to cease operations or be financially compromised. We fully appreciate that if operators cannot provide financial assurance and are financially weakened by requirements then this may be indicative that they unsuited to operate, but we simply draw attention to the need for reasonable and commensurate rules.
94. Bonds involve a significant opportunity cost which may compromise the timely development of the resource. Requiring bonds, especially over long timeframes, may dissuade investment due to both lower rate of return and perceived credit risk on the part of the New Zealand Government.
95. If bonds are brought into the regime, the matter of transitional arrangements for existing operations must be carefully considered in the current context.

Field Development Plans

96. Conceptually we support the proposal for MBIE to be able to require that operators provide Field Development Plans for approval. However, similar to our response to the proposal to have an approval for cessation of production, it is unclear what would happen MBIE did not support the FDP, and we are unclear on the problem this proposal is intended to address.

Residual risk of current and future onshore petroleum wells

97. We support the discussion document's assessment of residual risk relating to onshore petroleum wells. The risk of future issues will be significantly mitigated by the proposals to regularly assess financial capability for decommissioning and plugging and abandonment and to impose financial security requirements if needed.

COMMENTS ON CHAPTER 8: TECHNICAL AMENDMENTS

Environmental capability assessment

98. In relation to the proposal to have a high-level assessment of 'environmental capability', we are comfortable with the proposal to enable (but not require) this assessment to take place during a *change of operator* application.

Permit allocation in onshore Taranaki

99. Given new PEPs can only be granted in onshore Taranaki, it is timely to consider whether block offers are the best way to issue new permits. This is an important topic and it was surprising to see this only raised in the chapter on Technical Amendments.
100. In the current context with the Crown Minerals (Petroleum) Amendment Act 2018, we consider there is merit in reconsidering the allocation method including a potential shift away from block offer. The allocation method could revert to the first-in, first-served 'acceptable work programme offers' allocation method used in Petroleum Programme 2005.[16] If the Crown wishes to see reasonable competition for acreage under a priority in time allocation framework, it could consider publicising applications and inviting competing bids within a reasonable period of time.
101. For consideration, we note that a benefit of the block offer process is its predictability and regularity, which suits corporate decision making. By contrast, an 'acceptable work programme offers' regime means competing companies may not be able to obtain corporate approvals to

[16] https://www.nzpam.govt.nz/assets/Uploads/our-industry/rules-regulations/minerals-programme-petroleum-2005.pdf

submit applications to compete with the first-mover (assuming that applications are notified and further applications are invited).

Crown Minerals Act 1991	
i.	The legislation prevents a third party operator being appointed (as operators must also be a permit participant) and this limits industry innovation and ability to bring in new skilled operators that do not want a direct permit stake.
ii.	Limiting appraisal extensions to 2 bites. In the context of not being able to grant new acreage, we consider the limitation of appraisal extensions in inappropriate.
iii.	An issue with access to land for onshore seismic surveys and Maori land is that identifying all owners is difficult and the Maori land register often out of date. Note that the CMA framework for dealing with this is different from some other statues, which allow referral to the clerk of the Maori Land Court and this could be a possible solution.
Minerals Programme for Petroleum 2013	
iv.	Remove clauses from programme relating to tender process as it providing them in the tender document is more appropriate and provides flexibility.
v.	Allow mining permits and exploration permits with clearly defined prospect (3D based) to extend into neighbouring vacant acreage without requiring further well to avoid unitisation risk.
Crown Minerals (Petroleum) Regulations 2007	
vi.	Ensure that regulations cover information requirements rather than utilising section 90(3) of the CMA (refer to annual report templates).
vii.	Reg 41, part 3(b) – it is unclear what "expenditure on environmental legislation" covers.
viii.	part 4 r 49, cutting samples should only be collected for development wells for reservoir sections of well.
ix.	Change name from 'well completion report' to 'well summary report' to avoid confusion with completions. The well report contains the information gathered during the drilling of the well and testing of samples from the well and covers and earlier phase of the well, which may not even contain any completion string or testing.