Report on consultation in relation to proposed Block Offer 2014

February 2014
IN CONFIDENCE

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Key Terms

The CMA sets the broad legislative policy for prospecting, exploration and mining of Crown-owned minerals (including petroleum) in New Zealand.

DMP / Discharge Management Plan
All DMP establishes procedures and practices aimed at reducing the environmental impacts from discharges of harmful substances, including oil and chemicals, from offshore activities.

DOC / Department of Conservation
DOC is the state sector organisation that deals with the conservation of New Zealand’s natural and historic heritage.

EEZ / Exclusive Economic Zone
The EEZ is a sea-zone prescribed by the United Nations Convention on the Law of the Sea over which a state has special rights over the exploration and use of marine resources. It generally stretches from the seaward boundary of the territorial sea (12 nautical miles from shore) out to 200 nautical miles from shore.

EEZ Act / Exclusive Economic Zone (Environmental Effects) Act 2012
The EEZ Act manages the environmental effects of activities in New Zealand’s EEZ.

GIS / Geographic Information System
GIS is a system designed to capture, store manipulate, analyse, manage and present all types of geographic data.

MBIE / Ministry of Business, Innovation and Employment
MBIE was formed in July 2012, integrating the functions of four former agencies – the Department of Building and Housing, the Ministry of Economic Development, the Department of Labour and the Ministry of Science and Innovation.

MNZ / Maritime New Zealand
MNZ is a Crown entity responsible for protecting the marine environment within New Zealand and maintaining safety and security.

MPP / Minerals Programme for Petroleum 2013
The Minerals Programme sets out how the Minister of Energy and Resources and the chief executive of MBIE will perform duties or exercise powers under the Crown Minerals Act 1991.

NZP&M / New Zealand Petroleum & Minerals
NZP&M is a branch of MBIE, and manages the New Zealand Government’s oil, gas, mineral and coal resources.

OTS / Office of Treaty Settlements
The Office of Treaty Settlements negotiates the settlement of historical Treaty of Waitangi claims and builds positive relationships between the Crown and Māori.

RMA / Resource Management Act 1991
The RMA is New Zealand’s principle legislation for environmental management. It applies on land and within the territorial sea (out to 12 nautical miles from shore).
Territorial Sea

The territorial sea is a belt of coastal water extending 12 nautical miles from the coast. It is regarded as the sovereign territory of the state. For environmental purposes, the territorial sea is covered by the Resource Management Act 1991.
Introduction


The block offer allocation method enables the government to efficiently manage the allocation of petroleum exploration rights, provide for better and more transparent planning and promotion, and consult more proactively with iwi, industry, and other stakeholders.

Under the MPP, the Minister may determine the location and area of any petroleum exploration permit block offered for bid following consultation with relevant iwi and hapū. The MPP requires that a period of no less than forty working days be provided to iwi and hapū to comment on the proposal.

To better reflect community views, the government also extended consultation to local authorities where consultation areas laid within or across regional or district council boundaries. This approach has been applied for the previous two Block Offers.

Submissions have been summarised by officials from the Ministry of Business, Innovation and Employment (the Ministry). This report has been prepared for the Minister of Energy and Resources.

Block Offer 2014 Consultation Process

Block Offer 2014 sees a mixture of both onshore and offshore areas proposed for offer. These comprise:

- Three onshore consultation areas in Taranaki (14TAR-R2), the East Coast (North Island) (14ECT-R1), and the West Coast (South Island) (14WEC-R1)
- Five offshore consultation areas in the Reinga-Northland Basin (14RNL-R1), New Caledonia Basin (14NCD-R1), Taranaki Basin (14TAR-R1), Pegasus-East Coast Basin (14PED-R1), and Great South-Canterbury Basin (14GSC-R1)

The onshore consultation areas comprised a total of 14,509 km². These onshore consultation areas are comprised of a mesh of smaller blocks (or ‘graticules’), each of approximately 62.5 km².

The offshore consultation areas comprised a total of 397,129 km². These consultation areas are comprised of a mesh of graticules, each of approximately 250 km².

The intention is that companies will be able to bid for one or more graticules (and may bid for a combination of adjacent graticules) up to a certain limit depending on the location. Onshore, this limit is set at 1,000 km² in the East Coast (North Island) and West Coast (South Island), and 250 km² in Taranaki. Offshore, this limit is set at 10,000 km² in frontier areas (Reinga-Northland, New Caledonia, Pegasus-East Coast and Great-South Canterbury Basins) and 2,500 km² in the offshore Taranaki Basin.

Consultation area selection

The selection of areas for competitive tender is carried out at the beginning of the Block Offer process by Ministry officials. The areas selected for competitive tender comprise areas nominated by industry participants as being of high commercial interest, and which are considered prospective for oil and gas based on the geological information available.
The consultation areas for Block Offer 2014 were selected to reflect geology and prospectivity; and to provide options for both onshore and offshore exploration. Officials sought to ensure that the areas for tender range from blocks in well-explored areas containing a previously drilled well, through to large consultation areas in frontier regions where little to no exploration has taken place.

The selection of areas for tender also requires consideration of their sensitivity. Officials from the Ministry sought views from other government agencies\(^1\) in deciding which areas are available for tender and gave consideration to areas of sensitivity in determining the consultation areas, including Schedule 4 land; World Heritage Sites; marine mammal sanctuaries; and marine reserves. In addition, any land which fell under section 3.1 of the MPP was removed.\(^2\)

The areas for inclusion in the consultation areas excluded any existing permits, except for consultation area 14TAR-R2 (onshore Taranaki), where petroleum acreage is scheduled to be returned to the Crown after the consultation period closes but before the bidding period opens in April 2014.

**Engagement with relevant iwi and hapū and local authorities**

On 18 September 2013, details of the proposed Block Offer were emailed and mailed-out to iwi authorities and local government geographically associated with the consultation areas.

Details of the proposal were also made publicly available on the New Zealand Petroleum & Minerals (NZP&M) website on 18 September 2013.

All relevant iwi and hapū and local authorities were advised that they had a period of 40 working days within which to make submissions on the proposed Block Offer. The consultation process ran from 18 September 2013 to 14 November 2013.

Before formal consultation started, iwi, hapū and local authorities were invited to five regional meetings to preview the proposed consultation areas in Block Offer 2014. During the consultation period my officials also responded to a number of requests for face-to-face meeting with iwi, hapū and local authorities.

A total of 36 submissions were received: 16 from iwi and hapū, and 20 from local authorities. This is an increase from last year’s consultation on Block Offer 2013, during which 30 submissions were received.

Two submissions were received from individuals but were not considered in this report, as individuals were not consulted by officials and their submissions were considered outside the scope of the process. Officials will provide a written response to these individuals explaining this decision.

Officials also used the consultation process to further investigate the geological prospectivity and commercial viability of the consultation areas to ensure acreage was suitable for inclusion in Block Offer 2014.

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1. Officials sought views from: the Office of Treaty Settlements, Te Puni Kōkiri, the Department of Conservation, the Ministry for the Environment, The Ministry for Primary Industries, Maritime New Zealand, the Environmental Protection Authority, the Treasury, Land Information New Zealand and MBIE’s Labour and Commercial Environment Group.
2. Section 3.1 of the MPP sets out land unavailable for petroleum permits.
**Summary of officials’ recommendations**

Officials also recommend, subject to the amendments below, that:

1. The following three onshore areas be released as part of Block Offer 2014:
   - 14TAR-R2
   - 14ECT-R1
   - 14WEC-R1

2. The following five offshore areas be released as part of Block Offer 2014:
   - 14TAR-R1
   - 14NCD-R1
   - 14RNL-R1
   - 14GSC-R1
   - 14PEG-R1

As a result of submissions received on the proposed Block Offer 2014, and further consideration of the geological prospectivity and commercial viability of the consultation areas, officials make several recommendations for your consideration:

   a. Amend consultation area 14TAR-R2 (onshore Taranaki Basin) to:
      
      i. exclude those sites of significance identified by the Taranaki Iwi Trust which overlap with the New Plymouth District Council district boundaries, until such a time as it will be possible to make a more informed decision regarding the balance of providing active protection and appropriate resource development, once the council led project map to sites of sensitivity to iwi in this area has progressed, and

      ii. exclude the area known as Parihaka Pā due to its importance to the Taranaki Iwi

   b. Add a condition to release area 14TAR-R2 requiring any operator requiring any operator undertaking petroleum exploration activity within 200 metres of the Tangahoe, Pātea and Whenuakura Rivers to give written notification Te Rūnanga o Ngāti Ruanui at least 20 working days before the activity is undertaken

   c. Amend consultation area 14ECT-R1 (onshore East Coast Basin) to better reflect a more precise assessment of the likely distribution of the resource

   d. Amend consultation area 14WEC-R1 (onshore West Coast Basin) to better reflect a more precise assessment of the likely distribution of the resource

   e. Amend consultation area 14PEG-R1 (onshore Pegasus Basin) to remove as part of Block Offer 2014 the overlap with the proposed Kaikōura marine mammal sanctuary while the government considers options to implement the Te Korowai Marine Strategy.
Part One: Summary of submissions

Overview of general themes

A number of general themes are evident in the submissions received for Block Offer 2014. At a high level, these reflect similar themes that were evident in consultation for Block Offers 2012 and 2013. These are:

1. Concern around the management of health and safety and environmental risks
2. The importance of early and on-going engagement on resource matters
3. A desire for economic benefits to be seen at the regional/local level
4. The need for awareness of sites of local, cultural and historical significance
5. The need for resources to enable iwi/hapū to engage effectively on these issues
6. Comments on the relationship between the Crown and iwi and hapū over the Crown’s management of the minerals regime

Concern around the management of health and safety and environmental risks

A number of submissions express concerns regarding the health, safety and environmental risks of petroleum activities. There is a desire expressed by many that these activities should not be allowed to proceed unless they meet stringent health, safety and environmental requirements to ensure these risks are minimised and mitigated.

Many note the economic, historical, environmental and cultural value of the natural resources in their area of interest. In particular, iwi and hapū make clear their role as Kaitiaki (guardians) of their respective rohe, and their collective responsibility to preserve and protect their whenua, moana and taonga.

Also of note are concerns raised by several submitters about the potential detrimental impacts of petroleum prospecting, exploration and production activity on marine wildlife and their habitats, water quality, and indigenous flora and fauna. Such concerns stress both the economic value (ie through tourism) and cultural value of these resources. In particular, there is concern regarding the potential impact of an oil spill disaster, and a desire for more demonstration of New Zealand’s level of preparedness for such an event.

Officials’ response

The Ministry shares the view that the health, safety and environmental impacts of petroleum activity must be managed effectively, and that petroleum operators must be subject to rigorous regulatory requirements. A number of initiatives have been put in place to strengthen the regulatory regime. These include:

- a new requirement for high-level preliminary consideration of an operator’s health and safety and environmental credentials at the point of permitting (since late May 2013);
- a new regime to manage the environmental effects of all petroleum activities in the Exclusive Economic Zone and continental shelf (in force from June 2013, with a transition period closing June 2014);
- Stronger health and safety regulations for wells and well drilling activities through the Health and Safety in Employment (Petroleum Exploration and Extraction) Regulations 2013 (from June 2013);
• the establishment of the High Hazards Unit within MBIE in 2012 to enforce health and safety compliance, with an increase in the number of inspectors (moved to the newly-established WorkSafe NZ);
• the establishment of a new independent workplace health and safety agency, WorkSafe NZ in late 2013; and
• the announcement of a $2 million funding boost for Maritime New Zealand (to improve their oil spill response capability) in December 2013.

These changes have created a robust framework which allows appropriate regulation of the expected increase in petroleum exploration and production activity in higher risk environments. These changes include regulation for deepwater and beyond the 12 nautical mile limit (the Exclusive Economic Zone and continental shelf), where previously no environmental regulation existed. See Annex 3 for more information on the regulatory initiatives and the overall progress of the regulatory regime.

The importance of early and on-going engagement on resource matters

Submissions from both iwi and hapū and local authorities note the importance of early and on-going engagement. Submissions emphasise engagement with both the Crown and petroleum companies throughout both the block offer process and the broader oil and gas development process. Some iwi and hapū consider that the consultation process currently in place is insufficient and does not meet their expectations and needs as kaitiaki and tangata whenua.

Many submissions from iwi and hapū seek a robust engagement process, characterised by mutual recognition of the rights of both petroleum companies and those of iwi and hapū in their role as Kaitiaki. It is clear that iwi and hapū consider the consultation as only an initial stage in what will ideally be an on-going, relationship-based process between themselves, the Ministry, and petroleum companies.

Related to the emphasis on early engagement, several local authority submissions express disappointment regarding the timing of the consultation process. Submissions note the Block Offer 2014 consultation was concurrent with local body elections and consider the timing limited the resources available for authorities to respond effectively to the Ministry’s requests.

Several local authority submissions also express appreciation that the Ministry is engaging with them on the block offer process, despite having no statutory obligations to do so. However, some also voiced concern that use of the term ‘consultation’ with reference to council engagement was inaccurate, with one submission stating that “such terminology can raise expectations in local communities as to the influence a Council may have in respect of the Block Offer process”.

Officials’ Response

The CMA requires that successful bidders (permit holders) provide an annual report to the Ministry on the holder’s engagement with iwi and hapū whose rohe includes some or all of the permit area or who may otherwise be directly affected by the permit.

The Ministry remains committed to engaging with iwi and hapū and local authorities on the block offer process, as well as on wider issues relating to the sector. The Ministry also endeavours to help facilitate constructive relationships between petroleum companies, relevant iwi and hapū, and local authorities. This may include passing on information it has received about sensitive sites to successful bidders where appropriate. It should be noted that a number of iwi and hapū submissions granted the Ministry permission to pass on such information, although it is clear that iwi and hapū expect operators to engage directly with them to discuss this.
A desire for economic benefits to be seen at the regional/local level

A number of submissions from both iwi and hapū and local authorities welcome the potential economic benefits that oil and gas activities could bring to their region. However, submissions from both iwi and hapū and local authorities express a desire for greater economic benefits from the petroleum industry at the regional and local level. While some submissions acknowledge the indirect economic benefits of petroleum development, others question whether there is sufficient evidence to confirm these.

The desire to retain some or all of the economic benefits of petroleum activity is considered necessary by some submitters to reflect that many of the costs and risks associated with petroleum activities are borne at the local and regional level. These include not only the costs of lost income, clean-up and response in the event of a disaster, but the everyday burden placed on infrastructure required to facilitate these activities.

One council submission notes that where activity is carried out on public (conservation) land, affected local authorities cannot levy rates on mining activity in order to recover costs of the activity (ie on infrastructural maintenance and repair). The submission considers the council therefore has no recourse to recover costs of development on public land that are incurred by the petroleum companies. It was noted that this also had the potential to create disparities between an operator on private land, subject to rates that contribute to maintenance and recovery of affected infrastructure, and operators on public land not subjected to any such rating liability.

Submissions suggest that the Government investigate the possibility of a ‘royalties for regions’ scheme. Such a scheme would redistribute a portion of royalties to regional and local authorities affected by petroleum activity (ie those closest to drill sites). It was also suggested that the Crown invest directly in infrastructure, and companies establish community funds.

Officials’ Response

In line with last year’s consultation report, the Ministry notes that the Government receives approximately 42 per cent of a petroleum company’s accounting profit, which is a combination of taxes, royalties and levies (royalties). These taxes and royalties help pay for infrastructure and services that benefit all New Zealanders, such as hospitals, schools, roads, and broadband. As Crown minerals are owned by, and administered on behalf of, the people of New Zealand, it is appropriate that these royalties are collected and used at a national level.

It is also important to emphasise the already considerable regional benefits from oil and gas activities. These include job creation and training, community investment, and infrastructure development – depending on what is found, where it is found, and how it is processed. Taranaki, the only region producing oil and gas in New Zealand, is an example of the significant regional benefits that this industry can produce. A 2010 Venture Taranaki report found that at a minimum, the oil and gas industry directly employs 3,730 full-time equivalents, and supports a further 3,970 elsewhere in the economy.

The need for awareness of sites of local, cultural and historical significance

A number of submitters, particularly iwi and hapū, note that particular consultation areas (both on and offshore) contain sites of local, cultural and historical significance. Some requested that consultation areas be amended, or removed entirely, for these reasons. Others seek assurances that genuine attempts will be made by both the Ministry and industry operators to protect these areas.
Officials’ Response

Officials recognise the importance and values attached to areas of local, cultural and historical significance, and take seriously the responsibility to ensure they are actively protected from development where appropriate. Officials consider that adequate protection is generally afforded to such sites under existing legislation and regulations.

Under the MPP, the Crown has responsibilities with regard to the active protection of areas of particular importance to iwi and hapū. The exclusion of explicitly defined areas that are considered of particular importance is one mechanism to achieve this. However, the Minister of Energy and Resources must balance active protection against the prospectivity and potential value of the area in question, as well as what other legislative and regulatory protections exist for these areas.

With regards to the majority of the wāhi tapu sites and areas of particular importance identified during consultation, officials consider that the most effective way to address the concerns of submitters is to include important sites in the block offer and then to encourage and facilitate engagement between relevant iwi and hapū and industry operators. This will enable iwi and stakeholders to reach their own solutions for avoiding and minimising any impacts of petroleum exploration activities on or near sites of significance without unduly sterilising potential petroleum resources.

With the permission of submitters, officials can forward all the information provided during the Block Offer 2014 consultation process to successful bidders, in order to inform their activities and encourage close engagement with relevant iwi and hapū.

It is important to note that actual activity undertaken by operators will usually involve a much smaller area than that of the permit. For this reason, in many cases the best stage to address the sensitivity of specific sites is at the point prior to activity occurring. This is also the stage at which environmental legislation to manage the effects of activity has a role via the RMA on land and within 12 nautical miles of the coastline, and the EEZ Act offshore beyond that point.

The need for resources to enable iwi and hapū to engage effectively on these issues

A number of iwi and hapū submissions are very concerned that they are under-resourced to provide detailed information about wāhi tapu and other sites of significance, and are thus under-resourced to engage effectively with government and industry on matters pertaining to petroleum activities (and, more broadly, on resource matters in general).

The submission from the Maungaharuru-Tangitū Trust summarises these concerns, stating that “the process relies on iwi and hapū identifying wāhi tapu and other sites of significance, yet no resources are provided by the Crown to help iwi and hapū to do so. The principle of active protection should prompt the Crown to provide resources for that important work”.

The consultation process with iwi for block offers 2012, 2013 and 2014 has revealed a lack of resources, in particular GIS capability, available to iwi to produce detailed information on the location and extent of areas of significance.

Officials’ Response

Officials are aware of concerns that a formal mapping process could expose the location of wāhi tapu to public knowledge; an exposure that is unacceptable to some iwi and hapū. To this end, several submitters explicitly requested that information contained in their submissions remain confidential. This is an on-going issue that will require active discussions between iwi, industry and government in order to reach a long-term solution.
Comments on the relationship between the Crown and iwi/hapū over the Crown’s management of the petroleum regime

Many iwi and hapū submissions comment on the nature of their relationship with the Crown regarding petroleum resources, and natural resources more broadly. Many iwi and hapū believe they should have a role as decision makers with regard to activities affecting the resources in their rohe.

Many point to the Treaty of Waitangi (the Treaty) as the key foundation document of the Crown and Māori relationship. In particular, submitters dispute the role of the Crown in decision making with regard to petroleum and mineral resources in their rohe. They request a relationship with the Crown that more closely resembles a partnership when making decisions throughout the block offer process, from selection of consultation areas through to bid evaluation and permit granting, in line with the principles of the Treaty.

A number of iwi and hapū submitters also raise broader concerns about the Crown minerals regime and the way the interests of tangata whenua are represented. Others express concern that the granting of permits could impact the Treaty claims settlement process.

Officials’ Response

Under the Petroleum Act 1937, petroleum resources were declared to be property of the Crown, and this ownership is retained by the Crown under the CMA. In addition, the granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA).

Accordingly, officials consider that the granting of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of any redress under the Treaty.

As noted previously, the Ministry acknowledges the important role that iwi and hapū have regarding the natural resources in their rohe. This is why NZP&M is working to strengthen engagement between iwi and hapū and petroleum companies working in their rohe. The desire for strengthened engagement is reflected in the requirement under the CMA which requires operators to produce annual iwi engagement reports (see Annex 3 for more information).

Several submitters raised the issue of Wai 796 or echoed its themes. Wai 796 is a claim (consolidated with Wai 852) through the Treaty of Waitangi process which challenges the Crown’s ownership and management of petroleum resources.

A second report released by the Waitangi Tribunal in early 2012 on the claims The Petroleum Report (Wai 796) focused on the management regime for petroleum and recommended that further regulatory protections be implemented through amending the CMA and RMA in particular to enhance protection of tangata whenua interests.

The Crown has not offered a public response to this report, however the Minister for Treaty of Waitangi Negotiations and the former Minister of Energy and Resources wrote to the claimants in September 2012 to outline the review of the CMA and improvements to engagement with iwi both within the legislative regime and in operational practice by NZP&M.

NZP&M has strengthened its resource capabilities with an increased focus on engagement between iwi and hapū, operators and NZP&M itself. This includes staff members specifically dedicated to iwi engagement, in order to allow for proactive engagement on petroleum and minerals issues, as well as reaching out to iwi and hapū in areas where the industry is expanding to ensure iwi and hapū are able to make informed decisions around the future development of petroleum and mineral resources based on accurate information.
Consultation Area 14TAR-R2 (Onshore Taranaki Basin)

Consultation area 14TAR-R2 is located on the west coast of the North Island, and is broken into two parts: one to the west of Mount Taranaki and south of New Plymouth; and one to the east of Mount Taranaki stretching from the coastline north-east of New Plymouth to the coastline south-east of Hawera.

14TAR-R2 is considered highly prospective for oil and gas as it contains inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, and half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate). The first well in Taranaki was drilled in 1865 and petroleum has been continuously produced from the basin since about 1900. Taranaki is New Zealand’s only producing basin to date. Most recently, three permits were granted for the onshore Taranaki Basin as part of Block Offer 2013.

Five submissions were received on consultation area 14TAR-R2 from:

- Taranaki Iwi Trust
- Te Rūnanga Ngāti Ruanui Trust
- New Plymouth District Council
- Stratford District Council
- South Taranaki District Council

Summary of comments

Taranaki Iwi Trust

The Taranaki Iwi Trust submission comments that the Taranaki Iwi again supports the competitive block offer process as it provides for an assessment of bidders to ensure the safe and responsible development of mineral resources in Aotearoa / New Zealand.

The submission outlines that both the onshore and offshore Taranaki consultation areas contain the majority of the iwi’s rohe whenua (land area of interest) and rohe moana (marine area of interest).

Within these areas there are a number of important sites and areas to the Taranaki Iwi, including sites of historic and cultural sensitivity, sites where Taranaki Iwi exercise customary rights, the location of Taranaki Iwi marae and papakainga (including Parihaka) and waterways which are to be the subjects of Statutory Acknowledgements and Deed of Recognitions with the Treaty settlement currently being negotiated between the Crown and Taranaki Iwi.

The submission requests that these sites should be excluded from the consultation area 14TAR-2 for Block Offer 2014 because of their importance to the iwi. It further notes that as there are mapping projects underway with the New Plymouth District Council and South Taranaki District Council, that these sites should be excluded until this work is concluded.

The submission also queries the existing protections available to these sites of significance, and suggests that an assessment of the cumulative effects of exploration and production activities in the Taranaki Basin should occur prior to areas in the offshore Taranaki Basin area before they are included on a competitive tender round.

Te Rūnanga Ngāti Ruanui Trust

The submission from Ngāti Ruanui notes that the iwi are hopeful that the block offer process will continue to raise standards and mean that only the most suitable companies are given rights to search for and use natural resources within their rohe.
Ngāti Ruanui seeks five conditions to be placed on permits within their takiwā:

- The first three conditions would oblige applicants to consult with Ngāti Ruanui when their proposed activities may affect cetaceans and other fish; benthic organisms; or sea birds.
- The fourth submitted condition would oblige the applicant to consult with Ngāti Ruanui to establish appropriate responses should an incident impact on the mauri of the water, biodiversity and/or wider environment.
- The fifth proposed condition would oblige the Crown to consider applicants’ ability or willingness to become involved in a meaningful engagement with the relevant iwi/hapū authority should the permit be granted.

These five proposed conditions are motivated by a concern for the environment as expressed by kaitiaki and a desire to see customary rights protected.

In addition, Ngāti Ruanui also seeks the exclusion from consultation area 14TAR-R2 of the following areas:

- Land within 20 metres of the Tangahoe, Pātea and Whenuakura Awa Rivers;
- Land within 50 metres of Marae sites;
- Identified Urupā sites; and
- Any area, regardless of land title boundaries, of native vegetation 1 ha or greater, where that vegetation is 3 metres or greater in height.

As an alternative to the above, they requested that a condition be added to the release area requiring any operator undertaking petroleum related activity within 200 metres of the Tangahoe, Patea and Whenuakura Rivers to notify Ngati Ruanui beforehand.

**New Plymouth District Council**

The New Plymouth District Council’s submission raises concern about the on-going use of the term ‘consultation’ with regards to the block offer process, as it may artificially raise the expectation in the local community of the ability of the council to influence decision making.

In addition, the New Plymouth District Council seeks the exclusion of the urban areas of Inglewood, Ōākura and Okato, and their associated Future Urban Growth area, for the purpose of exploratory drilling only.

**Stratford District Council**

The Stratford District Council’s submission outlined the council’s support for iwi engagement and notes the economic benefits that can accrue from oil and gas development. However, the council also notes the costs that are borne by the community, such as through increased pressure on the district’s roads and other transport infrastructure.

The Stratford District Council also requests that all areas within town boundaries should be excluded from consultation area 14TAR-R2.

**South Taranaki District Council**

The submission from the South Taranaki District Council provides information on how the council considers and protects wāhi tapu and other sites of significance, and how it classifies petroleum exploration activity through its District Plan.

The submission also ask for the government to consider the potential for successful operators to utilise local products, material and personnel so that some of the positive economic effects of these activities can be experienced by the same areas that experience the negative environmental and infrastructural effects that these activities can potentially give rise to.
Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

As a result of this analysis, officials recommend that consultation area 14TAR-R2 in amended to:

a exclude those sites of significance identified by the Taranaki Iwi Trust which overlap with the New Plymouth District Council district boundaries, until such a time as it will be possible to make a more informed decision regarding the balance of providing active protection and appropriate resource development, once the council led project map to sites of sensitivity to iwi in this area has progressed., and

b exclude the area known as Parihaka Pā due to its importance to the Taranaki Iwi

In addition, officials recommend that that a condition is added to consultation area 14TAR-R2 requiring any operator requiring any operator undertaking petroleum exploration activity within 200 metres of the Tangahoe, Pātea and Whenuakura Rivers to give written notification Te Rūnanga o Ngāti Ruanui at least 20 working days before the activity is undertaken.

Management of sites of significance

Officials recognise the importance attached to areas of local, cultural (including wāhi tapu) and historical significance identified by submitters and the responsibility to ensure they are actively protected from development where appropriate.

Under the MPP, the Crown has responsibilities with regard to the active protection of areas of particular importance to iwi. The exclusion of defined areas of land of particular importance to the mana of iwi from a Block Offer is one mechanism to achieve this. However, balanced against that, the Crown also needs to consider the relative prospectivity of the area.

In considering the submissions received on consultation area 14TAR-R2, officials considered what is known about the sites for which protection is sought, and whether exclusion from the block offer (or another process) will best ensure protection while being mindful of the relative prospectivity of the area.

With regard to the majority of sites located within consultation area 14TAR-R2, officials believe the most effective way to balance these interests is to include important sites in the Block Offer and to then encourage and facilitate iwi and oil and gas companies to engage with each other to find their own solutions for managing sites of local, cultural and historical significance.

Officials also note that many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outline in Annex 3 will also apply to petroleum related exploration activity within this consultation area.

Similarly, much of the concern from the New Plymouth District Council, Stratford District Council and the South Taranaki District Council relates to the interaction between the urban environment and exploration drilling, a matter also best considered at the point prior to the activity occurring and managed through RMA processes (which are managed by the councils themselves).

Officials note that permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land...
having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible. This is likely to be especially relevant in the urban environments which the council identified.

Officials are also conscious of the New Plymouth District Council mapping project which is currently underway to identify and record sites of significance. This lead to the deferral of consultation areas for Block Offer 2012 and Block Offer 2013, as the process was still underway. A similar decision has been reached for Block Offer 2014. Officials understand that the identification process is likely to be completed by mid-2014, with district plans changes to follow.

Relevant Treaty Claims and Settlements

MBIE has consulted with the OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate in the consultation area 14TAR-R2.

Taranaki Iwi signed a letter of agreement (equivalent to an agreement in principle) with the Crown in December 2012. Negotiations for a Deed of Settlement are still underway. As part of the settlement being negotiated, Taranaki Iwi is seeking statutory acknowledgement over all waterways within their rohe. They also requested a 200 metre barrier either side of the waterways listed in their submission.

The Ministry is also negotiating a relationship agreement in relation to petroleum and minerals with the Taranaki Iwi Trust as part of the “Tri-Iwi” negotiations (along with neighbouring iwi Te Ātiawa and Ngāruahine).

Ngāti Ruanui signed a Deed of Settlement with the Crown in December 2003, as set out in the Ngāti Ruanui Claims Settlement Act 2003.

Ngati Maru is also likely to have an interest in 14TAR-R2, and is currently in the mandate process before settlement negotiations with the Crown commence this year.

For the 14TAR-R2 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations

Officials recommend that onshore release area 14TAR-R2 be released as per the map below.
Consultation Area 14ECT-R1 (East Coast Basin)

Consultation area 14ECT-R1 is located near the east coast of the North Island, to the east and north-east of Palmerston North and to the south-west of Hastings.

Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. More than 40 wells have been drilled onshore since 1955. Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.

Eight submissions were received on consultation area 14ECT-R1 from:

- Central Hawke’s Bay District Council
- Hawkes Bay Regional Council
- Hasting District Council
- Horizons Regional Council
- Kahungunu ki Tāmaki nui-ā-rua
- Ngāti Kahungunu Iwi Incorporated
- Palmerston North City Council
- Rangitāne a Tamaki nui a Rua

Summary of comments

Central Hawke’s Bay District Council

The submission from the Central Hawke’s Bay District Council requests that no oil and gas exploration permits should be granted for any areas of the Central Hawke’s Bay that overlaps with the Ruataniwha plains.

The Central Hawke’s Bay District Council makes this request on the grounds that the Ruataniwha plain contains an important aquifer, which is an area of significant primary production, and the subject of the proposed Ruataniwha Water Storage Dam and Irrigation Distribution Network.

The submission notes information from GNS about the lack of geological prospectivity for oil and gas in this area, and further suggests that any proposal to allow oil and gas exploration in the area of the Ruataniwha plains would be politically destabilising.

Hawke’s Bay Regional Council

The submission from the Hawke’s Bay Regional Council notes the significant local public interest in oil and gas exploration and development, and is conscious that there are both potential economic benefits, and potential environmental and social costs, from increased activity.

The submission requests the exclusion of areas within the vicinity of the Ruataniwha plains aquifer system from consultation area 14ECT-R1. The submission notes that this is based on a precautionary approach due to the potential increased risks from petroleum exploration activities to this highly valued and productive aquifer system.

The submission also outlines consent requirements for petroleum related activity for the Hawke’s Bay Regional Council and how sites of significance to iwi and hapū are identified and recorded.

Hastings District Council

The submission from the Hastings District Council notes that consultation area 14ECT-R1 is largely outside the district boundaries, though there may be some encroachment near parts of the boundary shared with the Central Hawkes’ Bay District Council. The submission also
provides information on how the Hastings District Council considers and protects wāhi tapu and other sites of significance to iwi, and how it classifies petroleum exploration activities.

Horizons Regional Council

The submission by Horizons Regional Council provides an overview of the regulation of oil and gas related activities within its council boundaries, and how sites of significance to iwi and hapū are recognised and protected.

The submission also notes that there can be increased land disturbances from petroleum exploration related activities, and that some of the areas included within consultation area 14ECT-R1 overlap areas recognised as Outstanding Natural Features or Landscapes through Schedule F of the Horizon Regional Council’s Proposed One Plan.

Ngāti Kahungunu Iwi Incorporated

Ngāti Kahungunu Iwi Incorporated assert that Ngāti Kahungunu maintains its interest in petroleum, gas and minerals and it has not foregone its rights within the Iwi rohe. It disputes the Crown’s assertion of sole ownership and sole right to royalties, and seeks a share of profits and compensations from the Crown for the development of natural resources in its rohe.

The submission also refers to a Waitangi Tribunal Claim (WAI 852) it has against the Crown with respects to its rights and interests to petroleum resources with the Ngāti Kahungunu rohe. It also criticises the review of the CMA as a wasted opportunity to address the concerns of tangata whenua, and notes the concerns raised by the Waitangi Tribunal in The Petroleum Report (WAI 796) to which the Crown has not provided an official response.

However, the submission also states that Ngāti Kahungunu would like to work with the Crown and petroleum companies to explore ways to ensure that economic growth and development generated from minerals found in the Ngāti Kahungunu rohe provide benefits for local tāngata whenua and communities.

Palmerston North City Council

The Palmerston North City Council notes that the Tararua Ranges are a significant and highly valued natural and physical resource, and that part of the Ranges within the council’s jurisdiction overlap with consultation area 14ECT-R1. The submission further notes that there is another overlap between the council boundaries and consultation area 14ECT-R1 near the Ashurst village.

Consequently the Palmerston North City Council requests that the following areas are excluded from consultation area 14ECT-R1 for Block Offer 2014:

- Land within Ashurst Village
- The Manawatū River and the mouth of Manawatū Gorge
- The full extent of the Tararua Ranges, and the adjoining rural residential foothills area of the Kahuterawa Valley
- The Manawatū Gorge, the Arupuke Forest Park and the Woodpecker Forests.

Kahungunu ki Tāmaki nui-ā-rua

Kahungunu ki Tāmaki nui-ā-rua, in its submission, expresses concern about the regulatory system for petroleum development and note that they would expect any successful applicant within their rohe to consult with them both severally and individually.

In terms of consultation area 14ECT-R1, Kahungunu ki Tāmaki nui-ā-rua requests the exclusion of specific areas and resources from exploration activities, including significant forests, major rivers, lakes and aquifer systems. It further notes that it has concerns about the identification,
evaluation and assessment of cultural/environmental assets and Taonga to inform exploration companies of their values and interests within the district.

Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

During the submissions analysis process, officials have reconsidered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource. Officials consider that this change will help address the concern of some submissions.

Management of sites of significance

Officials note that under the provisions of the RMA, the Central Hawke’s Bay District Council, Hawke’s Bay Regional Council and the Palmerston North City Council have the ability regulate petroleum related activities that occur within their respective districts.

As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a role in decisions around granting resource consents for any petroleum related exploratory activity.

It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing.

Officials also note that this is the point where many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outline in Annex 3 will also apply to petroleum related exploration activity within this consultation area.

In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate in the 14ECT-R1 area.

Three iwi (Ngāti Raukawa ki te Tonga, Ngati Kauwhata and Te Atiawa ki Whakarongotai) have interests in 14ECT-R1. These groups are at varying stages of the Treaty Settlement process and their interests and particular areas of sensitivity are not yet known.

He Toa Takatini (HTT) also has interests in 14ECT-R1. HTT are programmed to reach an Agreement in Principle by June 2014. Particular areas of sensitivity in the area are Pukeora, a landbank property that HTT have identified as part of their cultural redress, and Gwavas Forest, a commercial redress property. In addition, Hātūma and Pūrimu lakes have been agreed as vestings.

For the 14ECT-R1 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations
Officials recommend that onshore release area 14ECT-R1 be released as per the map below.
Consultation Area 14WEC-R1 (West Coast Basin)

Consultation area 14WEC-R1 is located on the west coast of the South Island. It stretches from the north-east of Westport to the south-west of Hokitika.

14WEC-R1 is considered relatively prospective for oil and gas as it features several shallow onshore structures. The region has attracted exploration interest since the early 1900s, and surface seeps indicate the existence of effective petroleum systems.

Three submissions were received on consultation area 14WEC-R1 from:

- Te Rūnanga o Ngāi Tahu
- Buller District Council
- West Coast Regional Council

Summary of comments

Te Rūnanga o Ngāi Tahu

The submission from Te Rūnanga o Ngāi Tahu, in conjunction with local Rūnanga, comments on a number of specific consultation areas for Block Offer 2014 that affect their rohe.

For consultation area 14WEC-R1, no areas of exclusion are requested, however Te Rūnanga o Ngāi Tahu (alongside Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio) notes in its submission that it requests any successful bidders to engage early with affected Rūnanga to ensure that culturally significant sites are protected through dialogue and assessment case-by-case, with reliance on the RMA consenting process to manage the effects using agreed mitigation measures.

In their submission Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio also note that they consider all the significant sites included in consultation area 14WEC-R1 as sacred and treasured places. The area is unique to hapū because of whakapapa and tribal histories that link kaitiaki to the whenua in their rohe.

Buller District Council

The Buller District Council notes in its submission that Buller is mineral rich with a strong history of mining. It further notes that the council is generally supportive of exploration in mining in the district.

It requests that all areas zoned Residential or Commercial in the Buller District Plan be excluded from Block Offer 2014, for the purpose of exploratory drilling only, due to its incompatibility with the urban environment. They also note the existing protections to landowners under the CMA.

The Buller District Council’s submission also notes the pressures on local infrastructure that the extractive industries pose to the Buller district, and notes the inability of the council to levy rates on public land to offset these costs, in part because a mining permit does not create an ‘interest’ in land.

In order to address this issue, the submission urges the Crown to amend either the Rating Valuations Act or the Crown Minerals Act to allow councils across New Zealand to rate all mining activity on a common basis. Alternatively, the Buller District Council also suggests the Crown consider sharing of royalties from mining activity to the regions to allow them to invest in infrastructure and environmental management monitoring.
West Coast Regional Council

The West Coast Regional Council had no specific comment to make on consultation area 14WEC-R1; however it outlined the protections offered to sites of importance to iwi in the council’s Land and Water Plan. It also recommended any successful bidders make contact with the council’s Consents and Compliance Manager for further information.

Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

During the submissions analysis process, officials have reconsidered the geological prospectivity of consultation area 14WEC-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of conventional petroleum resources. Officials consider that this amendment should address some of the concerns of submissions on consultation area 14WEC-R1.

It is worth noting that as part of this amendment, the portion of consultation area 14WEC-R1 that overlaps with the Buller coal plateaux has been removed.

Management of sites of significance

Officials note that under the provisions of the RMA, the Buller District Council itself has the ability to regulate petroleum exploration activities that occur within its district. As a result, it is highly likely that the zoning status of affected land in the Buller District Council District Plan (including Residential and Commercial) would play a role in decisions around granting resource consents for any petroleum exploration activity.

In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate in the 14WEC-R1 consultation area.

There is currently settlement legislation on the Order Paper to enact the eight settlements of:

- Ngāti Apa ki te Rā Tō (Ngāti Apa);
- Ngāti Kuia;
- Rangitāne o Wairau (Rangitāne);
- Ngāti Kōata;
- Ngāti Rārua;
- Ngāti Tama ki Te Tau Ihu (Ngāti Tama);
- Te Ātiawa o Te Waka-a-Māui (Te Ātiawa); and
- Ngāti Toa RaNgātira (Ngāti Toa).

OTS anticipates that this legislation will be enacted in March/April 2014, in which case the settlement date will fall in early July 2014. There is a small overlap between the area of operational effect for these settlements, and consultation area 14WEC-R1.
For the 14WEC-R1 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations

Officials recommend that onshore release area 14WEC-R1 be released as per the map below.
Consultation Area 14RNL-R1 (Reinga-Northland Basin)

Consultation area 14RNL-R1 is located off the west coast of Northland.

The Reinga-Northland Basin is prospective for oil and gas as it is, in many respects, similar to the productive Taranaki Basin. Points of difference are greater evidence of compression in the Eocene and Early Miocene, the presence of an allochthon close to the eastern margin, and some evidence of higher heat flow. About 40% of the basin is likely to be underlain by sediments deep enough to be expelling petroleum. The Reinga-Northland Basin remains virtually unexplored.

One exploration permit was awarded for the Reinga-Northland Basin in Block Offer 2013.

Four submissions were received on consultation area 14RNL-R1 from:

- Auckland Council
- Te Roroa Manawhenua Trust
- Te Uri o Hau Settlement Trust
- Waitākere Ranges Local Board

Summary of comments

Auckland Council

The Auckland Council notes the significant economic benefits that exploration and production of oil and gas resources could potentially bring to Auckland. However it also considers that there are significant environmental risks from offshore gas and oil exploration, particularly during well drilling operations.

While the likelihood is low, the consequence of any blowout from exploratory activity could have significant adverse impacts on extensive areas of the EEZ and the coastal marine area within consultation areas 14RNL-R1, 14NCD-R1 and 14TAR-R1.

In particular, the Auckland Council notes that these consultation areas overlap with the habitat of the endangered Māui’s dolphin, and requests that the 14RNL-R1 area is reduced to stop at 12 nautical miles from shore in order to offer greater protection to the dolphin population.

The Auckland City Council also notes that Auckland’s west coast and harbours are sensitive environments with significant environmental values, and that it is therefore seeking an increasing level of duty placed on activities relative to how close they are to sensitive areas along the coast.

Finally the Auckland City Council comments that under the recently notified draft Unitary Plan, exploration activity (in terms of disturbance of the seabed under the RMA) is considered a permitted activity provided various size and area controls are met. However, the construction of oil and gas structures and drilling activities themselves are discretionary activities.

Te Roroa Manawhenua Trust

The submission from Te Roroa Manawhenua Trust, on behalf of Te Roroa, expresses opposition to any form of petroleum or any other activity that it considers detrimental to the ongoing health and well-being of the land, the sea or the people.

Te Roroa expresses concern about the potential adverse environmental impacts they consider could result from petroleum exploration, including increased pollution, negative impacts on fisheries and marine life, and adverse health impacts.

Te Roroa also queries how environmental and other regulations could be enforced or monitored beyond the 12 nautical mile limit, which is the extent of coverage of the RMA.
Te Uri o Hau Settlement Trust

The submission from Te Uri o Hau Settlement Trust notes that Te Uri o Hau will be seeking to develop an environmental management plan in respect of mining per in their Protocol area in communication with the local community, and look forward to working with statutory agencies in developing environmental management plans and policies within their statutory area of interest.

Waitākere Ranges Local Board

The submission from the Waitākere Ranges Local Board opposes the allocation of petroleum permits off the western coastline of Auckland. It opposes the allocation of petroleum permits due to the risk of oils spills, the disturbance caused to the seabed and coastal marine area, and the negative effect of discharges and noises related to petroleum exploration activities.

The submission also notes that much of the coast is part of the Waitākere Ranges Heritage Area, and that the coastal marine area in question contains a number of important ecological features.

The Waitākere Ranges Local Board also notes in its submission that the coastal area is home to the endangered Māui’s dolphin, as well as a marine mammal sanctuary, and that this area contains important populations of fish, shell-fish and seabirds. They also note the important recreation value of this area.

Finally the submission notes that the terrain of the area means there is limited access to the coast, which could be problematic in the event of any land-based oil spill response.

Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

Following analysis, officials do not recommend exclusions are made to 14RNL-R1.

Management of sites of significance

Officials note that the primary concerns of the Waitākere Ranges Local Board, the Auckland City Council and Te Roroa Manawhenua Trust are the potential adverse environmental impacts on Auckland’s west coast in the event of an oil spill.

Officials also note that many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outline in Annex 3 will also apply to petroleum related exploration activity within this consultation area. These protections related in particular to the environmental impacts of petroleum related activity, including an oil spill.

Officials also note that most of the area of consultation area 14RNL-R1 which the Auckland City Council requests to be amended covers the West Coast North Island Marine Mammal Sanctuary, in which there are already protections in place to protect the Māui’s dolphin population. Threats to the Māui’s dolphin population are primarily fishing-related, but there are also restrictions on seismic surveying in place for petroleum exploration. These restrictions are similar to those required under the Department of Conservation’s 2012 Code of Conduct for Minimising Acoustic Disturbances to Marine Mammals from Seismic Survey Operations.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate.
The Crown has finalised Treaty settlements with both Te Uri o Hau and Te Roroa, who have made submissions on the consultation area 14RNL-R1. In addition, OTS advise that the Crown has also finalised a Treaty settlement with Ngāti Whātua o Kaipara, and is at various stages in negotiations Te Kawerau ā Maki, Ngāti Koheriki, Te Akitai Waiohua, Ngāti Te Ata, Ngāti Tamaoho and Ngāti Koheriki, Ngāti Whātua o Kaipara and Te Kawerau ā Maki, all of which may have an interest in consultation area 14RNL-R1.

For the 14RNL-R1 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations

Officials recommend that offshore release area 14RNL-R1 be released as per the map below.
Consultation Area 14NCD-R1 (New Caledonia Basin)

Block 14NCD-R1 is located off the west coast of the North Island, adjacent to the west of 14RNL-R1. It covers a total of 49,051 km$^2$.

The New Caledonia Basin is prospective for oil and gas as it features a rift sequence that is buried to a depth great enough for thermal maturation. Structural and stratigraphic traps may also exist at a number of levels in this basin. The basin is often considered an ‘extension’ of the Taranaki Basin, and features geological similarities. The basin remains virtually unexplored.

Three submissions were received on consultation area 14NCD-R1 from:
- Auckland Council
- Waitākere Ranges Local Board
- Te Roroa Manawhenua Trust

Summary of comments

Auckland Council

The Auckland Council notes the significant economic benefits that exploration and production of oil and gas resources could potentially bring to Auckland. However it also considers that there are significant environmental risks from offshore gas and oil exploration, particularly during well drilling operations.

While the likelihood is low, the consequence of any blow-out from exploratory activity could have significant adverse impacts on extensive areas of the EEZ and the coastal marine area with consultation areas 14RNL-R1, 14NCD-R1 and 14TAR-R1.

Waitakere Ranges Local Board

The submission from the Waitākere Ranges Local Board expresses opposition to the allocation of petroleum permits off the western coastline of Auckland, which includes consultation area 14NCD-R1. The Waitākere Ranges Local Board opposes the allocation of offshore petroleum permits due to the risk of oil spills, the disturbance caused to the seabed and coastal marine area, and the negative effect of discharges and noises related to petroleum exploration activities.

The submission also notes that much of the coast is part of the Waitākere Ranges Heritage Area, and that the coastal marine area in question contains a number of important ecological features.

The Waitākere Ranges Local Board also note in their submission that the coastal area is home to the endangered Māui’s dolphin, as well as a marine mammal sanctuary, and that this area contains important populations of fish, shell-fish and seabirds. They also note the important recreation value of this area.

Finally they note that the terrain of the area means there is limited access to the coast, which could be problematic in the event of any land-based oil spill response.

Te Roroa Manawhenua Trust

The submission from Te Roroa Manawhenua Trust, on behalf of Te Roroa, expresses opposition to any form of petroleum or any other activity that Te Roroa considers detrimental to the on-going health and well-being of the land, the sea or the people.
Te Roroa expresses concern about the potential adverse environmental impacts they consider could result from petroleum exploration, including increased pollution, a negative impact on fisheries and marine life, and adverse health impacts.

It also queries how environmental and other regulations could be enforced or monitored beyond the 12 nautical mile limit, which is the extent of coverage of the RMA.

**Officials’ comments**

**Exclusions**

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

Following analysis of the requests, officials do not recommend amendments to consultation area 14NCD-R1.

**Management of sites of significance**

Officials note that the primary concerns of the Waitākere Ranges Local Board, the Auckland City Council and Te Roroa Manawhenua Trust are the adverse environmental impact on the area of Auckland’s west coast in the event of an oil spill.

Officials also note that this is the point where many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outlined in Annex 3 will also apply to petroleum-related exploration activity within this consultation area. These protections related in particular to the environmental impacts of petroleum-related activity, including an oil spill.

As this area is beyond 12 nautical miles from shore, any operator would require a marine consent under the EEZ Act from the EPA before any drilling activity is undertaken.

Consultation area 14NCD-R1 is also 127 km from the west coast of Auckland, which could reduce the potential adverse effects of an oil spill on the coastal area, and would likely allow greater time for a MNZ-led response to be put in place.

**Relevant Treaty Claims and Settlements**

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate.

The Crown has finalised a Treaty settlement with Te Roroa, as laid out in the Te Roroa Claims Settlement Act 2008.

Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty.

The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

For the 14NCD-R1 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

**Recommendations**

Officials recommend that offshore release area 14NCD-R1 be released as per the map below.
Consultation Area 14TAR-R1 (Offshore Taranaki Basin)

Consultation area 14TAR-R1 is located off the west coast of the North Island, stretching as far as the coast of Auckland to the north, and off the northern tip of the South Island to the south.

14TAR-R1 is highly prospective for oil and gas as it features many inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps and half-graben fill. Producing wells within and adjacent to this consultation area include Māui (gas condensate and oil), Tui Area (oil), and Pohokura (gas condensate) and Kupe (gas condensate).

The first well in Taranaki was drilled in 1865 and petroleum has been continuously produced from the basin since about 1900. Taranaki is New Zealand’s only producing basin to date. Despite significant production to date, the basin remains under-explored compared to many comparable rift complex basins of its size and there remains considerable potential for future discoveries. Two permits were awarded for the offshore Taranaki Basin in Block Offer 2013.

Four submissions were received on consultation area 14TAR-R1 from:

- Auckland Council
- Taranaki Iwi Trust
- Waikato Regional Council
- Waitākere Ranges Local Board

Summary of comments

Auckland Council

The Auckland Council notes the significant economic benefits that exploration and production of oil and gas resources could potentially bring to Auckland. However it also considers that there are significant environmental risks from offshore gas and oil exploration, particularly during well drilling operations.

While the likelihood is low, the consequence of any blowout from exploratory activity could have significant adverse impacts on extensive areas of the EEZ and the coastal marine area with consultation areas 14RNL-R1, 14NCD-R1 and 14TAR-R1.

In particular, the Auckland Council notes that the consultation area overlaps with the habitat of the endangered Māui’s dolphin, and requests that consultation area 14RNL-R1 is reduced to stop at 12 nautical miles from shore in order to offer greater protection to the dolphin population.

The Auckland City Council also notes that Auckland’s west coast and harbours are sensitive environments with many environmental values, and that it is therefore looking for an increasing level of duty placed on activities the closer they are to sensitive areas along the coast.

Finally the Auckland City Council comments that under the recently notified draft Unitary Plan, exploration activity (in terms of disturbance of the seabed under the RMA) is considered a permitted activity provided various size and area controls are met. However, the construction of oil and gas structures and drilling activities themselves are discretionary activities.

Taranaki Iwi Trust

The submission from the Taranaki Iwi Trust notes its support of the competitive block offer process, which provides for an assessment of bidders to ensure the safe and responsible development of petroleum and mineral resources in Aotearoa/New Zealand.
IN CONFIDENCE

However the submission also notes that consultation area 14TAR-R1 includes parts of the Taranaki rohe moana which contains or abuts areas that are historically and culturally significant to Taranaki Iwi, including areas where the Taranaki Iwi exercise customary rights and areas where traditional kaimoana (seafood) reefs are located. It requests that these areas be excluded from Block Offer 2014.

The Taranaki Iwi also requests that an assessment of the cumulative effects of exploration and production activities in the Taranaki Basin blocks be made before being offered up for competitive tender.

**Waikato-Tainui Te Kauhanganui Incorporated**

The submission from Waikato-Tainui Te Kauhanganui Incorporated echoes its submission on Block Offer 2013, and emphasises the historical and cultural significance of the waters in, and adjacent to, its area of interest, particularly the western harbours of the North Island. It prefers a precautionary approach to extraction activities and is concerned about activities taking place on sites of significance.

It seeks to ensure that decision makers:

1. provide for the protection and preservation of the health and wellbeing of physical, natural and cultural resources;
2. make decisions consistent with agreements between Waikato-Tainui and the Crown;
3. do not adversely affect Waikato-Tainui rights, including rights in the western harbours; and
4. provide for the active involvement of Waikato-Tainui in the decision making process.

**Waikato Regional Council**

In the submission from the Waikato Regional Council, the Council noted that there were no regulatory matters of concern at this stage, and commented that should oil and gas development activities eventuate within its regional boundaries, it looks forward to working with the relevant regional authorities.

**Waitākere Ranges Local Board**

The submission from the Waitākere Ranges Local Board opposes the allocation of petroleum permits in the along the western coastline of Auckland, which includes consultation areas 14RNL-R1, 14NCD-R1 and 14TAR-R1. This opposition is due to the risk of oils spills, the disturbance caused to the seabed and coastal marine area, and the negative effect of discharges and noises related to petroleum exploration activities.

The submission also notes that much of the coast is part of the Waitākere Ranges Heritage Area, and that the coastal marine area in question contains a number of important ecological features.

The Waitākere Ranges Local Board also notes in its submission that the coastal area is home to the endangered Māui’s dolphin, as well as a marine mammal sanctuary, and that this area important populations of fish, shell-fish and seabirds. It also notes the important recreation value of this area.

Finally it notes that the terrain of the area means there is limited access to the coast, which could prove problematic in the event of any land-based oils spill response.

**Officials’ comments**

**Exclusions**

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.
Following analysis of the requests, officials do not recommend amendments to consultation area 14NCD-R1.

Management of sites of significance

Officials recognise the importance attached to areas of local, cultural (including wāhi tapu) and historical significance identified by the Taranaki Iwi Trust and the responsibility to ensure these are actively protected from development where appropriate. There are several pieces of legislation that explicitly allow for such consideration. These provisions are detailed in Annex 3.

In considering the submissions received on Consultation area 14TAR-R1, officials considered what is known about the sites for which protection is sought, and whether exclusion from the block offer (or another process) will best ensure protection while being mindful of the relative prospectivity of the area.

With regard to the majority of sites located within 14TAR-R1, officials believe the best way to balance these interests is to include important sites in the Block Offer and to then encourage and facilitate iwi and successful bidders to engage and find their own solutions for managing sites of local, cultural and historical significance.

Officials note that the Auckland City Council, the Taranaki Iwi Trust and the Waitākere Ranges Local Board also express concern about the potential adverse environmental impact on the Taranaki coast in the event of an oil spill.

Officials also note that this is the point where many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outlined in Annex 3 will also apply to petroleum related exploration activity within this consultation area. These protections related in particular to the environmental impacts of petroleum related activity, including an oil spill.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate in the consultation area 14TAR-R2.

Taranaki Iwi signed a letter of agreement (equivalent to an agreement in principle) with the Crown in December 2012. Negotiations for a Deed of Settlement are still underway. As part of the settlement being negotiated, Taranaki Iwi is seeking statutory acknowledgement over all waterways within their rohe.

The Ministry is also negotiating a relationship agreement in relation to petroleum and minerals with the Taranaki Iwi Trust as part of the “Tri-Iwi” negotiations (along with neighbouring iwi Te Ātiawa and Ngāruahine).

Ngāti Ruanui signed a Deed of Settlement with the Crown in December 2003, as set out in the Ngāti Ruanui Claims Settlement Act 2003.

Ngati Maru is also likely to have an interest in 14TAR-R2, and is currently in the mandate process before settlement negotiations with the Crown commence this year.

For the 14TAR-R2 area, officials consider the grant of a petroleum permit in this area will not affect the Crown’s ability to return land as part of a Treaty Settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations

Officials recommend that offshore release area 14TAR-R1 be released as per the map below.
Consultation Area 14PEG-R1 (Pegasus Basin)

Block 14PEG-R1 is located off the south-east of the North Island, stretching from south-east of Napier to the north, to the upper east coast of the South Island.

The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise.

The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.

Twelve submissions were received on consultation area 14PEG-R1 from:

- Greater Wellington Regional Council
- Kahungunu ki Tāmaki nui-ā-rua
- Kahungunu ki Wairarapa
- Kaikōura District Council
- Maungaharuru Tangitū
- Ngāi Tūmāpūhia a Rangi Māori Marae Committee
- Ngāti Pahauwera Development Trust
- Ngāti Kahungunu Iwi Incorporated
- Rangitāne o Tamaki nui a Rua
- Te Hapū o te Hika o Pāpāuma
- Te Ohu Rangitāne Te Ika a Māui
- Te Rūnanga o Ngāi Tahu

Summary of comments

Greater Wellington Regional Council

The submission from the Greater Wellington Regional Council notes the significant public interest in issues related to oil and gas exploration, and the importance for council of engaging with the community on these issues. To support this, the Greater Wellington Regional Council strongly recommends the government put in place a mechanism to support the regular flow of information to region councils. Such a mechanism would also assist the council with managing any adverse environmental effects from this activity.

Kahungunu ki Tāmaki nui-ā-rua

The submission of Kahungunu ki Tāmaki nui-ā-rua expresses its concern about the regulatory system for petroleum development and notes that it would expect any successful applicant within its rohe to consult with it both severally and individually.

With regard to consultation area 14PEG-R1, Kahungunu ki Tāmaki nui-ā-rua opposes any exploration within its rohe moana due to the significant risks to marine species (including potential disruption to their life cycle processes and migratory patterns and pathways) and the kaimoana resource.

Kahungunu ki Wairarapa

The submission from Kahungunu ki Wairarapa requests that the Hikurangi Trench, and a buffer zone of two kilometres from the Wairarapa Eddy and the Hikurangi Eddy, including their moving dimensions, be excluded from consultation area 14PEG-R1.
Kahungunu ki Wairarapa notes that the Hikurangi Trench was the traditional path of Kupe’s migration from Hawaiki as he chased after the wheke to Rangiwhakaoma. It is also the pathway which long fin eel, a threatened species, takes to New Zealand. The current in this trench brings fish into the customary offshore fishery, which in turn feeds into the customary inshore fishery.

**Kaikōura District Council**

The submission from the Kaikōura District Council notes the unique environment of the Kaikōura District and, in particular, the community’s reliance on the marine environment for its economic well-being. The submission expresses concern about the effect of any seismic investigation and drilling may have on the marine environment, and emphasises the importance of the marine environment for the tourism industry.

The submission further asks that a number of issues be investigated prior to the granting of any further permits in the Pegasus Basin area, including the impacts of exploratory and drilling activity (including seismic surveying) on marine mammal species, the risk to exploratory activity being interrupted by seismic activity, and the risk of an oil spill (including the use of dispersants) to Kaikōura’s native flora and fauna.

**Maungaharuru-Tangitū Trust**

The submission on behalf of the Maungaharuru-Tangitū Trust requests the exclusion of the entire Pegasus-East Coast Basin (consultation area 14PEG-R1) from Block Offer 2014 due to the potential adverse impact on the marine environment, including important reefs and ecological systems within Fisheries Management Area 2, from petroleum exploration activities.

The submission further raises concerns about the ability of the government and operators to respond to a major oil spill, in particular the lack of New Zealand based disaster equipment.

The submission also requests resource from the Crown to assist iwi and hapū to identify wāhi tapu and other sites of significance.

**Ngāi Tūmāpūhia a Rangi Māori Marae Committee**

The submission from the Ngāi Tūmāpūhia a Rangi Māori Marae Committee echoes that from Kahungunu ki Wairarapa and requests that the Hikurangi Trench, and a buffer zone of two kilometres from the Wairarapa Eddy and the Hikurangi Eddy, including their moving dimensions, be excluded from consultation area 14PEG-R1.

**Ngāti Pāhauwera Development Trust**

The Ngāti Pāhauwera Development Trust, in their submission, notes that consultation area 14PEG-R1 is outside their area of interest, but that they have submitted in case there is any inclusion of areas from previous block offers.

The submission notes that the iwi expects to be consulted with and engaged should any proposed exploration activity be undertaken with any recognised area of interest. In addition it notes that should any exploration permit or other types of activity be approved within its area of interest before a determination has been made on their application for recognition under the Marine and Coastal Area (Takutai Moana) Act 2011.

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3 Representing various hapū including Ngāti Kurumōkhi, Marangatūhetaua (Ngāti Tū), Ngāi Tauira and Ngāi Te Ruruku Ki Tangoio (Hapū).
Ngāti Kahungunu Iwi Incorporated

The submission from Ngāti Kahungunu Iwi Incorporated notes that Ngāti Kahungunu maintains its interest in petroleum, gas and minerals and it has not foregone its rights within the Iwi rohe. It disputes the Crown’s assertion of sole ownership and sole right to royalties and seeks a share of profits and compensations from the Crown for the development on resources in its rohe.

The submission also refers to a Waitangi Tribunal Claim (WAI 852) Ngāti Kahungunu has against the Crown with respect to its rights and interests to petroleum resources within its rohe. It also criticises the review of the CMA as a wasted opportunity to address the concerns of tangata whenua, and note the concerns raised by the Waitangi Tribunal in The Petroleum Report (WAI 796).

However, the submission also states Ngāti Kahungunu would like to work with the Crown and petroleum companies to explore ways to ensure that economic growth and development generated from minerals found in the Ngāti Kahungunu rohe provide benefits for local tāngata whenua and communities.

Rangitāne o Tamaki nui a Rua

Rangitāne o Tamaki nui a Rua’s submission expresses its opposition to any onshore or offshore mining within its rohe, though note that it is not indisposed to further discussion on these issues. With regards to consultation area 14PEG-R1, Rangitāne o Tamaki nui a Rua notes that any type of drilling for minerals brings with it the potential to cause harm to ocean and aquatic life. The submission also notes the importance of moving to sustainable energy sources and other solutions to help minimise the impact on the environment.

Te Hapū o te Hika o Pāpāuma

The submission from Te Hapū o te Hika o Pāpāuma strongly objects to any drilling or mining of the seabed that could cause pollution it damage to the fisheries or coastline of its rohe moana. It specifically requests that no drilling or mining take place within their 12 mile customary area because of this.

Te Ohu Tiaki o Rangitāne Te Ika a Māui Trust

The submission from Te Ohu Tiaki o Rangitāne Te Ika a Māui Trust notes that the Pegasus Basin and East Coast Basin consultation areas are within their area of interest, and that they intend to engage with exploration corporate entities and other local authorities and regulatory bodies in due course.

Te Rūnanga o Ngāi Tahu

The submission from Te Rūnanga o Ngāi Tahu, in conjunction with local Rūnanga, commented on a number of specific consultation areas for Block Offer 2014 that affect their rohe.

For consultation area 14PEG-R1, those Rūnanga within the wider Canterbury region, from the rohe of Waihao north to Kaikōura, express their opposition to offshore petroleum exploration in the Great South-Canterbury Basin and Pegasus-East Coast Basin.

The basis for the opposition amongst the Canterbury and Kaikōura Rūnanga centres on:

- Lack of confidence in a timely and effective oil spill response capability;
- Lack of confidence in statutory protections;
- The need to protect the integrity of coastlines, taonga species and mahinga kai habitats, and fishing grounds;
- The reliance of local economies on tourist activity.
As a result of this opposition, Te Rūnanga o Ngāi Tahu and Te Rūnanga o Kaikōura request that consultation area 14PEG-R1 the totality be excluded from Block Offer 2014. This is due to the significant traditional and statutory recognised interest in this area.

This includes the assertion that Te Tai o Marokura (the Kaikōura region) is the realm of Tangaroa, God of the Sea, and carries significant cultural and historical value. The importance of taonga species (such as whale) for traditional and commercial whānau activities supports and honours the tribal histories of Ngāi Tahu as well as providing livelihoods and manaaki for Kaikōura whānau and contributes to the financial strength of the iwi as a whole.

The submission refers to the development of the community based plan developed by Te Korowai o Te Tai o Marokura (the Kaikōura Coastal Marine Guardians) entitled ‘Kaikōura Marine Strategy 2012: Sustaining our Sea’, and notes the very clear opposition in the plan from Ngāti Kurī and the wider community to deep sea oil exploration. The submission further notes that Te Korowai o Te Tai o Marokura are currently working with central government officials on how best to implement this strategy.

Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

As a result of this analysis, officials recommend that consultation area 14PEG-R1 is amended to remove the overlap with the proposed Kaikōura marine mammal sanctuary while the government considers options to implement the Te Korowai Marine Strategy.

Management of sites of significance

Officials recognise the importance attached to areas of local, cultural (including wāhi tapu) and historical significance identified by iwi and the responsibility to ensure these are actively protected from development where appropriate. There are several pieces of legislation that explicitly allow for such consideration. These provisions are detailed in Annex 3.

Under the MPP, the Crown has responsibilities with regard to the active protection of areas of particular importance to iwi. The exclusion of defined areas of land of particular importance to the mana of iwi from a Block Offer is one mechanism to achieve this. However, balanced against that, the Crown also needs to consider the relative prospectivity of the area.

In considering the submissions received on Consultation area 14PEG-R1, officials considered what is known about the sites for which protection is sought, and whether exclusion from the block offer (or another process) will best ensure protection while being mindful of the relative prospectivity of the area.

With regard to the majority of sites located within 14PEG-R1, officials believe the best way to balance these interests is to include important sites in the Block Offer and to then encourage and facilitate iwi and successful bidders to engage and find their own solutions for managing sites of local, cultural and historical significance.

Officials note that this is the point where many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outline in Annex 3 will also apply to petroleum related exploration activity within this consultation area. These protections related in particular to the environmental impacts of petroleum related activity, including an oil spill.

The DOC Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations is a set of guidelines agreed to by DOC, the petroleum industry, iwi and NGOs for minimising the impacts of seismic surveying on marine mammals. It was first
implemented in 2012 and has recently been reviewed ahead of the 2013/14 summer seismic season.

Seismic surveying is considered a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects — Permitted Activities) Regulations 2013, if operators follow the provisions of the Code in the exclusive economic zone (EEZ).

Officials note the process undertaken by Te Korowai o Te Tai o Marokura (the Kaikōura Coastal Marine Guardians) in developing the Kaikōura Marine Strategy 2012: Sustaining our Sea and that DOC and MPI are currently considering options to implement the strategy. One of the options outlined in the strategy is a marine mammal sanctuary in which seismic surveying would be restricted or prohibited.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate.


Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty.

The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

Other considerations

There is a small (2.9km²) overlap between the proposed marine mammal sanctuary and consultation area 14PEG-R1. This overlap represents about 0.004% of the block offer consultation area, and 0.06% of the proposed marine mammal sanctuary. As there is still some uncertainty about the kinds of restrictions that may apply within the proposed sanctuary, officials recommend that this overlap is excluded from consultation area 14PEG-R1 to avoid offering petroleum acreage in which exploration activity may not ultimately be able to be undertaken.

Recommendations

Officials recommend that offshore release area 14PEG-R1 be released as per the map below.
Consultation Area 14GSC-R1 (Great South and Canterbury Basins)

Block 14GSC-R1 is located off the lower east coast of the South Island, to the east and southeast of Timaru and Ōamaru. It covers parts of both the Canterbury and Great South Basins.

The Canterbury Basin is prospective for oil and gas as it shares many similarities with the productive Taranaki Basin. It has viable source rock in the Cretaceous and suitable reservoir and seal rocks at several stratigraphic intervals. Several offshore structures have been identified, and the commitment by Anadarko to drill the Carrack-Caravel well further strengthens confidence in the basin’s prospectivity. Five offshore wells were drilled between 1970 and 2006. Two permits were awarded for the Great South-Canterbury Basins in Block Offer 2013.

Seven submissions were received on consultation area 14GSC-R1:

- Te Rūnanga o Ngāi Tahu
- Christchurch City Council
- Dunedin City Council
- Environment Canterbury Regional Council
- Kaikōura District Council
- Otago Regional Council
- Waimate District Council

Summary of comments

Te Rūnanga o Ngāi Tahu

The submission from Te Rūnanga o Ngāi Tahu, in conjunction with local Rūnanga, commented on a number of specific consultation areas for Block Offer 2014 that affect their rohe.

For consultation area 14GSC-R1, those Rūnanga within the wider Canterbury region, from the rohe of Waihao north to Kaikōura, express their opposition to offshore petroleum exploration in the Great South-Canterbury Basin and Pegasus-East Coast Basin.

The basis for the opposition amongst the Canterbury Rūnanga centres on:

- Lack of confidence in a timely and effective oil spill response capability;
- Lack of confidence in statutory protections;
- The need to protect the integrity of coastlines, taonga species and mahinga kai habitats, and fishing grounds;
- The reliance of local economies on tourist activity.

As a result of this opposition, Te Rūnanga o Ngāi Tahu requests the total exclusion from consultation area 14GSC-R1 of all the rohe of the Rūnanga from Te Rūnanga Waihao north. It also requests that the consultation area between 0 to 12 nautical miles offshore from the rohe of Te Rūnanga o Moeraki should be excluded. The submission notes that while there have been petroleum permits granted within the requested exclusion zone, the position of Ōtākou

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4 Including Te Ngāi Tūāhuriri, Te Hapū o Ngāti Wheke (Rapaki), Te Rūnanga o Koukourārata, Ōraka Rūnanga, Wairewa Rūnanga, Te Taumutu Rūnanga, Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Ngāi Tahu.

5 On behalf of Te Rūnanga o Moeraki, Kāti Huirapa, Rūnaka ki Puketeraki, Te Rūnanga o Ōtākou, Hokonui Rūnanga, Ōraka-Aparima Rūnaka, Waihopai Rūnaka, Awarua Rūnanga and Te Rūnanga o Ngāi Tahu.
and Murihiku Rūnanga reflects a desire to prevent further proliferation of activity within the territorial sea.

The submission from Te Rūnanga o Ngāi Tahu also notes that protection of culturally significant sites may be provided through other means, including the RMA, the EEZ and direct dialogue with operators. However the submission states that in their view none of these processes guarantee that the level of protection requested or expected will be implemented through the outcome of these processes.

Te Rūnanga o Ngāi Tahu also notes that it expects early engagement at all stages of the petroleum development process to determine how best to identify and manage any potential exploration and extraction activities in the area.

Christchurch City Council

The submission from the Christchurch City Council raises several concerns with the consultation areas for Block Offer 2014, including:

- the proximity of the offshore Great South – Canterbury Basin consultation area to the Banks Peninsula Marine Mammal Sanctuary,
- the potential risks to the marine environment from deep-sea petroleum exploration and production,
- the potential adverse economic impacts on the local community from oil spills,
- the risks to the marine and coastal environment of Banks Peninsula, and
- the need for public engagement.

In addition, the Christchurch City Council recommends that graticular sections of consultation area 14GSC-R1 within the Banks Peninsula Marine Mammal Sanctuary be removed, as well as those graticular sections immediately adjacent to it. This is due to the presence of Hector’s dolphins within the Marine Mammal Sanctuary and the valuable natural and community resources which it also represents.

Dunedin City Council

The Dunedin City Council makes the following points in its submission, which echoes its Block Offer 2013 submission:

- The importance of engaging with the wider public on the Block Offers process going forward.
- The need for localised community benefits to be explored in more detail.
- The importance of risk and disaster management in view of outstanding natural environment.
- The inclusion of climate change adaption costs in cost-benefit analyses.

While the Dunedin City Council notes that the Government is going beyond its mandatory consultation requirements by consulting with councils, it considers that there is more the Government could do to involve councils and the public in the block offer process.

The submission notes that the Dunedin City Council made the Block Offer 2014 consultation material available on its website and sought community input for a period from 11 October 2013 to 1 November 2013. The council received 227 submissions from the community and, in broad terms, 199 were opposed to petroleum drilling of any kind, 17 were supportive and 12 were neutral. These submissions were annexed to the Dunedin City Council’s submission.
Environment Canterbury

The submission from Environment Canterbury outlines how petroleum exploration activities are classified, and the steps Environment Canterbury would take under the RMA when receiving an application from an operator.

The submissions also notes that, in the view of Environment Canterbury, the existing measures in place to ensure the appropriate management and protection of the coastal and marine environment, wildlife and resources in the Canterbury region are put at significantly increased risk from the proposed petroleum related activity that could result from Block Offer 2014.

It also encourages NZP&M to work demonstrably more closely with other agencies such as Maritime NZ to minimise the potential for complications, overlaps or gaps between different policy frameworks, and to maximise opportunities for practical solutions.

The submission also suggests that the overlap with the Banks Peninsula and the northern edge of consultation area 14GSC-R1 be amended to avoid the Sanctuary areas at the edge of the 12 nautical mile limit due to the endangered nature of the Hector’s dolphin.

Kaikōura District Council

The submission from the Kaikōura District Council notes the unique environment of the Kaikōura District and, in particular, the community’s reliance on the marine environment for its economic well-being. The submission expresses concern about the effect of any seismic investigation and drilling in consultation areas 14PEG-R1 and 14GSC-R1 could have on the marine environment, and emphasises the importance of the marine environment for the tourism industry.

The submission further asks that a number of issues be investigated prior to the granting of any further permits in the Pegasus Basin area, including the impacts of exploratory and drilling activity (including seismic surveying) on marine mammal species, the risk to exploratory activity being interrupted by seismic activity, and the risk of an oil spill (including the use of dispersants) to Kaikōura’s native flora and fauna.

Otago Regional Council

The Otago Regional Council submission expresses the Council’s preference that any exploration activity is limited to beyond the extent of Otago’s territorial sea area (12 nautical miles). It also notes that should any permits be granted within the extent of Otago’s territorial sea area, then any associated activity may require a consent under the Otago Regional Council’s Regional Plan for the coast.

Waimate District Council

The submission from the Waimate District Council notes the Council’s responsibility in facilitating sustainable development in the Waimate District and ensuring environmental sustainability, among other responsibilities. The submission goes on to outline the potential negative effects the region could experience in the event of an oil spill.

The submission further notes that while the proposed petroleum exploration and extraction activity that could occur from Block Offer 2014 could be of major economic significance for the Waimate region, assessing an application for an operator to undertake this activity under the RMA would require the council to employ specialist consultants in this area, with considerable associated costs.
Officials’ comments

Exclusions

An analysis of the exclusion requests from submitters is outlined in Part Two of this report.

Following analysis of the requests, officials do not recommend amendments to consultation area 14GSC-R1.

Management of sites of significance

Officials note that the primary concerns of the Te Rūnanga o Ngāi Tahu, Christchurch Regional Council, Environment Canterbury Regional Council, Dunedin City Council, Kaikōura District Council and the Waimate District Councils are the adverse environmental impact on the area in the event of an oil spill. Many of these submitters also note the potential economic benefits that can also accrue from petroleum development.

Officials recognise the importance attached to areas of local, cultural (including wāhi tapu) and historical significance identified by iwi and the responsibility to ensure these are actively protected from development where appropriate. There are several pieces of legislation that explicitly allow for such consideration. These provisions are detailed in Annex 3.

Under the MPP, the Crown has responsibilities with regard to the active protection of areas of particular importance to iwi. The exclusion of defined areas of land of particular importance to the mana of iwi from a Block Offer is one mechanism to achieve this. However, balanced against that, the Crown also needs to consider the relative prospectivity of the area.

In considering the submissions received on Consultation area 14GSC-R1, officials considered what is known about the sites for which protection is sought, and whether exclusion from the block offer (or another process) will best ensure protection while being mindful of the relative prospectivity of the area.

With regard to the majority of sites located within 14GSC-R1, officials believe the best way to balance these interests is to include important sites in the Block Offer and to then encourage and facilitate iwi and successful bidders to engage and find their own solutions for managing sites of local, cultural and historical significance.

Officials note that this is the point where many of the broader regulatory provisions relating to the protection of sites of local, cultural and historical significance outlined in Annex 3 will also apply to petroleum related exploration activity within this consultation area. These protections related in particular to the environmental impacts of petroleum related activity, including an oil spill.

The DOC Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations is a set of guidelines agreed to by DOC, the petroleum industry, iwi and NGOs for minimising the impacts of seismic surveying on marine mammals. It was first implemented in 2012 and has recently been reviewed ahead of the 2013/14 summer seismic season.

Seismic surveying is considered a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects — Permitted Activities) Regulations 2013, if operators follow the provisions of the Code in the exclusive economic zone (EEZ). In the territorial sea, the Code is voluntary, however almost all operators in New Zealand have signed up to the Code and all seismic surveying in 2012/13 was undertaken in accordance with it.

Officials also note the concerns from some submitters about the overlap between consultation area 14GSC-R1 and the Banks Peninsula Marine Mammal Sanctuary. The Marine Mammals Protection (Banks Peninsula Sanctuary) Amendment Notice 2008 allows the use of seismic surveying, though places restrictions on this activity to minimise the impact on marine
mammals within the sanctuary. There are no explicit restrictions of other forms of petroleum exploration activity.

Relevant Treaty Claims and Settlements

MBIE has consulted with OTS regarding Treaty claims and settlements that may have implications for the management of the petroleum estate.


OTS advises that Te Makati Whanau has applied for customary marine title through the High Court. The application area is the common marine and coastal area (CMCA) along the Catlins Coast between Flaxy Point in the north and Wallace Head in the south.

MBIE officials consider the granting of a petroleum permit in consultation area 14GSC-R1 will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

Recommendations

Officials recommend that offshore release area 14GSC-R1 be released as per the map below.
Annex One: List of groups consulted on the proposed Block Offer 2014

**Iwi/Hapū Authorities**

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<td>Aorangi Māori Trust Board</td>
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<td>Ātiawa ki Whakarongotai Charitable Trust</td>
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<td>Auckland Māori Statutory Board</td>
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Annex Two: List of submitters on the proposed Block Offer 2014

Iwi/Hapū Authorities

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Annex Three: Regulatory provisions relating to the protection of sites of local, cultural and historical significance

The government is committed to ensuring that sites of local, cultural (including wāhi tapu) and historical significance are protected from development where appropriate. There are several pieces of legislation that explicitly allow for such consideration and details of their provisions are set out below.

Crown Minerals Act 1991 (CMA)

Section 14(1)(b) of the CMA requires a minerals programme to set out or describe how the Minister and the chief executive will have regard to the principles of the Treaty of Waitangi for the purposes of the minerals programme. A new Minerals Programme for Petroleum (MPP) was issued to take effect from 24 May 2013, and consultation on consultation areas has been undertaken according to the requirements of the MPP.

In determining whether a request made by an iwi under section 14(1) (b) should be accepted, the Minister of Energy and Resources will take into account:

(a) what it is about the area that makes it important to the mana of iwi and hapū
(b) whether the area is a known wāhi tapu site
(c) the uniqueness of the area – for example, whether it is one of a number of mahinga (food gathering) areas or the only waka tauranga (landing place of ancestral canoes)
(d) whether the importance of the area to iwi and hapū has already been demonstrated – for example, by Treaty claims and settlements, and objections made by iwi and hapū under other legislation
(e) any Treaty claims that may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty
(f) any customary rights and/or interests granted under the Marine and Coastal Area (Takutai Moana) Act 2011
(g) any iwi management plans in place that specifically state that the area should be excluded from certain activities.

The evaluation also needs to consider the value of the potential resource (in other words, the prospectivity of the area) and whether exclusion may substantively restrict the Crown’s ability to manage its mineral assets. A valid consideration in this context is whether the extent of prospectivity is too uncertain to allow an estimate of the potential value of that area until exploration activity has occurred.

Furthermore, section 14(2)(c) of the Act provides that on the request of an iwi, a minerals programme may provide that defined areas of land of particular importance to its mana are excluded from the operation of the minerals programme or shall not be included in any permit.

The Minerals Programme for Petroleum 2013 (MPP) describes, in accordance with 14(2)(c) of the CMA, certain areas of land that are unavailable for permitting because of importance to Māori (refer to section 3.1 of the MPP). These consist of Mount Taranaki and the Pouakai, Pukeiti and Kaitake Ranges, and the Titī and Beneficial Islands.

Further, under Block Offer 2014, all land listed in Schedule 4 of the CMA will be excluded from petroleum exploration permits. Schedule 4 covers areas of particular natural significance and includes national parks and nature reserves.
The CMA also requires Tier 1 permit holders to attend an annual review meeting with the Chief Executive of the Ministry (though this will likely be delegated to senior NZP&M officials in practice) at the Chief Executive’s discretion to report annually on the engagement they have undertaken with iwi and hapū affected by their permit activities.

The purpose of the report is to encourage permit holders to engage with relevant iwi and hapū in a positive and constructive manner, and to enable NZP&M to monitor progress in this regard. Requiring an annual report on iwi and hapū engagement signals the government’s expectation that such engagement will take place without making such engagement mandatory.

The MPP encourages permit holders to consult with relevant iwi and hapū before submitting their iwi engagement report and, where appropriate, to include the views of consulted iwi and hapū.

It is worth noting that the annual report on engagement with relevant iwi and hapū will be one of the agenda items on the annual work programme review meetings between permit holders and NZP&M. NZP&M will take into account any comments received from iwi and hapū on a permit holder’s engagement with relevant iwi and hapū.

NZP&M may, as appropriate, discuss the outcome of the review of the permit holder’s iwi engagement report as part of NZP&M’s on-going discussions and liaison with iwi and hapū.

**Resource Management Act 1991 (RMA)**

The RMA is administered by local authorities, many of whom made submissions on Block Offer 2014. Resource consents will be required for most petroleum exploration and mining related activities in addition to permits under the CMA. The RMA provides the appropriate framework for affected communities to identify areas that may need to be protected, usually because of an area’s special significance. Attempting to manage local effects of activities through the CMA is unlikely to provide the best outcome as it is focussed on permit allocation and management.

The RMA requires all decision-makers to recognise and provide for a number of matters of national importance through regional and district plans and in consent decisions. Matters of national importance include the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development and the relationship of Māori to their ancestral lands and wāhi tapu. The RMA also requires all decision-makers to take into the principles of the Treaty of Waitangi and to have particular regard to kaitiakitanga. Regional and district plans can also protect taonga and wāhi tapu sites.

The rules contained in a plan set the framework for a council to follow in respect of applications for resource consent. Where an application is publicly notified, parties will have the opportunity to lodge submissions.

**Historic Places Act 1993 (HPA)**

Wāhi tapu sites and other sites of historical importance, such as pa sites, receive protection under the Historic Places Act 1993 (HPA). There are different forms of protection under this Act.

Archaeological sites must not be damaged, modified or destroyed without authority from the Historic Places Trust (section 10 of the HPA). Archaeological sites include places associated with human activity before 1900 or that may provide evidence relating to the history of New Zealand.

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6 Tier 1 includes all petroleum permits.
Zealand following archaeological investigation. This includes urupā sites pre-1900. Officials are advised that authority is not normally given to damage such sites.

Sites can also be registered with the Historic Places Trust (the Trust). Once they are registered they will generally be listed in district plans. The register contains a number of parts, including parts relating to wāhi tapu and wāhi tapu areas. Wāhi tapu areas may be proposed to the Māori Heritage Council, and this proposal will be publicly notified (section 32 of the HPA). Once an area has been registered the Trust may make recommendations to the consent authorities, which must then have regard to the Trust’s recommendations (section 32D of the HPA).

Sites may also be the subject of a heritage covenant that goes on the title to the land that cannot be lifted without the agreement of the landowner (section 6 of the HPA).

**Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act)**

The exclusive economic zone (EEZ) legislation establishes an environmental effects management regime beyond the 12 nautical mile limit, that is, outside the jurisdiction of the RMA.

Under this legislation, the EPA is responsible for managing marine consents which are required before certain kinds of exploration activity, including exploration drilling, can be undertaken. The EPA has the ability to assess the potential adverse environmental impacts of an activity and apply additional measures they see fit.

The EEZ Act provides that the EPA’s existing Māori Advisory Committee will advise the EPA so that decisions made under the Act may be informed by a Māori perspective. The EPA’s Māori Advisory Committee will be able to provide advice and assistance on matters relating to policy, process, and decisions under the EEZ legislation.

The EEZ Act also requires:

- the Minister for the Environment to establish and use a process that gives iwi adequate time and opportunity to comment on the subject matter of proposed regulations
- all persons performing functions and duties or exercising powers under the EEZ Act to have regard to existing interests to the extent that they are relevant. Existing interests include Treaty settlements and customary marine title and protected customary rights granted under the Marine and Coastal Area (Takutai Moana) Act 2011
- the EPA to notify iwi authorities, customary marine title groups, and protected customary rights groups directly, of consent applications that may affect them. In this way consultation, including with iwi, will be a feature of the consent decision-making processes.

The Environmental Protection Authority Act 2011 also provides the following opportunities for Māori involvement in the EPA:

- a dedicated position/s on the board to ensure at least one member has knowledge and experience relating to the Treaty and tikanga Māori (with the potential for the Minister for the Environment to appoint more than one member with these qualifications)
- a requirement for the board to collectively have knowledge of and experience related to the Treaty and tikanga Māori.
Land access arrangements

For any activity to occur, a permit holder requires a land access arrangement with the relevant land owner or occupier. In such cases, the land owner/occupier may negotiate terms and conditions they consider necessary to protect particular areas. If an access arrangement cannot be agreed upon the permit holder has the right, following a notification process, to have the terms and conditions of access determined by an arbitrator and on reasonable conditions.

Under section 55 of the CMA, some categories of land cannot be subject to arbitration. These include:

- any land held under the Conservation Act 1987 or any other Act specified in Schedule 1 of the Conservation Act 1987;
- land subject to an open space covenant in terms of the Queen Elizabeth the Second National Trust Act 1977;
- land subject to a covenant in terms of the Conservation Act 1987 or the Reserves Act 1977;
- land for the time being under crop;
- land used as, or situated within, 30 metres of a yard, stockyard, garden, orchard, vineyard, plant nursery, farm plantation, shelterbelt, airstrip, or indigenous forest;
- land which is the site of, or situated within, 30 metres of any building, cemetery, burial ground, waterworks, race, or dam;
- land having an area of 4.05 hectares or less

Discharge Management Plan (DMP)

Operators are required to plan what they would do if an oil spill occurs before they are able to commence drilling. MNZ places requirements on operators of offshore installations under Marine Protection Rules Part 200: Offshore Installations – Discharges. This includes the ability to require offshore installations to produce a Well Control Contingency Plan as part of their overall emergency response procedures for oil spills.

MNZ has also issued stricter guidelines to offshore operators on expected levels of oil spill preparedness and response capability. The new Well Control Contingency Plans, setting out how an operator would respond to a well blow-out, must be contained in their Discharge Management Plans (DMP).

Operators must receive approval from MNZ for a DMP before they can carry out any exploratory or production drilling. MNZ must be satisfied that an operator has in place the necessary measures, and have the necessary capability, to manage any event. In addition MNZ must be satisfied that a company has adequate financial resources to execute their DMP plans.
Part Two: Requests for amendments to, or exclusions of land from, the proposed Block Offer 2014 competitive tender

Section 2.4 of the Minerals Programme for Petroleum (MPP) 2013 states that iwi and hapū must be notified that they may, if they wish, request that certain areas within the consultation areas not be included in the Round.

Section 2.6 of the MPP requires that in considering such requests, the matters the Minister must cover include (but are not limited to):

(a) what it is about the area that makes it important to the mana of iwi and hapū

(b) whether the area is a known wāhi tapu site

(c) the uniqueness of the area – for example, whether it is one of a number of mahinga (food gathering) areas or the only waka tauranga (landing place of ancestral canoes)

(d) whether the importance of the area to iwi and hapū has already been demonstrated – for example, by Treaty claims and settlements, and objections made by iwi and hapū under other legislation

(e) any Treaty claims that may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty

(f) any customary rights and/or interests granted under the Marine and Coastal Area (Takutai Moana) Act 2011

(g) any iwi management plans in place that specifically state that the area should be excluded from certain activities.

What follows is a full consideration of these matters for each exclusion/amendment request received.

In addition, local authorities have also been consulted within the course of Block Offer 2014 in order to ensure a robust consultation process with stakeholders. Although officials are not legally required to consider requests for exclusions from local authorities, the CMA does provide for their consideration and these are therefore also considered below.

Submissions are presented in alphabetical order.
Auckland Council has requested that parts of the consultation areas that are located within 12 nautical miles of the coastline are excluded from consultation areas 14TAR-R1 and 14RNL-R1.

Reasons submitted for request

The submission notes that the consultation area overlaps with the known habitat of the Māui’s Dolphin, an endangered species with an estimated population of only 55. It also notes that Māui’s Dolphins range further than 6 nautical miles offshore (the current boundary of the consultation areas) out to around the 100m depth contour. The Council recognises there are issues with limiting activity to the 100m depth contour, most obvious being the administration of such a limit, and offers the 12nm limit as a compromise.

The amendment to the consultation areas is required to provide protection for the habitat of the Māui’s Dolphin.

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<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
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<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
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</table>
prospective petroleum basin.
The consultation area has reasonable 2D seismic coverage and historical data from the 1970’s and 1980’s.

Other relevant considerations
There are currently permits in the offshore Taranaki Basin that lie within the 12 nautical mile limit and within the habitat of the Māui’s dolphin.

Conclusion

1. Officials acknowledge the concerns raised by the Auckland Council in their submission.

2. There are already existing protections in place for the marine environment under the Resource Management Act 1991 in the territorial sea, and the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

3. Further, the 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations provides for minimisation and mitigation of the potential effects of seismic activity, associated with oil and gas exploration, on marine mammals.

4. There are currently permits within the area requested for exclusion. Officials thus do not consider that oil and gas activities are incompatible with the presence of marine mammals.

Recommendation

5. Having regard to the matters above, it is recommended that you do not amend consultation area 14TAR-R1 OR 14RNL-R1 as a result of the Auckland Council’s submission.
Submission: 2

Iwi/local authority: Buller District Council

Representative organisation/person: Garry Howard, Mayor

Date Received: 14 November 2013

Blocks Affected: 14WEC-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Buller District Council has requested that areas zoned Residential or Commercial in the Buller District Plan (BDP) be excluded, for the purposes of exploration drilling only, from Block Offer 2014.

Reasons submitted for request

The Buller District Council considers that well drilling is generally incompatible with the urban environment.

<table>
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<tr>
<th>Amendment to Consultation area 14WEC-R1</th>
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<td>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</td>
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<tr>
<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</td>
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</table>
The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

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<thead>
<tr>
<th>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</th>
<th>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues may also addressed under the provisions of the RMA.</th>
</tr>
</thead>
</table>

Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

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<tr>
<th>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</th>
<th>The provisions of the RMA will apply to petroleum-related activities being undertaken within 14WEC-R1. The Buller District Council, as the relevant local authority, issues resource consents within its district. The Buller District Council District Plan also provides for baseline environmental standards for the area as well. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and condition they consider necessary to protect particular areas.</th>
</tr>
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</table>

The size of area and value of the potential resource affected if the area is excluded

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<thead>
<tr>
<th>The size of area and value of the potential resource affected if the area is excluded</th>
<th>A small portion of consultation area 14WEC-R1 is sought for exclusion. 14WEC-R1 is considered relatively prospective for oil and gas as it features several shallow onshore structures. The region has attracted exploration interest since the early 1900s, and surface seeps indicate the existence of effective petroleum systems. While the area requested for exclusion by the Buller District Council is relatively small, officials do not consider that there is sufficient justification to exclude this area from the competitive block offer process, particularly given the prospectivity of the region and the risk of setting precedent.</th>
</tr>
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</table>

Other relevant considerations

<table>
<thead>
<tr>
<th>Other relevant considerations</th>
<th>No other relevant considerations have been identified by officials.</th>
</tr>
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</table>

Conclusion

1. Officials acknowledge the concerns raised by Buller District Council in their submission.
2. Under the provisions of the Resource Management Act (RMA) 1991, the Buller District Council has itself the ability to regulate petroleum related activities which occur with its district.
3. As a result, it is highly likely that the zoning status of affected land in the Buller District Council District Plan (including Residential, Business or Open Space Environment) would play a role in decisions around granting resource consents for activity such as exploratory drilling.
4. Officials also note that different stages of petroleum development can be non-invasive and it is thus not necessarily incompatible with urban environments.
5. Officials consider that given the high prospectivity of the block and current activity in the region, it is a better option to leave 14WEC-R1 as is stands to build up a better understanding the geology of the block. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases
the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.

6. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14WEC-R1, and have recommended amending the consultation area to reflect a more precise assessment of the likely distribution of conventional petroleum resource and the nominations received for this area.

Recommendation

7. Having regard to the matters above, it is recommended that you do not amend consultation area 14WEC-R1 as a result of the Buller District Council’s submission.

8. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of conventional petroleum resource and the nominations received for this area.
IN CONFIDENCE

Submission: 3
Iwi/local authority: Central Hawke’s Bay District Council
Representative organisation/person: John Freeman, Chief Executive
Date Received: 11 November 2013
Blocks Affected: 14ECT-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Central Hawkes Bay District Council has requested that no oil or gas permits should be given for areas of Central Hawke’s Bay that sit over the Ruataniwha plains.

Reasons submitted for request

The Council submits that the Ruataniwha basin contains a confined aquifer of very pure water. It is an area of significant primary production and is the area subject to the proposed Ruataniwha Water Storage Dam and Irrigation Distribution Network. They submit that any proposal to allow oil or gas exploration in the Ruataniwha plains would be politically unsustainable and could potentially jeopardise the water storage project.

### Amendment to Consultation area 14ECT-R1

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
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</thead>
<tbody>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
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<td>Whether the area is a known wāhi tapu site</td>
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<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
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<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
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<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be</td>
<td>N/A</td>
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<td><strong>excluded from certain activities</strong></td>
<td>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues may also addressed under the provisions of the RMA.</td>
</tr>
<tr>
<td><strong>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</strong></td>
<td>Under the provisions of the RMA, the Central Hawke’s Bay District Council, in conjunction with the Hawke’s Bay Regional Council, has the ability to regulate petroleum related activities that occur over the Ruataniwha plains. As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a key role in decisions around granting resource consents for any petroleum related exploratory activity.</td>
</tr>
<tr>
<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>Consultation area 14ECT-R1 covers a total of 3,142 km². Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. Numerous onshore structural closures have been mapped, with potential plays including inversion structures, fault-cored anticlines, stratigraphic pinch-outs, and shale-oil and shale-gas. More than 40 wells have been drilled onshore since 1955. Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.</td>
</tr>
<tr>
<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>With regard to the request for the exclusion of areas over the Ruataniwha Plains and other known aquifer systems, officials note that several specific requests of this nature have been received for 14ECT-R1.</td>
</tr>
<tr>
<td><strong>Other relevant considerations</strong></td>
<td>Conclusion</td>
</tr>
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</table>

1. Officials acknowledge the concerns raised by Central Hawke’s Bay District Council in their submission.

2. Officials note that under the provisions of the RMA, the Central Hawke’s Bay District Council has the ability to regulate petroleum related activities that occur within its district.

3. As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a role in decisions around granting resource consents for any petroleum related exploratory activity.

4. It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing.

5. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions...
they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

6. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource and the nominations received for this area. Officials believe that these changes will address the concerns of some submitters.

Recommendation

9. Having regard to the matters above, it is recommended that you do not amend consultation area 14ECT-R1 as a result of the submission from the Central Hawke’s Bay District Council

10. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of the petroleum resource and the nominations received for this area.
The Christchurch City Council requests that at a minimum, graticular sections in consultation area 14GSC-R1 that fall within the Banks Peninsula Marine Mammal Sanctuary are excluded. The Council further recommends that graticular sections immediately adjacent to those falling within the Banks Peninsula Marine Mammal Sanctuary are excluded.

Reasons submitted for request

The Council considers that the Banks Peninsula Marine Mammal Sanctuary, home to the endangered Hector’s Dolphin, should remain free of oil and gas exploration in order to preserve this environment’s valuable natural and community resources. The coastal areas of Banks Peninsula include a number of flora and fauna that are identified as species of concern in the Banks Peninsula District Plan, and the Council has concerns with regard to the effect an oil spill off the coast could have on these species.

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### Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities

| N/A |

### The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

| As the request refers only to an offshore consultation area, landowners status considerations are not applicable. |

### Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

| Officials consider that adequate marine environmental protection is already afforded to the area in question, by virtue of the Resource Management Act (RMA) 1991 in the territorial sea (out to 12 nautical miles from shore), and the Exclusive Economic Zone and Extended Continental Shelf (EEZ Act) 2013 in the Exclusive Economic Zone (from 12 to 200 nautical miles from shore).  

A key point of concern highlighted during submissions analysis is the effect of seismic surveying activity on marine mammals, particularly in the area of the Banks Peninsula Marine Mammal Sanctuary. The Marine Mammals Protection (Banks Peninsula Sanctuary) Amendment Notice 2008 allows the use of seismic surveying, though places restrictions on this activity to minimise the impact on marine mammals within the sanctuary. There are no explicit restrictions of other forms of petroleum exploration activity.  

Officials are confident that the Department of Conservation’s 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations (the Code) provides for adequate minimisation and mitigation measures. While the Code remains voluntary, all seismic surveying activity undertaken in the 2012/13 exploration season adhered to it. |

### The size of area and value of the potential resource affected if the area is excluded

| The Canterbury Basin is prospective for oil and gas as it shares many similarities with the productive Taranaki Basin. It has viable source rock in the Cretaceous and suitable reservoir and seal rocks at several stratigraphic intervals. Several offshore structures have been identified, and the commitment by Anadarko to drill the Carrack-Caravel well further strengthens confidence in the basin’s prospectivity. Five offshore wells were drilled between 1970 and 2006 in this basin.  

Two permits were awarded for the Great South-Canterbury Basins in Block Offer 2013. |

### Other relevant considerations

| With regard to the request for the exclusion of areas within the Banks Peninsula Marine Mammal Sanctuary, officials note that several specific requests of this nature have been |
Conclusion

1. Officials acknowledge the concerns raised by Christchurch City Council in their submission.

2. Given the prospectivity of the area in question and the basin more generally, officials consider that it is better to leave consultation area 14GSC-R1 as it stands in order to gain a better understanding of the geology of the basin.

3. Officials note that areas of consultation area 14GSC-R1 overlap the Banks Peninsula Marine Mammal Sanctuary, but consider that the protections for marine mammals already in place in this sanctuary would be adequate to ensure they are not adversely affected by exploration or production activity.

4. Officials further note that any activity in Banks Peninsula Marine Mammal Sanctuary would be subject to the requirements of the Marine Mammals Protection (Banks Peninsula Sanctuary) Amendment Notice 2008 allows the use of seismic surveying, though places restrictions on this activity to minimise the impact on marine mammals within the sanctuary.

5. Seismic surveying is also considered a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects — Permitted Activities) Regulations 2013, if operators follow the provisions of the Code in the exclusive economic zone (EEZ). In the territorial sea, the Code is voluntary, however almost all operators in New Zealand have signed up to the Code and all seismic surveying in 2012/13 was undertaken in accordance with it.

Recommendation

6. Having regard to the matters above, officials recommend that you do not amend consultation area 14GSC-R1 as a result of the submission from Christchurch City Council.
Environment Canterbury Regional Council (ECRC) suggests that graticular sections of the consultation area that fall within the Banks Peninsula Marine Mammal Sanctuary be excluded.

ECRC notes that this sanctuary was established to protect the habitats of birds including hoiho, the endangered yellow-eyed penguin, fur seals, and the endangered Hector’s Dolphin. The Hector’s Dolphin is listed by the IUCN as the rarest of marine dolphin species. The exclusion of activity in this sanctuary is thus important to protect the habitat of these species and preserve the natural environment.

ECRC further notes that in the 18 September 2013 information explaining the Block Offer, NZP&M advised that: ‘Areas listed in Schedule 4, World Heritage sites and Marine Reserves have been removed from all the proposed areas’. It considers that the overlap of 14GSC-R1 with the Banks Peninsula Marine Mammal Sanctuary is inconsistent with the intent of this exclusion provision.

### Amendment to 14GSC-R1

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<td><strong>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</strong></td>
<td>As the request refers only to an offshore consultation area, landowners status considerations are not applicable.</td>
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<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>Officials consider that adequate marine environmental protection is already afforded to the area in question, by virtue of the Resource Management Act (RMA) 1991 in the territorial sea (out to 12 nautical miles from shore), and the Exclusive Economic Zone and Extended Continental Shelf (EEZ Act) 2013 in the Exclusive Economic Zone (from 12 to 200 nautical miles from shore). A key point of concern highlighted during submissions analysis is the effect of seismic surveying activity on marine mammals. Officials are confident that the Department of Conservation’s 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations (the Code) provide for adequate minimisation and mitigation measures. While the Code remains voluntary, all seismic surveying activity undertaken in the 2012/13 exploration season adhered to it.</td>
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<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>A portion of consultation area 14GSC-R1 is requested for exclusion. The Canterbury Basin is prospective for oil and gas as it shares many similarities with the productive Taranaki Basin. It has viable source rock in the Cretaceous and suitable reservoir and seal rocks at several stratigraphic intervals. Several offshore structures have been identified, and the commitment by Anadarko to drill the Carrack-Caravel well further strengthens confidence in the basin’s prospectivity. Five offshore wells were drilled between 1970 and 2006 in this basin. Two permits were awarded for the Great South-Canterbury Basins in Block Offer 2013.</td>
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<tr>
<td><strong>Other relevant considerations</strong></td>
<td>With regard to the request for the exclusion of areas within the Banks Peninsula Marine Mammal Sanctuary, officials note that several specific requests of this nature have been received for 14GSC-R1.</td>
</tr>
</tbody>
</table>

**Conclusion**

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT
REPORT ON CONSULTATION IN RELATION TO PROPOSED BLOCK OFFER 2014 75
1. Officials acknowledge the concerns raised by Environment Canterbury Regional Council in their submission.

2. Given the prospectivity of the area in question and the basin more generally, officials consider that it is better to leave consultation area 14GSC-R1 as it stands in order to gain a better understanding of the geology of the basin.

3. Officials note that areas of consultation area 14GSC-R1 overlap the Banks Peninsula Marine Mammal Sanctuary, but consider that the protections for marine mammals already in place in this sanctuary would be adequate to ensure they are not adversely affected by exploration or production activity.

4. Officials further note that any activity in Banks Peninsula Marine Mammal Sanctuary would be subject to the requirements of the Marine Mammals Protection (Banks Peninsula Sanctuary) Amendment Notice 2008 allows the use of seismic surveying, though places restrictions on this activity to minimise the impact on marine mammals within the sanctuary.

5. Seismic surveying is also considered a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects — Permitted Activities) Regulations 2013, if operators follow the provisions of the Code in the exclusive economic zone (EEZ). In the territorial sea, the Code is voluntary, however almost all operators in New Zealand have signed up to the Code and all seismic surveying in 2012/13 was undertaken in accordance with it.

Recommendation

6. Having regard to the matters above, officials recommend that you do not amend consultation area 14GSC-R1 as a result of the submission from Environment Canterbury.
Hawke’s Bay Regional Council (HBRC), as previously in relation to earlier Block Offers, requests that no offer be made across the region’s productive aquifers. HBRC requests that the following areas be excluded:

- Ruataniwha Plains aquifer system
- Other known productive aquifer systems.

Reasons submitted for request

HBRC considers that these aquifers warrant a more precautionary approach due to the increased risk based on the consequences of environmental damage to these systems, particularly given the value placed on, and derived from, these important productive aquifer systems.

It is noted that the Heretaunga Plains aquifer system is not included in the consultation areas for block offer 2014, and HBRC requests that this exclusion be maintained.

<table>
<thead>
<tr>
<th>Amendments to 14ECT-R1</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Considerations</strong></td>
<td><strong>Analysis</strong></td>
</tr>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
<td>N/A</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
<td>N/A</td>
</tr>
<tr>
<td>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>of grievances under the Treaty</td>
<td>N/A</td>
</tr>
<tr>
<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</td>
<td>N/A</td>
</tr>
<tr>
<td>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</td>
<td>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues may also addressed under the provisions of the RMA.</td>
</tr>
<tr>
<td>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</td>
<td>Under the provisions of the RMA, the Hawke’s Bay Regional Council themselves have the ability to regulate petroleum related activities that occur within its district. As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a key role in decisions around granting resource consents for any petroleum related exploratory activity.</td>
</tr>
<tr>
<td>The size of area and value of the potential resource affected if the area is excluded</td>
<td>Consultation area 14ECT-R1 covers a total of 3,142 km². Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. Numerous onshore structural closures have been mapped, with potential plays included inversion structures, fault-cored anticlines, stratigraphic pinch-outs, and shale-oil and shale-gas. More than 40 wells have been drilled onshore since 1955. Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.</td>
</tr>
<tr>
<td>Other relevant considerations</td>
<td>With regard to the request for the exclusion of areas over the Ruataniwha Plains and other known aquifer systems, officials note that several specific requests of this nature have been received for 14ECT-R1.</td>
</tr>
</tbody>
</table>

Conclusion

1. Officials acknowledge the concerns raised by Hawke’s Bay Regional Council in their submission.

2. Officials note that under the provisions of the RMA, the Hawke’s Bay Regional Council has the ability to regulate petroleum related activities that occur within its district.

3. As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a role in decisions around granting resource consents for any petroleum related exploratory activity.

4. It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in
many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing.

5. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

11. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource and the nominations received for this area. Officials consider that this change will help address the concern of some submitters.

Recommendation

12. Having regard to the matters above, it is recommended that you do not amend consultation area 14ECT-R1 as a result of the submission from the Hawke’s Bay Regional Council.

13. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of the petroleum resource and the nominations received for this area.
Kahungunu ki Tāmaki nui-ā-rua requests that specific areas and resources be excluded from 14ECT-R1, including significant indigenous forests, major rivers, lakes and aquifer systems.

Kahungunu ki Tāmaki nui-ā-rua further requests the exclusion of 14PEG-R1 (in its entirety) from the block offer at this time.

Reasons submitted for request

With regard to 14PEG-R1, Kahungunu ki Tāmaki nui-ā-rua considers that oil and gas exploration in the Pegasus Basin poses significant risks to marine species, potential disruption to their life cycle processes, migratory patterns and pathways, and to kaimoana resources, such resources being unique to Aotearoa and major taonga to its people.

### Amendments to 14ECT-R1 and 14PEG-R1

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is it about the area that makes it important to the mana of iwi and hapū</strong></td>
<td>Both of the consultation areas submitted on by Kahungunu ki Tāmaki nui-ā-rua are within its rohe, and activity in these areas thus has the capacity to affect its interests.</td>
</tr>
<tr>
<td><strong>Whether the area is a known wāhi tapu site</strong></td>
<td>Kahungunu ki Tāmaki nui-ā-rua does not identify any specific wāhi tapu sites within consultation area 14ECT-R1. A major concern raised in this submission is gaining “sufficient allowance” for the identification and protection of wāhi tapu sites.</td>
</tr>
<tr>
<td><strong>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
<td>Kahungunu ki Tāmaki nui-ā-rua do not identify any specific unique characteristics in their submission on 14ECT-R1 and 14PEG-R1. They note that the risks of exploration may disrupt the kaimoana resources in the area, particularly in the event of an oil spill event.</td>
</tr>
<tr>
<td><strong>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</strong></td>
<td>Kahungunu ki Tāmaki nui-ā-rua do not identify any specific importance or protection pieces of legislation in their submission. Kahungunu ki Tāmaki nui-ā-rua are to commence negotiations with the Crown in 2014, working towards an Agreement In Principle. At this stage the iwi have indicated they are likely to seek a Crown Minerals Protocol as part of</td>
</tr>
</tbody>
</table>
Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty

Kahungunu ki Tāmaki nui-ā-rua do not identify any specific claims in their submission. They are claimants in the WAI 796 and WAI 852 claims. However under the Petroleum Act 1937, petroleum was declared to be property of the Crown for the benefit of all New Zealanders and is therefore not available for any redress of grievances under the Treaty.

The Office of Treaty Settlements advises that “it is possible that 14ECT-R1 may include Crown or Council land that may eventually be vested in the iwi as part of their Treaty settlement”.

Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty.

The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities

Kahungunu ki Tāmaki nui-ā-rua seek acknowledgement of their iwi and hapu management Plans. These plans are not appended as a part of their submission.

The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

Kahungunu ki Tāmaki nui-ā-rua have not specified any particular areas in the consultation area that require special protection.

With regard to 14ECT-R1, as far as it is practicable to assess, the consultation area does not belong to one of the special classes on land. Any outstanding access issues can be addressed under the provisions of the Resource Management Act 1991 (RMA).

With regard to 14PEG-R1, as the request refers to an offshore consultation area, landowner status considerations are not applicable.

Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process.

Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA.
<table>
<thead>
<tr>
<th><strong>The size of area and value of the potential resource affected if the area is excluded</strong></th>
<th>within the territorial sea and the EEZ Act in the Exclusive Economic Zone.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. Numerous onshore structural closures have been mapped, with potential plays included inversion structures, fault-cored anticlines, stratigraphic pinch-outs, and shale-oil and shale-gas. More than 40 wells have been drilled onshore since 1955.</td>
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<tr>
<td></td>
<td>Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.</td>
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<td></td>
<td>With regard to 14PEG-R1: The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise. The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.</td>
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<td><strong>Other relevant considerations</strong></td>
<td>With regard to the request for the exclusion of areas over the Ruataniwha Plains and other known aquifer systems, officials note that several specific requests of this nature have been received for 14ECT-R1.</td>
</tr>
</tbody>
</table>

**Conclusion**

1. Officials acknowledge the concerns raised by Kahungunu ki Tāmaki nui-ā-rua in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. During the submissions analysis process, officials have also considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource. Officials consider that this change will help address the concern of some submitters.

4. Officials note that under the provisions of the RMA the relevant local authority has the ability to regulate petroleum-related activities within its district.

5. As a result, it is highly likely that the zoning status of affected land and the presence of significant aquifers and other areas would play a role in decisions around granting resource consents for any petroleum related exploratory activity.
6. It is important to note that the actual activity undertaken by an operator is typically much smaller than the area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing.

7. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

8. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource and the nominations received for this area.

9. With regard to the request for exclusion of the Pegasus Basin (14PEG-R1) from oil and gas exploration, officials consider that there is insufficient cause to make such an exclusion of such significant scope at this time. There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

10. Officials therefore believe that, given the high prospectivity of the consultation area, it is a better option to leave 14PEG-R1 as is stands to build up a better understanding of the geology of the consultation area. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.


Recommendation

12. Having regard to the matters above, it is recommended that you do not amend consultation area 14ECT-R1 or 14PEG-R1 as a result of the submission from Kahungunu ki Tāmaki nui-ā-rua.

13. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of the petroleum resource and the nominations received for this area.
IN CONFIDENCE

Submission: 8
Iwi/local authority: Kahungunu ki Wairarapa
Representative organisation/person: Rawiri Smith
Date Received: 13 November
Blocks Affected: 14PEG-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Kahungunu ki Wairarapa requests the exclusion of the Hikurangi Trench, and a buffer zone of two kilometres from the Wairarapa Eddy and the Hikurangi Eddy, including their moving dimensions.

Reasons submitted for request

With regard to the Hikurangi Trench, Kahungunu ki Wairarapa notes that this was the traditional path of Kupe’s migration from Hawaiki as he chased after the wheke to Rangiwhakaoma. It is also the pathway longfin eel, a threatened species, takes to New Zealand. The current in this trench brings fish into the customary offshore fishery, which in turn feeds into the customary inshore fishery.

With regard to the Hikurangi and Wairarapa Eddies, Kahungunu ki Wairarapa note that these benefit their fisheries and that the potential environmental effects of oil and gas exploration may jeopardise this.

<table>
<thead>
<tr>
<th>Amendments to 14PEG-R1</th>
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</tr>
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<tbody>
<tr>
<td><strong>Considerations</strong></td>
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</tr>
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<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>Kahungunu ki Wairarapa notes that the Hikurangi Trench was the traditional path of Kupe’s migration from Hawaiki as he chased after the wheke to Rangiwhakaoma. It is also the pathway longfin eel, a threatened species, takes to New Zealand. The current in this trench brings fish into the customary offshore fishery, which in turn feeds into the customary inshore fishery. It is also identified as a kaitiaki for the Wairarapa. With regard to the Hikurangi and Wairarapa Eddies, Kahungunu ki Wairarapa note that these benefit their fisheries.</td>
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<td>Whether the area is a known wāhi tapu site</td>
<td>As far as it is practicable to assess, the area is not a specifically identified wāhi tapu site.</td>
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<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>Kahungunu ki Wairarapa asserts that the Hikurangi Trench is unique in that it is host to significant biodiversity, including whales (whekerere) and giant squid. It is also considered culturally unique in that it brought Kupe to Aotearoa. According to Kahungunu ki Wairarapa, a pair of eddies in New Zealand waters the size of the Wairarapa and Hikurangi eddies seems unique.</td>
</tr>
<tr>
<td>Whether the importance of the area to iwi and hapū has</td>
<td>Kahungunu ki Wairarapa do not identify any specific relevant Treaty claims, settlements or objections under</td>
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</table>
### IN CONFIDENCE

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
<td>Other legislation.</td>
</tr>
<tr>
<td><strong>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</strong></td>
<td>Kahungunu ki Wairarapa do not identify any specific relevant Treaty claims, settlements or objections under other legislation. Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty. The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.</td>
</tr>
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<td><strong>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</strong></td>
<td>No iwi management plans have been identified.</td>
</tr>
<tr>
<td><strong>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</strong></td>
<td>As the request refers only to an offshore consultation area, landowners status considerations are not applicable.</td>
</tr>
<tr>
<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>Officials consider that marine environmental protection is already afforded to the area in question, by virtue of the Resource Management Act (RMA) 1991 in the territorial sea (out to 12 nautical miles from shore), and the Exclusive Economic Zone and Extended Continental Shelf (EEZ Act) 2013 in the Exclusive Economic Zone (from 12 to 200 nautical miles from shore). Officials are confident that the Department of Conservation’s 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations (the Code) ensures adequate minimisation and mitigation measures. While the Code remains voluntary, all seismic surveying activity undertaken in the 2012/13 exploration season adhered to it.</td>
</tr>
<tr>
<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>Block 14PEG-R1 is located off the south-east of the North Island, stretching from south-east of Napier to the north, to the upper east coast of the South Island. It covers a total of 75,136 km². The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence</td>
</tr>
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</table>
clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise. The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.

| Other relevant considerations | Officials have not identified any other relevant considerations. |

**Conclusion**

1. Officials acknowledge the concerns raised by Kahungunu ki Wairarapa in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials consider that there is insufficient cause to make such an exclusion of such significant scope at this time. There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

4. Officials therefore believe that, given the high prospectivity of the consultation area, it is a better option to leave 14PEG-R1 as is stands to build up a better understanding of the geology of the consultation area. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.


**Recommendation**

6. Having regard to the matters above, officials recommend that you do not amend consultation area 14PEG-R1 as a result of the submission from Kahungunu ki Wairarapa.
Maungaharuru Tangitū requests the exclusion of the entire Pegasus-East Coast Basin.

Reasons submitted for request

Maungaharuru Tangitū notes that the Pegasus-East Coast Basin incorporates most of Fisheries Management Area 2 (FMA 2), and is concerned about the negative impacts of exploration activities, particularly exploration drilling, on important reef and ecological systems within FMA 2. The well-being (health and abundance) of the fisheries in its takiwā from both a customary and a commercial perspective is dependent on the well-being of the environment in the remainder of FMA 2.

<table>
<thead>
<tr>
<th>Exclusion of 14PEG-R1</th>
<th>Analysis</th>
</tr>
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<tbody>
<tr>
<td><strong>What is it about the area that makes it important to the mana of iwi and hapū</strong></td>
<td>The rocks and reefs along the coastline (identified in the Statements of Association) are integral to the distinct identity and mana of the Hapū. The sea is the source of food for the Hapu in the summer. The Coastal Marine Area was traditionally a vital food source, as well as a source for other resources such as driftwood, pumice and bull kelp. The importance of the area is set out in the spiritual, cultural, and historical importance sections of the Statements of Association that are part of the Deed of Settlement.</td>
</tr>
<tr>
<td><strong>Whether the area is a known wāhi tapu site</strong></td>
<td>The submission does not state explicitly whether or not the area is a known wahi tapu site, or contains known wāhi tapu sites. Maungaharuru-Tangitū Trust submits that there is a lack of resources available to identify wahi tapu, and that ‘the principle of active management should prompt the Crown to provide resources for doing that important work’.</td>
</tr>
<tr>
<td><strong>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
<td>The Coastal Area is identified through the Statements of Association as having significant mahinga kai. These are identified in the Statements of Association.</td>
</tr>
<tr>
<td><strong>Whether the importance of the area to iwi and hapū has</strong></td>
<td>The Deed of Settlement was signed on 25 May 2013. This includes statements of association for the rocks and reefs</td>
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</table>
already been demonstrated, for example by Treaty claims and settlements and objections under other legislation  

| **IN CONFIDENCE** |
|----------------------------------|----------------------------------|
| **along the coastline – noting the spiritual, historical, and cultural importance.** |
| **Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty** |
| The Deed of Settlement with the governance entity was signed on 25 May 2013; indicating redress and grievance matters have been resolved. |
| Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty. |
| The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty. |
| **Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities** |
| The submission does not identify or cite an iwi management plan. |
| **The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area** |
| As the request refers only to an offshore consultation area, landowners status considerations are not applicable. |
| **Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993** |
| Maungaharuru-Tangitū Trust has not specified any particular areas within the consultation area that require specific protection. As a result, although it is likely that the area requested for exclusion is protected by other legislation, it is not practicable to assess the extent or effect of any such protection. |
| However, historically and culturally significant sites across the region have significant levels of protection through instruments under the Resource Management Act 1991. |
| For Consultation area 14PEG-R1, the regulation of potential adverse effects beyond the 12 nautical mile limit is regulated under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Regulations 2013, under the Maritime Transport Act 1994, which regulates spill management, and through the safety case administered by the High Hazards Unit within WorkSafe NZ. |
| **The size of area and value of the potential resource affected if the area is excluded** |
| The Pegasus-East Coast Basin area of consultation covers 75,136.03 km² in total. |
| More than 40 wells have been drilled since 1955, all of |

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which are located in the East Coast Basin. Although only three of these wells are located offshore — the most recent being drilled in 2007 — all encountered significant gas shows. The Pegasus basin remains untested, with the first permit only being awarded in late 2012.

Maungaharuru-Tangitū Trust submits that it will be making an application for Customary Marine Title and Protected Customary Rights under the Marine and Coastal Areas (Takutai Moana) Act 2011, and consider that its rights should not be ‘prejudiced, undermined, or compromised as a result of the exploration permits or any other activity’ before the application has been determined.

Section 16 of the Marine and Coastal Areas (Takutai Moana) Act 2011 notes the continued Crown ownership of minerals. The Maungaharuru-Tangitū Trust application therefore will not be affected by the inclusion of 14PEG-R1 in Block Offer 2014.

Conclusion

1. Officials acknowledge the objections Maungaharuru Tangitū make to oil exploration activities and their concerns about its potential impacts on customary and commercial fishery interests in the area. While officials respect that this is their position, they do not consider that this is a sufficiently detailed basis to exclude particular areas from any particular block or blocks.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Maungaharuru Tangitū has not identified any specific important sites within the consultation area that require protection and it is not therefore practicable to assess these areas to determine the extent or effect of any existing statutory protections. However, the provisions of the RMA and EEZ Act will apply.

4. Officials note that there are already significant areas within Fisheries Management Areas under permit, in which exploration and production activities are being undertaken. Given the significant level of legislative protection by virtue of the EEZ Act and RMA, with subsequent minimisation of risks to the environment, officials do not consider that petroleum-related activities are incompatible with fishing interests.

Recommendation

5. Having regard to the matters above, officials recommend that you do not exclude consultation area 14PEG-R1 from Block Offer 2014 as a result of the submission from Maungaharuru Tangitū.
New Plymouth District Council requests the exclusion from Block Offer 2014, for the purposes of exploratory drilling only, the urban areas of Inglewood, Ōākura and Ōkato and their associated Future Urban Growth Areas.

Reasons submitted for request

Notwithstanding that these urban areas have baseline environmental standards applied by virtue of the various applicable policies and rules in the New Plymouth District Plan, it is considered that well drilling is generally incompatible within the urban environment and for this reason these urban areas should be excluded from the Block Offer. The Council’s request relates to exploration drilling only, and does not include non-invasive exploration techniques such as the aerial acquisition of magnetic data and ground-based seismic testing which are considered to be acceptable over the areas in question.

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Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities | N/A

The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area | As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues may also addressed under the provisions of the RMA.

Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993 | The provisions of the RMA will apply to petroleum-related activities being undertaken within 14TAR-R2. The New Plymouth District Council, as the relevant local authority, issues resource consents within its district. The New Plymouth District Council District Plan also provides for baseline environmental standards for the area as well.

In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and condition they consider necessary to protect particular areas.

The size of area and value of the potential resource affected if the area is excluded | Consultation area 14TAR-R2 is requested to be amended.

14TAR-R2 is prospective for oil and gas as it contains many inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate) among others. Taranaki is New Zealand’s only commercial producing basin to date.

Other relevant considerations | Officials have not identified any other relevant considerations.

Conclusion

1. Officials acknowledge the concerns raised by New Plymouth District Council in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Under the provisions of the RMA, the New Plymouth District Council has itself the ability to regulate petroleum-related activities which occur within its district. As a result, it is highly likely that the zoning status of affected land in the New Plymouth District Council’s District Plan (including Residential, Commercial or Open Space Environment) would play a key role in decisions around granting resource consents for activity such as exploration drilling.
4. Officials also note that different stages of petroleum development can be non-invasive and is not necessarily incompatible with urban environments. The New Plymouth District Council notes they have no concerns with non-drilling related activities.

5. Officials therefore believe that given the high prospectivity of the consultation area, it is a better option to leave 14TAR1 as is stands to build up a better understanding the geology of the consultation area. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.

6. It is also worth noting that classification as Future Urban Development land in the New Plymouth District Plan indicates development within the next 20 years. Onshore petroleum exploration permits for Taranaki are granted for 10 years, so it is quite possible that all petroleum exploration activities could be completed on land zoned in this way before it is developed for residential use.

Recommendation

7. Having regard to the above matters, it is recommended that you do not amend consultation area 14TAR-R2 as a result of the New Plymouth District Council’s submission.
IN CONFIDENCE

Submission: 11
Iwi/local authority: Nga Hapū o Niu Tireni
Representative organisation/person: Catherine Pioletti
Date Received: 4 November 2013
Blocks Affected: 14TAR-R1, 14NCD-R1, 14RNL-R1, 14PEG-R1, and 14GSC-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Nga Hapū o Niu Tireni requests that all oil and gas activity in New Zealand waters be excluded.

Reasons submitted for request

Nga Hapū Niu Tireni claims first possession of all environmental, biodiversity, fish, marine and other stocks and natural resources by way of being part of the Treaty of Waitangi (Te Tiriti o Waitangi). It considers that, based on current information, the technology, expertise and resource capacity is inadequate to deal with an oil spill in New Zealand waters and this subjects New Zealand's coastal and marine areas to undue risk.

Exclusion of 14TAR-R1, 14NCD-R1, 14RNL-R1, 14PEG-R1, 14GSC-R1

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<td>Nga Hapū o Niu Tireni do not identify any individual areas within their rohe of particular important or uniqueness (whether known wāhi tapu or otherwise).&lt;br&gt;The submission notes that the entirety of New Zealand is important to the mana of iwi and hapū as it represents significant historical, cultural and environmental value.</td>
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<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>Nga Hapū o Niu Tireni does not identify any specific unique sites.&lt;br&gt;The submission notes that the entirety of New Zealand is important to the mana of iwi and hapū as it represents significant historical, cultural and environmental value.</td>
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<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
<td>Nga Hapū o Niu Tireni does not identify any specific relevant Treaty claims, settlements or objections under other legislation.&lt;br&gt;The submission asserts that the Crown’s minerals programme constitutes a violation of the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).</td>
</tr>
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</table>
| Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty | Nga Hapū o Niu Tireni does not identify any specific relevant Treaty claims, settlements or objections under other legislation.<br>Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders.
and is therefore not available for redress of grievances under the Treaty.

The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

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<td>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</td>
<td>As the request refers only to an offshore consultation area, landowners status considerations are not applicable.</td>
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<td>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</td>
<td>There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.</td>
</tr>
<tr>
<td>The size of area and value of the potential resource affected if the area is excluded</td>
<td>The entirety of all five offshore consultation areas is requested to be excluded. The offshore consultation areas comprise a total of 418,523 km². The consultation areas constitute a mix of well-explored, highly prospective areas in the Taranaki Basin, and prospective frontier basins where little or no significant exploration has occurred in the past. These areas have been selected based on geological prospectivity and commercial interest.</td>
</tr>
<tr>
<td>Other relevant considerations</td>
<td>Nga Hapū o Niu Tireni was not approached by the Ministry of Business, Innovation and Employment for consultation.</td>
</tr>
</tbody>
</table>

**Conclusion**

1. Officials acknowledge the objections Nga Hapū o Niu Tireni makes to oil and mineral exploration in their area of interest. While officials respect that this is their position, they do not consider that this is a sufficiently detailed basis to exclude the entirety of the offshore consultation areas.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative
protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Given the prospectivity of the consultation areas, commercial interest, and existing permits, officials consider that it is better to leave the offshore consultation areas as they stand in order to build up a better understanding of the geology of the frontier basins and to allow more development of the Taranaki Basin.

4. There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

5. Nga Hapū o Niu Tireni disputes Crown ownership of New Zealand’s petroleum resources. Under the Petroleum Act 1937 petroleum was declared to be property of the Crown and is therefore not available for redress for grievances under the Treaty. In addition, the granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA).

6. However, the government does acknowledge the important role that iwi and hapū have regarding the natural resources in their rohe. This is why NZP&M is working to strengthen engagement between iwi/hapū and petroleum companies working in their rohe. This is reflected in the requirement under the CMA which requires operators to produce annual iwi engagement reports (see Annex 3 for more information).

Recommendation

7. Having regard to the matters above, officials recommend that you do not amend consultation areas 14TAR-R1, 14NCD-R1, 14RNL-R1, 14PEG-R1, or 14GSC-R1 from Block Offer 2014 as a result of the submission from Nga Hapū o Niu Tireni.
Ngai Tūmāpūhia a Rangi Māori Marae Committee (Ngāi Tūmāpūhia a Rangi) requests the exclusion of the Hikurangi Trench, and a buffer zone of two kilometres from the Wairarapa Eddy and the Hikurangi Eddy, including their moving dimensions.

Reasons submitted for request

With regard to the Hikurangi Trench, Ngai Tūmāpūhia a Rangi notes that this was the traditional path of Kupe’s migration from Hawaiki as he chased after the wheke to Rangiwhakaoma. It is also the pathway long fin eel, a threatened species, takes to New Zealand. The current in this trench brings fish into the customary offshore fishery, which in turn feeds into the customary inshore fishery.

With regard to the Hikurangi and Wairarapa Eddies, Ngai Tūmāpūhia a Rangi notes that these benefit its fisheries. Whether the area is a known wāhi tapu site

No.

The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)

Ngāi Tūmāpūhia a Rangi asserts that the Hikurangi Trench is unique in that it is host to significant biodiversity, including whales (whekerere) and giant squid. It is also considered culturally unique in that it brought Kupe to Aotearoa.

According to Ngāi Tūmāpūhia a Rangi, a pair of eddies in New Zealand waters the size of the Wairarapa and Hikurangi eddies seems unique.

Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and other legislation

Ngāi Tūmāpūhia a Rangi does not identify any specific relevant Treaty claims, settlements or objections under other legislation.

<table>
<thead>
<tr>
<th>Amendments to 14PEG-R1</th>
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<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>Nga Tūmāpūhia a Rangi notes that the Hikurangi Trench was the traditional path of Kupe’s migration from Hawaiki as he chased after the wheke to Rangiwhakaoma. It is also the pathway long fin eel, a threatened species, takes to New Zealand. The current in this trench brings fish into the customary offshore fishery, which in turn feeds into the customary inshore fishery. It is also identified as a kaitiaki for the Wairarapa. With regard to the Hikurangi and Wairarapa Eddies, Ngāi Tūmāpūhia a Rangi notes that these benefit their fisheries.</td>
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<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>Officials consider that marine environmental protection is already afforded to the area in question, by virtue of the Resource Management Act (RMA) 1991 in the territorial sea (out to 12 nautical miles from shore), and the Exclusive Economic Zone and Extended Continental Shelf (EEZ Act) 2013 in the Exclusive Economic Zone (from 12 to 200 nautical miles from shore). Officials are confident that the Department of Conservation’s 2013 Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations (the Code) ensures adequate minimisation and mitigation measures. While the Code remains voluntary, all seismic surveying activity undertaken in the 2012/13 exploration season adhered to it.</td>
</tr>
<tr>
<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>Block 14PEG-R1 is located off the south-east of the North Island, stretching from south-east of Napier to the north, to the upper east coast of the South Island. It covers a total of 75,136 km². The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north</td>
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</table>
The slope of the Chatham Rise. The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.

**Other relevant considerations**

Officials have not identified any other relevant considerations.

### Conclusion

1. Officials acknowledge the concerns raised by Ngāi Tūmāpūhia a Rangi Māori Marae Committee in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials consider that there is insufficient cause to make such an exclusion of such significant scope at this time. There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

4. Officials therefore believe that, given the high prospectivity of the consultation area, it is a better option to leave 14PEG-R1 as is stands to build up a better understanding of the geology of the consultation area. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.


### Recommendation

6. Having regard to the matters above, officials recommend that you do not amend consultation area 14PEG-R1 as a result of the submission from Ngāi Tūmāpūhia a Rangi Māori Marae Committee.
Otago Regional Council (ORC) requests that the 14GSC-R1 consultation area be amended to exclude all areas within 12 nautical miles of shore. This is a small area adjacent to the Waitaki River mouth.

Reasons submitted for request

While the ORC does not have any planning restriction on petroleum exploration activities specifically, it would prefer that exploration is limited to beyond the extent of Otago's territorial sea area.

### Amendments to 14GSC-R1

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The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

As the request refers only to an offshore consultation area, landowners status considerations are not applicable.

Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

RMA provisions apply to activities undertaken within the territorial sea. Officials consider that the RMA sufficiently provides for baseline environmental protections and consideration of activities by the relevant local authority prior to activity being undertaken.

Provisions of the EEZ Act will apply to activities undertaken beyond 12 nautical miles in the Exclusive Economic Zone. This ensures that sufficient environmental protections will be in place to prevent and minimise any potential adverse effects of oil and gas activity.

The size of area and value of the potential resource affected if the area is excluded

Block 14GSC-R1 is located off the lower east coast of the South Island, to the east and south-east of Timaru and Ōamaru. It covers a total of 154,293.88 km².

The Canterbury Basin is prospective for oil and gas as it shares many similarities with the productive Taranaki Basin. It has viable source rock in the Cretaceous and suitable reservoir and seal rocks at several stratigraphic intervals. Several offshore structures have been identified, and the commitment by Anadarko to drill the Carrack-Caravel well further strengthens confidence in the basin’s prospectivity. Five offshore wells were drilled between 1970 and 2006.

The Great South Basin is prospective for oil and gas as it features a thick sedimentary sequence, a range of source and reservoir facies, a sub-commercial discovery and a proven petroleum system. There are numerous undrilled structures with targets of Cretaceous, Paleogene and Neogene ages.

Other relevant considerations

Officials have no identified any other relevant considerations.

Conclusion

1. Officials acknowledge the concerns raised by Otago Regional Council.

2. There are already existing protections in place for the marine environment under the RMA in the territorial sea, and the EEZ Act in the Exclusive Economic Zone. Officials consider that these legislative instruments ensure effective protection of the environment from the potential effects of oil and gas activity.

3. Officials therefore believe that, given the high prospectivity of the consultation area, it is a better option to leave 14GSC-R1 as is stands in order to build up a better understanding of the geology of the consultation area. The actual activity undertaken by an operator or
operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.

Recommendation

4. Having regard to the matters above, officials recommend that you do not amend consultation area 14GSC-R1 from Block Offer 2014 as a result of the submission from Otago Regional Council.
Submission: 14

Iwi/local authority: Palmerston North City Council

Representative organisation/person: Paddy Clifford, Chief Executive

Date Received: 7 November 2013

Blocks Affected: 14ECT-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Palmerston North City Council (PNCC) requests the following exclusions from block offer 2014:

- Land within Ashurst Village;
- The Manawatū River and the mouth of Manawatū Gorge;
- The full extent of the Tararua Ranges, and the adjoining rural residential foothills area of the Kahuterawa Valley;
- The Manawatū Gorge, the Arupuke Forest Park and the Woodpecker Forests;
- It is recommended that the portion of 14ECT-R1 located within the City's territorial area be excluded from future Government Block Offer tender processes.

Reasons submitted for request

PNCC submit the following reasons for these exclusion requests:

- Ashurst Village is a residential lifestyle option and is thus considered incompatible with petroleum exploration activities;
- The Manawatū River and mouth of Manawatū Gorge are considered to have highly significant cultural heritage values, outstanding landscape and environmental qualities and immense values for active and passive recreation and aquatic leisure pursuits;
- The Tararua Ranges contain highly sensitive sites, including the Turitea Reserve, which functions as a water catchment area providing approximately 60% of the City’s water supply. PNCC notes that NZP&M has a statutory responsibility under the Health (Drinking Water) Amendment Act 2007 to take reasonable steps to protect a source of drinking water and to protect all aspects of the drinking water from pollution.
- Exclusion requests for the Manawatū Gorge, Arupuke Forest Park and the Woodpecker Forests are intended to protect the ‘Skyline of the Tararua Ranges’.
- The portion of 14ECT-R1 located within the City’s territorial area is considered to be of low prospectivity, based on advice from NZP&M officials.

Amendments to 14ECT-R1

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<td>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues can be addressed under the provisions of the Resource Management Act 1991 (RMA).</td>
</tr>
<tr>
<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>The provisions of the RMA will apply to petroleum related activities being undertaken within consultation area 14ECT-R1. In addition, permit holders are required to negotiate land access arrangement with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas</td>
</tr>
<tr>
<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>Consultation area 14ECT-R1 covers a total of 3,142 km2. Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. Numerous onshore structural closures have been mapped, with potential plays included inversion structures, fault-cored anticlines, stratigraphic pinch-outs, and shale-oil and shale-gas. More than 40 wells have been drilled onshore since 1955. Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.</td>
</tr>
<tr>
<td><strong>Other relevant considerations</strong></td>
<td>Amendments have been made to consultation area 13ECT-R1 to reflect a more precise assessment of the likely distribution of the resource. Officials consider that this change will help address the concern of the Palmerston North City Council.</td>
</tr>
</tbody>
</table>
Conclusion

1. Officials acknowledge the concerns raised by Palmerston North City Council in their submission.

2. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource. Officials consider that this change will help address the concern of some submitters.

3. Officials note that under the provisions of the RMA, the Central Hawke’s Bay District Council, Hawke’s Bay Regional Council and the Horizons Regional Council have the ability regulate petroleum related activities that occur within their respective districts.

4. As a result, the zoning status of affected land, aquifers and waterways will play a key role in decisions around granting resource consents for any petroleum related exploratory activity.

5. It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing.

6. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and conditions they consider necessary to protect particular areas. Under section 55 of the CMA, certain classes of land, including land which is the site of or situated within 30 metres of any building, or land having an area of 4.05 hectares or less, require the landowner’s agreement before any land access is possible.

7. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource and the nominations received for this area. Officials consider that this change will help address the concern of some submitters.

Recommendation

1. Having regard to the matters above, it is recommended that you do not amend consultation area 14ECT-R1 as a result of the submission from Palmerston North City Council.

2. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of the petroleum resource and the nominations received for this area.
IN CONFIDENCE

Submission: 15
Iwi/local authority: Rangitāne o Tamaki nui a Rua
Representative organisation/person: Hineirirangi Carberry, Resource Management Officer
Date Received: 14 November 2013
Blocks Affected: 14ECT-R1, 14PEG-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Rangitāne o Tamaki nui a Rua requests the exclusion of the entire 14ECT-R1 and 14PEG-R1 consultation areas from Block Offer 2014 and all future block offer tenders, and puts a halt to the mineral plan.

Reasons submitted for request

Rangitāne o Tamaki nui a Rua is opposed to all onshore and offshore mining in its rohe. It notes its responsibility of mana whenua and mana moana for this rohe, and strongly objects to any activity that has the potential to cause blemish, pollution and devastation to Papatuanuku. The onshore East Coast Basin covers a large area including the Manawatū River and the Ruahine and Tararua Ranges. These contain native forests and many significant sites are scattered in and around this entire area.

Exclusion of 14ECT-R1 and 14PEG-R1

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
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<tbody>
<tr>
<td><strong>What is it about the area that makes it important to the mana of iwi and hapū</strong></td>
<td>The East Coast Basin covers a large onshore area including the Manawatū River and two Ranges. The Ruahine Ranges are the Maunga of Rangitāne o Tamaki nui a Rua, and are covered in native bush, while the Tararua Ranges have forest fragments along them. Both are significant to Rangitāne and need protecting. Rangitāne o Tamaki nui a Rua asserts that they rely entirely on the security of the environment and its ecology, and do not support any activities that could potentially jeopardise these.</td>
</tr>
<tr>
<td><strong>Whether the area is a known wāhi tapu site</strong></td>
<td>Rangitāne o Tamaki nui a Rua notes that they have many significant sites scattered in and around the entire area associated with the Ruahine and Tararua Ranges; however, these have not been formally mapped.</td>
</tr>
<tr>
<td><strong>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
<td>Rangitāne o Tamaki nui a Rua do not identify any specific unique characteristics in their submission on 14ECT-R1 and 14PEG-R1. They note that the risks of offshore exploration may disrupt the kaimoana resources in the area, particularly in the event of an oil spill event.</td>
</tr>
<tr>
<td><strong>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</strong></td>
<td>Rangitāne o Tamaki nui a Rua does not identify any specific Treaty claims, settlements or objections under other legislation that demonstrates the importance of the area in question.</td>
</tr>
</tbody>
</table>
### Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty

As above.

### Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities

Rangitāne o Tamaki nui a Rua does not identify any relevant iwi management plans.

### The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

With regard to 14ECT-R1, as far as it is practicable to assess the onshore consultation area does not belong to one of the special classes on land. Any outstanding access issues can be addressed under the provisions of the Resource Management Act 1991 (RMA).

With regard to 14PEG-R1, as the request refers to an offshore consultation area, landowner status considerations are not applicable.

### Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process.

Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA within the territorial sea and the EEZ Act in the Exclusive Economic Zone.

### The size of area and value of the potential resource affected if the area is excluded

With regard to 14ECT-R1: Although 14ECT-R1 is geologically complex, it is prospective for oil and gas, indicated by gas finds in the Wairoa area. Numerous onshore structural closures have been mapped, with potential plays included inversion structures, fault-cored anticlines, stratigraphic pinch-outs, and shale-oil and shale-gas. More than 40 wells have been drilled onshore since 1955.

Two permits were awarded for the onshore East Coast Basin in Block Offer 2013.

With regard to 14PEG-R1: The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise.

The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene
turbidite sands against the North Chatham slope.

<table>
<thead>
<tr>
<th>Other relevant considerations</th>
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<tbody>
<tr>
<td>Officials note that amendments to 14ECT-R1 have been recommended, but that these recommendations have not been made as a result of the submission by Rangitāne o Tamaki nui a Rua.</td>
</tr>
</tbody>
</table>

**Conclusion**

1. Officials acknowledge the concerns raised by Rangitāne o Tamaki nui a Rua in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials also acknowledge the opposition of Rangitāne o Tamaki nui a Rua to petroleum and minerals exploration and extraction, based on the need to transition to a renewable energy economy. However, officials do not consider broad opposition to these activities to be sufficient justification for exclusions of such significant areas.

4. Officials consider that given the high prospectivity of the blocks in question, along with current activity in the region, it is a better option to leave 14ECT-R1 as is stands to build up a better understanding the geology of the block. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block.

5. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring. This is especially so given that areas of significance related to this submission have not been formally mapped and it is thus impossible for officials to pass on detailed information to permit holders.

6. During the submissions analysis process, officials have considered the geological prospectivity of consultation area 14ECT-R1, and have amended the consultation area to reflect a more precise assessment of the likely distribution of the resource and the nominations received for this area. Officials consider that this change will help address the concern of some submitters.

**Recommendation**

7. Having regard to the matters above, officials recommend that you do not exclude onshore consultation area 14ECT-R1 or consultation area 14PEG-R1 from Block Offer 2014 as a result of the submission from Rangitāne o Tamaki nui a Rua.

8. However officials recommended amending the consultation area to reflect a more precise assessment of the likely distribution of the petroleum resource and the nominations received for this area.
IN CONFIDENCE

Submission: 16
Iwi/local authority: Stratford District Council
Representative organisation/person: S Davidson, Chief Executive
Date Received: 14 November 2013
Blocks Affected: 14TAR-R2

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Stratford District Council requests that all block offers now and in the future should exclude areas within town boundaries.

Reasons submitted for request

It is considered that petroleum exploration activity is incompatible with residential areas.

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
</tr>
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<tbody>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
<td>N/A</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
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</tr>
<tr>
<td>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</td>
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</tr>
<tr>
<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</td>
<td>N/A</td>
</tr>
<tr>
<td>The area’s landowner status. If the area is one of the special</td>
<td>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding</td>
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</table>
classes of land in section 55, landowner veto rights may protect the area | access issues can be addressed under the provisions of the Resource Management Act 1991 (RMA).

Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993 | The provisions of the RMA will apply to petroleum-related activities being undertaken within 14TAR-R2. The Stratford District Council, as the relevant local authority, issues resource consents within its district. The Stratford District Council District Plan also provides for baseline environmental standards for the area as well. In addition, permit holders are required to negotiate land access arrangements with the relevant land owners. In such cases, the land owner may negotiate terms and condition they consider necessary to protect particular areas.

The size of area and value of the potential resource affected if the area is excluded | 14TAR-R2 covers a total of 2,403 km². 14TAR-R2 is considered highly prospective for oil and gas as it contains inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, and half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate) among others. The first well in Taranaki was drilled in 1865 and petroleum has been continuously produced from the basin since about 1900. Taranaki is New Zealand’s only producing basin to date. Three permits were awarded for the onshore Taranaki Basin in Block Offer 2013.

Other relevant considerations | No other relevant considerations have been identified by officials.

Conclusion

1. Officials acknowledge the concerns raised by Stratford District Council in their submission.

2. Under the provisions of the Resource Management Act (RMA) 1991, the Stratford District Council has itself the ability to regulate petroleum related activities which occur within its district. As a result, it is highly likely that the zoning status of affected land in the Stratford District Council’s District Plan (including Residential, Business or Open Space Environment) would play a role in decisions around granting resource consents for activity such as exploratory drilling.

3. Officials also note that different stages of petroleum development can be non-invasive and it is thus not necessarily incompatible with urban environments.

4. Officials consider that given the high prospectivity of the block and current activity in the region, it is a better option to leave 14TAR-R2 as is stands to build up a better understanding the geology of the block. The actual activity undertaken by an operator or operators typically involves a much smaller area than the block. Therefore, in many cases the best stage to address the compatibility of the activity and the location where it is occurring is at the point prior to activity occurring.
Recommendation

5. Having regard to the matters above, officials recommend that you do not amend onshore consultation area 14TAR-R2 as a result of the submission from Stratford District Council.
Submission: 17
Iwi/local authority: Taranaki Iwi Trust
Representative organisation/person: Liana Poutu, General Manager
Date Received: 14 November 2013
Blocks Affected: 14TAR-R1 and 14TAR-R2

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Taranaki Iwi Trust requests the following exclusions from 14TAR-R2 (onshore):

- Historically and culturally significant sites as mapped by the submitter;
- Sites where Taranaki Iwi exercise customary rights as mapped by the submitter;
- Taranaki Iwi Marae and papakainga, including Parihaka as mapped by the submitter; and
- Waterways that are subject to Statutory Acknowledgements and Deeds of Recognition within the Treaty settlement currently being negotiated between the Crown and Taranaki Iwi (to an extent of 200m either side of waterways in question).

Taranaki Iwi Trust requests the following exclusions from 14TAR-R1 (offshore):

- Areas historically and culturally significant to Taranaki Iwi;
- Areas where Taranaki Iwi exercise customary rights, including customary fishing rights; and
- Areas where traditional kaimoana (seafood) reefs are located; and
- Areas that abut the Taranaki Iwi coastline.

Reasons submitted for request

With regard to the requested exclusions from 14TAR-R2 (onshore), Taranaki Iwi submits the following reasons:

- These lands are of immense significance as they are lands that were at the heart of the Taranaki land wars;
- They include sites of significant Taranaki Iwi pā (including Te Namu Pā) and kāinga are located;
- They include land where significant loss of Taranaki Iwi and other lives occurred; and
- They include land which was subject to raupatu (confiscation) from Taranaki Iwi under the New Zealand Settlements Act 1863.

With regard to the requested exclusions from 14TAR-R1 (offshore), Taranaki Iwi submits the following reasons:

- The consultation area contains coastal marine sites of immense significance to Taranaki Iwi. These include areas used by Taranaki Iwi for customary and recreational fishing and where traditional kaimoana (seafood) reefs are located.
- Taranaki Iwi is currently participating in a coastal mapping pilot project with Taranaki Regional Council to identify and record coastal marine sites. As this project is not yet complete, Taranaki Iwi seeks to exclude the section of the proposed Block Offer 2014 that abuts the Taranaki Iwi coastline until the completion of this project.
### Amendments to 14TAR-R2, 14TAR-R2

<table>
<thead>
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<td><strong>What is it about the area that makes it important to the mana of iwi and hapū</strong></td>
<td><strong>Onshore areas:</strong></td>
</tr>
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<td></td>
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<td></td>
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<td><strong>Offshore areas:</strong></td>
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</tr>
<tr>
<td><strong>Whether the area is a known wāhi tapu site</strong></td>
<td>The submission lists a number of sites that are of importance to the Taranaki Iwi in consultation areas 14TAR-R1 and 14TAR-R2, including pā, urupā, kainga, tauranga waka and puukaawa, and the geographic locations of some of these are provided.</td>
</tr>
<tr>
<td></td>
<td>The submission also notes that not all of the sites they have identified are listed on the schedules of relevant district plans or listed with the New Zealand Archaeological Association.</td>
</tr>
<tr>
<td><strong>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
<td>As above.</td>
</tr>
<tr>
<td><strong>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections</strong></td>
<td>Taranaki Iwi signed a letter of agreement with the Crown in December 2012. As part of the Treaty Settlement being negotiated, Taranaki Iwi is seeking statutory acknowledgement of all waterways within their rohe. In their submission, they also request a</td>
</tr>
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### under other legislation

<table>
<thead>
<tr>
<th>200m barrier either side of specified waterways.</th>
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<tbody>
<tr>
<td>They are also negotiating a relationship agreement with the Ministry over petroleum and minerals (part of the ‘Tri-iwi’ agreement).</td>
</tr>
<tr>
<td>Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty.</td>
</tr>
<tr>
<td>The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.</td>
</tr>
</tbody>
</table>

### Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty

| As above. |

### Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities

| No iwi management plan for Taranaki Iwi has been identified. |

### The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area

| Officials understand that for at least some marae sites, including Parihaka, that the restrictions under section 55(2)(f) will apply (‘land which is the site or situated within 30 metres of any building, cemetery, burial ground, waterworks, race, or dam’). |
| In addition these sites may also be Maori customary or freehold land, meaning the protections under section 51 of the CMA will apply. |

### Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993

| Historically and culturally significant sites across the region do have a level of protection through instruments under the RMA. The RMA will apply to block 14TAR-R2 and those parts of 14TAR-R1 between the shore and out to 12 nm. |
| The South Taranaki District Council note in their submission that “petroleum wells and production facilities trigger a discretionary activity rule which enables significant sites to be addressed. This is usually done as part of consultation with Iwi, who are usually identified as affected parties in the resource consent process”. |
| The regulation of potential adverse effects beyond the 12 nm limit in consultation area 14TAR-R1 is regulated under the EEZ Act, the Maritime Transport Act 1994 which regulates spill management, and through the Health and |

Onshore consultation area 14TAR-R2 covers a total of 2,403 km$^2$.

14TAR-R2 is considered highly prospective for oil and gas as it contains inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, and half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate) among others.

Three permits were awarded for the onshore Taranaki Basin in Block Offer 2013.

Consultation area 14TAR-R1 covers a total of 55,032 km$^2$.

14TAR-R1 is highly prospective for oil and gas as it features many inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps and half-graben fill. Producing wells within and adjacent to this consultation area include Māui (gas condensate and oil), Tui Area (oil), and Pohokura (gas condensate) and Kupe (gas condensate).

Despite significant production to date, the basin remains under-explored compared to many comparable rift complex basins of its size and there remains considerable potential for future discoveries.

Two permits were awarded for the offshore Taranaki Basin in Block Offer 2013.

Consultation area 14TAR-R2 contains existing petroleum permits which were included in the consultation for Block Offer 2014 as the final make-up for the consultation area would only like be known after the consultation period had closed.

**Conclusion**

1. Officials acknowledge the concerns raised by Taranaki Iwi Trust in their submission and the history of positive engagement between the Taranaki Iwi Trust and NZP&M.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials note that there are already existing protections in place for sites of significance under the provisions of the RMA, especially concerns related to the potential adverse environmental impact. The Taranaki Iwi is likely to have a role on the consenting process for petroleum related activities under these regimes.
4. The RMA is also the best place to address concerns about the potential adverse environmental effects of petroleum related activity onshore and out to 12 nautical miles. Beyond 12 nautical miles, the provisions of the EEZ Act will also apply.

5. In addition, the exploration phase of petroleum development can be non-invasive and not necessarily incompatible with all the sites of a sensitive nature that the Taranaki Iwi Trust have identified. That actual activity undertaken by an operator or operators typically involves a much smaller area than the area of the permit or the total consultation area. Therefore, in many cases the best stage to address the sensitivity of specific sites is at the point prior to activity occurring.

6. Related to this, the South Taranaki District Council also noted the following in their submission:

“The South Taranaki area is rich in pre-European heritage and has a lot of significant sites. Many of these are registered with the New Zealand Archaeological Association and have been included in the South Taranaki District Plan. There are currently non land use rules which relate to these sites, but petroleum wells and production facilities trigger a discretionary activity rule which enables significant sites to be addressed. This is usually done as part of consultation with Iwi, who are usually identified as affected parties in the resource consent process”.

7. Officials note that the Taranaki Iwi Trust also requests that significant marae and papakainga, including Parihaka, are excluded from the consultation area. Officials acknowledge the importance of marae to all iwi and the significance of Parihaka to Taranaki Iwi.

8. However officials also note that for any petroleum exploration activity, an access arrangement will need to be entered into with the landowner before any activity can be undertaken on the site. This will apply to many of the sites identified by the Taranaki Iwi, including marae sites.

9. Although under section 55 of the CMA an arbitrator can determine an access agreement between two parties, this is not possible for land which is the site or situated within 30 metres of any building, cemetery, burial ground, waterworks, race, or dam, or for land having an area of 4.05 hectares or less (sections 55(2) (f) and (g) of the CMA). These restrictions will likely apply to marae sites, including Parihaka.

10. For those marae which are on Maori customary or freehold land, the protections under section 51 of the CMA relating to the entry onto Maori land for minimum impact activities will also apply.

11. It is worth noting that the Taranaki Iwi Trust state that not all these sites are registered with the New Zealand Archaeological Association or listed in the schedules of relevant District Plans. Officials consider that the best way to ensure that these sites receive adequate protection is to make any successful operators aware of them, and to ensure that there is a strong relationship between the Taranaki Iwi and any successful bidders.

12. This kind of relationship will be supported through the expectations envisaged of permit holders through the requirements of CMA, which requires an annual iwi engagement reports. Such engagement will relate to sites of importance to iwi/hapū.

13. Officials note that NZP&M are happy to help facilitate the relationship between Taranaki Iwi and any successful operators. NZP&M will also ask the permission of the Taranaki Iwi Trust to provide the information in their submission to any successful operator so that they are aware of the sites of significance in the area.
14. Officials have also considered the strong prospectivity in consultation areas 14TAR-R1 and 14TAR-R2. Both of these areas are situated in New Zealand’s only producing petroleum basin.

15. However officials are also conscious of the mapping project currently underway being undertaken by New Plymouth District Council to identify and record sites of significance. This process lead to the exclusion of areas for Block Offer 2012 and Block Offer 2013 while the process is underway. We understand that the identification process is likely to be completed by mid-2014, with district plan changes to follow.

16. The Taranaki Iwi Trust has requested that the significant areas they have identified that overlap the New Plymouth District Council boundaries in consultation area 13TAR-R2 should be excluded until the mapping process is completed.

17. Officials therefore recommend that these overlapping areas should be excluded from Block Offer 2014 until such time as it will be possible to make a more informed decision regarding the balance of providing active protection and appropriate resource development.

18. Note that this recommendation does not indicate that these sites currently do not have adequate protection, but rather that it will be possible to make a more informed opinion once the mapping project is completed.

19. Officials will also continue to engage with the New Plymouth District Council on the progress of this mapping project and will make a decision prior to any future block offer about the suitability on included this acreage.

20. Officials also enquired with the Taranaki Regional Council with regards to their project to map importance coastal sites, however this project is only currently in its early stages.

21. The Taranaki Iwi Trust has also requested the exclusion of marae and papakainga from the consultation area, including Parihaka, due to the importance of these sites to the iwi.

22. Officials consider that marae receive adequate protection through the requirement for any operator who wishes to undertake activity on these sites to obtain an access arrangement from the landowner. There are further protections available if the proposed activity is situated within 30 metres of any building or urupa, or is on land with an area of 4.05 hectares or less.

23. However, Parihaka is a highly significant site to the Taranaki Iwi, due in part to the destruction of the settlement located there in 1881 by government troops. It has subsequently attained a special status as a site which is symbolic of those alienated from the land for many Taranaki iwi.

Recommendation

24. Having regard to the matters above, officials recommend that you amend consultation area 14TAR-R2 to exclude those sites of significance identified by the Taranaki Iwi Trust which overlap with the New Plymouth Council district boundaries such a time as it will be possible to make a more informed decision regarding the balance of providing active protection and appropriate resource development.

25. Note that this recommendation does not indicate that these sites currently do not have adequate protection, but rather that it will be possible to make a more informed opinion once the mapping project is completed.
26. Officials further recommend that you amend consultation area 14TAR-R2 to exclude Parihaka due to its special status to the Taranaki Iwi.
IN CONFIDENCE

Submission: 18
Iwi/local authority: Te Hapū o Te Hika o Pāpāuma
Representative organisation/person: A H Webster, Marae Trustee
Date Received: 11 November 2013
Blocks Affected: 14PEG-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Te Hapū o Te Hika o Pāpāuma requests that 14PEG-R1 be amended to outside the 12 nautical mile limit of their customary area.

Reasons submitted for request

Te Hapū o Te Hika o Pāpāuma has customary title out to 12 nautical miles from shore, and currently has an application to extend this to 200 nautical miles. As the area of coastline included in the proposed Block Offer 2014 has huge significance as a customary, recreational and commercial fishery for the East Coast and New Zealand economy, any damage or discharge from petroleum activity offshore could have devastating impacts on the coastline and its people.

<table>
<thead>
<tr>
<th>Amendment to 14PEG-R1</th>
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<tbody>
<tr>
<td>Considerations</td>
</tr>
<tr>
<td><strong>What is it about the area that makes it important to the mana of iwi and hapū</strong></td>
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<tr>
<td><strong>Whether the area is a known wāhi tapu site</strong></td>
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<td><strong>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
</tr>
<tr>
<td><strong>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</strong></td>
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<tr>
<td><strong>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</strong></td>
</tr>
</tbody>
</table>
and is therefore not available for redress of grievances under the Treaty.

The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.

<table>
<thead>
<tr>
<th>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</th>
<th>The submission does not identify any specific iwi management plans in relation to the area in question.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</td>
<td>As the request refers only to an offshore consultation area, landowners status considerations are not applicable.</td>
</tr>
<tr>
<td>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</td>
<td>Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process. Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA within the territorial sea and the EEZ Act in the Exclusive Economic Zone.</td>
</tr>
<tr>
<td>The size of area and value of the potential resource affected if the area is excluded</td>
<td>Block 14PEG-R1 is located off the south-east of the North Island, stretching from south-east of Napier to the north, to the upper east coast of the South Island. It covers a total of 75,136 km². The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise. The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.</td>
</tr>
<tr>
<td>Other relevant considerations</td>
<td>Te Hapū o Te Hika o Pāpāuma requires that any successful tenderer will consult with mana whenua and have due regard to their concerns before any activity takes place.</td>
</tr>
</tbody>
</table>
Conclusion

1. Officials acknowledge the concerns raised by Te Hapū o Te Hika o Pāpāuma in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Given the prospectivity of the block and current prospecting activity in this offshore basin, officials believe it is a better option to leave 14PEG-R1 as it stands in order to build up a better understanding the geology of the basin.

4. With regard to the submission’s specific request in the territorial sea, officials consider that adequate environmental protections are provided for under the RMA, and that the regulatory regime in place ensures that the risk of potential adverse effects from offshore oil and gas activity is avoided, remedied and mitigated as much as is practicable.

5. Officials also consider that the EEZ Act provides for adequate environmental protections outside the 12 nm limit of the territorial sea.

Recommendation

6. Having regard to the matters above, officials recommend that you do not amend consultation area 14PEG-R1 from Block Offer 2014 as a result of the submission from Te Hapū o Te Hika o Pāpāuma.
IN CONFIDENCE

Submission: 19
Iwi/local authority: Te Roroa Manawhenua Trust
Representative organisation/person: Moengaroa Murray
Date Received: 13 November 2013
Blocks Affected: 14RNL-R1 and 14NCD-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

The Te Roroa Manawhenua Trust, on behalf of Te Roroa, requests the exclusion of their entire rohe from the proposed block offer and all future block offers.

Reasons submitted for request

Te Roroa does not support any form of exploration due to its potential detrimental effects on land, sea, and the people. With particular regard to its rohe, Te Roroa notes that there are a number of Wāhi Tapu sites within their area, including the Waipoua Forest. It further notes that to this day, koiwi (skeletons) are exposed and re-buried when sand hills shift.

Exclusion of 14RNL-R1 and 14NCD-R1

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>The rohe is the basis of manawhenua and manamoana for Te Roroa.</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
<td>Te Roroa has not identified any specific unique characteristics or sites with regard to the area in question. They do note that, naturally, they believe their rohe is unique, citing the Waipoua National Forest and Taharoa domain as two examples of the environmental uniqueness of the rohe. They also consider that the absence of river pollution and cities in the rohe also makes it unique. Te</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>As above.</td>
</tr>
<tr>
<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
<td>Te Roroa signed a Deed of Settlement in 2008, and a Crown Minerals Protocol was issued as a part of the redress package. Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty. The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return</td>
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<tr>
<td>Topic</td>
<td>Details</td>
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<tr>
<td>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</td>
<td>Te Roroa does not identify any specific claims in their submission.</td>
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<tr>
<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</td>
<td>The submission does not identify an iwi management plan.</td>
</tr>
<tr>
<td>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</td>
<td>As the submission relates only to offshore areas, landowner considerations are not applicable.</td>
</tr>
<tr>
<td>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</td>
<td>Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process. Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA within the territorial sea and the EEZ Act in the Exclusive Economic Zone.</td>
</tr>
<tr>
<td>The size of area and value of the potential resource affected if the area is excluded</td>
<td>With regard to 14RNL-R1: Consultation area 14RNL-R1 is located off the west coast of Northland. It covers a total of 85,009 km². The Reinga-Northland Basin is prospective for oil and gas as it is, in many respects, similar to the productive Taranaki Basin. Points of difference are greater evidence of compression in the Eocene and Early Miocene, the presence of an allochthon close to the eastern margin, and some evidence of higher heat flow. About 40% of the basin is likely to be underlain by sediments deep enough to be expelling petroleum. The Reinga-Northland Basin remains virtually unexplored. With regard to 14NCD-R1: Consultation area 14NCD-R1 is located off the west coast of the North Island, adjacent to the west of 14RNL-R1. It covers a total of 49,051 km². The New Caledonia Basin is prospective for oil and gas as it features a rift sequence that is buried to a depth great enough for thermal maturation. Structural and stratigraphic traps may also exist at a number of levels in this basin. The basin is often considered an ‘extension’ of the Taranaki...</td>
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MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT
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### Conclusion

1. Officials acknowledge the concerns raised by Te Roroa in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials also acknowledge the opposition raised by Te Roroa in relation to oil and gas activity in New Zealand. While officials respect that this is their position, they do not consider that this is sufficient justification to make an exclusion of such significant scope.

4. Given the prospectivity of the block and current activity in these offshore basins, it is a better option to leave 14NCD-R1 and 14NCD-R1 as they stand in order to build up a better understanding the geology of the consultation areas.

5. Officials consider that adequate environmental protections are provided for under the EEZ Act, and that the regulatory regime in place ensures that the risk of potential adverse effects from offshore oil and gas activity is avoided, remedied and mitigated as much as is practicable.

### Recommendation

6. Having regard to the matters above, officials recommend that you do not exclude consultation area 14RNL-R1 or 14NCD-R1 from Block Offer 2014 as a result of the submission from Te Roroa.
IN CONFIDENCE

Submission: 20

Iwi/local authority: Te Ngāi Tuahuriri Rūnanga, Te Hapū o Ngāti Wheke (Rapāki) Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, Te Taumutu Rūnanga, Te Rūnanga o Arowhenua, Te Rūnanga o Waihao, Te Rūnanga o Moeraki, Kāti Huirapa Rūnaka ki Puketeraki, Te Rūnanga o Ōtākou, Hokonui Rūnanga, Ōraka-Aparima Rūnaka, Waihopai Rūnaka, Awarua Rūnanga, Te Rūnanga o Kaikōura and Te Rūnanga o Ngāi Tahu (Te Rūnanga o Ngāi Tahu).

Representative organisation/person: James Caygill, General Manager

Date Received: 14 November 2013

Blocks Affected: 14GSC-R1 and 14PEG-R1

Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

Te Rūnanga o Ngāi Tahu requests the following exclusions/amendments:

- Amend 14GSC-R1 to exclude all proposed areas within 12 nautical miles off the coast;
- Exclude all new areas north of the Waitaki River mouth within 14GSC-R1; and
- Exclude the entirety of 14PEG-R1.

Reasons submitted for request

Te Rūnanga o Ngāi Tahu submits the following reasons for these requests:

- With regard to the amendment of 14GSC-R1 to exclude all consultation areas within 12 nautical miles off the coast, Te Rūnanga o Ngāi Tahu state that this has been requested in order to provide certainty of protection to those iwi whose rohe fall within the territorial sea.
- With regard to the exclusion of all new areas north of the Waitaki River mouth within 14GSC-R1, Te Rūnanga o Ngāi Tahu state that this has been requested in order to provide certainty of protection to those iwi whose rohe fall within this area. It is noted that the degree to which the statutory mechanisms for protecting the environment and other interests is variable, and that exclusion from petroleum exploration activities is the only way to provide certainty of protection.
- With regard to the exclusion of 14PEG-R1, Te Rūnanga o Ngāi Tahu notes that the traditional and statutorily recognised interests of Ngāi Tahu in this area are significant. Te Tai o Marokura is the realm of Tangaroa, God of the Sea, and carries significant cultural and historical value. The importance of taonga species (such as whale) for traditional and commercial whānau activities supports and honours the tribal histories of Ngāi Tahu as well as providing livelihoods and manaaki for Kaikōura whānau and contributes to the financial strength of the iwi as a whole.

<table>
<thead>
<tr>
<th>Amendments to 14TAR-R2</th>
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<tbody>
<tr>
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<td>IN CONFIDENCE</td>
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<tr>
<td>Ngāi Tahu has significant interests in the wellbeing of the marine environment; these include commercial interests, Ngāi Tahu Fisheries Settlement assets, the protection of mahinga kai and taonga species, and whānau businesses. The marine environment also has cultural and spiritual value,</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
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<tr>
<td>Ngāi Tahu does not explicitly identify any of these sites as wāhi tapu, but their definition as Statutory Acknowledgement Areas indicates their spiritual, historical and cultural significance.</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
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<tr>
<td>The importance of these areas is demonstrated through their inclusion in the Ngāi Tahu Claims Settlement Act 1998. Taiapure and Tauranga Ika are also areas of special significance due to their spiritual, historical and cultural associations.</td>
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<tr>
<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
</tr>
<tr>
<td>Te Rūnanga o Ngāi Tahu reached a comprehensive settlement with the Crown through the Ngāi Tahu Claims Settlement Act 1998. As noted above, this Act recognises several coastal Statutory Acknowledgement Areas. Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty. The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.</td>
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<td>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</td>
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<tr>
<td>Ngāi Tahu has an Iwi Management Plan While not explicitly an Iwi Management Plan, Ngāi Tahu iwi and hapū have also had involvement in the development of Te Korowai o Te Tai o Marokura, a community-based plan that expresses the value of Kaikōura’s offshore environment.</td>
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<tr>
<td>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</td>
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**Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993**

Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process.

Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA within the territorial sea and the EEZ Act in the Exclusive Economic Zone.

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**The size of area and value of the potential resource affected if the area is excluded**

The entirety of consultation area 14PEG-R1 is sought for exclusion.

Consultation area 14PEG-R1 is located off the south-east of the North Island, stretching from south-east of Napier to the north, to the upper east coast of the South Island. It covers a total of 75,136 km².

The Pegasus Basin remains relatively untested, and no wells have been drilled to date. However, seismic evidence clearly shows a fossilized subduction margin and an associated thrust and fold belt underlying much of the north slope of the Chatham Rise.

The first exploration permit for this basin was awarded in late 2012, is to be drilled in early 2014. Play types identified in the Pegasus Basin include a number of thrust anticline plays, blind thrusts in Neogene turbidites in front of the East Coast margin, and stratigraphic pinch-outs of Neogene turbidite sands against the North Chatham slope.

A portion of consultation area 14GSC-R1 is also sought for exclusion.

Consultation area 14GSC-R1 is located off the lower east coast of the South Island, to the east and south-east of Timaru and Ōamaru. It covers a total of 154,293.88 km².

The Canterbury Basin is prospective for oil and gas as it shares many similarities with the productive Taranaki Basin. It has viable source rock in the Cretaceous and suitable reservoir and seal rocks at several stratigraphic intervals. Several offshore structures have been identified, and the commitment by Anadarko to drill the Carrack-Caravel well further strengthens confidence in the basin’s prospectivity. Five offshore wells were drilled between 1970 and 2006.

The Great South Basin is prospective for oil and gas as it features a thick sedimentary sequence, a range of source and reservoir facies, a sub-commercial discovery and a proven petroleum system. There are numerous undrilled structures with targets of Cretaceous, Paleogene and Neogene ages.
### Other relevant considerations

Ngāi Tahu requests that, for all areas included in the final offer, bidders are aware of the significance of those areas and the need to actively engage with Ngāi Tahu from the start of, and throughout implementation of, any proposed work programme.

### Conclusion

1. Officials acknowledge the concerns raised by Te Rūnanga o Ngāi Tahu in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials note that the primary concern of Te Rūnanga o Ngāi Tahu is the adverse environmental impact on the area in the event of an oil spill.

4. It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing. As this area is beyond 12 nautical miles from shore, any successful operator would require a marine consent under the EEZ Act from the EPA before any drilling activity is undertaken.

5. In addition, operators are required to plan what they would do if an oil spill occurs before they are able to commence drilling. MNZ places requirements on operators of offshore installations under Marine Protection Rules Part 200: Offshore Installations – Discharges. This includes the ability to require offshore installations to produce a Well Control Contingency Plan as part of their overall emergency response procedures for oil spills.

6. MNZ has also issued stricter guidelines to offshore operators on expected levels of oil spill preparedness and response capability. The new Well Control Contingency Plans, setting out how an operator would respond to a well blow-out, must be contained in their Discharge Management Plans (DMP).

7. Operators must receive approval from MNZ for a DMP before they can carry out any exploratory or production drilling. MNZ must be satisfied that an operator has in place the necessary measures, and have the necessary capability, to manage any event. In addition MNZ must be satisfied that a company has adequate financial resources to execute their DMP plans.

8. The DOC Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations is a set of guidelines agreed to by DOC, the petroleum industry, iwi and NGOs for minimising the impacts of seismic surveying on marine mammals. It was first implemented in 2012 and has recently been reviewed ahead of the 2013/14 summer seismic season.

9. Seismic surveying is considered a permitted activity under the Exclusive Economic Zone and Continental Shelf (Environmental Effects — Permitted Activities) Regulations 2013, if operators follow the provisions of the Code in the exclusive economic zone (EEZ). In the territorial sea, the Code is voluntary, however almost all operators in New Zealand have...
signed up to the Code and all seismic surveying in 2012/13 was undertaken in accordance with it.

10. Officials also note the concerns from some submitters about the overlap between consultation area 14GSC-R1 and the Banks Peninsula Marine Mammal Sanctuary. The Marine Mammals Protection (Banks Peninsula Sanctuary) Amendment Notice 2008 allows the use of seismic surveying, though places restrictions on this activity to minimise the impact on marine mammals within the sanctuary. There are no explicit restrictions of other forms of petroleum exploration activity.

Recommendation

11. Having regard to the matters above, officials recommend that you:

- Do not amend 14GSC to exclude all areas within 12 nautical miles off the coast
- Do not exclude new areas north of the Waitaki River mouth within 14GSC-R1
- Do not exclude consultation area 14PEG-R1 as a result of the submission from Ngāi Tahu.
Te Rūnanga o Ngāti Ruanui Trust (Ngāti Ruanui) requests the following exclusions from onshore consultation area 14TAR-R2:

- Land within 20 metres of the Tangahoe, Pātea and Whenuakura Awa Rivers;
- Land within 50 metres of Marae sites;
- Identified Urupā sites; and
- Any area, regardless of land title boundaries, of native vegetation 1 ha or greater, where that vegetation is 3 metres or greater in height.

Reasons submitted for request

Ngāti Ruanui offers the following reasons for exclusions requested:

- The Tangahoe, Pātea and Whenuakura Awa Rivers are Statutory Acknowledgement Areas under the Ngāti Ruanui Claims Settlement Act 2003. These are also specifically recognised catchments in the Ngāti Ruanui Environmental Management Plan;
- It would be unreasonable to undertake any activity within close proximity of marae. A list of these marae is attached to this submission, but it is noted that the most effective way for exploration companies to identify these sites is to consult directly with iwi;
- While identified Urupā sites are likely to be small in number, acknowledgement and exclusion of such sites is deemed important given their historical and cultural sensitivity to hapū and whanau;
- Te Rūnanga o Ngāti Ruanui Trust notes that loss of native vegetation in the Taranaki Region is significant. The protection and enhancement of biodiversity is a significant policy feature of the Ngāti Ruanui Environmental Plan. It is further noted that native vegetation is often not afforded any adequate protection under regional or district plans.

Amendments to 14TAR-R2

<table>
<thead>
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<tbody>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>As Kaitiaki of their takiwā, Ngāti Ruanui considers that their environment, the life forms within it, and their enshrined customary rights are significant enough to merit protection.</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
<td>Ngāti Ruanui identifies numerous significant sites, including marae and urupā, which are considered extremely valuable. The submission notes that early and active engagement with iwi is the most practical way for the successful operator to identify, and provide active protection for, these sites.</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food)</td>
<td>As above.</td>
</tr>
<tr>
<td><strong>gathering) areas or the only waka tauranga (the land places of ancestral canoes)</strong></td>
<td>The Tangahoe, Pātea and Whenuakura Awa Rivers are Statutory Acknowledgement Areas under the Ngāti Ruanui Claims Settlement Act 2003. These are also specifically recognised catchments in the Ngāti Ruanui Environmental Management Plan.</td>
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<tr>
<td><strong>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</strong></td>
<td>Ngāti Ruanui signed a Deed of Settlement with the Crown in December 2003, as set out in the Ngāti Ruanui Claims Settlement Act 2003. Under the Petroleum Act 1937, petroleum was declared the property of the Crown for the benefit of all New Zealanders and is therefore not available for redress of grievances under the Treaty. The granting of a permit does not constitute the creation of an interest in land (section 92 of the CMA). Accordingly, MBIE officials consider the grant of a petroleum permit under the CMA will not affect the Crown’s ability to return land as part of a Treaty settlement or otherwise impede the prospect of redress under the Treaty.</td>
</tr>
<tr>
<td><strong>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress of grievances under the Treaty</strong></td>
<td>No such plan has been identified.</td>
</tr>
<tr>
<td><strong>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</strong></td>
<td>As far as it is practicable to assess, the area does not belong to one of the special classes on land. Any outstanding access issues can be addressed under the provisions of the Resource Management Act 1991 (RMA).</td>
</tr>
<tr>
<td><strong>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</strong></td>
<td>Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process. Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process. The South Taranaki District Council note in their submission that “petroleum wells and production facilities trigger a discretionary activity rule which enables significant sites to be addressed. This is usually done as part of consultation with iwi, who are usually identified as affected parties in the resource consent process”. The regulation of potential adverse effects beyond the 12 nm limit in consultation area 14TAR-R1 is regulated under the EEZ Act, the Maritime Transport Act 1994 which</td>
</tr>
</tbody>
</table>
regulates spill management, and through the Health and Safety in Employment (Petroleum Exploration and Extraction) Regulations administered by WorkSafe New Zealand.

A portion of onshore consultation area 14TAR-R2 is sought for exclusion.

Consultation area 14TAR-R2 covers a total of 2,403 km².

14TAR-R2 is considered highly prospective for oil and gas as it contains inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, and half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate) among others. The first well in Taranaki was drilled in 1865 and petroleum has been continuously produced from the basin since about 1900. Taranaki is New Zealand’s only producing basin to date.

Three permits were awarded for the onshore Taranaki Basin in Block Offer 2013.

Officials have not identified any other relevant considerations.

Conclusion

1. Officials acknowledge the concerns raised by Te Rūnanga o Ngāti Ruanui Trust in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials note that there are already existing protections in place for sites of significance under the provisions of the RMA, especially concerns related to the potential adverse environmental impact. The Taranaki Iwi is likely to have a role on the consenting process for petroleum related activities under these regimes.

4. The RMA is also the best place to address concerns about the potential adverse environmental effects of petroleum related activity onshore and out to 12 nautical miles. Beyond 12 nautical miles, the provisions of the EEZ Act will also apply.

5. In addition, the exploration phase of petroleum development can be non-invasive and not necessarily incompatible with all the sites of a sensitive nature that Ngāti Ruanui have identified. That actual activity undertaken by an operator or operators typically involves a much smaller area than the area of the permit or the total consultation area. Therefore, in many cases the best stage to address the sensitivity of specific sites is at the point prior to activity occurring.
6. Officials note that the Ngāti Ruanui requests that significant marae and papakainga are excluded from the consultation area. Officials acknowledge the importance of marae to all iwi.

7. However officials also note that for any petroleum exploration activity, an access arrangement will need to be entered into with the landowner before any activity can be undertaken on the site. This will apply to many of the sites identified by Ngāti Ruanui, including marae sites.

8. Although under section 55 of the CMA an arbitrator can determine an access agreement between two parties, this is not possible for land which is the site or situated within 30 metres of any building, cemetery, burial ground, waterworks, race, or dam, or for land having an area of 4.05 hectares or less (sections 55(2) (f) and (g) of the CMA). These restrictions will likely apply to marae sites.

9. For those marae which are on Maori customary or freehold land, the protections under section 51 of the CMA relating to the entry onto Maori land for minimum impact activities will also apply.

10. Officials consider that, as is noted by Ngāti Ruanui, the best way to ensure that these sites receive adequate protection is to make any successful operators aware of them, and to ensure that there is a strong relationship between Ngāti Ruanui and any successful bidders.

11. This kind of relationship will be supported through the expectations envisaged of permit holders through the requirements of CMA, which requires an annual iwi engagement reports. Such engagement will relate to sites of importance to iwi/hapū.

12. Officials note that NZP&M are happy to help facilitate the relationship between Ngāti Ruanui and any successful operators. NZP&M will also ask the permission of the Ngāti Ruanui to provide the information in their submission to any successful operator so that they are aware of the sites of significance in the area.

13. Officials have also considered the strong prospectivity in consultation areas 14TAR-R1 and 14TAR-R2. Both of these areas are situated in New Zealand’s only producing petroleum basin.

**Recommendation**

14. Having regard to the matters above, officials recommend that you do not amend consultation area 14TAR-R2 as a result of the submission from Ngāti Ruanui.

15. Further, officials recommend that you add a condition to consultation area 14TAR-R2 requiring any operator undertaking petroleum exploration activity within 200 metres of the Tangahoe, Pātea and Whenuakura Rivers to give written notification Te Rūnanga o Ngāti Ruanui at least 20 working days before the activity is undertaken to represent the significance of these river to Te Rūnanga o Ngāti Ruanui.
Request(s) for an amendment to proposed Block Offer or exclusion of any land from Block Offer

The Waitākere Ranges Local Board requests the exclusion of all consultation areas off the coast of Auckland. This includes 14TAR-R1, 14NCD-R1, and 14RNL-R1.

Reasons submitted for request

The Waitākere Ranges Local Board are unanimously opposed to petroleum activity off the coast of Auckland, citing the risks of oil spills and the potentially detrimental effects such spills could have on the region’s coastal marine environment. The West Coast is home to a diverse range of marine and coastal life, including seabirds and marine mammals (such as the critically endangered Māui’s Dolphin). They also note that the high energy of the waters off the coast of Auckland would make oil spill response extremely difficult in many conditions.

Much of the area of coastline that could be affected is within the Waitākere Ranges Heritage Area, created in 2008. Further, the coastal marine area is designated as either Significant Ecological Area Marine 1 or 2.

Amendments to 14TAR-R2

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Analysis</th>
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<tbody>
<tr>
<td>What is it about the area that makes it important to the mana of iwi and hapū</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the area is a known wāhi tapu site</td>
<td>N/A</td>
</tr>
<tr>
<td>The uniqueness of the area; for example, whether it is one of a number of mahinga kai (food gathering) areas or the only waka tauranga (the land places of ancestral canoes)</td>
<td>N/A</td>
</tr>
<tr>
<td>Whether the importance of the area to iwi and hapū has already been demonstrated, for example by Treaty claims and settlements and objections under other legislation</td>
<td>N/A</td>
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<tr>
<td>Any Treaty claims which may be relevant and whether granting a permit over the land would impede the prospect of redress</td>
<td>N/A</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
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<td><strong>Of grievances under the Treaty</strong></td>
<td></td>
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<tr>
<td><strong>Any iwi management plans in place in which the area is specifically mentioned as being important and should be excluded from certain activities</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>The area’s landowner status. If the area is one of the special classes of land in section 55, landowner veto rights may protect the area</strong></td>
<td>As the submission refers only to offshore consultation areas, landowner considerations are not applicable.</td>
</tr>
<tr>
<td><strong>Whether the area is already protected under other legislation, for example the Resource Management Act 1991; Conservation Act 1987; Historic Places Act 1993</strong></td>
<td>Historically and culturally significant sites do have a level of protection through instruments under the RMA. Where land or water disturbance activities occur that would impact on sites recorded in the District Plan, cultural matters are required to be considered as part of the resource consent process.Officials consider that sufficient environmental protections are in place for activities offshore, by virtue of the RMA within the territorial sea and the EEZ Act in the Exclusive Economic Zone.</td>
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<tr>
<td><strong>The size of area and value of the potential resource affected if the area is excluded</strong></td>
<td>The entirety of 14TAR-R1, 14RNL-R1, and 14NCD-R1 are sought for exclusion.</td>
</tr>
<tr>
<td></td>
<td>With regard to 14TAR-R1: 14TAR-R2 covers a total of 2,403 km².</td>
</tr>
<tr>
<td></td>
<td>14TAR-R2 is considered highly prospective for oil and gas as it contains inversion structures, thrusts, extensional structures, volcanic edifices, submarine fans, diagenetic traps, and half-graben fill. Onshore producing wells within and adjacent to this consultation area include Kapuni (gas condensate), McKee (oil and gas) and Tariki-Ahuroa (gas condensate) among others. The first well in Taranaki was drilled in 1865 and petroleum has been continuously produced from the basin since about 1900. Taranaki is New Zealand’s only producing basin to date.</td>
</tr>
<tr>
<td></td>
<td>Three permits were awarded for the onshore Taranaki Basin in Block Offer 2013.</td>
</tr>
<tr>
<td></td>
<td>With regard to 14RNL-R1: Consultation area 14RNL-R1 is located off the west coast of Northland. It covers a total of 85,009 km².</td>
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<tr>
<td></td>
<td>The Reinga-Northland Basin is prospective for oil and gas as it is, in many respects, similar to the productive Taranaki Basin. Points of difference are greater evidence of compression in the Eocene and Early Miocene, the presence of an allochthon close to the eastern margin, and some evidence of higher heat flow. About 40% of the basin is</td>
</tr>
</tbody>
</table>
likely to be underlain by sediments deep enough to be expelling petroleum. The Reinga-Northland Basin remains virtually unexplored.

With regard to 14NCD-R1: Consultation area 14NCD-R1 is located off the west coast of the North Island, adjacent to the west of 14RNL-R1. It covers a total of 49,051 km².

The New Caledonia Basin is prospective for oil and gas as it features a rift sequence that is buried to a depth great enough for thermal maturation. Structural and stratigraphic traps may also exist at a number of levels in this basin. The basin is often considered an ‘extension’ of the Taranaki Basin, and features geological similarities. The basin remains virtually unexplored.

| Other relevant considerations | Officials have not identified any other relevant considerations. |

Conclusion

1. Officials acknowledge the concerns raised by Waitākere Ranges Local Board in their submission.

2. When exclusion or amendment has been requested by an iwi or hapū, the Minister of Energy and Resources is required to evaluate this request based on the considerations of section 3.12 of the MPP. These considerations require the Minister of Energy and Resources to balance the importance of the areas to iwi/hapū against the other legislative protections which exist, and the potential value of the resource that could be lost by exclusion or amendment.

3. Officials also acknowledge the opposition raised by Waitākere Ranges Local Board in relation to oil and gas activity in New Zealand. While officials respect that this is their position, they do not consider that this is sufficient justification to make an exclusion of such significant scope.

4. It is important to note that the actual activity undertaken by an operator is typically much smaller than area available for tender as part of the block offer process. Therefore in many cases the best stage to address the sensitivity of specific sites is at the point prior to the activity commencing. As this area is beyond 12 nautical miles from shore, any successful operator would require a marine consent under the EEZ Act from the EPA before any drilling activity is undertaken.

5. Operators must receive approval from MNZ for a DMP before they can carry out any exploratory or production drilling. MNZ must be satisfied that an operator has in place the necessary measures, and have the necessary capability, to manage any event. In addition MNZ must be satisfied that a company has adequate financial resources to execute their DMP plans.

6. Officials consider that adequate environmental protections are provided for under the EEZ Act, and that the regulatory regime in place ensures that the risk of potential adverse effects from offshore oil and gas activity is avoided, remedied and mitigated as much as is practicable.
7. Given the prospectivity of the block and current activity in these offshore basins, it is a better option to leave 14NCD-R1 and 14NCD-R1 as they stand in order to build up a better understanding the geology of the consultation areas.

Recommendation

1. Having regard to the matters above, officials recommend that you do not exclude consultation areas 14NCD-R1, 14RNL-R1 or 14TAR-R1 from Block Offer 2014 as a result of the submission from Waitākere Ranges Local Board.