

# Questions and Answers: Block Offer 2018 Consultation

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## **ABOUT THE BLOCK OFFER 2018 PROPOSAL**

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### **What areas have been proposed for Block Offer 2018?**

The proposal for Block Offer 2018 features one onshore area in Taranaki.

The total proposed acreage for Block Offer 2018 is 2,200 square kilometres.

### **How was this area selected?**

Legislation passed in November 2018, the Crown Minerals (Petroleum) Amendment Act 2018, restricts the allocation of petroleum exploration permits to the onshore Taranaki region. The area in the proposal was selected based on its prospectivity, available data, anticipated commercial interest, and alignment with the [recent legislation](#) amendment.

### **Does the proposed area for Block Offer 2018 include any Schedule 4, World Heritage sites or Marine Reserves?**

The proposed area does not include any land listed in Schedule 4 of the Crown Minerals Act 1991 (including national parks, nature reserves, wildlife sanctuaries and marine reserves) or World Heritage sites. Areas of importance to Māori identified in section 3.1 of the Petroleum Programme are not included either (such as Mount Taranaki and the Pouakai, Pukeiti and Kaitake Ranges).

Land that was excluded from previous Block Offer consultation rounds has also been excluded. This means land around Parihaka Pā and land that is being investigated by the New Plymouth District Council and Taranaki iwi regarding possible wāhi tapu sites have been excluded.

The Crown Minerals (Petroleum) Amendment Act 2018 also prohibits access to conservation land, as part of the Block Offer process, except for minimum impact activities.

### **When and how will the government consult on the Block Offer 2018 proposal?**

Under the Crown Minerals Act 1991 and Minerals Programme for Petroleum 2013, the government must consult with all affected iwi and hapū before releasing a Block Offer. The legislation also provides for consultation with local authorities.

On 28 November 2018 we opened consultation on Block Offer 2018 with iwi and hapū and submissions close on 14 March 2019.

The aim of consultation is to identify sensitive areas not already protected by legislation, so we can take steps before we announce the Block Offer is open. Options include removing areas from the Block Offer, or putting conditions on activities within an area to recognise its importance.

Officials will review consultation feedback and make a recommendation on any changes needed to the Minister of Energy and Resources.

### **Why are you re-consulting with iwi and hapū when you initiated consultation with them in April?**

Since an earlier consultation with iwi and hapū in April 2018 the Crown Minerals (Petroleum) Amendment Act 2018 has been enacted and a significant period of time has passed. The proposed block area has also expanded. Therefore, we are restarting the consultation process.

### **When will Block Offer 2018 be announced?**

It is intended that the final tender area will be announced in the second quarter of 2019.

## **BACKGROUND ON PETROLEUM EXPLORATION AND BLOCK OFFERS**

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### **What is a Petroleum Block Offer?**

The Petroleum Block Offer is an annual tender used to allocate petroleum exploration permits. The Minister releases an *Invitation for Bids* which lists specific areas, made up of blocks that companies can bid for. This allows companies to define their desired permit area based on their analysis of the available data.

In 2012, the Government adopted block offers exclusively to allocate petroleum exploration permits. This replaced a first-come, first-served approach where the government had little influence over when or where companies applied for petroleum exploration permits.

This process is transparent and enables us to engage with iwi, hapū and councils before the final tender is announced. The process also assists us to target promotion of the Block Offer and New Zealand's potential for petroleum exploration to investors.

NZP&M administers the tender, assesses bids and grants permits.

### **How are bids assessed?**

Bids are assessed according to criteria set out in the Crown Minerals Act 1991, the Petroleum Programme 2013 and the *Invitation for Bids*.

This is not a financial tender: bids must set out how the company proposes to explore its proposed permit area, including the methods and technologies they propose to use. Bids can be made by individual companies or joint ventures.

Our assessment of bids considers the proposed work programme and other criteria, including the bidder's technical and financial capability, their compliance history and their likely ability to meet health, safety and environmental requirements.

### **How long will permits for Block Offer 2018 be granted for?**

Permits granted in Block Offer 2018 will be granted for up to 10 years.

### **What does an exploration permit allow the holder to do?**

An exploration permit gives the permit holder the rights to search for commercially recoverable reserves of oil and gas in a specific area. The activities allowed include sampling, aeromagnetic surveys, geological studies, compiling reports, seismic surveys and drilling exploratory wells to establish if there is oil or gas in the area.

Before they begin any exploratory drilling the operator must get:

- resource consent from the local district council and regional councils

If commercial quantities of petroleum are found, operators must apply for a petroleum mining permit from NZP&M. The process for this application includes further consultation with affected iwi and hapū. Resource consents are also required.

For more information see our [guide to government management of petroleum](#)

### **How does the Government manage health and safety and environmental issues related to the industry?**

Health, safety and environmental matters are managed by a number of government agencies, and local government:

- Before we grant a permit, NZP&M assesses an applicant's technical and financial capability, compliance history and assesses whether they will be likely to meet health, safety and environmental legislation.
- Local authorities manage the effects of activities on the environment onshore through resource consents under the Resource Management Act 1991.

### **When does the government consult with the public about petroleum exploration and development?**

The public is usually consulted when the permit holder applies for consents to drill production wells. This takes place as part of the local resource consent process for activity onshore.

## CONTACTS

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NZP&M website: [www.nzpam.govt.nz](http://www.nzpam.govt.nz)

Media queries

- Email [media@mbie.govt.nz](mailto:media@mbie.govt.nz)
- Phone 027 442 2141

# Block Offer 2018 Consultation Map

