



The Kipper Gas Field: Our CO2 Future

Posted by [Phil Hart](#) on November 7, 2007 - 3:30pm in [The Oil Drum: Australia/New Zealand](#)

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This is an update to an article of mine that was originally published in [The Age](#) back in March this year.

On the 15th March, the Esso/BHP Billiton Bass Strait joint venture asked the Minister for Planning whether a new gas conditioning plant at Longford requires an Environmental Effects Statement. The State Government's new guidelines for assessing projects with significant carbon dioxide (CO₂) emissions were about to get their first big test.

The gas conditioning plant is required to treat new production from the Kipper gas field. The downside is that it would emit a million tonnes of CO₂ every year. While not quite in the same league as a coal-fired power station, this is not the right approach to achieving urgent CO₂ reductions.



Natural gas piped from Longford to our stoves must be quite pure. Esso therefore plans to build a processing unit to separate the CO₂ from the gas. The result will be a concentrated waste stream of CO₂, perfect for sequestering in an older oil or gas field nearby. So, what does Esso plan to do with it? Its proposal is to vent it to the atmosphere.

This project clearly exceeds the threshold of 200,000 tonnes of CO₂ a year, which the Government introduced last year. So a decision from Planning Minister Justin Madden was required on whether a public review and Environmental Effects Statement is necessary.

Just three weeks before Esso's application (February 27), the Minister for Energy and Resources was in Parliament impressing us with details of his visit to a CO₂ capture and storage trial in the

Otway Basin. Peter Batchelor said the same techniques "should be able to be applied to the storage of carbon in other depleted oil and gas fields in Bass Strait". I have to agree.

Since promoting lower consumption doesn't make a great business plan, sequestration of CO2 is one of the oil companies' favoured remedies.

So why, in 38 pages of Esso's original submission to the Minister, is sequestration never mentioned? There is a section on possible alternatives where they could have explained why it might not be their first choice in this instance. Yet, still not a single mention.

Perhaps the sequestration option is less profitable and Esso/BHP would rather not lead us down that path. Well, it's time we were heading down that path and this project should be the perfect place to start.

You can see the full list of Project Referrals for this year on the website for the [Department of Sustainability and Environment](#).

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On the 22nd August, Minister Madden finally published [his decision](#) that the project would not require an Environmental Effects Statement.

Before reaching that conclusion, Minister Madden asked Esso for additional information in relation to their application, and we can now infer that he asked why they hadn't discussed carbon capture and sequestration. Esso provided [additional information](#) and a [cover letter](#) which I obtained after a Freedom of Information request.

Minister Madden also sought advice from the other relevant Ministers. The response from [Minister Batchelor](#) (Department of Energy and Resources) provides an interesting insight into Government thinking and bureaucracy, although it is hardly riveting reading.

My personal view after following this project for several months now is this:

In public, Esso Australia (ExxonMobil) and the Government tell all of us that carbon sequestration is the answer to climate change - **that we can continue to burn fossil fuels and bury the problem.**

In private, ExxonMobil are are doing whatever they can to avoid spending dollars on sequestration or reducing the economic return from their fields. The Government dabbles in a few experiments which gives them plenty to talk about, but they will not place the environment before any major business investment decisions. They rationalise this by saying that gas fields (even those containing CO2) have a lower total carbon output than coal per unit of energy delivered. But this gas is not going to be used to displace coal fired electricity, so total emissions continue to grow.

Minister Batchelor also stated in his letter that carbon capture and sequestration "will not be commercially viable until **after 2020.**

More recently, on November 2nd, celebrity scientist [Dr Karl](#) took a strong stance on the viability of carbon capture and sequestration, calling it a "furphy".

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The colourful campaign of the physicist-turned-politician took a serious turn when he slammed Labor and the Coalition for propagating the "myth of carbon capture" and wasting taxpayers' money.

"Goebbels, the Nazi propagandist, said if you're going to tell a lie, tell a big one, and this is a beauty," Dr Kruszelnicki said. "It is a furphy, a pork pie to cover up the fact that there is no such thing as clean coal," he said at Customs House in Sydney.

Our climate change solution is a long way out in the woods, but the problem is banging on the door.



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