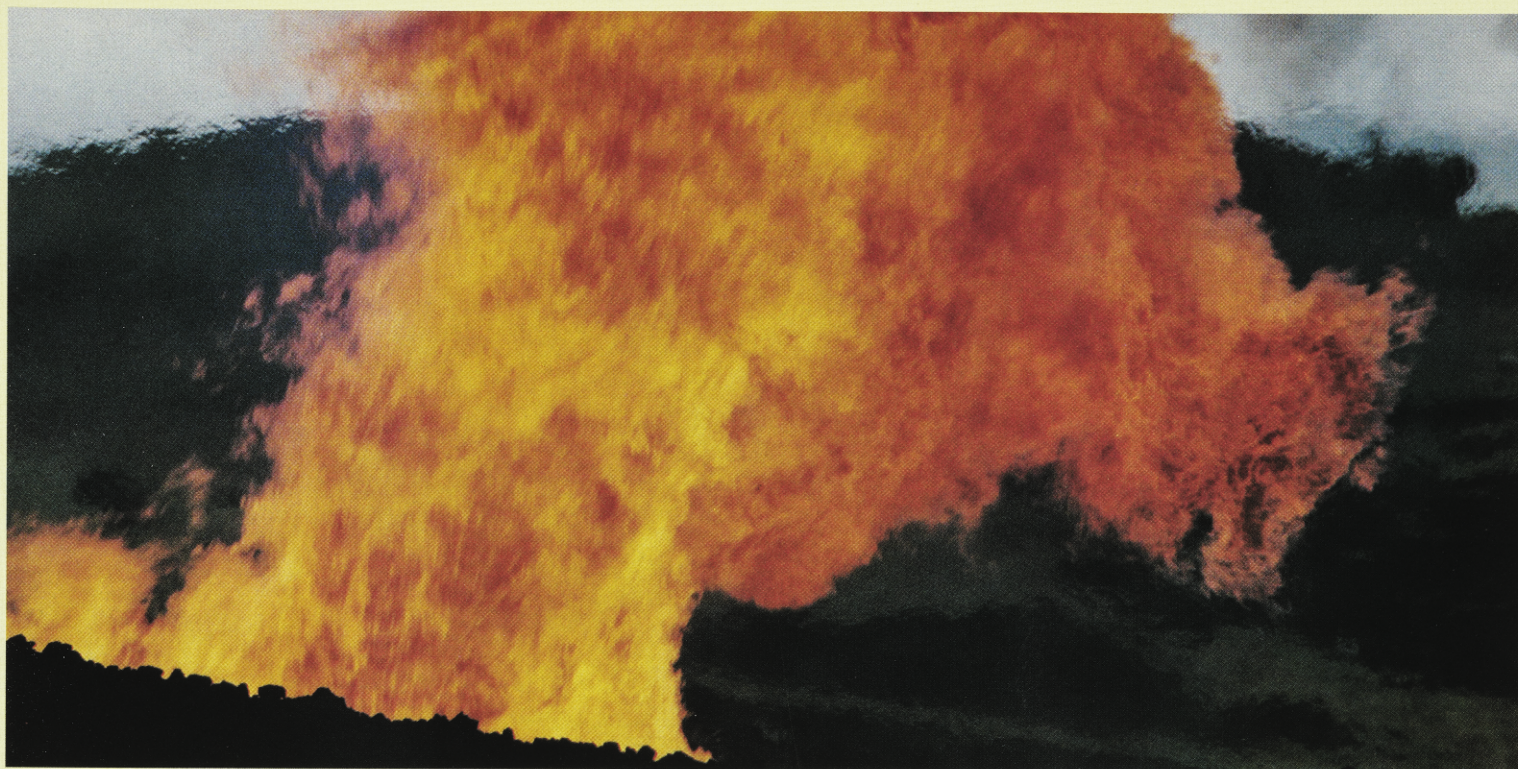


Natural Gas Controversy Flares Up



Natural gas flaring at Waihapa oil well near Stratford.

While you read this sentence, nearly 500 cubic feet of natural gas is being flared off at the Waihapa oil field in Taranaki. Under the guise of performing extended testing on the field, Petrocorp (the field's operators) have been extracting about 7,000 barrels of oil and about 7.3 million standard cubic feet of gas per day for the past year – and all the gas is being flared off. The oil earns the company \$80 million per year.

The energy value of what has been burnt is between 2 and 3 petajoules (PJ) for the year – compare this figure with the total NZ use of CNG per year (about 3 to 4PJ) and the true enormity of the wastage becomes apparent. To put it another way, the gas flared per year is about 2 percent of the output from the Maui field and would be enough to give each CNG-converted car in New Zealand 5,000 free kilometres every year. Can this country afford to burn off a future energy supply in these quantities when almost every energy analyst says that natural gas is going to be in very short supply at some time in the future?

Not only is a valuable resource for the future being wasted. Each cubic foot that is burnt adds at least a cubic foot of carbon dioxide to the atmosphere, or about 2.6 billion cubic feet per year. On a yearly basis, this is equivalent to the addition of 130,000 tonnes of CO₂ to the atmosphere with very definite consequences for the greenhouse effect and global warming.

The field operators, Petrocorp, say that the flaring is necessary because it would cost too much to install the equipment required to process and pipe the gas into the gas supply – but they claim they still have to continue their testing to be able to estimate the field's reserves accurately and get their production

licence. However, they must already have a good idea of what's in the field from the testing that has been done to date – a good enough idea at any rate to allow for adequate future energy planning.

Petrocorp are further defending themselves by saying that the greenhouse argument is a non-starter because it doesn't matter whether gas is burnt as a flare or in cars as CNG – the same amount of carbon dioxide would still be produced. But what if the whole field were to be left untouched until it is required? And what about re-injection of the gas back into the field to wait until it can be used? And what other options might there be if they were only looked for? It's hard to avoid the feeling that for all the talk about the greenhouse effect nobody is actually trying to find what can be done about it – the "our own little bit is so small that it's all right to continue" syndrome.

So why, you might be asking, is the government not doing anything about it even if Petrocorp won't? The short answer is that they want to but can't at the moment – the long answer is more to do with the way energy policy is perceived. Without going too much into detail, the reason why they can't is bound up with the way in which the Petroleum Act and Petroleum regulations operate – these dictate the stages and procedures that have to be gone through during the prospecting and operating periods of a development and they do not allow the flexibility required to ensure that wasting of resources does not happen (as we can see at Waihapa). The affair is complicated even further by a court case Petrocorp have brought against the Ministry of Energy about the way a licence block next to Waihapa was awarded – which

meant they were able to take out an interim court order to stop the Ministry preventing them from flaring.

So why doesn't the Government make sure it has the power to regulate when it is needed? Here we get back to the long answer – they're in the middle of doing it as part of the RMLR exercise. There is genuine concern within government about wise use of energy resources and the greenhouse effect – the new RMLR Act will (we hope) give them the regulatory powers they require but it won't become law until the end of this year at the very earliest. And meanwhile, the flaring at Waihapa continues. (Another 500 cubic feet just went up, remember!).

It is no longer any good to continue just to talk about it. Some environmental scientists are already saying that we only have 40 years left if we don't get our act into gear and start to make changes now. Stopping the flaring at Waihapa is part of this but it is just a start – and we shouldn't forget that care for the environment has to become an essential way of life for all of us, not just governments and big companies. ✎

Alan Hallett

Please write to the following asking them to stop the flaring:

Rt. Hon David Butcher, Minister of Energy, Parliament Buildings, WELLINGTON.

Rt. Hon Geoffrey Palmer, Minister for the Environment, Parliament Buildings, WELLINGTON. **Mr J W Falconer**, Managing Director, Petrocorp, PO Box 1818, WELLINGTON