



15 February 2022

By email: ec.sen@aph.gov.au, senator.hanson-young@aph.gov.au

To the Committee Secretary and Chair Senator Hanson-Young,

Additional information re inquiry into oil and gas exploration and production in the Beetaloo Basin

350 Australia made a submission to the inquiry into oil and gas exploration and production in the Beetaloo Basin in July of 2021. Since then, we have uncovered additional information regarding Empire Energy that we believe is relevant to this inquiry.

Empire Energy's US operation (Empire Energy E&P LLC) paid the US Environmental Protection Agency \$37,000 at the end of 2020 for significant alleged oil spills that occurred at a Kansas facility in early 2019.¹

The EPA alleged the company violated environmental regulations regarding harmful discharges of oil, preparation and implementation of adequate spill prevention plans and the Clean Water Act.²

US EPA documents state that in two separate incidents from the same oil well, Empire Energy spilled 16 barrels, or 2544 litres, of oil and wastewater into the Saline River in Kansas. According to EPA documents, the spills caused an observable sheen on the river and the quantity was potentially harmful to human health or the environment.

The first spill occurred on the 5th of March 2019. Following this spill, the EPA inspected the facility and provided Empire Energy with a report on the 29th of April 2019. Despite this inspection and report, a second, larger spill occurred on 22nd of May 2019.

EPA documents also reveal that during inspections, a number of failures were identified in Empire Energy's Spill Prevention Control and Countermeasure Plans across two facilities.

¹ US EPA Press Release, November 2020, <https://www.epa.gov/newsreleases/epa-reaches-settlements-oil-production-facilities-hays-kansas-alleged-clean-water-act>.

² US EPA Complaint, Consent Agreement and Final Order, <https://www.epa.gov/sites/default/files/2020-10/documents/empire-energy-cafo.pdf>

A settlement requiring Empire Energy to pay a civil penalty of \$37,000 was reached with the EPA in December 2020 and signed by US Vice President of Empire Energy Appalachia, Timothy Hull.

Empire Energy E&P LLC is a wholly owned subsidiary of Empire Energy Group Ltd. Empire Energy sold their Kansas assets shortly after these spills, in June 2019. Current CEO Alex Underwood has been in his position since March 2018.

The decision by the Morrison Government to grant Empire Energy \$21 million to fast-track their fracking operations in the Beetaloo Basin came after details of the US EPA's settlement were publicly available in November 2020.

We believe that this raises serious questions about the suitability of Empire Energy to receive funds to fast-track operations and the due diligence process of the Beetaloo Grants Program.

Regards,

Lucy Manne,
CEO 350 Australia