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### Details of Filing

Document Lodged: Statement of Claim - Form 17 - Rule 8.06(1)(a)  
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(ACN 004 210 164)  
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A handwritten signature in blue ink, reading 'Warwick Soden'.

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Registrar

### Important Information

As required by the Court's Rules, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

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Form 17  
Rule 8.05(1)(a)

## **Further Amended Statement of claim**

Amended on 28 July 2017 and filed pursuant to an order made on 19 June 2017

No. NSD 1245 of 2016

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**DANIEL ARISTABULUS SANDA**

Applicant

and

**PTTEP AUSTRALASIA (ASHMORE CARTIER) PTY LTD (ACN 004 210 164)**

Respondent

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## I. PARTIES

1. This proceeding is commenced as a representative proceeding pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth) by the Applicant on his own behalf and on behalf of other persons (**Group Members**) who:
  - (a) as at August 2009, conducted business as seaweed farmers in the coastal areas of Nusa Tenggara Timor identified in paragraph 95 below;
  - (b) have suffered loss or damage:
    - I. by reason of the decline in, or loss of, seaweed production caused by the effects of the uncontrolled release of oil and gas from the Montara Well Head Platform in August-November 2009 (**Montara Oil Spill**); or
    - II. by reason of the destruction of seaweed owned by them caused by the Montara Oil Spill; and
  - (c) became aware of some or all of the material facts giving rise to the claims set out herein no earlier than 12 months prior to the commencement of this proceeding; and
  - (d) have prior to the filing of this [Further](#) Amended Statement of Claim entered into a litigation funding agreement with Harbour Fund II LP.

2. As at the date of the commencement of this proceeding, seven or more Group Members have claims against the Respondent (**PTTEPAA**) as pleaded in this [Further Amended](#) Statement of Claim.
3. At all material times, the Applicant:
  - (a) lives, and has lived, in the village of Oenggaut on the Island of Rote, Indonesia; and
  - (b) conducted business as a seaweed farmer in and around Oenggaut.
4. **PTTEPAA:**
  - (a) is and at all material times was a company duly incorporated pursuant to the *Corporations Act 2001* (Cth) ("**Corporations Act**") and capable of being sued; and
  - (b) is a subsidiary of PTT Exploration and Production Public Company Limited (**PTTEP**), a Thai company the business of which includes oil and gas exploration and mining.

## II. THE MONTARA OIL FIELD

5. The Montara Oil Field:
  - (a) is located approximately 250km northwest from the West Australian coast and approximately 700km from Darwin; and
  - (b) is located within the offshore area of the Territory of Ashmore and Cartier Islands; and
  - (c) is located within the AC/L7 petroleum production licence area.
6. In September 2003, Coogee Resources (Ashmore Cartier) Pty Ltd (**Coogee Resources**) acquired the retention lease for the Montara Oil Field.
7. In October 2006, Coogee Resources submitted an application for a petroleum production licence for the AC/L7 area.
8. In March 2007, Coogee Resource's application for a petroleum production licence for the AC/L7 area was approved such that Coogee Resources:
  - (a) received approval to batch drill three development wells at the Montara Oil Field; and

- (b) subsequently received approval to batch drill two additional wells at the Montara Oil Field.
9. In February 2009:
- (a) Coogee Resources was acquired by PTTEP Australasia Browse Basin Pty Ltd, a subsidiary of PTTEP; and
  - (b) Coogee Resources changed its name to PTTEPAA.
10. In the period from September 2003 to August 2009, PTTEPAA developed the Montara Oil Field such that at all material times the field consisted of:
- (a) four production wells identified as H1, H2, H3 and H4 (hereinafter referred to as the **H1 Well**, **H2 Well**, **H3 Well**, and **H4 Well** respectively); and
  - (b) a gas injection well (**GI Well**).
11. At all material times, in respect of the Montara Oil Field, PTTEPAA was required to:
- (a) carry out all petroleum exploration and recovery operations in a proper and workmanlike manner and in accordance with good oilfield practice; and

#### **Particulars**

Section 569 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth)

- (b) control the flow, and prevent the waste or escape in the petroleum production licence area, of petroleum or water.

#### **Particulars**

Section 569 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth)

### III. THE REGULATORY SCHEME IN RELATION TO THE MONTARA OIL FIELD

12. Pursuant to section 50 of the *Offshore Petroleum Act 2006* (Cth) (**OPA**) and section 70 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (**OPGGSA**), the Designated Authority for the area within which the Montara Oil Field is located was the Commonwealth Minister with responsibility for administering the OPA and OPGGSA.
13. At all material times, the Commonwealth Minister with responsibility for administering the OPA and OPGGSA was the Minister for Resources and Energy.
14. On 25 August 2008, pursuant to section 52 of the OPA, the Minister for Resources and Energy delegated to the person who, from time to time, holds, occupies or performs the duties of the Director of Energy, Department of Regional Development, Primary Industry, Fisheries and Resources of the Northern Territory (later known as the Northern Territory Department of Resources) (**Director of Energy**) the functions and powers of the Designated Authority specified in item 1 of the delegating instrument, which included the responsibilities of the Designated Authority under the OPA and the *Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2004* (**PSLMWO regulations**) in respect of the area within which the Montara Oil Field is located.

#### Particulars

Delegation under section 52 of the *Offshore Petroleum Act 2006* (Cth) by the Minister for Resources and Energy dated 25 August 2008, item 1, Schedule 1.

15. At all material times, the OPGGSA specified powers for the Designated Authority that included:
  - (a) the power to approve a Well Operations Management Plan submitted by a petroleum production licensee, without which the licensee could not undertake activities in relation to a petroleum well during the life of the well;

#### Particulars

Regulations 5, 8, 10, 11 and 22 of the PSLMWO regulations.

- (b) the power to approve well drilling or the abandonment of a petroleum well which lead to a physical change to a well bore, without which approval the licensee could not undertake such activities.

#### Particulars

Regulation 17 of the PSLMWO regulations.

#### IV. DEVELOPMENT OF THE MONTARA OIL FIELD

16. From prior to 2009, PTTEPAA retained Atlas Drilling (S) Pte Ltd (**Atlas**) as contractor to drill wells at the Montara Oil Field.
17. Between January and April 2009, the *West Atlas* rig commenced drilling wells at the Montara Oil Field.
18. The process of drilling at the Montara Oil Field ordinarily included the following steps:
  - (a) a drilling rig was moved to a position where it was considered desirable to construct a well;
  - (b) a drill from the rig was used to bore a hole into the sea bed;
  - (c) following the boring of an initial hole, a steel pipe casing of a slightly smaller diameter than the hole was inserted into the hole;
  - (d) the sections of steel casing inserted into the hole referred to in paragraph (c) above were generally referred to as the **casing string** and distinguished by the diameter of the steel pipe casing that had been inserted. For example, the 13 3/8" casing string is a reference to the steel pipe casing sections with a diameter of 13 3/8";
  - (e) after the insertion of a casing string of a particular diameter, cement could be pumped into the lowermost one to three joints of the casing string (which was known as the **casing shoe**) such that cement occupied the casing shoe and the bottom part of the area between the hole that had been bored and the casing string (which was known as the **annulus**);

- (f) the purpose of pumping cement into the casing shoe and annulus outside a casing string in the manner pleaded in paragraph (e) above was to set and secure the casing string;
  - (g) following the setting of cement in the casing shoe and annulus for a particular casing string, a narrower hole could be drilled through the cement in the shoe of the casing string and further into the seabed;
  - (h) in the event that a further hole was drilled in the manner pleaded in paragraph (g) above, a further casing string might be inserted into the hole so as to create a new casing string of a narrower diameter;
  - (i) if required, a rotary steerable tool could be used to drill a hole into the seabed such that control could be exercised over the direction of the hole, including by drilling horizontally.
19. The H1 Well at the Montara Oil Field was drilled consistently with the process pleaded in paragraph 18 above.

#### **V. THE SUSPENSION OF THE H1 WELL**

20. As at 18 January 2009, PTTEPAA's intention in relation to the suspension of the H1 Well was that it would be suspended using cement in the 9 5/8" casing string shoe and a shallow set cement plug from 160 metres to 115 metres with inhibited seawater above and below the plug.

#### **Particulars**

Submission of Atlas Drilling (S) Pte Ltd to the Montara Commission of Inquiry at [8].

Further particulars may be provided following discovery.

21. Between 2 and 7 March 2009, the H1 Well was drilled to a depth of approximately 3,796 metres, with a total vertical depth of approximately 2,654 metres and in circumstances where the well-bore tracked near horizontally for approximately 700m.
22. On 6 March 2009, PTTEPAA applied to the Director of Energy for approval pursuant to reg 17 of the PSLMWO regulations to suspend the H1 Well (**6 March Suspension Application**).



### Particulars

Letter from PTTEPAA to the Director of Energy dated 6 March 2009.

23. The 6 March Suspension Application:
- (a) stated that the H1 Well suspension was to occur in two stages;
  - (b) stated that the first stage of the H1 Well suspension would involve the cementing and pressure testing of the 9 5/8" casing string followed by the installation of a pressure containing anti-corrosion cap (**PCCC**) on that casing string; and
  - (c) stated that the second stage of the H1 Well suspension would involve the installation of a second PCCC on the 13 3/8" casing string.
24. On 6 March 2009, the Director of Energy provided preliminary approval to PTTEPAA for suspension of the H1 Well in accordance with the 6 March Suspension Application.
25. On 12 March 2009, PTTEPAA issued a formal change control order to Atlas which specified that the shallow set cement plug proposed to be used as a well control barrier in respect of the H1 Well and referred to in paragraph 20 above was to be replaced by PCCCs on the 9 5/8" and 13 3/8" casing strings for the H1 Well.

### Particulars

Submission of Atlas Drilling (S) Pte Ltd to the Montara Commission of Inquiry at [11].

26. On 12 March 2009, PTTEPAA made a further application to the Director of Energy pursuant to reg 17 of the PSLMWO regulations for approval to suspend the H1 Well (**12 March Suspension Application**).

### Particulars

Further particulars may be provided following discovery.

27. At the time of the 6 and 12 March Suspension Applications:
- (a) the foot of the 9 5/8" casing string was in the reservoir for the H1 Well; and

(b) the suspension was to take place by installing PCCCs on the 9 5/8" and 13 3/8" casing strings.

28. On 13 March 2009, the Director of Energy granted approval to PTTEPAA to suspend the H1 Well consistently with the 6 and 12 March Suspension Applications.

#### **Particulars**

Further particulars may be provided following discovery.

29. At all relevant times, PTTEPAA directed, controlled and provided instructions in respect of the manner in which the H1 Well was to be suspended and the actions to be taken to effect that suspension.

#### **Particulars**

The employees of PTTEPAA who directed, controlled or provided instructions on behalf of PTTEPAA included:

- (1) Mr Treasure, PTTEPAA's Day Drilling Supervisor on the *West Atlas* rig;
- (2) Mr Wilson, PTTEPAA's Drilling Superintendent; and
- (3) Mr Duncan, PTTEPAA's Well Construction Manager.

Further particulars may be provided following discovery.

#### **Use of a Cement Casing**

30. As at March 2009:

- (a) the 9 5/8" casing string for the H1 Well was located in the oil reservoir for the well at a point that was 3m above the point where oil and water contacted; and
- (b) the casing shoe was in a horizontal position.

31. The effect of the matters pleaded in paragraph 30 above was that the casing string provided a potential pathway for hydrocarbons to enter the H1 Well.

32. On 7 March 2009, in order to effect a suspension of the H1 Well:

- (a) PTTEPAA installed a "float collar", which:
    - I. incorporated two float valves, the purpose of which was to act as one way valves that allowed the pumping of cement beneath the float collar, but prevented the return of cement up the casing string; and
    - II. made provision for a bottom plug and top plug that were intended to lock (or "bump") following the pumping of cement into the casing shoe for the 9 5/8" casing string so as to create a seal within the casing string; and
  - (b) PTTEPA pumped cement into the casing shoe for the 9 5/8" casing string in the H1 Well such that cement travelled through the end of the casing string and up into the annulus.
  - (c) an amount of the cement referred to in paragraph (b) above remained in the casing string to fill the space between the float valves, (the **Cement Shoe**).
33. Following the pumping of cement in the manner pleaded in paragraph 32 above, approximately 9.25 barrels of displacement fluid (consisting of inhibited seawater) were pumped into the 9 5/8" casing string for the H1 Well and the pressure in the casing string was held at 4,000psi for approximately 10 minutes.
34. At approximately 2.40pm on 7 March 2009, upon release of the pressure in the 9 5/8" casing string, 16.5 barrels of fluid were returned, which was made up of 9.25 barrels of displacement fluid that had been introduced into the casing string for the purposes of pressure testing and approximately 7.25 barrels of fluid that consisted of a combination of cement and leached hydrocarbons.
35. The return of fluid in the manner pleaded in paragraph 34 above indicated:
- (a) that the float valves in the casing shoe in the 9 5/8" casing string had failed; and
  - (b) that the top plug and bottom plug in the casing shoe for the 9 5/8" casing string had failed to lock or "bump" so as to create a seal above the cement in the casing shoe.

36. At approximately 2.45pm on 7 March 2009, following the return of the fluid pleaded in paragraph 34 above, at PTTEPAA's instruction or with PTTEPAA's acquiescence, the 16.5 barrels of fluid that had been returned were pumped back into the 9 5/8" casing string and the top of the casing string was then closed while the cement set.

#### **Particulars**

Following the return of the fluid pleaded in paragraph 34 above, Mr Treasure, PTTEPAA's Day Drilling Supervisor was informed by a telephone call from David Doeg of the return of fluid from the H1 Well and instructed or alternatively agreed to pumping the returned fluid into the 9 5/8" casing string.

37. The effect of pumping the returned fluid back into the 9 5/8" casing string was that:
- (a) approximately 7.25 barrels of cement and leached hydrocarbons were forced beneath the float collar within the 9 5/8" casing string;
  - (b) approximately 9.25 barrels of displacement fluid (consisting of inhibited sea water) were forced beneath the float collar within the 9 5/8" casing string, thereby displacing cement from the casing shoe;
  - (c) the areas within the casing shoe that should have consisted of cement instead consisted partly of cement and partly of other material including inhibited seawater and leached hydrocarbons;
  - (d) channel paths were created within the cement in the casing shoe such that fluids could move from the oil reservoir at the end of the casing shoe into the 9 5/8" casing string;
  - (e) cement that should have been within the casing shoe was displaced into the annulus;
  - (f) the top and bottom plugs in the casing shoe did not lock or "bump";  
and
  - (g) a situation known as "wet shoe" had arisen.

38. Following the matters pleaded in paragraph 37 above, the Cement Shoe was subjected to pressure at 1,350 psi while PTTEPAA waited for the cement to set.
39. Following the matters pleaded in paragraph 38 above, no further testing or assessment, or alternatively adequate testing or assessment, of the Cement Shoe was undertaken by PTTEPAA or any other person on its behalf.
40. On 7 March 2009, Mr Treasure, PTTEPAA's Day Drilling Supervisor, informed Mr Wilson, PTTEPAA's Drilling Superintendent of the manner in which the Cement Shoe had been installed.

#### **Particulars**

Mr Treasure informed Mr Wilson of these matters by way of one or more telephone calls on 7 March 2009 at approximately 3.01pm, 3.11pm, 5.17pm, 5.27pm, 6.23pm and 6.54pm.

41. On 7 March 2009, PTTEPAA was provided with a report that set out the events that had occurred during the course of the attempt to install the Cement Shoe.

#### **Particulars**

The report was in the form of Production Casing 7523 report prepared by David Doeg for PTTEPAA dated 7 March 2009 and was provided to Mr Treasure, PTTEPAA's Day Drilling Supervisor on or about that date.

Further particulars may be provided following discovery.

42. On 7 March 2009, PTTEPAA approved the report pleaded in paragraph 41 above and the manner in which the H1 Well had purportedly been suspended.

#### **Particulars**

The report was in the form of Production Casing 7523 report prepared by David Doeg dated 7 March 2009 and provided to PTTEPAA's Day Drilling Supervisor, Mr Treasure.

The approval of the report was provided by Mr Treasure and is recorded on the face of the report by the annotation “good job well done”.

43. On or about 7 March 2009, Mr Treasure, PTTEPAA’s Day Drilling Supervisor:
- (a) prepared a daily drilling report (**DDR**) in respect of the attempt to install the Cement Shoe;
  - (b) prepared a PTTEPAA cementing report (**Cementing Report**) in respect of the attempt to install the Cement Shoe;
  - (c) sent the DDR and the Cementing Report to Mr Wilson, PTTEPAA’s Drilling Superintendent, and Mr Duncan, PTTEPAA’s Well Construction Manager.

#### **Particulars**

Further particulars may be provided following discovery.

44. From 7 March 2009, PTTEPAA knew or ought to have known:
- (a) the manner in which the Cement Shoe had been created as pleaded in paragraphs 30 to 39 above;

#### **Particulars**

PTTEPAA was informed of these matters, or alternatively ought to have known of these matters, by reason of:

- (1) A telephone call from David Doeg to Mr Treasure, PTTEPAA’s Day Drilling Supervisor, on 7 March 2009 in which Mr Doeg informed Mr Treasure of the process undertaken in order to attempt to suspend the H1 Well;
- (2) Production Casing 7523 report prepared by David Doeg for PTTEPAA dated 7 March 2009;
- (3) The DDR pleaded in paragraph 43 above; and
- (4) The Cementing Report pleaded in paragraph 43 above.

Further particulars may be provided following discovery.

- (b) that no testing of the Cement Shoe had been carried out following the setting of the cement referred to in paragraph 38 above; and

#### **Particulars**

Neither the Job Log Table nor the graph in the Production Casing 7523 report dated 7 March 2009, the DDR or the Cementing Report record that any such testing occurred.

- (c) that the Cement Shoe lacked integrity and could not be relied on as a control on the release of hydrocarbons from the H1 Well.

#### **Particulars**

Knowledge of this matter may be inferred from, or alternatively ought to have been known by reason of, the matters pleaded in paragraphs 44(a) and (b) above.

- 45. Despite the matters pleaded in paragraphs 30 to 44 above, in the period from March 2009 to August 2009, PTTEPAA relied on the Cement Shoe as an effective barrier against the release of hydrocarbons from the H1 Well.

#### **Use of incorrect amount of tail cement in cementing the casing shoe**

- 46. In cementing the casing shoe, ordinarily two forms of cement are used:
  - (a) lead cement, which is the first cement pumped into the casing string; and
  - (b) tail cement, which has a higher density and thickening time than lead cement.
- 47. PTTEPAA's Well Construction Standards provided that in cementing the casing shoe, tail cement should be placed within the annulus outside the 9 5/8" casing string to a height of 100 metres above the top of the hydrocarbon reservoir.
- 48. Despite the matters pleaded in paragraph 47 above, PTTEPAA determined to use tail cement within the annulus outside the 9 5/8" casing string to a lesser height of 69 metres above the top of the hydrocarbon reservoir.

49. In order to ensure the presence of tail cement to a height of 69 metres above the top of the hydrocarbon reservoir within the annulus outside the 9 5/8" casing string, PTTEPAA was required to use 199bbls of tail cement.
50. In the course of cementing the casing shoe:
- (a) PTTEPAA incorrectly used only 132 bbls of tail cement; and
  - (b) the tail cement within the annulus outside the 9 5/8" casing string reached a height of only 61 metres below the top of the hydrocarbon reservoir for the H1 Well.
51. By reason of the matters pleaded in paragraphs 46 to 50, hydrocarbons in the reservoir for the H1 Well were permitted to leach into the annulus outside the 9 5/8" casing string for the H1 Well and compromise the integrity of the Cement Shoe.
52. Despite the matters pleaded in paragraphs 46 to 51 above, in the period from March 2009 to August 2009, PTTEPAA relied on the Cement Shoe as an effective barrier against the release of hydrocarbons from the H1 Well.

**Use of a secondary control barrier**

53. As pleaded in paragraphs 22 to 28 above, PTTEPAA applied for approval to suspend the H1 Well, received such approval, and intended to suspend the H1 Well on the basis that two PCCCs would be installed on the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well.
54. At a point between January and March 2009, PTTEPAA determined to use PCCCs as a secondary control barrier in relation to the H1 Well, rather than concrete plugs.

**Particulars**

The decision was made on behalf of PTTEPAA by Mr Duncan, PTTEPAA's Well Construction Manager.

55. At all material times:
- (a) GE, as manufacturer of the PCCCs that PTTEPAA proposed to use for the purposes of suspending the H1 Well, did not intend that PCCCs be used as a barrier against the uncontrolled release of hydrocarbons;



- (b) GE did not design the PCCCs that PTTEPAA proposed to use for the purposes of suspending the H1 Well as a barrier against the uncontrolled release of hydrocarbons;
  - (c) there was no practically or practicably available test that could verify the internal pressure containing capability of a PCCC; and
  - (d) unlike other forms of secondary barriers (including concrete plugs), PCCCs were required to be removed prior to a casing string being tied back to a Well Head Platform with the effect that the secondary barrier would not be present during that process.
56. In about March 2009, PTTEPAA made a decision to install a PCCC on the 9 5/8" casing string for the H1 Well, but to not install a PCCC on the 13 3/8" casing string for that well.

#### **Particulars**

The decision to not install a PCCC on the 13 3/8" casing string was made by Mr Wilson, PTTEPAA's Drilling Superintendent, with the concurrence or agreement of Mr Duncan, PTTEPAA's Well Construction Manager. Mr Treasure, PTTEPAA's Day Drilling Supervisor, was aware of that decision.

57. Following the installation of the Cement Shoe as set out in paragraphs 32 to 39 above, and in order to continue to suspend the H1 Well, PTTEPAA:
- (a) Removed (known as "backed out") the upper section of the 9 5/8" casing and installed a PCCC on the 9 5/8" casing to remain in situ; and
  - (b) Removed the upper section of the 13 3/8" casing but failed to install a PCCC on the 13 3/8" casing to remain in situ; and
  - (c) Removed the upper section of the 20" conductor casing and installed a corrosion cap (otherwise known as a "trash cap") for the H1 Well.
58. Following the installation of a PCCC on the 9 5/8" casing string for the H1 Well, that PCCC was:
- (a) not tested; and

(b) not verified in situ.

59. Despite the matters pleaded in paragraphs 53 to 58 above, in the period from March 2009 to August 2009 (until the PCCC for the 9 5/8" casing string was removed), PTTEPAA relied on the PCCC for the 9 5/8" casing string as an effective barrier against the release of hydrocarbons from the H1 Well.

**Overbalancing of fluid in the 9 5/8" casing string**

60. Fluid in a casing string for a well is said to be "overbalanced" when the hydrostatic pressure of the fluid in the casing string is greater than the pressure of the hydrocarbon reservoir with an appropriate safety margin.

61. When the fluid in a casing string is overbalanced to the pressure in the hydrocarbon reservoir, the fluid in the casing string may operate as a barrier to a blowout.

62. In the period from March to August 2009:

(a) the fluid used in the 9 5/8" casing string for the H1 Well consisted of seawater;

(b) the pore pressure within the reservoir for the H1 Well was 1.04sg;

(c) the normal pressure of seawater is 1.02-1.03sg; and

(d) consequently, the H1 Well was not overbalanced by reason of the fact that the pressure in the reservoir for the H1 Well was greater than the pressure of the fluid in the 9 5/8" casing string for that well.

63. Further, in the period from March 2009 to August 2009:

(a) the fluid in the 9 5/8" casing at the H1 Well had not been tested or monitored by PTTEPAA or any person on its behalf; and

(b) the fluid in the 9 5/8" casing string at the H1 Well had not been verified as being in overbalance by PTTEPAA or any person on its behalf.

64. Despite the matters pleaded in paragraphs 60 to 63 above, in the period from March to August 2009, PTTEPAA relied on the fluid in the 9 5/8" casing string as an effective barrier against the release of hydrocarbons from the H1 Well.

**The effect of PTTEPAA's attempts to suspend the H1 Well**

65. As a result of the matters set out in paragraphs 22 to 64, as at April 2009:
- (a) none of the well control barriers relied on by PTTEPAA as barriers against the release of hydrocarbons from the H1 Well had been tested;
  - (b) each of the well control barriers on which PTTEPAA relied was deficient; and
  - (c) one of the items that PTTEPAA had intended to install as a well control barrier against the release of hydrocarbons from the H1 Well (the PCCC on the 13 3/8" casing string) had not been so installed.

**VI. THE WEST ATLAS RIG LEAVES THE MONTARA OIL FIELD**

66. On 21 April 2009, the *West Atlas* rig left the Montara Oil Field to perform drilling operations in other fields.

**VII. THE PHASE 1B DRILLING PROGRAM**

67. On or around 7 July 2009, PTTEPAA made an application to the Director of Energy pursuant to regulation 17 of the PSLMWO regulations for approval of its Phase 1B Drilling Program in respect of the Montara Oil Field.
68. PTTEPAA's application in respect of its Phase 1B Drilling Program:
- (a) set out the sequence of events to batch drill the H1, H2, H3, H4 and GI Wells at the Montara Oil Field; and
  - (b) included a diagram which indicated that PCCCs had been installed on both the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well.

69. On 13 July 2009, the Director of Energy approved PTTEPAA's application in respect of the Phase 1B Drilling Program.

**VIII. RETURN OF THE WEST ATLAS RIG TO THE MONTARA OIL FIELD**

70. On 19 August 2009, the *West Atlas* rig returned to the Montara Oil Field to:
- (a) allow PTTEPAA to tie back the casing strings for each of the five Montara Wells to the Well Head Platform by adding additional casing

to extend the wells back up to the mezzanine deck on the platform;  
and

(b) to complete the wells at the Montara Oil Field to the point of production.

71. At approximately 4.30am on 20 August 2009, the *West Atlas* rig moved over the H1 Well and the “trash cap” for that well was removed.

72. Upon examination of the H1 Well by PTTEPAA personnel:

(a) it was discovered that the PCCC for the 13 3/8” casing string had not been installed; and

(b) consequently, the inner threads of the uppermost portion of the 13 3/8” casing string had rusted or corroded.

73. PTTEPAA determined that in order to tie the 13 3/8” casing string back to the Montara WHP, it was necessary for the threads on that casing string to be cleaned and for the PCCC on the 9 5/8” casing string to be removed.

#### **Particulars**

The decision to clean the threads on the 13 3/8” casing string and remove the PCCC on the 9 5/8” casing string was made by Mr Duncan, PTTEPAA’s Well Construction Manager, in consultation with Mr Wilson, PTTEPAA’s Drilling Superintendent, and Mr O’Shea, PTTEPAA’s Day Drilling Supervisor.

74. At approximately 11.30am on 20 August 2009, the PCCC installed on the 9 5/8” casing string for the H1 Well was removed in order to clean the threads of the 13 3/8” casing.

75. Following the removal of the 9 5/8” PCCC, PTTEPAA did not reinstall that PCCC and determined to not reinstall that PCCC.

#### **Particulars**

The decision was made by Mr Duncan, PTTEPAA’s Well Construction Manager, on the evening of 20 August 2009.

76. Following the removal of the PCCC for the 9 5/8" casing string, the H1 Well was left in an unprotected state and relied only on the Cement Shoe as a barrier against the release of hydrocarbons from the H1 Well.
77. At approximately 5pm on 20 August 2009, the *West Atlas* rig left the H1 Well to undertake work at the GI Well.
78. At approximately 12am on 20 August 2009, the *West Atlas* rig left the GI Well to undertake work at the H4 Well.

#### **IX. THE MONTARA OIL SPILL**

79. At approximately 5.30am on 21 August 2009:
- (a) the Cement Shoe at the H1 Well failed; and
  - (b) there was a release of hydrocarbons from the H1 Well.

#### **Particulars**

The volume of hydrocarbons released was estimated by PTTEPAA to be between 40 and 60 barrels.

Further and better particulars may be provided following discovery.

80. At approximately 7.23am on 21 August 2009 there was a further larger release of hydrocarbons from the H1 Well (together with the release referred to in paragraph 79 above, **Montara Oil Spill**).
81. In response to the Montara Oil Spill, PTTEPAA and Atlas evacuated 69 personnel from the *West Atlas* rig and Montara Well Head Platform.
82. On 21 August 2009, PTTEPPA advised the Australian Maritime Safety Authority (**AMSA**) that the volume of oil spilling as a result of the Montara Oil Spill may be between 200 and 400 barrels per day.

#### **Particulars**

Statutory declaration of Jamie Storrie dated 9 April 2010 at paragraph 29.

Further and better particulars will be provided following discovery.

83. As a result of the Montara Oil Spill, for a period of in excess of 10 weeks from about August 2009 until about 3 November 2009, oil and gas flowed unabated from the H1 Well into the Timor Sea.

#### **Particulars**

Further and better particulars may be provided following discovery and service of expert evidence.

84. By no later than 22 August 2009, in response to the Montara Oil Spill, AMSA assumed the role of Combat Agency under the *National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances*.
85. In its role as Combat Agency, AMSA deployed resources in an attempt to contain and mitigate the effects of the Montara Oil Spill, including:
- (a) the use of chemical dispersants;
  - (b) the use of marker buoys to track oil,
  - (c) the use of a 300 metre containment boom; and
  - (d) the use of a skimmer to attempt to recover oil.
86. AMSA implemented operations to use dispersants in response to the Montara Oil Spill:
- (a) in the period from 23 August 2009 to 1 November 2009; and
  - (b) which used approximately 184,000 litres of dispersants.
87. The intended effect of the dispersants used in response to the Montara Oil Spill was to dissipate hydrocarbons on the surface of the water into the water column.
88. As a result of the Montara Oil Spill, oil or sheen was observed over an area of approximately 90,000 square kilometres.
- X. EFFECTS OF THE MONTARA OIL SPILL**
89. From no later than 1 September 2009, hydrocarbons from the Montara Oil Spill entered the waters of Indonesia.

### Particulars

NASA / MODIS Aqua satellite image from 26 August 2009 indicating hydrocarbons from the Montara Oil Spill crossing the Australian-Indonesian delimitation boundary.

NASA / MODIS Aqua satellite image from 30 August 2009 indicating hydrocarbons from the Montara Oil Spill north of the Australian-Indonesian delineation boundary.

Report titled "Claim for Compensation in Timor Sea" prepared by Government of Indonesia dated October 2010, pg 65.

Further and better particulars will be provided following discovery and the service of expert evidence.

90. By no later than 10 September 2009, hydrocarbons from the Montara Oil Spill were observed on the surface of the water within 51kms of the coast of Rote Island.

### Particulars

Report titled "Claim for Compensation in Timor Sea" prepared by Government of Indonesia dated October 2010, pg 70

Further and better particulars will be provided following discovery and the service of expert evidence.

91. By no later than 11 September 2009, hydrocarbons from the Montara Oil Spill were observed on the surface of the water within 47kms of the coast of Rote Island.

### Particulars

Over-flight oil map of 11 September 2009 prepared by AMSA.

Further and better particulars will be provided following discovery and the service of expert evidence.

92. On 11 September 2009, hydrocarbons from the Montara Oil Spill could be observed on the surface of the water within 35kms of the coast of Rote Island.

### Particulars

EnviSat image of 11 September 2009.

Further and better particulars will be provided following discovery and the service of expert evidence.

93. Following the Montara Oil Spill, hydrocarbons from the spill and dispersants used in response to the spill reached the coastal area of West Timor Island and the ~~southern~~ coastal area of Rote Island.

### Particulars

Further and better particulars ~~will~~may be provided following the service of expert evidence.

94. Hydrocarbons from the Montara Oil Spill and dispersants used in response to that spill reached the coastal areas ~~of in Nusa Tenggara Timor, including:~~
- (a) the Regency of Kupang; and
  - ~~(b) — Kupang Municipality;~~
  - ~~(c)(b)~~ the Regency of Rote Ndao;
  - ~~(d) — the Regency of Sabu Raijua District; and~~
  - ~~(e) — the Regency of Timor Tengah Selatan.~~
- in Nusa Tenggara Timor.

### Particulars

The areas that hydrocarbons and dispersants relevantly reached are those areas within the Regency of Kupang and the Regency of Rote Ndao in and around the villages identified in Schedule 1 to this Further Amended Statement of Claim.

Further and better particulars ~~will~~may be provided following the service of expert evidence.

95. Hydrocarbons from the Montara Oil Spill and dispersants used in response to that spill affected the ecology of the seawater in the coastal areas ~~of in Nusa Tenggara Timor, including:~~
- (a) the Regency of Kupang; and



~~(b) — Kupang Municipality;~~

~~(c)~~(b) the Regency of Rote Ndao;

~~(d) — the Regency of East Sumba District;~~

~~(e) — the Regency of Sabu Raijua District; and~~

~~(f) — the Regency of Timor Tengah Selatan.~~

in Nusa Tenggara Timor

#### **Particulars**

The areas that hydrocarbons and dispersants relevantly affected are those areas within the Regency of Kupang and the Regency of Rote Ndao in and around the villages identified in Schedule 1 to this Further Amended Statement of Claim.

Further and better particulars will be provided following the service of expert evidence.

96. The hydrocarbons from the Montara Oil Spill and/or dispersants used in response to the Montara Oil Spill:

(a) had the effect of killing or destroying seaweed cultivated by the Applicants and Group Members in the areas pleaded in subparagraphs (a) ~~to (e)~~and (b) of paragraph 95 above; and

(b) caused a drop in the production of seaweed by the Applicant and Group Members in the areas pleaded in subparagraphs (a) and (b) of paragraph 95 above in the period subsequent to the Montara Oil Spill.

#### **Particulars**

For the purposes of their claim in this proceeding, the Applicant and Group Members allege that the hydrocarbons from the Montara Oil Spill and/or the dispersants used in response to that spill caused a drop in the production of seaweed by the Applicant and Group Members in the period from around September 2009 to December 2012.

The drop in the production of seaweed as a result of the hydrocarbons from the Montara Oil Spill and/or dispersants used in response to that spill arose because:

(a) the Applicant and Group Members were dependent on previous crops in order to provide seed (or “cuttings”) to grow future crops of seaweed. The effect of the hydrocarbons and/or dispersants killing or destroying the seaweed cultivated by the Applicant and Group Members was to:

(i) deplete the seed available for future crops; and

(ii) require the Applicant and Group Members to reserve a greater proportion of their crop to be used as seed

each of which thereby reduced the production of seaweed after the spill;

(b) Because of the unavailability of seed, in order to obtain sufficient seed for future crops, the Applicant and Group Members were forced to substitute seaweed which grew more slowly and to a smaller size and/or had a lower carrageenan content and therefore attracted a lower price (*Kappaphycus Striatum*, commercial name “Sakol” or *Eucheuma denticulatum*, commercial name “espinosum”) for faster growing and higher priced seaweed (*Kappaphycus Alvarezii*, commercial name “Cottonii”) which had the effect of reducing the total production and/or sale value of seaweed in future periods;

(c) the hydrocarbons and/or dispersants inhibited algal DNA and RNA activities, both of which were of fundamental importance for reproduction and protein synthesis of seaweed. This in turn affected the growth of seaweed in subsequent periods;

(d) the hydrocarbons and/or dispersants affected the nutrient composition of the water, including the level of nitrates, which resulted in impaired growth of the seaweed;

(e) the hydrocarbons and/or dispersants inhibited the uptake and transport of nutrients to the seaweed, leading to nutrient deficiencies in the seaweed, which impaired its growth; and

(f) the hydrocarbons and/or dispersants made the seaweed more susceptible to attack by opportunistic pathogens causative of bacterial, viral or fungal infection and/or epiphyte or endophyte infestation. Such pathogens did cause infection and/or infestation which continued in the period after the Montara Oil Spill and resulted in the slower growth of the seaweed and a proportion of the Applicants' and Group Members' seaweed being killed or alternatively unusable for sale or seed.

Further and better particulars ~~will~~may be provided in respect of the Applicant following the service of expert evidence.

Further and better particulars ~~will~~may be provided in respect of Group Members following the determination of the common questions in this proceeding.

## XI. THE DUTIES OF CARE OF PTTEPAA

97. At all material times:

(a) there was a risk that a failure by PTTEPAA to properly operate the H1 Well at the Montara Oil Field or suspend the operation of the H1 Well at the Montara Oil Field would result in the uncontrolled release of hydrocarbons from that well, the use of chemical dispersants in response to that release, and consequent damage to the marine ecosystem in the areas identified in paragraph 9594 above, including in respect of seaweed in that area (**Risk of Harm to Property**); and

(b) there was a risk that a failure by PTTEPAA to properly operate the H1 Well at the Montara Oil Field or suspend the operation of the H1 Well at the Montara Oil Field would result in the uncontrolled release of hydrocarbons from that well, the use of chemical dispersants in response to that release, and would consequently impede or disrupt the commercial activities of businesses or enterprises located in the areas identified in paragraph 9594 above that relied on the marine

ecosystem, including those business and enterprises that were engaged in the farming of seaweed (**Risk of Harm to Businesses**).

98. Each of the Risk of Harm to Property and the Risk of Harm to Businesses was not remote or insignificant.
99. At all material times:

(a) each of the Risk of Harm to Property and the Risk of Harm to Businesses was reasonably foreseeable to PTTEPAA;

(a1) it was reasonably foreseeable to PTTEPAA that chemical dispersants would be used in response to any significant oil spill from the Montara Oil Field;

#### **Particulars of (a) and (a1)**

The Risk of Harm to Property and the Risk of Harm to Businesses and the use of chemical dispersants was known or ought to have been known to PTTEPAA by reason of:

- (1) its experience as an oilfield operator;
- (2) the experience in respect of previous oil spills, including from the *Exxon Valdez* in 1990 and the *Ixtoc I* oil spill in 1979, in which the uncontrolled release of hydrocarbons had led to damage to property and the impeding or disruption of businesses operating in areas affected by the oil spill and the use of chemical dispersants in response to those oil spills.

Further and better particulars may be provided following discovery.

(a)(b) PTTEPAA was engaged in an inherently dangerous activity, being the operation and suspension of the H1 Well at the Montara Oil Field;

(b)(c) the operation of the H1 Well or the suspension of the H1 Well was an extremely hazardous activity which carried with it the risk of harm to at least those persons located in the areas identified in paragraph 9594 above;

~~(e)~~(d) the location and identity of persons and businesses likely to be directly impacted by a failure by PTTEPAA to properly operate or suspend the H1 Well was reasonably ascertainable;

~~(d)~~(e) PTTEPAA had the legal right and responsibility as licence holder in respect of the Montara Oil Field (including by reason of the matters pleaded in paragraph 11 above) and practical ability to exercise a high degree of control in relation to the operation and suspension of the H1 Well so as to avoid or minimise the Risk of Harm to Property and the Risk of Harm to Businesses;

~~(e)~~(f) the Applicant and Group Members could not direct, control or influence the manner in which PTTEPAA operated or suspended the H1 Well;

~~(f)~~(g) the Applicant and Group Members had no ability, or alternatively, no practical ability to protect themselves from the Risk of Harm to Property and the Risk of Harm to Businesses;

~~(g)~~(h) the Applicant and Group Members were dependent on PTTEPAA taking reasonable care to avoid or minimise the Risk of Harm to Property and the Risk of Harm to Businesses; and

~~(h)~~(i) the Applicant and Group Members were accordingly highly vulnerable to harm from the manner in which PTTEPAA operated the H1 Well or suspended the operation of the H1 Well.

100. By reason of the matters pleaded in paragraphs 97 to 99 above, PTTEPAA owed a duty to the Applicant and Group Members:

- (a) to take reasonable care in the operation and suspension of the H1 Well at the Montara Oil Field;
- (b) to operate and suspend the H1 Well at the Montara Oil Field in a proper and workmanlike manner and in accordance with good oilfield practice; and
- (c) to ensure that reasonable care was taken by any third party engaged by or on behalf of PTTEPAA to operate or suspend the H1 Well at the Montara Oil Field;

to avoid or minimise each of the Risk of Harm to Property and the Risk of Harm to Businesses.

## **XII. THE NEGLIGENCE OF PTTEPAA**

101. In the circumstances pleaded in paragraphs 5 to 78 above, a reasonable person in the position of PTTEPAA or alternatively a person acting in a proper and workmanlike manner and in accordance with good oilfield practice:

(a) in the circumstances pleaded in paragraphs 20 to 44 above:

- I. would not have relied on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well;
- II. would have conducted further testing and analysis of the Cement Shoe to ensure that it was an effective barrier to the release of hydrocarbons from the H1 Well, including by way of pressure testing; and
- III. would have sought to reinstall the Cement Shoe, otherwise remediate it, or use an effective alternative barrier to the release of hydrocarbons from the H1 Well;

(b) in inserting tail cement into the 9 5/8" casing string for the H1 Well:

- I. would have sought to ensure that a volume of tail cement was used such that the amount of cement in the annulus outside the 9 5/8" casing string for the H1 Well reached a height of at least 100 metres above the top of the hydrocarbon reservoir;
- II. alternatively, in the event that it was determined that the height of the tail cement in the annulus outside the 9 5/8" casing string should reach a height less than 100 metres above the top of the hydrocarbon reservoir, would have used such volume of tail cement as was necessary to reach that height;
- III. in the event that the volume of tail cement in the annulus outside the 9 5/8" casing string for the H1 Well did not

reach the amount pleaded in paragraph I above, or alternatively paragraph II above, would not have treated the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well; and

- IV. in the event that the volume of tail cement in the annulus outside the 9 5/8" casing string for the H1 Well did not reach the amount pleaded in paragraph I above, or alternatively paragraph II above, would have sought to reinstall the Cement Shoe, otherwise remediate it, or use an effective alternative barrier to the release of hydrocarbons from the H1 Well;
- (c) in the circumstances pleaded in paragraph 55 above, would not have used a PCCC as a barrier to the release of hydrocarbons from the H1 Well and would have instead used a different form of effective well control barrier, such as a concrete plug;
- (d) in the alternative to paragraph (c) above, would have installed a PCCC on both the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well;
- (e) in the alternative to paragraph (c) above, would have sought to test and verify in situ any PCCC installed on the 9 5/8" casing string for the H1 Well;
- (f) in the circumstances pleaded in paragraphs 53 to 63 above:
- I. would not have relied on fluid in the 9 5/8" casing string for the H1 Well as an effective barrier to the release of hydrocarbons from that well;
  - II. would have regularly tested and monitored the pressure of the fluid in the 9 5/8" casing string for the H1 Well; and
  - III. would have regularly verified that the fluid in the 9 5/8" casing string for the H1 Well was in overbalance;
- (g) would have maintained at all times at least two effective and tested barriers to the release of hydrocarbons from the H1 Well; and

(h) in the circumstances pleaded in paragraphs 20 to 44 and 53 to 63 above:

- I. would not have removed the PCCC from the 9 5/8" casing string for the H1 Well; and
- II. in the alternative to paragraph I above, would not have failed to replace the PCCC for the 9 5/8" casing string for the H1 Well.

102. In the circumstances pleaded in paragraphs 5 to 78 and 101 above, in the period from March to August 2009, PTTEPAA breached its duty to the Applicant and Group Members pleaded in paragraph 100 by (whether separately or cumulatively):

(a) in the circumstances pleaded in paragraphs 20 to 44 above:

- I. relying on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well in the manner pleaded in paragraph 45 above;
- II. failing to conduct further testing and analysis of the Cement Shoe to ensure that it was an effective barrier to the release of hydrocarbons from the H1 Well, including by way of pressure testing, in the manner pleaded in paragraph 39; and
- III. failing to reinstall the Cement Shoe, otherwise remediate it, or use an effective alternative barrier to the release of hydrocarbons from the H1 Well in the period from March to August 2009;

(b) in inserting tail cement into the 9 5/8" casing string for the H1 Well:

- I. failing to ensure that a volume of tail cement was used such that the amount of cement in the annulus outside the 9 5/8" casing string for the H1 Well reached a height of at least 100 metres above the top of the hydrocarbon reservoir in the manner pleaded in paragraph 48 above;



- II. alternatively, in circumstances where PTTEPAA determined to use tail cement within the annulus outside the 9 5/8" casing string up to a height of 69 metres above the reservoir for the H1 Well as pleaded in paragraph 48 above, failing to use the volume of tail cement that was necessary to reach that height as pleaded in paragraphs 49 and 50 above;
  - III. in the circumstances pleaded in paragraph I above, or alternatively paragraph II above, relying on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well as pleaded in paragraph 52 above; and
  - IV. in the circumstances pleaded in paragraph I above, or alternatively paragraph II above, failing to reinstall the Cement Shoe, otherwise remediate it, or use an effective alternative barrier to the release of hydrocarbons from the H1 Well in the period from March to August 2009;
- (c) in the circumstances pleaded in paragraph 55 above, relying on a PCCC as a barrier to the release of hydrocarbons from the H1 Well in the manner pleaded in paragraph 59 above and failing to use a different form of effective well control barrier, such as a concrete plug;
  - (d) in the alternative to paragraph (c) above, failing to install a PCCC on both the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well as pleaded in paragraph 57 above;
  - (e) in the alternative to paragraph (c) above, failing to test and verify in situ the PCCC installed on the 9 5/8" casing string for the H1 Well as pleaded in paragraph 58 above;
  - (f) in the circumstances pleaded in paragraphs 53 to 63 above:
    - I. relying on fluid in the 9 5/8" casing string for the H1 Well as an effective barrier to the release of hydrocarbons from that well as pleaded in paragraph 64 above;

- II. failing to regularly, or at all, test and monitor the pressure of the fluid in the 9 5/8" casing string for the H1 Well as pleaded in paragraph 63 above; and
  - III. failing to regularly, or at all, verify that the fluid in the 9 5/8" casing string for the H1 Well was overbalanced as pleaded in paragraph 63 above;
- (g) failing to maintain at all times in the period from March 2009 to August 2009 at least two effective and tested barriers to the release of hydrocarbons from the H1 Well; and/or
- (h) in the circumstances pleaded in paragraphs 20 to 44 and 53 to 63 above:
- I. removing the PCCC from the 9 5/8" casing string for the H1 Well as pleaded in paragraph 74 above; and
  - II. in the alternative to paragraph I above, failing to replace the PCCC for the 9 5/8" casing string for the H1 Well as pleaded in paragraphs 75 to 76 above.

**XIII. CAUSATION AND LOSS IN RESPECT OF PTTEPAA'S BREACHES OF DUTY**

103. If PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by:
- (a) not relying on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well;
  - (b) conducting further testing and analysis of the Cement Shoe to ensure that it was an effective barrier to the release of hydrocarbons from the H1 Well, including by way of pressure testing; or
  - (c) reinstalling the Cement Shoe, otherwise remediating it, or using an effective alternative barrier to the release of hydrocarbons from the H1 Well;

the Montara Oil Spill would not have occurred.

### Particulars

If PTTEPAA had not relied on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well, it would have selected an alternative well control barrier, including by way of installation of an effective cement barrier in the shoe of the 9 5/8" casing string, which would have prevented the Montara Oil Spill.

If PTTEPAA had conducted further testing and analysis of the Cement Shoe to ensure that it was an effective barrier to the release of hydrocarbons from the H1 Well, including by way of pressure testing, it would have discovered that the Cement Shoe was not an effective barrier and would have selected an alternative well control barrier, including by way of installation of an effective cement barrier in the shoe of the 9 5/8" casing string, that would have prevented the Montara Oil Spill.

If PTTEPAA had reinstalled the Cement Shoe, otherwise remediated it or used an effective alternative barrier to the release of hydrocarbons from the H1 Well there would have been in place an effective barrier to the release of hydrocarbons and the Montara Oil Spill would not have occurred.

104. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by:
- (a) ensuring that a volume of tail cement was used such that the amount of cement in the annulus outside the 9 5/8" casing string for the H1 Well reached a height of at least 100 metres above the top of the hydrocarbon reservoir;
  - (b) alternatively, in circumstances where PTTEPAA determined to use tail cement within the annulus outside the 9 5/8" casing string up to a height of 69 metres above the reservoir for the H1 Well as pleaded in paragraph 48 above, using the volume of tail cement that was necessary to reach that height;
  - (c) in circumstances where PTTEPAA did not act as pleaded in paragraph (a) above, or alternatively paragraph (b) above, not relying on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well; and

- (d) in circumstances where PTTEPAA did not act as pleaded in paragraph (a) above, or alternatively paragraph (b) above, reinstalling the Cement Shoe, otherwise remediating it, or using an effective alternative barrier to the release of hydrocarbons from the H1 Well;

the Montara Oil Spill would not have occurred.

#### **Particulars**

If PTTEPAA had used the volume of tail cement required to ensure that the amount of cement in the annulus outside the 9 5/8" casing string in the H1 Well reached a height of 100 metres above the reservoir, or alternatively 69 metres above the reservoir, there would have been in place an effective barrier to the release of hydrocarbons and the Montara Oil Spill would not have occurred.

If, in circumstances where PTTEPAA had not acted as pleaded in paragraphs 104(a) and (b) above, PTTEPAA had not relied on the Cement Shoe as an effective barrier to the release of hydrocarbons from the H1 Well, it would have selected an alternative well control barrier, including by way of installation of an effective cement barrier in the shoe of the 9 5/8" casing string, that would have prevented the Montara Oil Spill.

If, in circumstances where PTTEPAA had not acted as pleaded in paragraphs 104(a) and (b) above, PTTEPAA had reinstalled the Cement Shoe, otherwise remediated it or used an effective alternative barrier to the release of hydrocarbons from the H1 Well there would have been in place an effective barrier to the release of hydrocarbons and the Montara Oil Spill would not have occurred.

105. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by not relying on a PCCC as a barrier to the release of hydrocarbons from the H1 Well and used a different form of effective well control barrier, such as a concrete plug, the Montara Oil Spill would not have occurred.

#### **Particulars**

If PTTEPAA had not relied on a PCCC as a barrier to the release of hydrocarbons from the H1 Well and used a different form of effective well control barrier, such as a concrete plug, that alternative barrier would have been in place on or about 20 August 2009 and the Montara Oil Spill would not have occurred.

106. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by installing a PCCC on both the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well, the Montara Oil Spill would not have occurred.

#### **Particulars**

If PTTEPAA had installed a PCCC on both the 9 5/8" casing string and the 13 3/8" casing string for the H1 Well:

- (1) the casing threads on the 13 3/8" casing string would not have rusted or corroded as pleaded in paragraph 72 above;
- (2) PTTEPAA would not have removed the PCCC for the 9 5/8" casing string in order to clean the threads on the 13 3/8" casing string as pleaded in paragraph 74 above;
- (3) the PCCC on the 9 5/8" casing string would have been in place on 20 August 2009; and
- (4) the Montara Oil Spill would not have occurred.

107. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by testing and verifying in situ the PCCC installed on the 9 5/8" casing string for the H1 Well, the Montara Oil Spill would not have occurred.

#### **Particulars**

If PTTEPAA had tested and verified in situ the PCCC installed on the 9 5/8" casing string for the H1 Well:

- (1) PTTEPAA would have discovered that it had failed to install a PCCC on the 13 3/8" casing string for the H1 Well;

- (2) a PCCC would have been installed on the 13 3/8" casing string for the H1 Well;
- (3) the casing threads on the 13 3/8" casing string would not have rusted or corroded as pleaded in paragraph 72 above;
- (4) PTTEPAA would not have removed the PCCC for the 9 5/8" casing string in order to clean the threads on the 13 3/8" casing string as pleaded in paragraph 74 above;
- (5) in the alternative, PTTEPAA would have discovered that there was no available test that could verify the internal pressure containing capability of a PCCC after installation and would have selected an alternative effective well control barrier;
- (6) the PCCC on the 9 5/8" casing string or an alternative effective well control barrier would have been in place on 20 August 2009; and
- (7) the Montara Oil Spill would not have occurred.

108. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by:

- (a) not relying on fluid in the 9 5/8" casing string for the H1 Well as an effective barrier to the release of hydrocarbons from that well;
- (b) regularly testing and monitoring the pressure of the fluid in the 9 5/8" casing string for the H1 Well; and
- (c) regularly verifying that the fluid in the 9 5/8" casing string for the H1 Well was overbalanced;

the Montara Oil Spill would not have occurred.

#### **Particulars**

If PTTEPAA had not relied on fluid in the 9 5/8" casing string for the H1 Well as an effective barrier to the release of hydrocarbons from that well:

- (1) PTTEPAA would not have removed the PCCC from the 9 5/8" casing string as pleaded in paragraph 74 above, or alternatively PTTEPAA would not have failed to replace the PCCC on the 9 5/8" casing string as pleaded in paragraphs 75 and 76 above;
- (2) in the alternative, PTTEPAA would have selected and applied an effective well control barrier as an alternative to the PCCC on the 9 5/8" casing string at least during the period in which that PCCC was removed;
- (3) the PCCC on the 9 5/8" casing string, or an alternative barrier would have been in place on or about 20 August 2009 and the Montara Oil Spill would not have occurred.

If PTTEPAA had regularly tested and monitored the pressure of the fluid in the 9 5/8" casing string for the H1 Well and/or regularly verified that the fluid in the 9 5/8" casing string for the H1 Well was overbalanced:

- (1) PTTEPAA would have discovered that the fluid in the 9 5/8" casing string for the H1 Well was not overbalanced and so would not operate as an effective well control barrier;
- (2) PTTEPAA would not have removed the PCCC from the 9 5/8" casing string as pleaded in paragraph 74 above, or alternatively PTTEPAA would not have failed to replace the PCCC on the 9 5/8" casing string as pleaded in paragraphs 75 and 76 above;
- (3) in the alternative, PTTEPAA would have selected and applied an effective well control barrier as an alternative to the PCCC on the 9 5/8" casing string at least during the period in which that PCCC was removed;
- (4) the PCCC on the 9 5/8" casing string, or an alternative barrier would have been in place on or about 20 August 2009 and the Montara Oil Spill would not have occurred.

109. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by

maintaining at all times at least two effective and tested barriers to the release of hydrocarbons from the H1 Well the Montara Oil Spill would not have occurred.

**Particulars**

If PTTEPAA had maintained at all times at least two effective and tested barriers to the release of hydrocarbons from the H1 Well:

- (1) at least two effective and tested well control barriers in addition to the Cement Shoe, the use of a PCCC on the 9 5/8" casing string, and the presence of fluid in the 9 5/8" casing string for the H1 Well would have been in place on 20 August 2009; and
- (2) the Montara Oil Spill would not have occurred.

110. Further or in the alternative, if PTTEPAA had complied with the duty pleaded in paragraph 100 above in the period between March and August 2009 by:

- (a) not removing the PCCC from the 9 5/8" casing string for the H1 Well as pleaded in paragraph 74 above; or
- (b) in the alternative to paragraph (a) above, replacing the PCCC for the 9 5/8" casing string for the H1 Well after it had been removed;

the Montara Oil Spill would not have occurred.

**Particulars**

If PTTEPAA had not removed the PCCC from the 9 5/8" casing string for the H1 Well, or, in the alternative, replaced the PCCC for the 9 5/8" casing string for the H1 Well after it had been removed that PCCC would have been in place on 20 August 2009 and the Montara Oil Spill would not have occurred.

111. The Applicant and Group Members suffered loss or damage by reason of the Montara Oil Spill.

**Particulars**

The loss or damage suffered by the Applicant and Group Members consists of:



- (1) the loss of seaweed cultivated by the Applicant and Group Members that was killed or destroyed by reason of hydrocarbons released from the Montara Oil Spill and/or the chemical dispersants used in response to that spill; and
- (2) the drop in production of seaweed by the Applicant and Group Members in the period subsequent to the Montara Oil Spill that is attributable to the hydrocarbons released by that spill and/or the chemical dispersants used in response to that spill.

**Immediate loss of seaweed in the water at the time of the Montara Oil Spill**

The seaweed which was being cultivated by the Applicant at the time that hydrocarbons released from the Montara Oil Spill and/or the chemical dispersants used in response to that spill reached his seaweed farm and which was killed or destroyed by reason of those hydrocarbons and/or the chemical dispersants, was valued at approximately \$1560.39

That amount is calculated on the basis that the Applicant's then crop of seaweed was destroyed at or around the time that hydrocarbons released from the Montara Oil Spill and/or the chemical dispersants used in response to that spill reached his seaweed farm. At that time that crop equated to approximately 750kg of seaweed. The average price in 2009 for seaweed was 17,000 Indonesian Rupiah/kg. The average exchange rate for Indonesian Rupiah/AUD in 2009 was 8,171:1.

**Subsequent drop in production of seaweed**

The value of the drop in production of seaweed by the Applicant in the period subsequent to the Montara Oil Spill that is attributable to the hydrocarbons released by that spill and/or the chemical dispersants used in response to that spill is approximately \$39,537.

That amount has been calculated in the manner set out in Schedule 2 to this Further Amended Statement of Claim on the basis that:

- (a) in each of the years prior to the Montara Oil Spill, the Applicant cultivated 8,000kgs (2006), 9,000kgs (2007) and 10,500kgs (2008) of seaweed;
- (b) the Applicant would have cultivated at least 10,500kgs of seaweed in 2009 and each year subsequent to the Montara Oil Spill;
- (c) the Applicant in fact produced seaweed in the period subsequent to the Montara Oil Spill in the amounts set out in the table entitled Applicant's Actual Production in Schedule 2;
- (d) the average price per kg of seaweed and Indonesian Rupiah/AUD exchange rate in each year was as set out in Schedule 2;
- (e) the value of the seaweed directly destroyed or killed as a result of the hydrocarbons and dispersants has been subtracted from the lost production.

Further and better particulars ~~will~~ may be provided in respect of the Applicant following the service of evidence.

Further and better particulars will be provided in respect of Group Members following the determination of the common questions in this proceeding.

112. By reason of the matters pleaded in paragraphs 103 to 110 above, the Applicant and Group Members have suffered loss or damage by reason of PTTEPAA's breaches of duty pleaded in paragraph 102 above.

113. In the premises, PTTEPAA is liable to pay damages to the Applicant and Group Members.

#### **XIV. LIMITATIONS PERIOD**

##### **(a) Extension of the limitations period in respect of the Applicant's claim**

114. The Applicant was not aware of the following material facts giving rise to the claims set out in this Further Amended Statement of Claim prior to 12 months prior to the commencement of this proceeding:

- (a) That PTTEPAA operated the Montara Oil Field and Wellhead Platform;  
and
  - (b) any of the facts relating to the circumstances that caused the occurrence of the Montara Oil Spill.
115. Pursuant to ss 8 and 80 of the OPGGSA and s 6 of the *Ashmore and Cartier Islands Acceptance Act 1933* (Cth), the *Limitation Act 1981* (NT) applies to the claims set out in this [Further Amended](#) Statement of Claim.
116. An extension of the limitations period applicable to the Applicant's claim pursuant to s 44 of the *Limitation Act 1981* (NT) would not occasion any relevant prejudice to PTTEPAA.
117. In all the circumstances of the case, it is just to extend the limitations period applicable to the Applicant's claim pursuant to s 44 of the *Limitation Act 1981* (NT).
118. In the premises, the Applicant seeks an extension of the limitation periods applicable to the claims made in this proceeding pursuant to section 44 of the *Limitations Act 1981* (NT).
- b) Extension of the limitation period in respect of group members' claims**
119. The Group Members were not aware of some or all of the material facts giving rise to the claims set out in this [Further Amended](#) Statement of Claim prior to 12 months prior to the commencement of this proceeding.
120. Pursuant to ss 8 and 80 of the OPGGSA and s 6 of the *Ashmore and Cartier Islands Acceptance Act 1933* (Cth), the *Limitation Act 1981* (NT) applies to the claims set out in this [Further Amended](#) Statement of Claim.
121. An extension of the limitations period applicable to the Group Members' claims pursuant to s 44 of the *Limitation Act 1981* (NT) would not occasion any relevant prejudice to PTTEPAA.
122. In all the circumstances of the case, it is just to extend the limitations period applicable to the Group Members' claims pursuant to s 44 of the *Limitation Act 1981* (NT).
123. In the premises, the Group Members seek an extension of the limitation periods applicable to the claims made in this proceeding pursuant to section 44 of the *Limitation Act 1981* (NT).

This pleading was prepared by Imtiaz Ahmed and Professor Peter Cashman of counsel and settled by Steven Finch SC

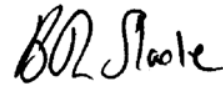
No. NSD1245 of 2016

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**CERTIFICATE OF LAWYER**

I, Ben Slade, certify to the Court that, in relation to the [Further Amended Statement of Claim](#) filed on behalf of the Applicant, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: ~~2 November 2016~~ [28 July 2017](#)



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**Ben Slade**

Lawyer for the Applicant

### SCHEDULE 1

#### Areas That Hydrocarbons and Dispersant Reached

No.	Regency	Subdistrict	Village
1.	Kupang	Kupang Barat	Tablolong
2.	Kupang	Kupang Barat	Oematnunu
3.	Kupang	Kupang Barat	Oenaek
4.	Kupang	Kupang Barat	Bolak
5.	Kupang	Kupang Barat	Lifuleo
6.	Kupang	Kupang Barat	Kuanheun
7.	Kupang	Kupang Barat	Tesabela
8.	Kupang	Semau Selatan	Akle
9.	Kupang	Semau Selatan	Naikean
10.	Kupang	Semau Selatan	Onansila
11.	Kupang	Semau Selatan	Uiboa
12.	Kupang	Semau Selatan	Uituh Ana
13.	Kupang	Semau Selatan	Uituh Tuan
14.	Kupang	Semau Utara	Batuinan
15.	Kupang	Semau Utara	Bokonusan
16.	Kupang	Semau Utara	Hansisi
17.	Kupang	Semau Utara	Huilelot
18.	Kupang	Semau Utara	Letbaun
19.	Kupang	Semau Utara	Otan
20.	Kupang	Semau Utara	Uiasa
21.	Kupang	Semau Utara	Uitao
22.	Rote Ndao	Lobalain	Baadale
23.	Rote Ndao	Lobalain	Bebalain

No.	Regency	Subdistrict	Village
24.	Rote Ndao	Lobalain	Kolobolon
25.	Rote Ndao	Lobalain	Kuli
26.	Rote Ndao	Lobalain	Namodale
27.	Rote Ndao	Rote Timur	Faifua
28.	Rote Ndao	Rote Timur	Hundihopo
29.	Rote Ndao	Rote Timur	Londalusi
30.	Rote Ndao	Rote Timur	Matasio
31.	Rote Ndao	Rote Timur	Mukekuku
32.	Rote Ndao	Rote Timur	Serubeba
33.	Rote Ndao	Rote Timur	Lakamola
34.	Rote Ndao	Pantai Baru	Batulilok
35.	Rote Ndao	Pantai Baru	Edalode
36.	Rote Ndao	Pantai Baru	Keoen
37.	Rote Ndao	Pantai Baru	Lenupetu
38.	Rote Ndao	Pantai Baru	Nusakdale
39.	Rote Ndao	Pantai Baru	Oeledo
40.	Rote Ndao	Pantai Baru	Sonimanu
41.	Rote Ndao	Pantai Baru	Tesabela
42.	Rote Ndao	Pantai Baru	Tungganamo
43.	Rote Ndao	Pantai Baru	Oebau
44.	Rote Ndao	Pantai Baru	Oenggae
45.	Rote Ndao	Rote Tengah	Onatali
46.	Rote Ndao	Rote Tengah	Nggodimeda
47.	Rote Ndao	Rote Selatan	Dodaek
48.	Rote Ndao	Rote Selatan	Inaoe
49.	Rote Ndao	Rote Selatan	Tebole

No.	Regency	Subdistrict	Village
50.	Rote Ndao	Rote Barat Daya	Batutua
51.	Rote Ndao	Rote Barat Daya	Dolasi
52.	Rote Ndao	Rote Barat Daya	Landu
53.	Rote Ndao	Rote Barat Daya	Oebou
54.	Rote Ndao	Rote Barat Daya	Oelasin
55.	Rote Ndao	Rote Barat Daya	Oeseli
56.	Rote Ndao	Rote Barat Daya	Oetefu
57.	Rote Ndao	Rote Barat	Boa
58.	Rote Ndao	Rote Barat	Mbueain
59.	Rote Ndao	Rote Barat	Nemberala
60.	Rote Ndao	Rote Barat	Oelolot
61.	Rote Ndao	Rote Barat	Sedeoen
62.	Rote Ndao	Rote Barat	Oenggaut
63.	Rote Ndao	Rote Barat Laut	Boni
64.	Rote Ndao	Rote Barat Laut	Daudolu
65.	Rote Ndao	Rote Barat Laut	Netenain
66.	Rote Ndao	Rote Barat Laut	Oelua
67.	Rote Ndao	Rote Barat Laut	Tolama
68.	Rote Ndao	Rote Barat Laut	Oebela
69.	Rote Ndao	Rote Barat Laut	Tualima
70.	Rote Ndao	Rote Barat Laut	Oebole
71.	Rote Ndao	Landu Leko	Bolatena
72.	Rote Ndao	Landu Leko	Daeurendale
73.	Rote Ndao	Landu Leko	Daiama
74.	Rote Ndao	Landu Leko	Lifuleo
75.	Rote Ndao	Landu Leko	Puku Afu

No.	Regency	Subdistrict	Village
76.	Rote Ndao	Landu Leko	Sotimori
77.	Rote Ndao	Ndao Nuse	Anarae
78.	Rote Ndao	Ndao Nuse	Mbalilendeki
79.	Rote Ndao	Ndao Nuse	Mbiulombo
80.	Rote Ndao	Ndao Nuse	Ndao Nuse
81.	Rote Ndao	Ndao Nuse	Nuse



**SCHEDULE 2****Applicant's Loss Calculation****Applicant's Actual Seaweed Production**

<b>Year</b>	<b>Applicant's production (kg)</b>	<b>Average price of seaweed/kg (IDR)</b>	<b>Gross revenue (IDR)</b>	<b>Costs (IDR)</b>	<b>Net revenue (IDR)</b>	<b>Average exchange rate (IDR:AUD)</b>	<b>Net Revenue (AUD)</b>
2006	8,000	10,000	80,000,000	2,000,000	78,000,000	6801.64:1	11,467.82
2007	9,000	13,000	117,000,000	3,000,000	114,000,000	7638.87:1	14,923.67
2008	10,500	13,000	136,500,000	3,000,000	133,500,000	8162.50:1	16,355.28
2009	9,000	17,000	153,000,000	2,500,000	150,500,000	8171.01:1	18,418.78
2010	600	11,000	6,600,000	500,000	6,100,000	8352.39:1	730.33
2011	1600	11,000	17,600,000	1,000,000	16,600,000	9030.12:1	1,838.29
2012	3000	13,000	39,000,000	1,000,000	38,000,000	9706.26:1	3,915.00

**Applicant's Seaweed Production in the Absence of the Montara Oil Spill**

Year	Applicant's production (kg)	Average price of seaweed/kg (IDR)	Gross revenue (IDR)	Costs (IDR)	Net revenue (IDR)	Average exchange rate (IDR:AUD)	Net Revenue (AUD)
2006	8,000	10,000	80,000,000	2,000,000	78,000,000	6,801.64:1	11,467.82
2007	9,000	13,000	117,000,000	3,000,000	114,000,000	7,638.87:1	14,923.67
2008	10,500	13,000	136,500,000	3,000,000	133,500,000	8,162.50:1	16,355.28
2009	10,500	17,000	178,500,000	3,000,000	175,500,000	8,171.01:1	21,478.37
2010	10,500	13,000	136,500,000	3,000,000	133,500,000	8,352.39:1	15,983.45
2011	10,500	13,000	136,500,000	3,000,000	133,500,000	9,030.12:1	14,783.86
2012	10,500	13,000	136,500,000	3,000,000	133,500,000	9,706.26:1	13,754.01

**Applicant's Loss**

<b>Year</b>	<b>Applicant's revenue (AUD)</b>	<b>Applicant's revenue in the absence of the Montara Oil Spill (AUD)</b>	<b>Loss</b>
2009	18,418.78	21,478.37	3,059.60
2010	730.33	15,983.45	15,253.12
2011	1,838.29	14,783.86	12,945.56
2012	3,915.00	13,754.01	9,839.01

TOTAL: \$41,097.29

LESS: \$1,560.39 (destroyed seaweed)

**TOTAL LOSS: \$39,537**