



**PEL 92
Cooper/Eromanga Basin
South Australia**

**Annual Report
Permit Year 5**

5th November 2005 to 4th November 2006

Contents

- 1 Introduction**
- 2 Permit Summary**
- 3 Exploration Activity**
- 4 Administration**
- 5 Expenditure statement**

Appendix: Annual compliance Report

1 Introduction

Petroleum Exploration Licence No. 92 is situated on the western margin of the Cooper/Eromanga Basin, South Australia. The fifth and final year of the first licence term covers the period 5th November 2005 to 4th November 2006.

This report details the work performed by the Joint Venture during this fifth year of the licence, in accordance with the requirements of Section 33 of the Petroleum Regulations 2002.

2 Permit Summary

The working interests in PEL 92 at the end of this reporting period were:

Beach Petroleum Ltd (Operator)	75%
Cooper Energy NL	25%

The agreed work commitments for PEL 92 are summarised as follows:

Licence Year	Minimum Work Program	Actual Work
Year 1 (5/11/01-4/11/02)	One well; 200km 2D seismic; reprocess 300km of existing seismic	One well; 296 km 2D seismic; 390km reprocess seismic
Year 2 (5/11/02-4/11/03)	One well; 100km 2D seismic; reprocess 50km of existing seismic	Two wells ; 36 km 2D seismic; 30km ² 3D seismic;412km reprocess seismic
Year 3 (5/11/03-4/11/04)	50km 2D seismic	Two wells; (25 km ² 3D seismic in PPL 204)
Year 4 (5/11/04-4/11/05)	One well; 50km 2D seismic	No wells; 455 km 2D seismic; 390 km reprocessed seismic
Year 5 (5/11/05-4/11/06)	One well	Five wells; 130km 2D seismic; 200km reprocessed seismic

Actual work over the five year permit term exceeds the agreed commitment by six wells, 517km of seismic acquisition and 1042km of reprocessed seismic. A total of 55km² of 3D seismic was also acquired over oilfield discoveries that were excised as PPLs.

3 Exploration Activity

3.1 Drilling

Five exploration wells were drilled in the permit during the year in a program that aimed to test the potential of prospects adjacent to earlier discoveries (Silver Sands-1, Somerton-1 and Callawonga-1), and to address key prospects that may influence relinquishment decisions (Boomer-1 and Snowden-1).

Three of the five wells discovered oil, and at the time of the preparing this report two had been completed and are producing oil. Silver Sands-1 discovered oil columns within the Namur and Hutton Formations in a small culmination adjacent to the Christies Oilfield. Its production is tied back to Christies less than 2km away.

Callawonga-1 was drilled to test a structural feature about 7km north of Christies and discovered oil in excellent quality reservoir at the top of the Namur Formation. DST-1 flowed OTS at 2400 bopd, and approximately 9 metres of net oil pay is interpreted. Callawonga-1 was brought on to production during early November 2006 on Extended Production Test. Oil is currently trucked to Tantanna. Further development of the field and production facilities is planned for 2007.

The Boomer-1 exploration well tested a large regional high in the northernmost portion of the permit and recovered a small volume of oil from DST-1 over the Murta Formation. Although not commercially significant in this well, the presence of live oil that is interpreted to have migrated from the Patchawarra Trough kitchen upgrades the charge risk for prospects basinward of Boomer.

The Snowden-1 and Somerton-1 wells were drilled to the 10km to the south and 7km to the west of Christies, respectively. Neither well encountered hydrocarbon shows and were subsequently P&A.

Well Completion Reports for all five wells in the program are in preparation.

3.2 Seismic Data Acquisition

The Joint Venture acquired a total of 130 km of new 2D seismic during August 2006, as part of Beach Petroleum's Cadulus 2D Seismic Survey. Processing of this seismic was almost complete by the end of the permit year, and will be incorporated into revised mapping north-west of Sellicks and east of Lycium-1 in the next permit year.

At the end of the initial five-year permit term, the total acquired seismic was 587 km in excess of the agreed work commitment.

3.3 Seismic Data Processing / Reprocessing

A total of 200 km of existing seismic data was re-processed during 2006, specifically to compliment the new seismic.

Six lines, predominantly BC02 but with one regional 1985 line, were reprocessed in the Jurassic play fairway north-west of Christies and Callawonga Fields, in order to incorporate new upholes used in that area over the past few years to tie the new data. Nine lines, predominantly of 1981, '85 and '91 vintages were reprocessed in the Permian play fairway in the south-eastern region of the permit to better delineate leads with the new data.

The best prospects generated in these areas will come under consideration for drilling in 2007. At the end of the initial five-year permit term, the actual reprocessed seismic exceeded the agreed work commitment by 1042 line km.

3.4 Geological, Geophysical & Engineering Studies.

Technical studies during this fifth permit term were directed toward the exploration drilling campaign, and to the subsequent interpretation of results with respect to acreage retention/relinquishment. In particular, the Snowden failure was a key factor in determining the acreage relinquished in the south-west of the original permit area, and the poor result at Boomer led to acreage relinquishment in the westernmost portion of the (original) permit. On the other hand, success at Callawonga-1 and Silver Sands-1 led to the planning and approval of an exploration 3D seismic survey that is designed to better define drillable prospects along the basin margin trend north and south of the Christies Field. Acquisition of this survey was underway during December 2006.

4 **Administration**

4.1 Regulatory Compliance

A Compliance Report is attached which details the operator's compliance with the 2000 Petroleum Act, its Regulations, the terms and conditions of the Licence, and the agreed Statements of Environmental Objectives governing field operations undertaken during the permit term.

4.2 Data submissions.

A list of the items submitted during the report period is contained in the following table.

Table 1

**PEL 92
Annual Report
Licence Year 5
5th November 2005 to 4th November 2006**

List of Reports Generated

<u>Title</u>	Date Submitted to PIRSA
Mytilus Seismic 2D Survey Data Submission	27-Jul-06
Mytilus Seismic 2D Survey Geophysical Operations Report	2-Aug-06

4.3 Permit Renewal

The agreed work commitments for the renewed PEL 92 (Term 2) are summarised as follows:

Licence Year	Minimum Work Program
Year 1 (5/11/06-4/11/07)	Geological & geophysical studies
Year 2 (5/11/07-4/11/08)	Acquisition of 100 km ² of 3-D seismic
Year 3 (5/11/08-4/11/09)	Geological & geophysical Studies
Year 4 (5/11/09-4/11/10)	One well
Year 5 (5/11/10-4/11/11)	Geological & geophysical Studies

4.4 Planned Exploration Program for Year 1 of Renewed Permit

The Joint Venture has already commenced an exploration 3D seismic survey that covers the newly-discovered Callawonga Field and a series of lesser-defined prospects on-trend with Silver Sands, Christies and Callawonga discoveries. Acquisition will commence in late 2006, and the final data is expected for interpretation by May 2007.

Decisions with respect to drilling are dependent upon the results of the seismic, but appraisal and development of Callawonga is expected to be the initial focus of drilling.

5 Expenditure statement

A licence expenditure summary for the period 5th November 2005 to 4th November 2006 is presented as Table 2.

Not included in this table are the completion and facility costs associated with establishing oil production from the Silver Sands and Callawonga discoveries. The Sellicks and Christies production reporting is detailed separately under reports for PPLs 204 and 205.

Table 2

**PEL 92
Annual Report
Licence Year 5
5th November 2005 to 4th November 2006**

Commercial in Confidence

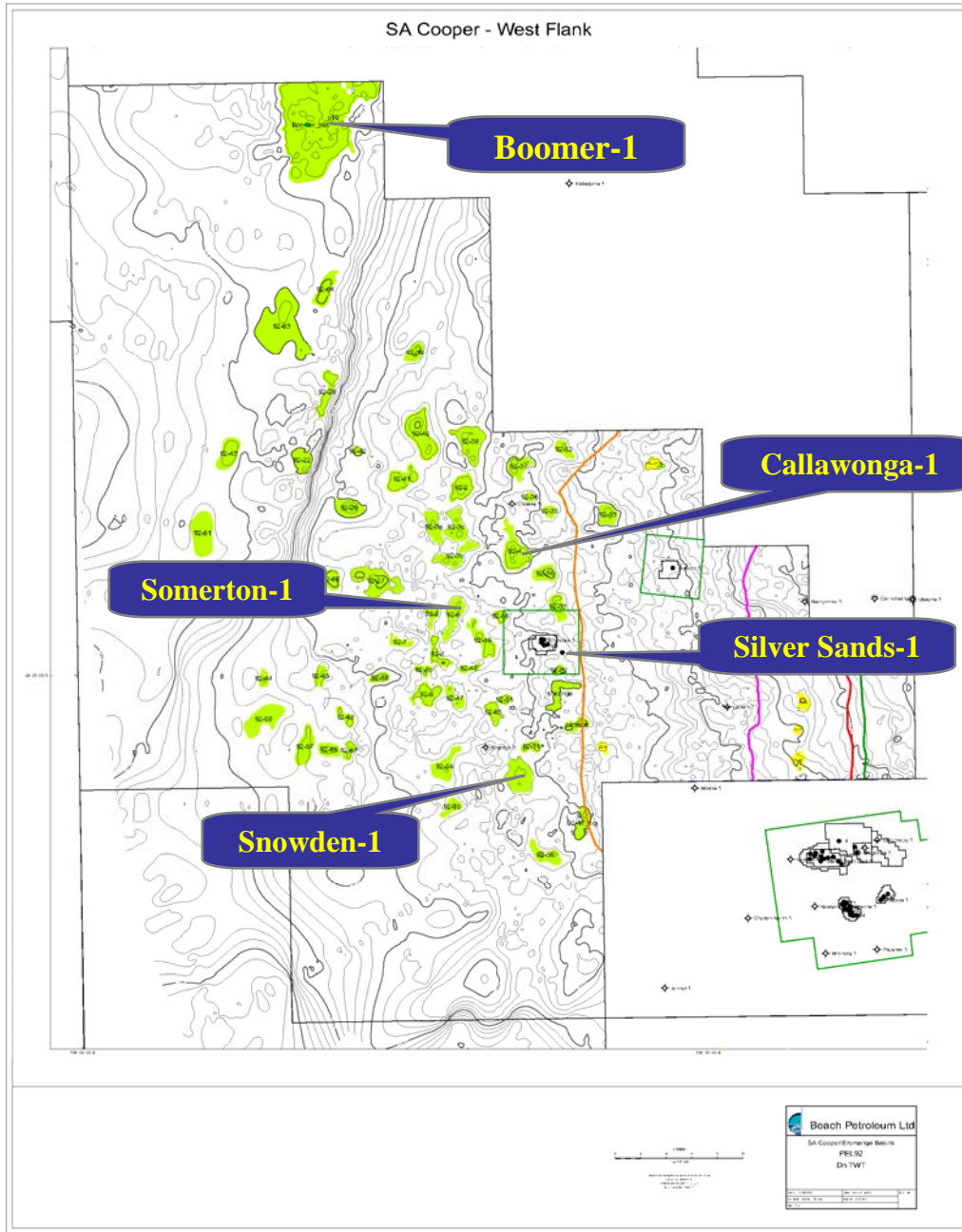


FIGURE 1
PEL 92
Drilling Program Yr 5

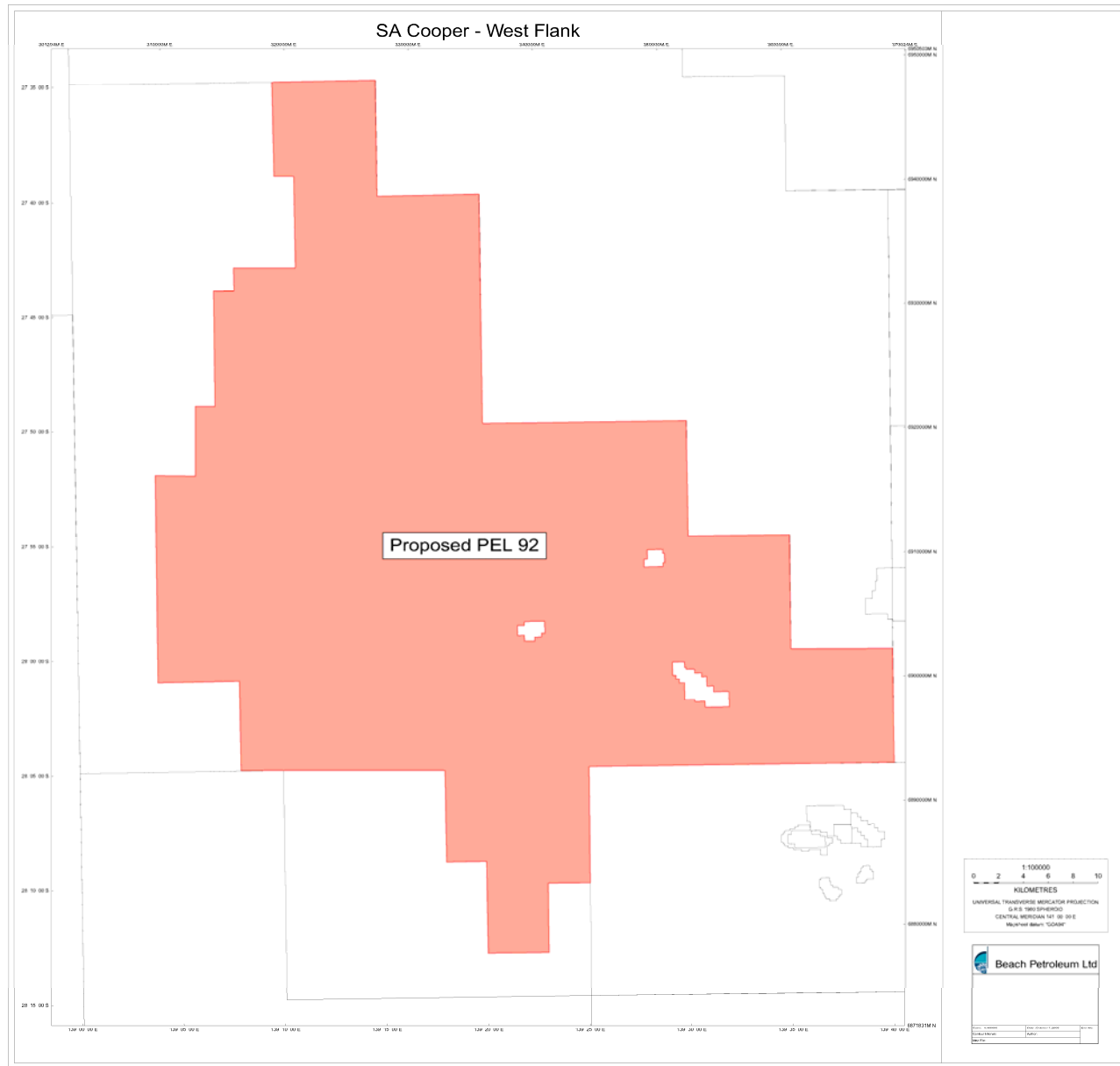


FIGURE 2
PEL 92
Area of Permit Renewal

ANNUAL
COMPLIANCE
REPORT

FOR

PEL 92 - YEAR 5

(NOVEMBER 2005 - OCTOBER 2006)

COOPER BASIN, SOUTH AUSTRALIA



Introduction

Pursuant to Regulation 33 (2) of the 2000 Petroleum Act, Beach Petroleum, as operator of PEL 92 in the Cooper Basin, South Australia, herewith submits its report on compliance with :

- the Petroleum Act and the PEL 92 Licence conditions (*refer Section 1*),
- the Regulations of the Petroleum Act (*refer Section 2*), and
- the various Statements of Environmental Objectives (SEOs) to which Beach Petroleum was committed in conducting its work programs for Year 4 of the Licence (*refer Section 3*).

A table is attached summarizing any instances during Year 5 of the Licence where Beach Petroleum failed to comply either with the Regulations of the Act, or with the requirements of the relevant SEOs under which its operations were conducted.

Further details of the circumstances surrounding any non-compliances are outlined below.

Section 1 :

Compliance with the **Petroleum Act** and the
PEL Licence Conditions

There were no instances during Year 5 of the PEL 92 Licence in which Beach failed to comply with the 2000 Petroleum Act or the Conditions of the Licence.

A total of five **wells** were drilled in Year 5, all of which were excess to the requirements of the original 5-year work program for the Licence.

Although there was also no requirement for further **seismic** acquisition, a total of 130 line kilometres were recorded in PEL 92 as part of the Cadulus 2D survey.

Similarly, there was no requirement for any **reprocessing of archive seismic data** in the work program for Year 5, however a processing contractor was engaged to reprocess 200 kilometres of archive data that was acquired within the PEL 92 area during the mid 1980s.

Actual work undertaken during the initial five years of the Licence has substantially exceeded the work program requirements in all aspects, as summarised in the table below.

	5 – YEAR WORK PROGRAM COMMITMENTS	ACTUAL WORK UNDERTAKEN
WELLS	4 wells	10 wells
2D SEISMIC ACQUISITION	400 kms	917 kms
SEISMIC REPROCESSING	350 kms	1392 kms
3D SEISMIC ACQUISITION	None Required	55 sq. kms

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

Drilling				
-----------------	--	--	--	--

SEO Non Compliance :

Field Operation	Date		Description of Incident	Resolution
-----------------	------	--	-------------------------	------------

No incidents of Non - Compliance

Non Compliance in relation to Notifications or Submissions of Reports :

Notification / Report	Date Due	Date Submitted	Cause of Overdue Submission	Resolution
-----------------------	----------	----------------	-----------------------------	------------

Construction of the access road to the Boomer well commenced before the required 21 days of Notification to PIRSA.

Although written Notification was sent to PIRSA only 14 days before the commencement of the roadworks, the landowner was Notified at least six weeks before work commenced. Beach had considerable discussion with the landowner to choose a route for the access road which provided assistance to his future pastoral operations.

Data Submission Non Compliance :

Data Type	Date Due	Date Submitted	Cause of Overdue Submission	Resolution
-----------	----------	----------------	-----------------------------	------------

No incidents of Non - Compliance

Seismic				
----------------	--	--	--	--

SEO Non Compliance :

Field Operation			Incident Date & Description	Resolution
-----------------	--	--	-----------------------------	------------

No incidents of Non - Compliance

Non Compliance in relation to Notifications or Submissions of Reports :

Name of Report	Date Due	Date Submitted	Cause of Overdue Submission	Resolution
----------------	----------	----------------	-----------------------------	------------

Interpretation Report for the 2004 Sellicks 3D survey was submitted 5 months after the allowed period.

1-Feb-06

2-Jul-06

Interpretation of the data was delayed until the results of two new wells were available.

Data Submission Non Compliance :

Data Type	Date Due	Date Submitted	Cause of Overdue Submission	Resolution
-----------	----------	----------------	-----------------------------	------------

No incidents of Non - Compliance

Section 2:

Compliance with the Regulations of the 2000 Petroleum Act

A) Drilling

- **Reports for Year 3 wells**

No Well Completion Reports were due in Year 5 of the licence as no wells were drilled during Year 4 of the Licence.

- **Notifications for Year 5 wells**

Regulation 61 (1) (b) requires that PIRSA be given 21 days Notification before the commencement of earthworks associated with the building of a rig access road or a drill pad. Beach was non-compliant with this Regulation in regard to the construction of the access road to the Boomer-1 well. Due to the availability of earthmoving equipment in the area, construction commenced approximately 14 days after Notification had been sent to PIRSA. The landowner had been notified at least six weeks before construction began.

- **Data for Year 5 wells**

Digital log data from the Silver Sands-1, Boomer-1, Snowden-1, and Somerton-1 wells were submitted within the two-month time period permitted by the Regulations.

At the end of the Licence Year, Beach had still not received an acceptable final version of the log data for Callawonga-1 from the logging contractor. The data set was due to be submitted by 28th September, and consequently Beach is in non-compliance with regard to the submission of this data.

B) Seismic

- ***Submission of Data and Reports from the 2004 (Permit Year 3) Sellicks 3D Seismic Survey :***

The **Sellicks 3D** seismic survey was conducted during Year 3 of the Licence, requiring seven days of recording, and finishing on 1st July, 2004.

Processed data from this survey was submitted to PIRSA during Year 4 of the Licence..

Compliance Report for PEL 92 – Year 5

The Interpretation Report for this survey was due to be submitted in February 2006. However, the final interpretation of the data set was postponed until after two new wells, Sellicks-2 and Sellicks-3, had been drilled within the survey area to test targets generated by the initial interpretation.

The Report was finally submitted in July, 2006, five months after the original submission date. The late submission of this Report constituted a non-compliance of Regulation 36.

- ***Submission of Data and Reports from the 2005 (Permit Year 4)
Mytilus 2D Seismic Survey :***

The **Mytilus 2D** seismic survey was conducted during Year 4, requiring twenty – two days of recording, and finishing on 29th May, 2005.

PIRSA granted Beach a two-month extension to the deadline for submitting the Operations Report and data for this survey. Both were submitted to PIRSA during Year 5 prior to the revised deadline.

The Interpretation Report for this survey is to be submitted to PIRSA during Year 6 of the Licence, prior to the deadline of 30th April, 2007.

- ***Submission of Data and Reports from the 2006 (Permit Year 5)
Cadulus 2D Seismic Survey :***

The **Cadulus 2D** seismic survey was conducted during Year 5, requiring nine days of recording, and finishing on 24th August, 2006.

The Operations Report and associated data for this survey are due to be submitted in Year 6 of the Licence, within twelve months of the final day of recording .

CHECKLIST FOR NOTIFICATIONS OF DRILLING OPERATIONS

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 1

Well Name : Silver Sands -1

Commenced Drilling Operations : 19th April 2006 Completed Drilling Operations : 4th May 2006

REQUIREMENT	Person / agency to whom Notification is to be provided	Period required for Notification	Due Date for Notification	Actual Date of Notification	Beach officer responsible for compliance	Comments
Notification of proposed drilling activity including demonstration of the suitability of an existing SEO.	PIRSA / Mike Malavazos	21 days prior to proposed start date	29-Mar-06	16-Mar-06	Exploration Manager	Notification reduced to 21 days as a result of PIRSA granting Beach Low Supervision classification.
Notification of proposed commencement of earthworks – preparation of access tracks and well leases	PIRSA / Tony Wright	2 days prior to commencement of earthworks	11-Mar-06	9-Feb-06	Exploration Manager	Lease pad for the Silver Sands #1 well was adjacent to the existing haul road to the Christies field. Landowner was notified of impending earthworks on 3rd Jan 2006.
Notification to landowner (s)	Pastoral Lessee;	21 days prior to proposed start date	29-Mar-06	6-Feb-04	Exploration Manager	G.Betts - Mungeranie Station
	National Parks;	21 days prior to proposed start date	29-Mar-06		Exploration Manager	
	Native Title Claimant(s);	21 days prior to proposed start date	29-Mar-06	6-Feb-04	Exploration Manager	Ngayana Dieri Karna & ALRM
	other PEL or PL licensees as appropriate.	21 days prior to proposed start date	29-Mar-06		Exploration Manager	Santos - T. Whitelaw

Well Name : Boomer -1

Commenced Drilling Operations : 26th June 2006 Completed Drilling Operations : 8th July 2006

REQUIREMENT	Person / agency to whom Notification is to be provided	Period required for Notification	Due Date for Notification	Actual Date of Notification	Beach officer responsible for compliance	Comments
Notification of proposed drilling activity including demonstration of the suitability of an existing SEO.	PIRSA / Mike Malavazos	21 days prior to proposed start date	5-Jun-06	12-May-06	Exploration Manager	Notification was 37 days prior to commencement,
Notification of proposed commencement of earthworks – preparation of access tracks and well leases	PIRSA / Tony Wright	2 days prior to commencement of earthworks	25-Apr-06	18-Apr-06	Exploration Manager	Earthworks commenced late April.
Notification to landowner (s)	Pastoral Lessee;	21 days prior to proposed start date	5-Jun-06	21-Mar-06	Exploration Manager	Non-compliance. G.Betts (Mungeranie Station) was notified in writing of proposed road construction on 18th April. Work began before the 21 - day Notification period had expired. J. Hughes (Clifton Hills) was given 10 weeks notification.
	National Parks;	21 days prior to proposed start date	Not Required			
	Native Title Claimant(s);	21 days prior to proposed start date	5-Jun-06	21-Mar-06		Dieri & ALRM
	other PEL or PL licensees as appropriate.	21 days prior to proposed start date	5-Jun-06	21-Mar-06	Exploration Manager	Santos - T. Whitelaw

CHECKLIST FOR **NOTIFICATIONS** OF DRILLING OPERATIONS

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 2

Well Name : Callawonga-1 Commenced Drilling Operations : 19th July 2006 Completed Drilling Operations : 1st Aug 2006

REQUIREMENT	Format	Person / agency to whom Notification is to be provided	Period required for Notification	Due Date for Notification	Actual Date of Notification	Beach officer responsible for compliance	Comments
Notification of proposed drilling activity including demonstration of the suitability of an existing SEO.		PIRSA / Mike Malavazos	21 days prior to proposed start date	29-Jun-06	29-May-06	Exploration Manager	
Notification of proposed commencement of earthworks – preparation of access tracks and well leases		PIRSA / Tony Wright	2 days prior to commencement of earthworks	3-Jul-04	22-May-06	Exploration Manager	Earthworks commenced on 5th July
Notification to landowner (s)		Pastoral Lessee;	21 days prior to proposed start date	29-Jun-06	19-May-06	Exploration Manager	G.Betts - Mungeranie Station . Notification of the proposed earthworks was sent 45 days before start.
		National Parks;	21 days prior to proposed start date	Not Required		Exploration Manager	
		Native Title Claimant(s);	21 days prior to proposed start date	29-Jun-06	22-May-06	Exploration Manager	Dieri & ALRM
		other PEL or PL licensees as appropriate.	21 days prior to proposed start date	29-Jun-06	22-May-06	Exploration Manager	Santos - T. Whitelaw

Well Name : Snowden-1 Commenced Drilling Operations : 2nd September 2006 Completed Drilling Operations : 13th September 2006

REQUIREMENT	Format	Person / agency to whom Notification is to be provided	Period required for Notification	Due Date for Notification	Actual Date of Notification	Beach officer responsible for compliance	Comments
Notification of proposed drilling activity including demonstration of the suitability of an existing SEO.		PIRSA / Mike Malavazos	21 days prior to proposed start date	12-Aug-06	27-Jul-06	Exploration Manager	
Notification of proposed commencement of earthworks – preparation of access tracks and well leases		PIRSA / Tony Wright	2 days prior to proposed start date	25-Jul-06	23-May-06	Exploration Manager	Earthworks commenced on 27th July
Notification to landowner (s)		Pastoral Lessee;	21 days prior to proposed start date	12-Aug-06	22-May-06	Exploration Manager	G.Betts - Mungeranie Station . Notification of the proposed earthworks was sent 80 days before start.
		National Parks;	21 days prior to proposed start date	Not Required			
		Native Title Claimant(s);	21 days prior to proposed start date	12-Aug-06	22-May-06		Dieri & ALRM
		other PEL or PL licensees as appropriate.	21 days prior to proposed start date	12-Aug-06	22-May-06	Exploration Manager	Santos - T. Whitelaw

CHECKLIST FOR NOTIFICATIONS OF DRILLING OPERATIONS

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 3

Well Name : **Somerton-1**

Commenced Drilling Operations : 17th September 2006 Completed Drilling Operations : 27th September 2006

REQUIREMENT	Format	Person / agency to whom Notification is to be provided	Period required for Notification	Due Date for Notification	Actual Date of Notification	Beach officer responsible for compliance	Comments
Notification of proposed drilling activity including demonstration of the suitability of an existing SEO.		PIRSA / Mike Malavazos	21 days prior to proposed start date	27-Aug-06	18-Aug-06	Exploration Manager	
Notification of proposed commencement of earthworks – preparation of access tracks and well leases		PIRSA / Tony Wright	2 days prior to commencement of earthworks	28-Jul-06	15-Jun-06	Exploration Manager	Earthworks commenced in early August - have assumed August 1st for compliance purposes.
Notification to landowner (s)		Pastoral Lessee;	21 days prior to proposed start date	27-Aug-06	22-May-06	Exploration Manager	G.Betts - Mungeranie Station . Notification of the proposed earthworks was sent 70 days before start.
		National Parks;	21 days prior to proposed start date	Not Required		Exploration Manager	
		Native Title Claimant(s);	21 days prior to proposed start date	27-Aug-06	22-May-06	Exploration Manager	Dieri & ALRM
		other PEL or PL licensees as appropriate.	21 days prior to proposed start date	27-Aug-06	22-May-06	Exploration Manager	Santos - T. Whitelaw

CHECKLIST FOR SUBMISSION OF DRILLING REPORTS TO PIRSA

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 1

Well Name : Silver Sands -1 Commenced Drilling Operations : 19th April 2006 Completed Drilling Operations : 4th May 2006

REPORT / DATA SET	Format	Person / agency to whom information is to be provided.	Period allowed for Submitting data.	Date Due	Date Submitted	Beach officer responsible for compliance	Comments
Daily Drilling Reports		PIRSA	Within 12 hrs of report period.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Wireline logs		PIRSA	Within 2 months of acquisition of data.	1-Jul-06	10-May-07	Exploration Manager	Logs run on 1st May. A revised version of the log data set was submitted on 13 Sep 2006.
Mud logging data		PIRSA	Included with Daily Drilling Reports, then subsequently with the Well Completion Report.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Well samples		PIRSA	Within 6 months of rig release.	4-Nov-06	4-Sep-06	Exploration Manager	
Well Completion Reports	Refer Note below	PIRSA	Within 6 months of rig release.	4-Nov-06	20-Nov-06	Exploration Manager	
Reportable Incidents.		PIRSA	Serious incidents must be reported immediately (within 24 hrs), with a written report following within 3 months.	No Reportable Incidents		Exploration Manager	
<i>Note : Well Completion Reports contain Borehole Deviation data ; Surveyed Location of well ; and other technical reports associated with the well.</i>							

Well Name : Boomer -1 Commenced Drilling Operations : 26th June 2006 Completed Drilling Operations : 8th July 2006

REPORT / DATA SET	Format	Person / agency to whom information is to be provided.	Period allowed for Submitting data.	Date Due	Date Submitted	Beach officer responsible for compliance	Comments
Daily Drilling Reports		PIRSA	Within 12 hrs of report period.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Wireline logs		PIRSA	Within 2 months of acquisition of data.	6-Sep-06	23-Aug-06	Exploration Manager	Logs run on 6th July
Mud logging data		PIRSA	Included with Daily Drilling Reports, then subsequently with the Well Completion Report.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Well samples		PIRSA	Within 6 months of rig release.	8-Jan-07	23-Oct-06	Exploration Manager	
Well Completion Reports		PIRSA	Within 6 months of rig release.	8-Jan-07		Exploration Manager	Refer note below
Reportable Incidents.		PIRSA	Serious incidents must be reported immediately (within 24 hrs), with a written report following within 3 months.	No Reportable Incidents		Exploration Manager	
<i>Note : Well Completion Reports contain Borehole Deviation data ; Surveyed Location of well ; and other technical reports associated with the well.</i>							

CHECKLIST FOR SUBMISSION OF DRILLING REPORTS TO PIRSA

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 2

Well Name : Callawonga-1

Commenced Drilling Operations : 19th June 2006 Completed Drilling Operations : 1st Aug 2006

REPORT / DATA SET	Format	Person / agency to whom information is to be provided.	Period allowed for Submitting data.	Date Due	Date Submitted	Beach officer responsible for compliance	Comments
Daily Drilling Reports		PIRSA	Within 12 hrs of report period.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Wireline logs		PIRSA	Within 2 months of acquisition of data.	28-Sep-06	NOT YET DELIVERED	Exploration Manager	Wireline logging contractors have not yet supplied Beach with a final version of the log data
Mud logging data		PIRSA	Included with Daily Drilling Reports, then subsequently with the Well Completion Report.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Well samples		PIRSA	Within 6 months of rig release.	1-Feb-07	8-Nov-06	Exploration Manager	
Well Completion Reports	Refer Note below	PIRSA	Within 6 months of rig release.	1-Feb-07	NOT DUE UNTILL YEAR 6 OF LICENCE	Exploration Manager	
Reportable Incidents.		PIRSA	Serious incidents must be reported immediately (within 24 hrs), with a written report following within 3 months.	No Reportable Incidents		Exploration Manager	
<i>Note : Well Completion Reports contain Borehole Deviation data ; Surveyed Location of well ; and other technical reports associated with the well.</i>							

Well Name : Snowden -1

Commenced Drilling Operations : 2nd September 2006 Completed Drilling Operations : 13th September 2006

REPORT / DATA SET	Format	Person / agency to whom information is to be provided.	Period allowed for Submitting data.	Date Due	Date Submitted	Beach officer responsible for compliance	Comments
Daily Drilling Reports		PIRSA	Within 12 hrs of report period.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Wireline logs		PIRSA	Within 2 months of acquisition of data.	11-Nov-06	27-Sep-06	Exploration Manager	Logs were recorded on 11 September
Mud logging data		PIRSA	Included with Daily Drilling Reports, then subsequently with the Well Completion Report.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Well samples		PIRSA	Within 6 months of rig release.	13-Mar-07	8-Nov-06	Exploration Manager	
Well Completion Reports		PIRSA	Within 6 months of rig release.	13-Mar-07	NOT DUE UNTILL YEAR 6 OF LICENCE	Exploration Manager	
Reportable Incidents.		PIRSA	Serious incidents must be reported immediately (within 24 hrs), with a written report following within 3 months.	No Reportable Incidents		Exploration Manager	
<i>Note : Well Completion Reports contain Borehole Deviation data ; Surveyed Location of well ; and other technical reports associated with the well.</i>							

CHECKLIST FOR SUBMISSION OF DRILLING REPORTS TO PIRSA

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 3

Well Name : Somerton-1

Commenced Drilling Operations : 17th September 2006 Completed Drilling Operations : 27th September 2006

REPORT / DATA SET	Format	Person / agency to whom information is to be provided.	Period allowed for Submitting data.	Date Due	Date Submitted	Beach officer responsible for compliance	Comments
Daily Drilling Reports		PIRSA	Within 12 hrs of report period.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Wireline logs		PIRSA	Within 2 months of acquisition of data.	25-Nov-06	12-Oct-06	Exploration Manager	Logs run on 25th September
Mud logging data		PIRSA	Included with Daily Drilling Reports, then subsequently with the Well Completion Report.	During Drilling Operations	During Drilling Operations	Exploration Manager	
Well samples		PIRSA	Within 6 months of rig release.	27-Mar-07	NOT DUE UNTILL YEAR 6 OF LICENCE	Exploration Manager	
Well Completion Reports	Refer Note below	PIRSA	Within 6 months of rig release.	27-Mar-07	NOT DUE UNTILL YEAR 6 OF LICENCE	Exploration Manager	
Reportable Incidents.		PIRSA	Serious incidents must be reported immediately (within 24 hrs), with a written report following within 3 months.	No Reportable Incidents		Exploration Manager	
<i>Note : Well Completion Reports contain Borehole Deviation data ; Surveyed Location of well ; and other technical reports associated with the well.</i>							

CHECKLIST FOR SUBMITTING GEOPHYSICAL DATA AND REPORTS TO PIRSA

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 1

Geophysical Data	Specifics	Format	Transmittal	Sent to	Time Period	Due Date	Date Sent	Comments
------------------	-----------	--------	-------------	---------	-------------	----------	-----------	----------

Survey Name : 2005 Mytilus 2D Seismic Survey (455 kms)

Completed Recording 2nd June 2005

Geophysical Progress Reports		Word or PDF		email or fax : cockshell.david@saugov.sa.gov.au	Periodic basis determined after consultation with Minister			
Geophysical Operations Reports - recording and processing		Hardcopy, PDF			Within 12 months of completion of recording data	7-Aug-06	2-Aug-06	<i>Note</i> : Original date for submission of Operations Report and data was 3rd June 2006. PIRSA granted an extension of the deadline to 7th August.
Geophysical Data - Seismic	Seismic Field Data		06_0457		Same time as associated Operations Reports	7-Aug-06	2-Aug-06	
Geophysical Data - Seismic	Obs Logs		06_0452	CD-ROM		7-Aug-06	2-Aug-06	
Geophysical Data - Seismic	Nav data including elevations & bathymetry	GDA 94		CD-ROM		7-Aug-06	2-Aug-06	
Geophysical Data - Seismic	Field statics			CD-ROM		7-Aug-06	2-Aug-06	
Geophysical Data - Seismic	Processed 3D data volumes and velocities					N / A		
Geophysical Data - Seismic	Processed 3D time slices (if available)			N / A				
Environmental Report			05_0349					
Geophysical Interpretation Report		Hardcopy, PDF				Within 12 months of completion of processing of data	30-Apr-07	NOT REQUIRED UNTIL YEAR 6 OF THE LICENCE

Year 4 Reprocessing : 390 kms

Geophysical Operations Reports - reprocessing		Hardcopy, PDF	Re-processed data was delivered to Beach on 1st Feb 2005.		Within 2 months of completion of reprocessing data		TO BE SUBMITTED IN YEAR 6 OF THE LICENCE	Re-processed data received by Beach on 30th April 2006
Geophysical Interpretation Reports		Hardcopy, PDF			Within 6 months of completion of reprocessing data	30-Apr-07		
Geophysical Data - Seismic	Reprocessing - transcribed copy of field data				Same time as associated Operations Reports			
Geophysical Data - Seismic	Reprocessing - field tape transcription log							
Geophysical Data - Seismic	Reprocessing - tape & file listing of field data that has been copied & reprocessed							

CHECKLIST FOR SUBMITTING GEOPHYSICAL DATA AND REPORTS TO PIRSA

Permit : PEL 92 Year 5 : 5 November 2005 - 4 November 2006

PAGE 2

Geophysical Data	Specifics	Format	Transmittal	Sent to	Time Period	Due Date	Date Sent	Comments
------------------	-----------	--------	-------------	---------	-------------	----------	-----------	----------

Survey Name : 2006 Cadulus 2D Seismic Survey (130 kms)

Completed Recording 24th August 2006

Geophysical Progress Reports		Word or PDF		email or fax : cockshell.david@saugov.sa.gov.au	Periodic basis determined after consultation with Minister			
Geophysical Operations Reports - recording and processing		Hardcopy, PDF			Within 12 months of completion of recording data	24-Aug-07	NOT REQUIRED UNTIL YEAR 6 OF THE LICENCE	
Geophysical Data - Seismic	Seismic Field Data				Same time as associated Operations Reports	24-Aug-07		
Geophysical Data - Seismic	Obs Logs		CD-ROM	24-Aug-07				
Geophysical Data - Seismic	Nav data including elevations & bathymetry	GDA 94	CD-ROM	24-Aug-07				
Geophysical Data - Seismic	Field statics		CD-ROM	24-Aug-07				
Geophysical Data - Seismic	Processed 3D data volumes and velocities				N / A			
Geophysical Data - Seismic	Processed 3D time slices (if available)					N / A		
Environmental Report								In preparation
Geophysical Interpretation Report		Hardcopy, PDF			Within 12 months of completion of processing of data	TO BE DETERMINED		Processing of data from Cadulus survey not complete before end of Licence Year

Year 5 Reprocessing : 200 kms

Geophysical Operations Reports - reprocessing		Hardcopy, PDF			Within 2 months of completion of reprocessing data	TO BE SUBMITTED IN YEAR 6 OF THE LICENCE	TO BE SUBMITTED IN YEAR 6 OF THE LICENCE	Reprocessed data will be delivered to Beach with new data from 2006 Cadulus survey
Geophysical Interpretation Reports		Hardcopy, PDF			Within 6 months of completion of reprocessing data			
Geophysical Data - Seismic	Reprocessing - transcribed copy of field data				Same time as associated Operations Reports			
Geophysical Data - Seismic	Reprocessing - field tape transcription log							
Geophysical Data - Seismic	Reprocessing - tape & file listing of field data that has been copied & reprocessed							

Section 3.

Compliance with the relevant
Statements of Environmental Objectives

A) Drilling Operations

Although Beach had fulfilled its drilling commitments for Year 5 prior to the commencement of the Licence year, a further five wells were drilled : **Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1.**

Government approval for Beach to drill each of these wells was conditional on Beach committing to achieving the objectives defined in the “Statement of Environmental Objectives for Drilling and Well Operations in the Cooper / Eromanga Basins – South Australia (SEO)“.

The assessment of Beach’s performance in achieving the SEO objectives cannot be completed until the well sites have been rehabilitated.

Production testing facilities have been installed at the drill sites for Silver Sands-1 and Callawonga-1, and hence rehabilitation at these sites will not commence until production levels are no longer economic.

Rehabilitation of the other three sites will proceed once the sump pits have fully dried out and earthmoving machinery is available. The water level in the sumps is periodically checked, however intermittent rain during 2006 has prevented the sumps from drying out sufficiently.

Beach received a written request from the owner of Mungeranie station not to rehabilitate any part of the well site access tracks prepared on his property.

Beach was satisfied that it has met all the other objectives required by the SEO for the drilling operations on these wells, and the spreadsheet below summarises the strategies that were employed to achieve this compliance.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 1:</u> <i>Minimise the risk to public and other third parties.</i></p>	<p>The criteria for assessing the achievement of this objective have been developed on the basis of the current understanding of the risks associated with drilling and well operations.</p> <p>The key to achieving this objective in relation to both downhole abandonment and surface well site restoration is to ensure that the visual prominence of the abandoned well site and its access track(s) is minimised to the extent where it is difficult for third parties to detect and therefore access these sites.</p>	<ul style="list-style-type: none"> ▪ All employees and contractor personnel complete a safety induction prior to commencement of work in the field. ▪ All employees and contractor personnel undertake a refresher induction every 2 years. ▪ Signage in place to warn third parties of access restrictions to operational areas, with particular warnings when potentially dangerous operations are being undertaken. 	<ul style="list-style-type: none"> ▪ Reasonable measures implemented to ensure no injuries to the public or third parties. 	<p>The design and operation of the wells was undertaken in accordance with Beach safety policies, standards and guidelines.</p> <p>All employees undertook a safety induction prior to commencing work in the field and will undertake a refresher course if/when required.</p> <p>With the exception of Silver Sands-1, the access tracks for each of these wells commenced from a private station track which follows the western edge of the Cooper Creek. Tourists are not authorised to travel along this station track. Silver Sands-1 is located adjacent to the oil tanker haul road connecting the Christies field to the Tantanna unloading facility.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
		<ul style="list-style-type: none"> ▪ Permit to work systems in place for staff and contractors in dangerous situations. 		<p>Signage was erected along each access track to advise that only authorised personnel were permitted on to each well site.</p> <p>Beach Permit to Work system was in operation during the drilling operations to control potentially dangerous situations.</p>
<p>Objective 1: (Continued)</p>	<p>The backfilling of the well cellar and the removal of rubbish from the restored well site should be carried out</p> <p>Fires or explosions at well sites could result in complications resulting in a spill of production fluids (formation water and hydrocarbon), atmospheric emissions, disturbance of native vegetation and wildlife habitat, loss of reservoir pressure, and risk to</p>	<ul style="list-style-type: none"> ▪ Reporting systems for recording injuries and accidents in place, and annual; (at minimum) review of records to determine injury trends. Implementation of appropriate corrective actions. ▪ Ensuring safety management plans are updated and reviewed. ▪ All appropriate PPE (personnel protective equipment) is issued and available as required in 		<p>Accident / incident reporting systems were in place as defined in the Beach Drilling Operation Manual. Records are reviewed regularly to assess trends.</p> <p>Beach safety management plans are updated and reviewed on a regular basis.</p> <p>Appropriate PPE was issued to all personnel involved in the</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
	employees, contractors and the public.	accordance with company operating requirements and applicable standards.		drilling operations.
Objective 1: (Continued)	The movement of heavy equipment associated with rig moves present a risk to the safety of employees, contractors and third parties (ie tourists).	<ul style="list-style-type: none"> ▪ Effective Emergency Response Plan (ERP) and procedures are in place in the event of a fire or explosion. ▪ Annual exercise of ERP. ▪ Communication of rig moves and other potential hazards to safety associated with drilling and well operations to potentially affected parties prior to commencement of operations. 		<p>An Emergency Response Plan (ERP) Bridging document was prepared for the drilling operations at each well and all personnel involved in the operations were aware of the Emergency Response Plan. However, no situation arose that required the implementation of the Plan.</p> <p>Beach undertakes regular ERP exercises at selected drilling operations.</p> <p>Beach maintained regular contact with landholders and associated stakeholders during the drilling operations at each site.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 2 :</u> <i>Minimise disturbance and avoid contamination to soil.</i></p>	<p>The impacts associated with soil disturbance can potentially include wind and water erosion and dust generation. The main source of disturbance to soils is associated with lease and access track construction, creation of borrows pits, restoration activity, vehicle movement in off-road locations and sub-surface excavations (i.e. sumps, flare pits and borrow pits).</p>	<p><u>Well Site and Access Track Construction</u></p> <ul style="list-style-type: none"> ▪ Consider alternate routes during planning phase to minimise environmental impacts ▪ Gibber mantle on access tracks and well sites (excluding sumps) has not been removed, only rolled, during construction and restoration on gibber and tableland land systems. ▪ Topsoil stockpiled (including gibber mantle) from sump construction and respread on abandonment. ▪ The need to traverse sensitive land systems and the methods of managing the impacts should be justified in accordance with company procedures, recorded and available for auditing. 	<p><u>Well Site and Access Track Construction</u></p> <ul style="list-style-type: none"> ▪ 0, +1 or +2 GAS criteria are attained for "Minimise visual impacts of abandoned well sites and access tracks" objective as listed in Appendix 4 for well lease and access track construction. ▪ No unauthorised off-road driving or creation of shortcuts. ▪ No construction activities are carried out on salt lakes, steep tableland land systems or wetlands land systems (as defined in EIR). 	<ul style="list-style-type: none"> • Sites were constructed in accordance with the guidelines outlined in Guidelines for Lease Construction and Restoration. • Gibber mantle along sections of the access track to the Boomer well site was rolled and not disturbed to avoid erosion. • Topsoil was stockpiled for subsequent respreading when restoration activities are conducted. • Vehicle movements were strictly limited to the defined access track and well pad area – areas which had been given cultural heritage clearance for the drilling operations.
--	--	--	---	---

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p>Objective 2: (Continued)</p> <p>(Minimise disturbance and avoid contamination to soil.)</p>		<p><u>Production Testing / Well Blowdowns</u></p> <ul style="list-style-type: none"> ▪ If appropriate use: <ul style="list-style-type: none"> - impermeable flare pit - flare tanks. 	<p><u>Borrow pit construction and restoration</u></p> <ul style="list-style-type: none"> ▪ 0, +1 or +2 GAS criteria are attained for "Minimise Visual Impacts for constructing borrow pits" objective as listed in Appendix 3, and "Minimise visual impacts" and "Minimise impact on soil" objectives as listed in Appendix 5. 	<ul style="list-style-type: none"> • Wellsites will be rehabilitated and restored in accordance with the guidelines set down in PIRSA's Field Guide for the Environmental Assessment of Abandoned Petroleum Wellsites in the Cooper Basin, South Australia to attain the highest feasible GAS rating. Rehabilitation of the sites is scheduled to occur in the first half of 2007. • Borrow pits will be rehabilitated and restored in accordance with the guidelines set down in PIRSA's Field Guide for the Environmental Assessment of Abandoned Petroleum Wellsites in the Cooper Basin, South Australia, to attain the highest feasible GAS rating.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p>Objective 2: (Continued)</p> <p>(Minimise disturbance and avoid contamination to soil.)</p>			<p><u>Production Testing / Well Blowdowns</u></p> <ul style="list-style-type: none"> ▪ No soil contamination as a result of production testing or well blowdown operations. 	<ul style="list-style-type: none"> • Production testing will be undertaken at Silver Sands-1 and Callawonga-1 • All fuel, oil and chemicals were stored in accordance with relevant standards. • Refuelling was undertaken as per Drilling Contractors' procedures. • There were no spills during the drilling operations that required reporting or corrective action to be taken in accordance with the Beach Incident Reporting system.
<p>Objective 2:</p>		<p><u>Fuel and Chemical Storage and Handling</u></p> <ul style="list-style-type: none"> ▪ All fuel, oil and chemical storages banded in accordance with the appropriate standards ▪ Records of spill events and corrective actions maintained in accordance with company 	<p><u>Fuel and Chemical Storage and Handling</u></p> <ul style="list-style-type: none"> ▪ No spills/leaks outside of areas designed to contain them. ▪ Level of hydrocarbon continually decreasing for in situ remediation of 	<ul style="list-style-type: none"> ▪ There were no spills during the drilling operations outside of areas designed to contain them.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p>(Continued)</p> <p>(Minimise disturbance and avoid contamination to soil.)</p>		<p>procedures.</p> <ul style="list-style-type: none"> ▪ Spills or leaks are immediately reported and clean up actions initiated. ▪ Logged incidents are reviewed annually to determine areas that may require corrective action in order to reduce spill volumes in subsequent years (and drive continual improvement). ▪ Chemical and fuel storage procedures, including signage, are reviewed and monitored in audit process. <p><u>Spill Response / Contingency Planning</u></p> <ul style="list-style-type: none"> ▪ Results of emergency response procedures carried out in accord with Regulation 31 show that oil spill contingency plan in place in the event of a spill is adequate and any necessary remedial action needed to the plan is undertaken promptly. ▪ Oil spill contingency plan (reviewed annually) is up to date with specific scenarios relating to spills to creeks and floodplain areas. 	<p>spills.</p> <ul style="list-style-type: none"> ▪ Soils remediated to a level as determined by the SHI process. 	<ul style="list-style-type: none"> • Beach's Oil Spill Contingency Plan is included in the Emergency Response Plan.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
Objective 2: (Continued)		<ul style="list-style-type: none"> ▪ Spill response equipment is audited annually. ▪ Annual spill response training exercise is undertaken. 		
(Minimise disturbance and avoid contamination to soil.)		<p><u>Waste Disposal (domestic, sewage and sludges)</u></p> <ul style="list-style-type: none"> ▪ Covered bins are provided for the collection and storage of wastes. ▪ All loads of rubbish are covered during transport to the central waste facility. ▪ Pits are not established in locations, which pose an unacceptable hazard to stock or wildlife. 	<ul style="list-style-type: none"> ▪ All domestic wastes are disposed of in accordance with EPA licensing requirements. ▪ 0, +1 or +2 GAS criteria for 'Waste material' objective is attained. ▪ No spills or leaks from sewage treatment process and sludge pits. 	<ul style="list-style-type: none"> • Wastes were managed as described in the Cooper Basin Drilling & Well Operations EIR. • Wastes were collected, stored and transported in covered bins / containers. • All rubbish was disposed of at a licensed waste facility.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 3 :</u> <i>Avoid the introduction or spread of pest plants and animals and implement control measures as necessary.</i></p>	<p>Activity associated with lease and access track construction, such as movement of vehicles and equipment, is a potential source of weed or disease introduction and spread. The most effective technique to prevent the introduction and spreading of weed species is to ensure that vehicles and equipment are appropriately cleaned prior to entry into a construction site.</p>	<ul style="list-style-type: none"> ▪ Where appropriate a weed and feral animal management strategy is in place (avoidance and control strategies). ▪ Rig and vehicle wash downs are initiated in accordance with the management strategy. 	<ul style="list-style-type: none"> ▪ No weeds or feral animals are introduced to operational areas. 	<ul style="list-style-type: none"> • Drilling rig and associated equipment and vehicles had already been working in the Cooper Basin prior to commencing these drilling operations .

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 4 :</u> <i>Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow ground water resources.</i></p>	<p>The main threats to drainage patterns and surface waters, and shallow ground waters are considered to be interruption of natural flows as a result of earthworks and contamination.</p> <p>Access track and well site selection should aim to minimise impact to drainage systems, by avoiding sensitive areas and appropriate construction methods to avoid windrows.</p>	<p><u>Drilling Mud Sumps and Flare Pits</u></p> <ul style="list-style-type: none"> ▪ All drill cuttings, muds and non toxic drill fluids are contained within the designated mud sumps with adequate freeboard at the completion of operations to allow for a 1m cover of clean fill at remediation. 	<p><u>Well Lease and Access Track Construction</u></p> <ul style="list-style-type: none"> ▪ Well leases and access tracks are located and constructed to maintain pre-existing water flows (i.e. channel contours are maintained on floodplains and at creek crossings). <p><u>Drilling Mud Sumps and Flare Pits</u></p> <ul style="list-style-type: none"> ▪ No overflow of drill cuttings, muds and other drilling fluids from mud sumps. ▪ No waste material disposal to sumps and flare pits. 	<ul style="list-style-type: none"> • None of the well sites were located in areas where flooding from local watercourses was likely to occur. • All drill pads and access tracks were constructed and located to avoid diversion of flood waters from their natural direction of drainage in the event of local inundation. • All drill cuttings, muds, and non toxic drill fluids were contained within designated mud sumps with adequate freeboard at the completion of operations to allow for a 1m cover of clean fill at remediation.
--	---	---	--	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p>Objective 4 : (Continued)</p> <p><i>(Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow ground water resources.)</i></p>	<p>There is potential for the contamination of chemical and fuel storage areas, from oil and gas systems at well heads, during transportation of fuel and chemicals and during transportation of wastes. Localised contamination may result from spills or leaks of well operations chemicals (eg. corrosion inhibitors) during storage and handling.</p>	<p><u>Well Heads (Oil and Gas Systems)</u></p> <ul style="list-style-type: none"> ▪ Where appropriate, imperviously lined well cellars are installed on oil wells. ▪ Chemical containment devices are installed on gas well skids. ▪ Well heads shut in and chemicals removed prior to flood events. ▪ Jet pumps are installed within containment device with an adequately sized containment sump. 	<p><u>Well Heads (Oil and Gas Systems)</u></p> <ul style="list-style-type: none"> ▪ No leaks/spills outside of areas designed to contain them. 	<ul style="list-style-type: none"> • Production testing of the Silver Sands-1 well commenced in July. The Production Testing facility was designed to ensure there would be no leaks or spills outside bunded areas. None have occurred. Production testing of the Callawonga-1 well is due to commence in mid November.
		<p><u>Well Blowdown / Production Testing</u></p> <ul style="list-style-type: none"> ▪ Activity is conducted in accordance with accepted industry standards / good oilfield practice. ▪ If appropriate use: <ul style="list-style-type: none"> - impermeable flare pit - flare tanks - separators - supervision 	<p><u>Well Blowdown/Production Testing</u></p> <ul style="list-style-type: none"> ▪ No water (surface or groundwater) contamination as a result of production testing or well blowdown operations. 	<ul style="list-style-type: none"> • The Production Testing facilities at Silver Sands and Callawonga have been designed to prevent surface water or ground water contamination from these operations.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 4</u> (Continued)</p> <p>(Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow ground water resources.)</p>		<p><u>Fuel and Chemical Storage and Handling</u></p> <ul style="list-style-type: none"> ▪ All fuel, oil and chemical storages banded in accordance with the appropriate standards ▪ Records of spill events and corrective actions maintained in accordance with company procedures. ▪ Spills or leaks are immediately reported and clean up actions initiated. ▪ Logged incidents are reviewed annually to determine areas that may require corrective action in order to reduce spill volumes in subsequent years (and drive continual improvement). ▪ Chemical and fuel storage procedures, including signage, are reviewed and monitored in audit process. 	<p><u>Fuel/Chemical Storage and Handling</u></p> <ul style="list-style-type: none"> ▪ No leaks/spills outside of areas designed to contain them. 	<ul style="list-style-type: none"> • Specific oil spill containment / cleanup materials were on site at all times. • All fuel, oil and chemicals were in accordance with relevant standards ▪ Refuelling was undertaken as per Drilling Contractors' procedures. ▪ There were no spills during the drilling operations outside of areas designed to contain them.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 4</u> <u>cont :</u></p> <p>(Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow ground water resources.)</p>	<p>The major threat of spills is the threat to soil, vegetation and watercourses directly impacted by the spill. Therefore, the achievement of this objective also consequently contributes to the achievement of Objectives 2 and 7 in relation to minimising the impacts on soil and natural habitats.</p> <p>Avoidance of spills will be paramount in areas where the spill can be potentially spread beyond the immediate confines of the spill area into sensitive environments such as creeks and wetlands.</p>	<p><u>Spill Response / Contingency Planning</u></p> <ul style="list-style-type: none"> ▪ Results of emergency response procedures carried out in accord with Regulation 31 show that oil spill contingency plan in place in the event of a spill is adequate and any necessary remedial action needed to the plan is undertaken promptly. ▪ Oil spill contingency plan (reviewed annually) is up to date with specific scenarios relating to spills to creeks and floodplain areas. ▪ Spill response equipment is audited annually. ▪ Annual spill response training exercise is undertaken. 		<ul style="list-style-type: none"> • Beach's Oil Spill Contingency Plan is included in the Emergency Response Plan.
--	---	--	--	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 5 :</u></p> <p><i>Avoid disturbance to sites of cultural and heritage significance.</i></p>	<p>The aim of the objective is to ensure that any sites of cultural (Aboriginal or non-Aboriginal) heritage significance are identified and protected.</p>	<p>Consultation with stakeholders (i.e. government agencies, landholders etc) in relation to the possible existence of heritage sites, as necessary.</p> <p>Heritage report forms completed for any sites or artefacts identified, and report forms forward to the Department of State Aboriginal Affairs (DOSAA).</p> <ul style="list-style-type: none"> ▪ Survey records are kept and are available for auditing. ▪ Areas requiring remediation which lie outside previously surveyed sites should be surveyed in accordance with company heritage clearance procedures. 	<ul style="list-style-type: none"> ▪ Proposed well sites and access tracks have been surveyed and any sites of Aboriginal and non-Aboriginal heritage identified. ▪ Any identified cultural and heritage sites have been avoided. <p><u>Note:</u></p> <p>Where a negotiated agreement or determination for heritage clearance is in place, compliance with the negotiated agreement or determination takes precedence over the above criteria.</p>	<p>Beach have an agreement with the Dieri Aboriginal Corporation Native Title Claimant group which specifies the requirements for scouting proposed wells and access tracks to identify and avoid areas of heritage value and archaeological significance.</p> <p>Joint site visits were carried out with the Native Title Claimant group. Proposed drilling locations and access routes were agreed and given heritage clearance.</p> <p>Areas of significance were recorded and marked as exclusion zones.</p>
---	--	--	--	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 6 :</u> <i>Minimise loss of aquifer pressures and avoid aquifer contamination.</i></p>	<p>This objective seeks to protect the water quality and water pressure of aquifers that may potentially be useful as water supplies, and to maintain pressure in sands that may host petroleum accumulations elsewhere.</p> <p>To address this objective, the risks of cross flow between aquifer cells known to be permeable and in natural hydraulic isolation from each other, or where there is insufficient information to determine that they are permeable or in hydraulic communication, must be assessed on a case by case basis and procedures implemented to minimize the fresh water aquifer cells from contamination and isolate potential and producing formations from formations</p>	<p><u>Drilling & Completion Activities :</u></p> <ul style="list-style-type: none"> ▪ A competent cement bond between aquifer and hydrocarbon reservoirs is demonstrated. <p>For cases where isolation of these formations is not established, a risk assessment incorporating the use of pressure / permeability / salinity data is undertaken in consultation with DLWBC & AAWCMB to determine if lack of cement or poor bond will cause or has caused damaging crossflow which needs to be remediated.</p> <p><u>Producing, Injection and, Inactive Wells</u></p> <ul style="list-style-type: none"> ▪ Monitoring programs implemented (eg. Through well logs, pressure measurements, casing integrity measurements and corrosion monitoring programs) to assess condition of casing and cross-flow behind casing. 	<p><u>Drilling & Completion Activities</u></p> <ul style="list-style-type: none"> ▪ There is no uncontrolled flow to surface (Blow out). ▪ Sufficient barriers exist in casing annulus to prevent crossflow between separate aquifers or hydrocarbon reservoirs. ▪ Relevant government approval obtained for abandonment of any radioactive tool left downhole. <p><u>Producing, Injection, Inactive and Abandoned Wells</u></p> <ul style="list-style-type: none"> ▪ No cross-flow behind casing between aquifers, and between aquifers 	<p>The Drilling Programs for all well were designed to ensure minimal loss of reservoir and aquifer pressures and minimal contamination of freshwater aquifers.</p> <p>During abandonment operations, cement plugs were installed to isolate any aquifers penetrated below surface casing (as per the outline under "Comments" in the SEO) and any zones of pressure differential to ensure no likelihood of cross-flow.</p>
--	---	---	--	---

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 6 :</u> (Continued)</p> <p>(Minimise loss of aquifer pressures and avoid aquifer contamination).</p>	<p>that may deplete the reservoir pressure when not on production.</p> <p>The following geological formations are aquifers in the Cooper-Eromanga Basins. They may contain permeable sands which may be in natural hydraulic isolation from each other (from shallowest to deepest), and in general isolation will be maintained between these groups:</p> <ul style="list-style-type: none"> • Eyre; • Winton, • Mackunda; • Coorikiana; • Cadna-owie; • Murta (including McKinlay Member) • Namur, Adori, • Birkhead, Hutton, Poolowanna, • Cuddapan; Nappamerri Group formations, Walkandi and Peera Peera formations • Toolachee; Daralingie; 	<ul style="list-style-type: none"> ▪ Casing annulus pressures are monitored every 2 years. ▪ The condition of the primary casing barrier is adequate. ▪ For cases where crossflow is detected, a risk assessment incorporating the use of pressure / permeability / salinity data is undertaken in consultation with DLWBC & AAWCMB to determine if lack of cement or poor bond will cause or has caused damaging crossflow which needs to be remediated. <p><u>Well Abandonment Activities :</u></p> <ul style="list-style-type: none"> ▪ Isolation barriers are set in place to ensure that cross-flow, contamination or pressure reduction will not occur. 	<p>and hydrocarbon reservoirs unless approved by DWLBC.</p>	

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 6 :</u> (Continued)</p> <p>(Minimise loss of aquifer pressures and avoid aquifer contamination).</p>	<ul style="list-style-type: none"> • Epsilon, Patchawarra or Mt Toodna or Purni; • Tirrawarra sandstone or Stuart Range; Merrimelia; Boorthanna; Crown Point formations and Basement reservoirs. <p>Note: Crossflow (if it occurs), should not compromise the long term sustainability of a particular resource.</p>	<ul style="list-style-type: none"> ▪ Barriers will be set to meet or exceed the requirements of applicable standards for the decommissioning and abandonment of water bores and abandonment of petroleum wells. ▪ The placement of isolation barriers will in general be to isolate the groups of formations as listed under comments. The number and placement of barriers may be varied from this standard approach on a case-by-case basis by SACB Operator personnel using relevant available data and the SA Cooper Basin Water Pressure and Salinity Module Report (2002), and in consultation with DWLBC. 		

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 7:</u> <i>Minimise disturbance to native vegetation and native fauna.</i></p>	<p>Primary risks to native fauna include clearing of habitat and obstruction of movement through cleared areas, the presence of borrow pits, fuel and chemical storage and management, and waste management activities.</p>	<p><u>Well Lease and Access Track Construction and Restoration</u></p> <ul style="list-style-type: none"> ▪ Proposed well sites, camp sites, access tracks and borrow pit sites have been assessed for rare, vulnerable and endangered flora and fauna species before the commencement of construction. ▪ Consider alternate routes during planning phase to minimise environmental impacts ▪ Facilities (e.g. borrow pits, well cellars) are designed and constructed as far as practicable to minimise fauna entrapment. ▪ Sumps and mud pits are fenced as appropriate to minimise wildlife access ▪ Assessment records are kept and are available for auditing. ▪ In recognised conservation reserves (i.e. Innamincka Regional Reserve) excavations are left in a state as agreed with the responsible 	<p><u>Well Lease and Access Track Construction and Restoration</u></p> <ul style="list-style-type: none"> ▪ Any sites with rare, vulnerable and endangered flora and fauna have been identified and avoided. ▪ 0, +1 or +2 GAS criteria are attained for "Minimise impacts on vegetation" objective as listed in Appendix 2, during well lease and access track site selection and construction and for "Re-establish natural vegetation on abandoned well sites and access track" objective in Appendix 4. 	<p>None of the five wells drilled were located in or near areas of high biological or wilderness values and hence the drilling operations presented no long term impacts to any such areas.</p> <p>National Parks and Wildlife flora/fauna databases contain no records of vulnerable or endangered species within several kilometres of any of these well sites.</p> <p>Construction of the access tracks required minimal clearance of vegetation and were aligned to avoid clearing trees.</p> <p>Each of the sites contained only sparse vegetation, and clearance was minimised. Trees that were present on the site and adjacent to the site</p>
---	---	---	---	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 7:</u> (Continued)</p> <p>(Minimise disturbance to native vegetation and native fauna)</p>		<p>statutory body</p> <ul style="list-style-type: none"> ▪ Borrow pits are restored to minimise water holding capacity, where agreements are not in place with stakeholders. <p><u>Waste Management</u></p> <ul style="list-style-type: none"> ▪ Covered bins are provided for the collection and storage of wastes. ▪ All loads of rubbish are covered during transport to the central waste facility. ▪ Pits are not established in locations, which pose an unacceptable hazard to stock or wildlife. 	<p><u>Borrow Pits Construction and Restoration</u></p> <ul style="list-style-type: none"> ▪ 0, +1 or +2 GAS criteria are attained for "Minimise impacts on vegetation" objective as listed in Appendix 4 during borrow pit site selection and construction, and "Minimise Impact on Vegetation" objective in Appendix 5 for borrow pit restoration. <p><u>Waste Management</u></p> <ul style="list-style-type: none"> ▪ Refer to assessment criteria for Objective 11. <p><u>Fuel and Chemical Storage and Management</u></p> <ul style="list-style-type: none"> ▪ Refer to assessment criteria for Objectives 2 and 4. 	<p>were not cleared.</p> <p>Facilities were designed and constructed to minimise fauna entrapment.</p> <ul style="list-style-type: none"> • Borrow pits established for building roads and drill pads will be rehabilitated and restored in accordance with the guidelines set down in PIRSA's Field Guide for the Environmental Assessment of Abandoned Petroleum Wellsites in the Cooper Basin, South Australia, to attain the highest feasible GAS rating. • Beach's Drilling Operations Manual sets out the company's policy in relation to storage, use and

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
				<p>disposal of hazardous material.</p> <ul style="list-style-type: none"> • At all well sites, wastes were managed as described in the Drilling & Well Operations EIR. • Wastes were collected, stored and transported in covered bins / containers. • All rubbish was disposed of at a licensed waste facility.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 8 :</u> <i>Minimise air pollution and greenhouse gas emissions.</i></p>	<p>Atmospheric emissions occur as a result of standard practices undertaken during drilling and well operations. Emissions of particular environmental significance are:</p> <ul style="list-style-type: none"> ▪ combustion by-products (eg. oxides of nitrogen, carbon monoxide and sulphur dioxide); ▪ organic carbon and carbon particulates (black smoke); and ▪ flared/vented hydrocarbons (gases). 	<p><u>Well Testing</u></p> <ul style="list-style-type: none"> ▪ Conduct well testing in accordance with appropriate industry accepted standards. ▪ Continually review and improve operations. ▪ Appropriate emergency response procedures are in place for the case of a gas leak. <p><u>Well Blowdown</u></p> <ul style="list-style-type: none"> ▪ Blowdown carried out in accordance with industry accepted standards / good production practice. ▪ Any well that is consistently blown down is identified for a small ID tubing or plunger lift installation to minimise blow downs on that well. 	<ul style="list-style-type: none"> ▪ Compliance with EPA requirements. 	<p>No well tests or well blow - downs were undertaken during drilling operations at the Myponga-1 well.</p>
---	--	---	---	---

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 9:</u> <i>(Maintain and enhance partnerships with the Cooper Basin community.)</i></p>	<p>The importance of liaison with and contribution to the local community is recognised by the South Australian Cooper Basin Operators. Notification, consultation, contribution to community activities, projects and events and membership of relevant organisations are considered to be key strategies for ensuring partnerships with the local community are enhanced.</p>	<ul style="list-style-type: none"> ▪ Relevant affected parties are notified and consulted on proposed activities. ▪ Forward development plans are presented to the local community. ▪ Local community projects and events are sponsored and supported where appropriate. ▪ Industry membership of appropriate regional land management committees and boards i.e. the Lake Eyre Basin Consultative Council, Marree Soil Conservation Board, and Catchment Committees. 	<ul style="list-style-type: none"> ▪ No unresolved reasonable complaints from the community. 	<ul style="list-style-type: none"> ▪ Beach maintained regular contact with landholders and associated stakeholders prior to and while undertaking drilling operations at all well sites. • Beach sponsors local community social events including the Innamincka Races. • Beach also provides major sponsorship to the Royal Flying Doctor Service.
--	---	---	---	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 10 :</u> <i>Avoid or minimise disturbance to stakeholders and/or associated infrastructure</i></p>	<p>Communication and the establishment of good relations with stakeholders and community is fundamental to minimising disturbance to as low as practicably possible. Many pastoral properties are certified under the Organic Beef or CattleCare accreditation schemes and therefore may be affected by fuel and chemical storage, moving machinery and contaminated sites.</p>	<p>Induction for all employees and contractors covers pastoral, conservation, legislation and infrastructure issues.</p> <p>Relevant stakeholders are notified prior to survey and construction of well sites, camp sites and access tracks and undertaking of operations (pursuant to Petroleum Regulations). Borrow pits left open (unrestored) if requested by landholder and upon receipt of letter of transfer of responsibility to landholder.</p> <ul style="list-style-type: none"> ▪ Gates or cattle grids are installed to a standard, consistent with pastoral infrastructure in fences where crossings are required for access. ▪ All gates left in the condition in which they were found (ie. open/closed). 	<ul style="list-style-type: none"> ▪ No reasonable stakeholder complaints left unresolved. 	<ul style="list-style-type: none"> ▪ Beach maintained regular contact with landholders and associated stakeholders prior to and while undertaking drilling operations at each of the well sites. ▪ The access tracks and well sites were located away from tourist routes. ▪ The landowner has requested that no rehabilitation work be undertaken on any access tracks. ▪ None of the well sites were located near cattle watering points and cattle were not present in significant numbers due to prevailing drought conditions.
---	---	---	---	---

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 10 :</u> <u>(Continued)</u></p> <p><u>(Avoid or minimise disturbance to stakeholders and/or associated infrastructure.)</u></p>		<ul style="list-style-type: none"> ▪ Potential sources of contamination are fenced as appropriate to prevent stock access. ▪ System is in place for logging landholder complaints to ensure that issues are addressed as appropriate. ▪ Requirements of the Cattle Care and Organic Beef accreditation programs are complied with. ▪ In recognised conservation reserves (i.e. Innamincka Regional Reserve) excavations are left in a state as agreed with the responsible statutory body. 		<ul style="list-style-type: none"> ▪ At the completion of each drilling operations, temporary cattle proof fencing was erected to isolate any pits or plant installed on site. The fencing was kept in place until the pits were dry and machinery was available to fully rehabilitate the site.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 11 :</u></p> <p><i>Optimise waste reduction and recovery.</i></p>	<p>Waste reduction requires continual improvements in purchasing, efficiency of use and reuse. Due to the distances involved the costs of recycling a large range of products is not possible however continual review of recycling options is required to ensure that any opportunities are taken advantage of.</p>	<ul style="list-style-type: none"> ▪ Bulk chemical and oil purchasing and use of "bulki bins" or other storage tanks in place for large volume items. 	<ul style="list-style-type: none"> ▪ With the exception of drilling fluids, drill cuttings and other fluids disposed during well clean-up, and sewage wastes, all wastes to be disposed of at an EPA licensed facility in accordance with EPA Licence conditions. ▪ Attainment of GAS criteria for "Site left in clean, tidy and safe condition after final clean-up" objective during well site restoration (refer Appendix 4). ▪ Attainment of GAS criteria for "Site left in clean, tidy and safe condition" objective during borrow pit restoration (refer Appendix 5). 	<ul style="list-style-type: none"> ▪ Waste was removed from each well site in accordance with Beach's policy set out in the company's Drilling Operations Manual. <p>Non-putrescible waste material (including hazardous material) was stored safely on site for later removal to an EPA approved disposal facility.</p>
---	--	--	--	---

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

<p><u>Objective 12 :</u></p> <p><i>Remediate and rehabilitate operational areas to agreed standards.</i></p>		<p>Rehabilitation / abandonment plans for surface activities will be developed in consultation with relevant stakeholders</p> <p><u>Well Site and Access Track Restoration</u></p> <ul style="list-style-type: none"> ▪ Compacted soil areas have been ripped (except on gibber and tablelands) and soil profile and contours are reinstated following completion of operations. 	<ul style="list-style-type: none"> ▪ No unresolved reasonable stakeholder complaints. <p><u>Contaminated Site Remediation</u></p> <ul style="list-style-type: none"> ▪ Contaminated sites are remediated in accordance with criteria developed with the principles of the National Environment Protection Measure for Contaminated sites and in consultation with the EPA. <p><u>Well Site and Access Track Restoration</u></p> <ul style="list-style-type: none"> ▪ The attainment of 0, +1 or +2 GAS criteria for (refer Appendix 4): - "minimise visual 	<p>The drill sites for the Silver Sands-1 well and the Callawonga-1 well have been upgraded to production sites.</p> <p>The Boomer-1, Somerton-1, and Snowden-1 well sites will be restored in accordance with the standards and procedures detailed in the Cooper Basin SEO for Drilling and Well Operations (2003) and internal guidelines.</p> <p>Restoration will proceed when the sump pits have dried out and earthmoving machinery is available in the vicinity.</p> <p>Any contaminated sites are remediated in accordance</p>
--	--	---	--	--

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN DRILLING SEO**

PEL No. : 92 YEAR 5 WELL NAMES : Silver Sands-1, Boomer-1, Callawonga-1, Snowden-1, and Somerton-1

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p><u>Objective 12 :</u> <u>(Continued)</u></p> <p>Remediate and rehabilitate operational areas to agreed standards.</p>			<p>impact of abandoned well sites”</p> <ul style="list-style-type: none"> - “minimise visual impact of abandoned access tracks” - “re-establish natural vegetation on abandoned well sites and access tracks” <p><u>Borrow Pit Restoration</u></p> <ul style="list-style-type: none"> ▪ The attainment of 0, +1 or +2 GAS criteria (refer Appendix 5) for : “minimise impact on vegetation”, “minimise impact on soil”, “Minimise visual impacts” ▪ <u>Note:</u> Well abandonment issues addressed under objective 6. 	<p>with Beach Guidelines and Industry Standards.</p> <p>Restoration of the well sites will also be in accordance with the guidelines set down in PIRSA’s Field Guide for the Environmental Assessment of Abandoned Petroleum Wellsites in the Cooper Basin, South Australia, to attain the highest feasible GAS rating.</p> <ul style="list-style-type: none"> ▪ The <i>access tracks</i> to each well will not be rehabilitated, as requested by the landowner.

Section 3.

Compliance with the relevant
Statements of Environmental Objectives

B) Seismic Operations

In August 2006, 130 kilometres of 2D seismic survey were recorded in PEL 92 as part of the Cadulus 2D survey, which covered parts of PEL 91, PEL 92 and PEL 107.

Government approval for Beach to undertake these operations was conditional on Beach committing to the objectives defined in the “Statement of Environmental Objectives : Geophysical Operations - for the Cooper / Eromanga Basin – South Australia (June 2006)”.

Beach’s strategies for achieving each of the SEO objectives during the recording the Cadulus survey are outlined in the attached table.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
<p>Objective 1: Minimise the visual impact of operations.</p>	<p><u>Campsite and survey line preparation</u> Proposed survey lines and campsites have been appropriately located and prepared to minimise the visual impact. The attainment of 0, +1 or +2 GAS criteria for 'visual impact' objective listed in Appendix 3.</p>	<p>Pre-survey planning has been undertaken to minimise visibility of operations and records are available for audit. Maximise use of vegetation or land forms to disguise operations. Offset sand dune crest cuts along the length of the survey line to minimise visibility. Avoid extensive side cuts on dune flanks. Lessen visual impact of uphole cuttings, where they contrast with the surface, e.g. by use of appropriate colouring agents. Avoid cutting sand dunes facing tourist access tracks. All litter is to be disposed of correctly.</p>	<p>If techniques to disguise their presence are not implemented, the visual impact of survey lines can be significant. Location of and preparation of techniques for survey lines are key factors in determining visual impact.</p>	<p>Gas audits were taken at approximately 7 locations along the 130 kms of survey lines recorded in PEL 92. At a couple of these locations, the disturbance of the soil was greater than normally expected, resulting in a GAS score of "-1". Despite the extra disturbance, the soil surface will still rehabilitate naturally, although the visual impact may persist slightly longer than is usually the case.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
<p>Objective 2: Minimise disturbance to and contamination of soil resources.</p>	<p><u>Campsite and survey line preparation</u> Attainment of 0, +1 or +2 GAS criteria for 'Minimise impacts to land surface' objective, as listed in Appendix 3. Proposed survey lines and campsites have been appropriately located and prepared to minimise the disturbance to soil resources.</p> <p><u>Fuel Storage and Handling</u> No refuelling occurs outside designated refuelling/servicing areas. Spills or leaks are immediately reported and clean up actions initiated. Records of spill events and corrective actions are maintained in accordance with company procedures.</p>	<p>Pre-survey planning has been undertaken to minimise impacts of operations and records are available for audit. Survey line preparation techniques are monitored and documented to minimise soil disturbance, particularly in gibber and floodplain/wetland terrains. Gibber mantle has not been removed in gibber and tableland land systems. Gibber surface is not ripped at campsites. Any requirement to traverse sensitive land systems and the method of managing the impacts should be justified in accordance with company procedures. Any records should be available for audit. There is no evidence of off-road driving or creation of shortcuts. No survey line or access track preparation is carried out on salt lakes.</p>	<p>The main sources of disturbance to soils are survey line preparation, vehicle traffic along tracks and restoration activity. The impacts associated with soil disturbance can potentially include wind and water erosion and dust generation. All fuel stored and used should be under the control of qualified or trained personnel.</p>	<p>Refer to comments above for performance in achieving Objective 1. There were no incidents of soil contamination arising from the survey activities.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
-------------------------	---------------------	---	----------	------------------------------------

Appropriate spill response equipment is available on site.

Areas subject to inundation have been assessed for conduciveness to support vehicles.

Oil spills areas have been ripped to an appropriate depth.

Objective 3:
Minimise disturbance to native vegetation and fauna.

Campsite and survey line preparation
The attainment of either 0, +1 or +2 GAS criteria for 'Impact on native vegetation' objective listed in Appendix 3.
No mature trees are removed.
Vehicle access to survey lines is to be via existing access tracks or pre-existing survey lines, except where they have rehabilitated.
Other temporary access tracks may be utilised where such use is likely to result in less environmental impact than other

Terrain and vegetation is considered in planning stage when designing layout of the survey.
Records of vegetation clearance/habitat disturbance are kept and available for auditing.
Appropriately trained and experienced personnel have scouted proposed survey lines access tracks and campsites.
Native vegetation clearance has been minimised and the conservation needs of specific species have been considered.
Campsites are established in locations

Primary risks to native fauna include clearing of habitat and obstruction of movement through prepared areas.
Current survey line and access track preparation techniques have been shown by a number of studies to have an insignificant impact on wildlife habitat and minimal impact on vegetation. This is due to the small and confined area of impact of survey lines and the rate of recovery of most vegetation types and surface

Gas audits were taken at approximately 7 locations along the 130 kms of survey lines recorded in PEL 92.

At each of these locations the GAS scores for "impact on vegetation" were either "0" or "+1" indicating there were no instances where the disturbance was greater than is usual for these type of operations.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
	options.	where the preparation of a new access track is not necessary.	morphology. The aim of this objective is to also maximise the potential for vegetation regrowth.	
	<u>Fuel and Chemical Storage and Management</u> Refer to assessment criteria for objective.	<u>Waste Management</u> Covered bins are provided for the collection and storage of wastes, while all loads of rubbish are covered during transport to the central waste facility.	Potential impacts of waste on vegetation and fauna also addressed under Objective 8.	
	<u>Fire Danger Season restrictions and education</u> All personnel are fully informed on the fire danger season and associated restrictions.	<u>Fire Danger Season restrictions and education</u> Include Fire Season education as part of the induction.		
Objective 4: Avoid disturbance to sites of cultural and heritage significance.	The following is one possible procedure to achieve the objective. Appropriately trained and experienced cultural/heritage advisors have scouted proposed survey line locations and access tracks. The operator has a mechanism in place to appropriately report and respond to any sites discovered during survey operations.	The possible procedure may well be achieved by the following: Documents and/or reports of scouting for cultural/heritage are available for audit. Environmental Report Forms (ERF) to be completed for any sites or artefacts identified. The ERFs relating to Aboriginal sites are forwarded to Department for Aboriginal Affairs and Reconciliation	The aim of this objective is to ensure that any sites of Aboriginal and non-Aboriginal heritage significance are identified and protected. New suspected sites located should be recorded and copies of the records submitted to DAARE.	Beach have an agreement with the Dieri Aboriginal Corporation (DAC) Native Title Claimant group which specifies the requirements for scouting proposed seismic lines to identify and avoid areas of heritage value and archaeological significance. Joint site visits were carried

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
	<p>Any sites identified have been flagged and subsequently avoided.</p> <p><i>Note:</i> Where a negotiated agreement or determination for heritage is in place, compliance with the negotiated agreement or determination takes precedence over the above criteria.</p> <p>The EIR details this possible procedure.</p>	<p>(DAARE).</p> <p><i>Note:</i> Where a negotiated agreement or determination for heritage is in place, provisions may include that appropriately trained and experienced cultural/heritage advisors will carry out a Work Area Clearance (WAC) and produce a report for sites of cultural and heritage significance before commencement of line preparation. This provision will take precedence over the above guideline.</p> <p>The EIR details these criteria for the possible procedure.</p>		<p>out with representatives from the Native Title Claimant group. Proposed line locations and access routes were agreed and given heritage clearance. Areas of significance were recorded and marked as exclusion zones.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
<p>Objective 5: Minimise disturbance to livestock, pastoral infrastructure and landholders.</p>	<p>The attainment of 0, +1 or +2 GAS criteria for 'Impact on infrastructure' objective listed in Appendix 3.</p> <p>No reasonable concerns raised by stakeholders are left unresolved.</p> <p>The extent to which the relevant sections of the Petroleum Act and Regulations have been followed and implemented and in particular in relation to landowner liaison and notification.</p>	<p>Relevant landowners and occupiers are notified prior to survey of preparation of campsites, preparation of survey lines and undertaking of operations (pursuant to the Petroleum Regulations).</p> <p>Compliance with requirements of the Cattle Care and Organic Beef accreditation programmes.</p> <p>System is in place for logging landholder complaints to ensure that issues are addressed as appropriate.</p> <p>Seismic sources are not to operate within 20 m of any pipeline, utility, installation or building. This distance may need to be larger for explosive-sources, pending size of explosive used.</p> <p>Damage to station tracks is avoided.</p> <p>Operations in wet weather are not allowed.</p> <p>All gates are left in the condition in which they were found (i.e. open/closed).</p> <p>When necessary, all fences are restored to satisfaction of</p>	<p>Communication and the establishment of good relations with landowners and community are fundamental to minimising disturbance as much as practicably possible. Many pastoral properties are certified under the Organic Beef or Cattle Care accreditation schemes and therefore may be affected by fuel and chemical storage, moving machinery and contaminated sites.</p> <p><i>Note:</i> The PIRSA publication "<i>Liaison guidelines for landholders and petroleum explorers in South Australia</i>" is a recommended source for effective liaison with landowners.</p> <p>Access to land is a key factor for a long-term sustainable petroleum</p>	<ul style="list-style-type: none"> ▪ Beach maintained regular contact with the pastoral lessees prior to and while undertaking survey operations. ▪ None of the seismic lines interfered with cattle watering points and cattle were not present in significant numbers due to prevailing drought conditions. • Extensive seismic survey operations have been undertaken regularly in recent years on both of the pastoral leases covered by the Cadulus Survey. • No issues of concern have been raised by

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : *Cadulus 2D*

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Environmental Objective	Assessment Criteria	Guide to How Objectives can be Achieved	Comments	Performance in Achieving Objective
-------------------------	---------------------	---	----------	------------------------------------

landowner/managers
Inductions for all employees and contractors covers pastoral, conservation, legislation and infrastructure issues.

industry. Community support is vital for the petroleum industry to access land and hence realise the resources beneath the land. It is imperative that the industry establishes and maintains good relations with the landowner/occupier particularly pastoralists and managers of parks and reserves and tourist interests.

the landowner in relation to these activities.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : *Cadulus 2D*

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Objective 6:
Avoid the introduction or spread of exotic species and implement control measures as necessary.

Weeds or feral animals are not introduced into, or spread, in operational areas

All vehicles and equipment appropriately cleaned prior to entering the Cooper Basin.
Vehicles and equipment are to be cleaned when moving from areas within the Cooper Basin where weeds are present.
Cleaning carried out in accordance with specified company procedures and accepted practices.
Records of vehicle and equipment cleaning are kept and available for auditing.
Records of detection, monitoring or eradication of exotic weed or other pest or noxious species introduced by industry activities are kept and are available for audit.

A potential source of weed or pest introduction is from vehicles and equipment brought in from other regions of the State or interstate. The most effective way of preventing such introduction is by thoroughly cleaning vehicles and equipment prior to entering the Cooper Basin.

Machinery and vehicles used for line preparation and survey recording were already working in the Cooper Basin prior to commencing the Cadulus survey.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : Cadulus 2D

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
<p>Objective 7: Minimise disturbance to drainage patterns and avoid contamination of surface waters and shallow groundwater resources.</p>	<p><u>Campsite and survey line preparation</u> Campsites and survey lines/traverses are located and constructed to avoid diversion of water flows. The attainment of 0, +1 or +2 GAS criteria for 'disturbance to land surface' objective listed in Appendix 3. No uncontrolled flows to surface from aquifers intersected in upholes/shallow boreholes. There is no unnecessary interference with natural drainage features.</p> <p><u>Fuel Storage and Handling</u> No spills occur outside of areas designed to contain them. Refuelling occurs at least 1km from watercourses or sensitive ecological environments (wetlands). Appropriate spill response equipment is available on site.</p>	<p>All access through watercourses area carefully assessed to determine the locations of least impact to channels and creek banks. Any artesian flows are to be immediately plugged and monitored to ensure effectiveness of plug(s). Any required remediation work carried out as soon as possible after completion of all activities If any contamination from spillage of oils or fuel occurs during vehicular operations, immediate effective clean-up procedures must be employed.</p>	<p>The main threat to drainage patterns and surface waters is the interruption of natural flows as a result of access track preparation through watercourse channels and creek bank disturbance. Campsite and line preparation should aim to minimise impacts to drainage systems, by avoiding sensitive areas and using appropriate preparation methods to avoid or minimise the development of windrows. Any remediation work should be undertaken immediately upon completion of all activities. Localised contamination may result from spills or leaks of vehicles during storage and handling or vehicle travel. The major threat of spills is</p>	<p>The seismic lines recorded in PEL 92 as part of the Cadulus Survey did not traverse any watercourses or surface waters.</p>

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : *Cadulus 2D*

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Spills or leaks are immediately reported and clean up actions initiated promptly.

the threat to soil, vegetation and watercourses directly impacted by the spill. Therefore, the achievement of this objective also consequently contributes to the achievement of Objectives 2 and 4 in relation to minimising impacts on soil and natural habitats.

**ASSESSMENT OF BEACH PETROLEUM'S PERFORMANCE IN ACHIEVING
THE ENVIRONMENTAL OBJECTIVES DEFINED IN THE COOPER BASIN SEISMIC SEO**

SURVEY : *Cadulus 2D*

PEL 92 :

Survey Period : 7th - 24th August 2006

OBJECTIVE	COMMENT	GUIDE TO HOW OBJECTIVES CAN BE ACHIEVED	ASSESSMENT CRITERIA	PERFORMANCE IN ACHIEVING OBJECTIVE
-----------	---------	---	---------------------	------------------------------------

Objective 8:
Optimise waste reduction and recovery.

Wastes are segregated, burnt or transported to an Environment Protection Authority (EPA) approved waste disposal facility for recycling or burial in accordance with approved procedures.
0, +1 or +2 GAS criteria are attained for 'Negligible survey markers and rubbish in situ' objective listed in Appendix 3.

Production of waste is minimised by purchasing biodegradable or recyclable materials where practical.

Waste reduction requires continual improvements in purchasing, efficiency of use and reuse. Due to the distances involved, the cost of recycling a large range of products may be prohibitive. However, continual review of recycling options is required to ensure that improvements are implemented as far as practical.

A GAS score of +2 was recorded in relation to "Pollution and litter" (control) at each of the sites where GAS scores were measured.

Fig # 5: GAS Audit of the Beach Petroleum 2006 Cadulus 2D Seismic Surveys, PEL 91,92 & 107

