

Annual Report Petroleum Exploration Licence 93

South Australia

Commencement Date: 5th November 2002

Regulation 33 (2) (a): Regulated Activities undertaken

- Drill Karbine #1 exploration well.
Drill Warrior #1 exploration well.

Regulation 33 (2) (b): Compliance with the Act, Regulations Licence conditions and relevant SEO's

Non-compliance identified were:-

- Digital wireline data for Karbine #1 well was not in the required LIS or DLIS format. The correct data was supplied via Baker Atlas.
 - PDF's of the paper prints for Karbine #1 were of unacceptable quality. Data was re-supplied at the required quality by Baker Atlas.
 - The well completion report for Karbine #1 was not submitted within the required six month period following rig release.
 - Geophysical Operations Reports including Processing Reports were submitted after the required six month reporting period following recording of the Pando 2002 Seismic Survey.
- A performance bond to cover exploration activities in PEL 93 and all other Stuart licences is held by the SA Government.
 - Required public liability and well blow out insurance was taken out prior to drilling.
 - The second year guaranteed program of two exploration wells has been met by the drilling of Karbine #1 and Warrior #1.
 - Requirements of the SEO for drilling and completion operations were met.

Regulation 33 (2) (c)

In relation to wireline logging data and inappropriate formats and data quality, Schlumberger the logging company currently working for Stuart has provided data to an appropriate standard for the wells drilled in 2003. Seismic and well reports are now being compiled by consultants employed specifically to compile and get completed in the required time frame. This practice will continue.

- The names of the exploration wells were changed after consultation with PIRSA to avoid duplication with other exploration wells drilled in Australia.

Regulation 33 (2) (d) Management System Audits

No audits of Management Systems associated with PEL 93 were undertaken by Stuart during the licence year ending 5th November 2003.

Regulation 33 (2) (e): Reports Generated

Drilling:

Karbine #1	Well Completion Report
Worrior #1	Emergency Response Plan

Seismic:

Pando Seismic Survey Program (2002)
Operations Report Pando Seismic Survey
Processing Report Pando Seismic Survey

Regulation 33 (2) (f): Incidents reported to the Minister

No incidents reported to the Minister.

Regulation 33 (2) (g): Foreseeable threats that present a hazard to facilities or activities

No threats to facilities or activities which are not already covered in Environment Impact Reports, for drilling and production testing.

Regulation 33 (2) (h): Operations proposed for the third licence year of PEL 93 are:-

- Reprocess 500km of 2D seismic
- Record Worrior 3D seismic survey
- Production test Worrior #1 in the Hutton, Birkhead and McKinlay oil pools
- Carry out extended production test in Worrior #1 of the Birkhead Formation.

Regulation 33 (3) Annual Expenditure:- PEL 93