

**PRL 1  
(Wynn Area)**

**Onshore Otway Basin**

**South Australia**

**Annual Report**

**For the Period**

**10 January 2005  
to  
9 January 2006**

Prepared by:  
Origin Energy Resources Ltd  
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## 1 Introduction

Petroleum Retention Licence No. 1 ("PRL 1") is located in the onshore portion of the Otway Basin, South Australia, within Petroleum Exploration License No. 32 (PEL 32).

An application for a Petroleum Retention Lease (PRL) over the Wynn Structure was made to PIRSA on 27 July 2004. Approval of this application was received from PIRSA on 10 January 2005 with the lease granted for a five year period, until 09/01/2010.

This report covers the work performed by Origin Energy Resources Ltd as Operator of PRL 1 *in accordance with requirements of Section 33 of the Petroleum Regulations 2000*. The reporting period is 10 January 2005 to 9 January 2006.

## 2 Administration

The current working interests in PRL 1 are as follows:

Origin Energy Resources Limited	26.4%
SAGASCO South East Inc	73.6%

Origin has committed to drilling and completing a gas appraisal well, Wynn 2, up dip of Wynn 1. Wynn 1 was plugged and abandoned in February 2005. Wynn 2 was drilled December 2005 and cased and suspended after encountering hydrocarbons in four zones within the Sawpit Sandstone Formation. Three cased hole tests (CHT) over two zones are scheduled to occur in April 2006.

## 3 Regulated Activities

*Section 33.(2) (a) a summary of the regulated activities conducted under the licence during the year:*

### 3.1 Drilling/Testing/Workover

- Wynn 2 4th Qtr 2005

The Wynn 2 well was drilled up dip of the pre-existing Wynn 1 well, intersecting hydrocarbons in the Sawpit Sandstone structure. Cased hole testing will be conducted in April 2006 to evaluate commerciality for connection.

### 3.2 Seismic Data Acquisition

No new seismic data were recorded during the reporting period.

### 3.3 Seismic Data Processing/Reprocessing

No seismic data processing/reprocessing was conducted during the reporting period.

#### 3.4 Geological and Geophysical Studies

No Geological and Geophysical Studies were conducted during the reporting period. Wireline log evaluation (preliminary interpretation) of Wynn 2 was completed; the final interpretation and report will be completed and submitted during the current year activities.

## 4 Compliance Issues

### 4.1 Regulatory Compliance

*Section 33.(2) (b) a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives.*

Origin Energy Resources Ltd, as Operator for the PRL 1 petroleum retention licence area, comply with all relevant conditions under the *Petroleum Act 2000*, and the *Petroleum Regulations 2000*.

### 4.2 Rectification of Non-Compliance

*Section 33.(2) (c) a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimize the likelihood of the recurrence of any such non-compliance.*

There are no non-compliance issues within PRL1. Origin Energy Resources Ltd, as Operator for the PRL 1 petroleum exploration licence area, has developed a computer database called the Permits and Lands Management System (PLMS) designed to track critical dates and provide prompts for impending reports. The objective of this system is to ensure compliance with the requirements of the *Act* and *Regulations*.

### 4.3 Management System Audits

*Section 33.(2) (d) a summary of any management system audits undertaken during the relevant licence year, including information on any failure or deficiency identified by the audit and any corrective action that has, or will be, taken.*

No field operations were conducted during the reporting period, and no management audits were undertaken.

### 4.4 Data Submissions

*Section 33.(3). (e) a list of all reports and data relevant to the operation of the Act generated by the licensee during the relevant licence year.*

## PRL 1 Annual Report (this report)

The Wynn 2 Work over Program for Completion and Testing of the well is forthcoming in mid to late April 2006, along with the associated Notice of Activity which includes the site's Safety Management Plan.

### 4.5 Safety

*Section 33.(2) f in relation to any incidents reported to the Minister under the Act and these regulations during the relevant licensing year-*

*Section 33.(2) f (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged.*

*Section 33.(2) f (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimize the risk of recurrence of any such non-compliance.*

No reportable incidents occurred during the reporting period.

### 4.6 Threat Prevention

*Section 33.(2) (g) a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably present, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be, taken.*

There were no perceived threats, and no action taken.

### 4.7 Licence Conditions and Future Work Program

*Section 33.(2) (h) unless the relevant licence year is the last year in which the licence is to remain in force a statement outlining operations proposed for the ensuing year.*

PRL 1 future work program consists of completion and CHT of Wynn 2 to evaluate the commerciality of the Upper Sawpit Sandstone. The well will be further evaluated to tie into the Haselgrove gas pipeline network should these volumes prove to be economic. The well will be plugged and abandoned for uneconomic gas volumes.

## 5 Expenditure Statement

*Section 33.(3) an annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year.*

An Expenditure Statement for PRL 1 during the period from 10 January 2005 to 9 January 2006 is attached.

***Commercial in Confidence***