

Speculative Survey Licence 2

Onshore Otway Basin

South Australia

Annual Report

For the Period

11 May 2001 to 10 May 2002

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Revised
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1 Introduction

Speculative Survey Licence 2 (“SSL 2”) is located in the onshore portion of the Otway Basin, South Australia. This report covers the work performed by Origin Energy Resources Ltd as Licencee of SSL 2 *in accordance with requirements of Section 33 of the Petroleum Regulations 2000*. The licence period is 11 May 2001 to 10 May 2002.

2 Administration

Speculative Survey Licence 2 was granted on 11 May 2001 to enable lines from the Summer Hill Seismic Survey to be extended from PEL 57 into PEL 82 to the west and PPL 21 to the north. Within the licence period of one year the first phase of the Summerhill Gravity Survey was later extended from PEL 57 into neighbouring PEL 82 to the west. The licence expired on 10 May 2002.

The working interest in the licence is as follows:

Origin Energy Resources Ltd	50%
Lakes Oil NL	30%
Victoria Petroleum NL	10%
Mirboo Ridge Pty Ltd	10%

3 Regulated Activities

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

3.1 Drilling

No drilling was conducted in SSL 2.

3.2 Seismic Data Acquisition

The Summer Hill Seismic Survey was recorded by Trace Energy Services Pty Ltd of Perth between 15 May 2001 and 20 May 2001 in PEL 57.

Four lines were extended into Speculative Survey Licence 2. A total of 44.8 km of seismic data was acquired in SSL 2. Full details of the seismic acquisition operations can be found in the Origin Energy Resources Ltd acquisition report¹.

3.3 Seismic Data Processing/Reprocessing

Western Geco conducted the processing of the Summer Hill Seismic Survey in their Adelaide office. Full details of the processing are provided in the Summer Hill seismic processing report².

3.4 Gravity Data Acquisition

The first phase of the Summer Hill Gravity Survey was conducted from 30 April to 17 May 2002. A total of 555 gravity stations were acquired, with spacing ranging from approximately 250 to 500 metres. 138 of these stations were actually located in PEL 82 and the area covered by SSL2. The gravity survey was acquired by Haines Surveys

from Aldgate in South Australia. The Summer Hill Gravity Survey was designed to provide high resolution gravity information over a potentially large Waarre Sandstone play located by the 2001 Summer Hill Seismic Survey data. It is anticipated that interpretation of the gravity data in conjunction with the seismic, which is of generally poor data quality, may enable confirmation of structural closure and to identify the approximate location of the crest of the structure.

Full details of the first phase of gravity acquisition operations can be found in the Summer Hill gravity acquisition report³.

3.5 Geological and Geophysical Studies

Geological and geophysical studies included the interpretation of the Summer Hill Seismic Survey data. Full details are given in the Origin Energy Resources Ltd seismic interpretation report⁴.

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.

The Licence is operated as per the requirements of the “Statement of Environmental Objectives for Seismic Operations in the Otway Basin, South Australia”⁵, and a report issued by PIRSA entitled “The Environmental Management of Seismic Operations in the South East of South Australia”⁶.

No environmental incidents were reported.

Prior to the start of the Summer Hill Seismic Survey 13 landowners were permitted granting access consent to 42 individual sections. On completion of the survey all landowners were personally contacted and asked to sign a release form indicating that compensation and rehabilitation had been carried out to their satisfaction.

The required 21 day notice period was provided to landholders prior to commencement of the Summer Hill Gravity Survey. All landowners were supplied with a copy of the relevant Petroleum Regulations together with documentation describing the field procedures. Special requirements for each property were noted and at the end of the survey the landowners were contacted again to make sure that everything was in order. Forty landowners were involved and there were no restoration claims.

The seismic operations report for the Summer Hill Seismic Survey was submitted approximately 2 months after the due date. The CD for this report was submitted approximately 11 months after the due date.

The field tapes and support data for the Summer Hill Seismic Survey were submitted approximately 2 months after the due date.

The processed seismic data for the Summer Hill Seismic Survey were submitted approximately 2 months after the due date.

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.

To ensure compliance in regard to report and data submission, Origin has developed a computer database called the Permits and Lands Management System designed to track critical dates and provide prompts for impending reports and data submissions.

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.

An environmental field audit was undertaken to assess the impact of the Summer Hill Seismic Survey. A detailed report is included in the final Acquisition Report¹.

For the Summer Hill Gravity Survey the PIRSA Statement of Environmental Objectives and Assessment Criteria for Pipeline Preliminary Survey Activities (ECOS 2001 SEO) was adopted. No environmental audit was conducted.

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.

- Summer Hill Seismic Survey Processing report - submitted 2 January 2002
- Summer Hill Seismic Survey Interpretation report - submitted 12 April 2002
- Summer Hill Seismic Survey Acquisition report - submitted 8 January 2002 (due 20 November 2001)
- Summer Hill Seismic Survey field data and final SEG Y data - submitted 4 January 2002
- Summer Hill Gravity Survey acquisition report (Phase 1) - submitted 17 September 2002
- Annual Report - submitted 24 February 2003
- Revised Annual Report (this report) - submitted 21 May 2003

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.

The Summer Hill Seismic Survey and the Summer Hill Gravity Survey were completed without any lost time injuries. 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.

Not applicable.

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.

Commercial in confidence

6. References

1. WS Thirlwell, 2001. "PEL 57, Otway Basin South Australia, Summer Hill Seismic Survey 2001, Final Report Part A: Acquisition". Origin Energy Resources Ltd .
2. Western Geco. Australia Pty Ltd 2001. "Seismic Data Processing Report For Origin Energy Permit Number PEL 57, 2001 Summer Hill Seismic Survey".
3. WS Thirlwell, 2002. "PEL 57, Onshore Otway Basin South Australia, Summer Hill Gravity Survey 2002. Part A: Acquisition". Origin Energy Resources Ltd.
4. "PEL 57 Onshore Otway Basin South Australia, Interpretation and Structural Mapping Report Incorporating the 2001 Summer Hill Seismic Survey". Origin Energy Resources Ltd.
5. CD Cockshell and KR Langley, 2001. "Statement of Environmental Objectives for Seismic Operations in the Otway Basin, South Australia". Primary Industries and Resources SA, Report Book 2001/020.
6. "The Environmental Management of Seismic Operations in the South East of South Australia", 4th edition 1996. Issued by the Department of Primary Industries and Resources Petroleum Division (formerly MESA).