

Southern Australia Business Unit

Annual Report of SA OTWAY Operations

Speculative Survey Licence 3 (SSL3)

This report has been prepared in accordance with the requirements of the Petroleum Act 2000 and Petroleum Regulations 2000, covering the period 27th March 2002 to 26th March 2003.

Southern Australia Business Unit

2002 Annual Report

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1.0 INTRODUCTION

This report covers the activities conducted in the South Australian section of the Otway Basin by Santos Ltd, the operator of Speculative Survey Licence #3 (SSL3).

It covers a small portion of the 2002 West Casterton Seismic Survey which extended across the border from Victoria and was the only operation permitted in the licence area as per the conditions of the licence, as issued on 27th March 2002.

An assessment has been conducted for all the SA Otway operations using the "Statement of Environmental Objectives for seismic operations in the Otway Basin, South Australia".

Additional information is provided in each section to support the review against the SEO.

2.0 EXECUTIVE SUMMARY

This *Annual Report for SA Otway Basin Operations* has been prepared in accordance with the requirements of Regulation 33, of the *SA Petroleum Act, 2000*.

The report details seismic exploration, undertaken by Santos within the speculative survey licence tenements in the SA sector of the Otway Basin. The reporting period for these activities is 27th March 2002 to 26th March 2003.

In accordance with the reporting requirements of Regulation 33, this report also provides a performance assessment with regard to the requirements of the *Petroleum Act 2000*, the *Petroleum Regulations 2000*, licences and objectives under the Statement of Environmental Objectives.

One seismic survey was completed during this period covering 4.15 linear kilometres and occupying approximately 0.5 crew days of activity.

There were no wells drilled during the reporting period.

There were no flowlines constructed during the reporting period.

No gas or oil pipelines were abandoned during this period.

There were no incidents reported to PIRSA during the reporting period.

3.0 SUMMARY OF REGULATED ACTIVITIES

Regulated activities conducted by Santos in SSL3 were:

- Exploration for petroleum:
 - Seismic Survey

These activities were authorised under Speculative Survey Licence 3 and were conducted in the South Australian Otway Basin area of south-east South Australia.

4.0 COMPLIANCE

The activities covered by this Report are administered under the Petroleum Act 2000 and the Petroleum Regulations 2000.

Other documents relevant to these activities are:

- Speculative survey Licence 3.
- Statement of Environmental Objectives for seismic operations in the Otway Basin, South Australia (SEO).

For this reporting period, in overall terms, there was good compliance with the requirements of the Legislation (Petroleum Act and Regulations) Licences and SEO.

The final detailed operations report for the West Casterton Seismic was submitted to PIRSA on 6th November 2002. In addition, the seismic activity in SSL3 was mentioned in the SACB Report to PIRSA.

As this was the only activity conducted in SSL3 during the licence period it was assumed that the final operations report would suffice for SSL3.

However, Santos acknowledges that a separate SSL3 Annual Operations Report should be submitted to PIRSA under separate cover.

5.0 INCIDENTS

Serious Incidents, as defined by the Petroleum Act and Regulations, are required to be reported promptly to PIRSA.

No incidents of a safety and/or environmental consequence occurred or were reported, during this reporting period.

6.0 MANAGEMENT SYSTEM & AUDITS

No management system review or audits of SA Otway operations were undertaken during the reporting period.

7.0 RISK ASSESSMENTS

As part of our application to PIRSA to conduct the survey, an emergency response plan and environmental plan was prepared. These outlined the risks and threats anticipated as a result of the seismic operations and identified measures to prevent them from occurring.

8.0 THREATS

There were no threats reported and no reasonably foreseeable threats in the future as a result of the actions covered by this report.

9.0 GLOSSARY OF TERMS

PIRSA	Primary Industries and Resources SA (Petroleum Div)
SEO	Statement of Environmental Objectives

10.0 SEISMIC EXPLORATION ACTIVITIES

For Reporting Period: 27th march 2002 - 26th March 2003

Summary of Activites

One seismic project was undertaken during the reporting period namely the 2002 West Casterton 2D Seismic Survey. This survey was mainly in Victoria with one line crossing the border into South Australia.

Line preparation & surveying	:	3rd April 2002
Recording	:	6th April 2002

The SA component of the survey involved the preparation of 4.15 km of seismic line which traversed the Auspine Sphere Forest Plantation and Forestry SA native vegetation in the SE sector of SA, adjacent to the border with Victoria. This line was prepared along a relatively open drainage system, after consultation with Auspine and Forestry SA, with minimal removal of vegetation. No EMPs were established on this section of line.

There were no instances where the objectives of the SEO were not achieved.

Significant Operations Proposed for 2003

There are no operations proposed, as the licence expired on 26th March 2003.

11. DRILLING AND WELL OPERATIONS

No activities were conducted for the reporting period.

12. PRODUCTION FACILITIES OPERATIONS

incorporating Flowline, Pipeline & Trunkline Activities

No activities were conducted for the reporting period.

13. STATEMENT OF EXPENDITURE

CONFIDENTIAL

Objective	Assessment Criteria	2002 Performance Against objectives
<p>1. Monitor and manage those activities that have, or are likely to have, temporary impacts on biological diversity, cultural components of the environment, underground water resources (confined and unconfined aquifers) and surface waters or other land users, and facilitate rehabilitation so as to minimise such impacts if they occur.</p>	<p>1.1 to minimise clearing and/or other impacts on native vegetation and wildlife habitats.</p> <p>1.2 minimise impact on other land.</p> <p>1.3 to discourage third party use of sites, following the completion of operations.</p> <p>1.4 to minimise adverse impacts on soil.</p> <p>1.5 to minimise adverse impact on surface drainage.</p> <p>1.6 to minimise adverse impact on underground water resources.</p> <p>1.7 to minimise impact of operations.</p> <p>1.8 to minimise pollution, litter or remnant equipment at survey sites.</p>	<p>Compliant</p> <p>No impacts identified. None identified as a result of this survey. Achieved. No third party use identified.</p> <p>Compliant. No restoration required.</p> <p>Compliant.</p> <p>No impacts identified. (No upholes drilled)</p> <p>Compliant</p> <p>Compliant</p>
<p>2. Avoid undertaking any activities which have, or are likely to have, long-term significant adverse impact(s) on biological diversity, cultural components of the environment, underground water resources (confined and unconfined aquifers), surface waters and other land uses.</p>	<p>2.1 to avoid disturbance to cultural heritage sites.</p> <p>2.2 to avoid activities that have long term impacts on areas of high biological diversity or wilderness value, or have social or scientific significance.</p> <p>2.3 to avoid disturbance to rare and endangered fauna and flora.</p> <p>2.4 to avoid the introduction and spread of exotic species.</p> <p>2.5 to minimise the risk of initiation and/or propagation of wildfire.</p>	<p>Compliant.</p> <p>No impact identified. Compliant.</p> <p>Compliant.</p> <p>Compliant.</p> <p>Compliant.</p>