



Gorodok Pty Limited

**South Australian Section of
Moomba-Sydney Ethane Pipeline
(MS00 to MS101)**

Licence Number 8

July 2005- June 2006

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1. INTRODUCTION

This report provides information to the Minister of Primary Industries and Resources, South Australia, in accordance with requirements of Section 33 of the Petroleum Regulations 2000.

2. REGULATED ACTIVITIES

2.1 Inline Inspection (ILI)

There were no in-line inspections carried out on this section of the pipeline during the report period.

2.2 Corrosion control

2.2.1 Annual Pipe to Soil Potential Survey

The annual pipe-to-soil survey from MS00 to MS101 was completed in September 2005. All test points surveyed were protected according to AS2832.1.

2.2.2 Cathodic Protection System

The pipeline is protected by two CP units at MS29 and MS83. No significant outages affecting protection were recorded.

Telemetry systems on the cathodic protection system operated reliably for the period.

3. ELECTRICAL & MECHANICAL MAINTENANCE

Routine six monthly maintenance was performed at MS00, MS29, MS55 and MS83 as per the maintenance schedule. This included all line valves and coolers at the Moomba inlet station. Santos operators inspected the Moomba cooler inlet station each week. This maintenance was performed in accordance with the 'Gorodok Operations and Maintenance Agreement 1994' and to the requirements of Standard AS/NZS 2885.3 1997.

Valve "O" services were completed during the year.

WorkCover electrical safety checks were completed as required.

During this period there were no equipment failures that posed a threat to the operating integrity of the pipeline.

4. EASEMENT MANAGEMENT

4.1 Easement Maintenance

The easement was surveyed by air according to the Safety and Operating Plan. No significant issues were observed.

General housekeeping has been maintained at the valve sites.

4.2 Landowner and Emergency Services Activities

Annual Landowner liaison and package deliveries were completed during 2005. All six landowners in the MS00-MS101 area of the Gorodok ethane pipeline were contacted this year.

4.3 Aerial Surveillance

Aerial patrols of the pipeline route by helicopter were completed each month with additional vehicle patrols conducted in association with other maintenance activities.

5. HEALTH, SAFETY AND ENVIRONMENT

Monthly Lifeguard toolbox meetings were held for the period July 2005 to June 2006 as scheduled. Topics included were the Agility "Non-Negotiable on Safety" campaign (Hazard Assessment, Permit To Work (PTW), Personal Protective Equipment (PE), Safe Operation of Plant and Equipment, HSE Accountability, Environmental Protection, and Hazardous Materials).

There was no LTI or MTI on the ethane pipeline for this period in the South Australia area.

Two satellite telephones continue to be made available to persons travelling west of the Darling River. Remote area kits also continue to be utilised when travelling into isolated areas as per Agility Procedures.

Vehicles utilised by Agility to carry out maintenance on the Gorodok pipeline are equipped for remote area service as required by Agility Procedures.

6. EMERGENCY RESPONSE

No incidents occurred during this period.

7. QUALITY ASSURANCE

The management system remains DNV certified.

8. REGULATORY COMPLIANCE

Gorodok (owner of Moomba-Sydney ethane pipeline) and Agility (Gorodok's contractor) comply with all relevant Acts, regulations, the licence and Statement of Environmental Objectives.

The pipeline is operated as per requirements of AS2885.3.

8.1 Rectification of Non-compliance

There was no issue of non-compliance to the Act.

9. MANAGEMENT SYSTEM AUDITS

Several audits were carried out on the management systems in place within Agility.

An internal Lifeguard audit (safety and environmental system) was carried out in June 2006. No significant issues were identified.

The most recent audit of ethane pipeline and the Safety and Operating Plan (SAOP), was completed in April-June 2006. The final report for this audit has not been received.

10. LIST OF REPORTS

Section 33 - Annual report (this report).

10.1 Incident Reports

No incidents were reported on this section of pipeline.

No non-compliances were identified on this section of pipeline.

11. THREAT PREVENTION, MITIGATION

No reasonably foreseeable threats (other than those identified in the risk assessment previously reported) apply to this section of the pipeline.

12. FUTURE OPERATIONS

All maintenance operations will continue to be completed as scheduled to ensure that the integrity of the pipeline system is being maintained, as well as the safety and efficiency of Agility's operations.

An inline inspection survey to detect corrosion is scheduled for later half of 2006-07.

13. PIPELINE OPERATION

As per the requirement of Section 33(2)(k), the pipeline throughput for 2005-06 period was 305,884 tonnes of Ethane. Please note that this information is considered commercially sensitive. It is our preference that this figure not be published

The quantity of ethane transported through the Moomba-Sydney ethane pipeline for the year ended 30 June 2006 is shown in the following table:

	Tonnes	m3	Max(tonnes) /day	Average (tonnes)/day
July	24548	19398	876	792
August	25146	19789	878	811
September	23181	23387	839	748
October	30897	24356	1066	997
November	28695	22601	1076	957
December	28173	29293	1118	909
January	23423	18368	1099	756
February	23916	18816	1010	771
March	23847	18812	1011	769
April	16086	16968	738	519
May	28984	22893	1072	935
June	28988	22933	1037	935
YTD	305884	257614	1118	825

14. Statement of Expenditure

Commercial in confidence.