

# **ANNUAL REPORT**

**PRL 14 (Flax)**

**PRL 17 (Yarrow and North Juniper)**

**PRL 18 (Juniper)**

**28 January 2017 to 27 January 2018**

**Distribution:**

**Department of the Premier and Cabinet, South Australia**

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## 1 Introduction

The Annual Report details the work conducted in Petroleum Retention Licences (**PRLs**) 14, 17 and 18 in the South Australian Cooper Basin for the twelve months from 28 January 2017 to 27 January 2018. This Annual Report has been prepared in accordance with the requirements of Regulation 33 of the *Petroleum and Geothermal Energy Act 2000* (**the Act**).

The Department of the Premier and Cabinet (**DPC**) approved a request to amalgamate the annual reports for PRLs 14, 17 and 18 into a single annual report pursuant to Regulations 33(1) and 33(6) of the Act. This is the first amalgamated annual report for PRLs 14, 17 and 18.

The reporting period of 28 January 2017 to 27 January 2018 corresponds with:

- Licence Year 1 of the second renewal term for PRL 14 (anniversary date 13 May);
- Licence Year 3 of the first renewal term for PRL 17 (anniversary date of 28 April); and
- Licence Year 3 of the first renewal term for PRL 18 (anniversary date 27 January).

## 2 Licence Summary

PRL 14 was awarded on 14 May 2007 for a period of five years over the Flax Field (formerly PEL 103). The first renewal of PRL 14 was granted and commenced on 14 May 2012. The second renewal of PRL 14 was granted and commenced on 14 May 2017.

PRL 17 was originally granted on 28 January 2009 for a period of five years over the Yarrow and Northern Juniper discoveries (formerly PEL 103) and was renewed for a further five year term commencing on 29 April 2015.

PRL 18 was originally granted on 28 January 2009 for a period of five years over the Juniper discovery (formerly PEL 103) and renewed for a further five year term commencing on 28 January 2015.

Interests in PRLs 14, 17 and 18 are:

- Acer Energy Pty Limited 100%

Acer Energy Pty Limited is a wholly owned subsidiary of Beach Energy Limited (**Beach**).

The licence condition no. 1 for PRL 14 states that during the term of the licence, the licencees are authorised to carry out in the licence area - operations:

- to establish the nature and extent of a discovery of regulated resources except a source of geothermal energy;
- to establish the commercial feasibility of production and appropriate production techniques; and
- other regulated activities specified in the licence.

The authorised operations for the PRLs 17 and 18 are provided in licence condition no. 4 which states that during the term, the licencees are authorised to carry out in the licence area:

- exploratory and appraisal operations for relevant regulated resources;
- operations to establish the nature and extent of a discovery of regulated resources; and to establish the commercial feasibility of production and appropriate production techniques; and
- such other regulated activities as are approved by the Minister from time to time in the licence.

On renewal, PRL 17 and PRL 18, were defined as part of a Group Subject Area and the licence conditions included a requirement for an Overall Expenditure Target and a work program commitment. The minimum work program commitment for the PRLs 17 and 18 is provided in licence condition no. 12 of the PRL licence instrument and requires the license to carry out Eligible Activity (defined in the PRL licence instrument) commensurate to expenditure of \$12.33 per square kilometres of the Group Subject Area per day. In addition to the Overall Expenditure Target defined above, the Licensee is required to drill one well or acquire 50 square kilometres of 3D seismic within the Group Subject Area during the renewal term.

### 3 Regulated Activities

Pursuant to Regulations 33(3)(a) An annual report must include-  
“a summary of the regulated activities conducted under the licence during the year”

No regulated activities were undertaken within the PRLs during the licence year.

### 4 Compliance Issues

Pursuant to Regulations 33(3)(b) & (c) An annual report must include-  
“a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives;” and  
“a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of recurrence of any such non-compliances.”

#### 4.1 Licence and Regulatory Compliance

The holder of PRLs complied with the Act, the Petroleum and Geothermal Energy Regulations 2013 (Regulations) and the licence conditions during the reporting period.

## 4.2 Management System Audits

Pursuant to Regulation 33(3)(d) An annual report must include-  
 “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 actions that has, or will be taken”.

There were no management system audits specific to PRLs 14, 17 and 18 that were conducted during reporting period.

## 4.3 Report and Data submissions

Pursuant to Regulation 33(3)(e)(i) An annual report must include-  
 “a list of all reports and data relevant to the operation of the Act generated by the licensee during the licence year”.

Annual Report (Regulation 33)			
Report / Data	Date Due	Date Submitted	Compliant
Year ending January 2018	27 March 2017	27 March 2017	Yes
Resubmission	8 August 2017	7 August 2017	Yes

Quarterly Incident Reports (Regulation 32) Note (1)			
Report / Data	Date Due	Date Submitted	Compliant
Q4 2017	30 October 2017	30 October 2017	Yes
Q3 2017	30 July 2017	28 July 2017	Yes
Q2 2017	30 April 2017	28 April 2017	Yes
Q1 2017	31 January 2018	31 January 2018	Yes

(1) Nil incidents

#### Quarterly Cased Hole Well Activity Reports (Regulation 41) (Note 2)

Report / Data	Date Due	Date Submitted	Compliant
Q4 2017	31 October 2017	31 October 2017	Yes
Q3 2017	31 July 2017	31 July 2017	Yes
Q2 2017	30 April 2017	28 April 2017	Yes
Q1 2017	31 January 2018	31 January 2018	Yes

(2) No cased hole activity

## 4.4 Incidents

Pursuant to Regulation 33(3)(f) An annual report must include-

“In relation to any incidents reported to the Minister under the Act and these Regulations during the relevant licence year –

- (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and
- (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 minimise the risk of recurrence of any such non-compliance”.

There were no incidents within PRL’s during the reporting period.

## 4.5 Threat Prevention

Pursuant to Regulation 33(3)(g) An annual report must include-

“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”.

No threats were present.

## 4.6 Future Work Program

Pursuant to Regulation 33(3)(h) and (j) An annual report must include-

“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”.

Routine well integrity operations are planned for the next licence year.

## 5 Expenditure Statement

Pursuant to Regulation 33(4)

“An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year.”

The expenditure statement for the PRLs for the current reporting period is provided in Appendix 1.