



PEL 568 and 569 – Eromanga Basin (SA)



Year 4, Term 1

Combined Final Annual Report

Reporting Period: 16 September 2018 – 22 May 2020

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29 September 2020

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1. INTRODUCTION

Petroleum Exploration Licences (PELs) 568 and 569 lie within the Eromanga Basin, located due south of Birdsville. On 7 April 2017, Tri-Star Petroleum Company (Tri-Star), through a related entity, acquired 100% of the shares in Sapex Pty Ltd (Sapex).

On 29 July 2020, the South Australia's Department for Energy and Mining (DEM) accepted Tri-Star's variation of work commitments for Years 3 and 4 of the Term 1 work programs for PELs 568 and 569 and the subsequent total surrender of the exploration licences with effect from 22 May 2020.

This report describes the activities conducted during Year 4 of the PEL terms (16 September 2018 to 22 May 2020), in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.

2. PERMIT SUMMARY

PELs 568 and 569 were awarded to Sapex through a competitive bidding tender in 2012. The work commitments associated with the awarding of PEL 568 and 569 are outlined below in Table 1 and Table 2.

Table 1: PEL 568 – Term 1 Amended Work Commitments by Licence year

Year	Period	Minimum Work Requirements
One	15/06/2012 – 14/06/2013	Geological and Geophysical Studies
Two	15/06/2013 - 15/12/2014	Geological and Geophysical Studies
Three	16/12/2014 – 15/09/2018	250km of 2D Seismic
Four	16/09/2018 – 16/09/2020	Drill two wells and 250km of 2D seismic
Five	17/09/2020 – 16/09/2021	Drill one well
Six (extended period)	17/09/2021 – 16/09/2022	

Table 2: PEL 569 – Term 1 Amended Work Commitments by Licence year

Year	Period	Minimum Work Requirements
One	15/06/2012 – 14/06/2013	Geological and Geophysical Studies
Two	15/06/2013 - 15/12/2014	Geological and Geophysical Studies
Three	16/12/2014 – 15/09/2018	250km of 2D Seismic
Four	16/09/2018 – 16/09/2020	Drill two wells and 250km of 2D seismic
Five	17/09/2020 – 16/09/2021	Drill one well
Six (extended period)	17/09/2020 – 16/09/2022	

Table 3 and Table 4 below indicate the approved minimum work program commitments (following the approved variation), and the actual work completed for PELs 568 and 569 for Years 3 and 4 of Term 1.

Table 3. PEL 568 –Year 3 & 4 Work Program

Licence Year	Approved Work Program	Varied Work Program
Year 3	250km 2D seismic acquisition	Geological & geophysical studies
Year 4	250km 2D seismic acquisition and drill 2 wells	Geological & geophysical studies

Table 4. PEL 569 – Year 3 & 4 Work Program

Licence Year	Approved Work Program	Varied Work Program
Year 3	250km 2D seismic acquisition	Geological & geophysical studies
Year 4	250km 2D seismic acquisition and drill 2 wells	Geological & geophysical studies

Table 5 below provides a summary of the minimum work program vs. actual work carried out during Term 1 for PELs 568 and 569.

Table 5. Minimum Work Program vs. Actual Work Carried Out – PELs 568 and 569 Term 1

PEL	YEAR	Minimum Work Program	Actual Work Carried Out
568	1	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geology & Geophysical Studies Submission and approval of Activity Notification for Gravity Survey
	2	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geological and Geophysical Studies
	3	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geology and Geophysical Studies Commenced EIR / SEO process for 2D Seismic program
	4	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geological and Geophysical Studies
569	1	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geology & Geophysical Studies Submission and approval of Activity Notification for Gravity Survey Planning and completion of WAC
	2	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geological and Geophysical Studies
	3	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geology and Geophysical Studies Commenced EIR / SEO process for 2D Seismic program
	4	<ul style="list-style-type: none"> Geological and Geophysical Studies 	<ul style="list-style-type: none"> Geological and Geophysical Studies

3. REGULATED ACTIVITIES

3.1. Regulation 33(3)(a)

Drilling and Related Activities:

No drilling and related activities were undertaken within the reporting period.

Seismic Data Acquisition:

No seismic data acquisition activities were undertaken within the reporting period.

Seismic Data Processing and Reprocessing:

No seismic data processing and reprocessing activities were undertaken within the reporting period.

Geochemical, Gravity, Magnetic and other surveys:

No geochemical, gravity, magnetic and other surveys activities were undertaken within the reporting period.

Production and Processing:

No production and processing activities were undertaken within the reporting period.

Pipeline/Flowline Construction and Operation:

No pipeline/flowline construction and operation activities were undertaken within the reporting period.

Preliminary Survey Activities:

In 2019, Tri-Star engaged structural geology consultancy firm Geognostics to complete a SEEBASE Extension Study to help redefine the basin architecture in area of PEL 568, PEL 569 and southern Queensland.

The results of the study indicated that the basement within PEL 568 and PEL 569 was interpreted to be much shallower than previously thought and, accordingly, the prospectivity of the area is decreased due to there being a thinner, flat-lying-to-moderately structured sediment cover ranging from 1500-2000m thick. However, some of the underlying granites are highly radiogenic and thus have provided higher heat flow that could locally mature potential source rocks.

4. COMPLIANCE ISSUES

4.1. Regulation 33(3)(b) & (c)

Compliance with the Act, Regulations, Licence conditions and relevant statement of environmental objectives, Actions to rectify non-compliance.

(i) Licence Compliance

Sapex has continued to comply with the provisions of the *Petroleum and Geothermal Act* in relation to its Licence Conditions.

(ii) Licence Non-Compliance

There was no Licence Non-Compliance for this reporting period.

(iii) Regulatory Compliance

Sapex has complied with all the provisions of the *Petroleum and Geothermal Act*.

(iv) Regulatory Non-Compliance

There was no Regulatory Non-Compliance for this reporting period.

4.2. Regulation 33(3)(d)

(i) Management System Audits

No Management System Audits were conducted during the reporting period.

4.3. Regulation 33(3)(e)

(i) Reports generated during the Licence Year

Table 6: PEL 568 and 569 Reports – Term 1, Year 4 & Term 1, Year 3

PEL	General Reporting	Regulation	Completed Date	Due Date	Compliance Status
568	Term 1 Year 4 – Annual Report	Reg 33	29/09/2020	29/09/2020	Compliant
569	Term 1 Year 4 – Annual Report	Reg 33	29/09/2020	29/09/2020	Compliant
568	Term 1 Year 3 – Annual Report (second resubmission)	Reg 33	07/05/2019	22/04/2019	
569	Term 1 Year 3 – Annual Report (second resubmission)	Reg 33	07/05/2019	22/04/2019	
568	Term 1 Year 3 – Annual Report (first resubmission)	Reg 33	26/02/2019	25/02/2019	

569	Term 1 Year 3 – Annual Report (first resubmission)	Reg 33	26/02/2019	25/02/2019	
568	Term 1 Year 3 – Annual Report	Reg 33	19/12/2018	28/12/2018	Compliant
569	Term 1 Year 3 – Annual Report	Reg 33	19/12/2018	28/12/2018	Compliant

4.4. Regulation 33(3)(f)

No reportable incidents occurred during the reporting period.

4.5. Regulation 33(3)(g)

(i) Foreseeable threats that present a hazard to facilities or activities

No facilities are located within the licence area. No threats to activities which are not already covered in the relevant EIRs for exploration drilling.

4.6. Regulation 33(3)(h)

Operations proposed for Year 5

In conjunction with the SEEBASE Extension Study, Tri-Star undertook a prospect and project ranking exercise across its Australian acreage, which identified PEL 568 and PEL 569 as being less prospective than other acreage held by Tri-Star. As a result, Tri-Star elected to surrender PELs 568 and 569 in full, effective from 22 May 2020.

5. EXPENDITURE STATEMENT

5.1. 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, showing expenditure under each of the following headings:

- (a) Drilling activities;*
- (b) Seismic activities;*
- (c) Technical evaluation and analysis;*
- (d) Other surveys;*
- (e) Facility construction and modification;*
- (f) Operating and administration expenses (not already covered under another heading)”.*