

ANNUAL REPORT

GAS STORAGE EXPLORATION LICENCE (GSEL) 653

Cooper Basin, South Australia

Permit Year 2

17 April 2016 to 16 April 2017

Distribution:

Department of the Premier and Cabinet, South Australia

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1 Introduction

Gas Storage Exploration Licence (GSEL) No. 653 is located in the Cooper Basin, South Australia.

The Annual Report for GSEL 653 details the work conducted during the period 17 April 2016 to 16 April 2017, which corresponds to Licence Year 2. This Annual Report is prepared to comply with the Regulation 33 of the Petroleum and Geothermal Energy Act 2000 (the **Act**).

2 Licence Summary

GSEL 653 was granted on 17 April 2015 for a period of five years to:

- Beach Energy Ltd 40%
- Great Artesian Oil & Gas Pty Ltd 40%
- Drillsearch Gas Pty Ltd 20%

The area of GSEL 653 overlays the area covered by PRLs 175 to 179 (formerly PEL 107) in the Cooper Basin.

The licence condition 1 for the first term of GSEL 653 requires the licence to carry out the approved work program as summarised in the below table.

GSEL 653 Work Program by Licence Year			
Licence Year	Start Date	End Date	Minimum Work Requirements
1	17 April 2015	16 April 2016	Geological and geophysical studies
2	17 April 2016	16 April 2017	Geological and geophysical studies
3	17 April 2017	16 April 2018	Geological and geophysical studies
4	17 April 2018	16 April 2019	Geological and geophysical studies
5	17 April 2019	16 April 2020	Geological and geophysical studies

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 in GSEL 653 in licence year 2.

4 Compliance

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

There were no instances of non-compliance with the Act, the Petroleum and Geothermal Energy Regulations 2013 (Regulations) or the Licence Conditions for GSEL 653 during this reporting period.

4.2 Compliance with Statement of Environmental Objectives (SEO)

As no on-ground activities were undertaken during the annual reporting period, there were no instances of non-compliance with the SEO.

4.3 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”.

No management system audits were undertaken during the reporting period specific to GSEL 653.

4.4 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)			
Description of Report / Data	Date Due	Date Submitted	Compliant
Year 1 Annual Report	29 June 2016	22 June 2016	Yes

4.5 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 serious incidents during the reporting period within GSEL 653. A serious incident is defined in section 85(1) of the Act.

There were no reportable incidents during the reporting period within GSEL 653. A reportable incident is defined in section 85(1) and Regulation 32 of the Act.

4.6 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”.

There are no new foreseeable threats associated with GSEL 653.

4.7 Future Work Program

Pursuant to Regulation 33(3)(h) 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”.

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

“in the case of a production licence – an assessment of the development activities proposed to be undertaken under the licence, including the number of completions that are expected to occur, during the ensuing licence year, or such longer period as the Minister may require”

Future work will be conducted to evaluate the nature and commercial feasibility of gas storage in the area of GSEL 653.

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.”

Please refer to Appendix 1 for the expenditure statement for the reporting period.