

Annual Report

Petroleum Retention Licences (PRLs)

PRL 180, 181 and 182

20 November 2018 – 11 March 2021



This report has been prepared in accordance with the requirements of the *Petroleum and Geothermal Energy Act 2000* and the *Petroleum and Geothermal Energy Regulations 2013*.

Santos

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1 Introduction

This Annual Report details the work conducted in Petroleum Retention Licences (PRLs) 180, 181 and 182 in the South Australian Cooper Basin during the period 20 November 2018 to 11 March 2021. This report is prepared in accordance with Regulation 33 of the Petroleum and Geothermal Energy Act 2000.

2 Permit Summary

PRL 180, PRL 181 and 182 were awarded on 20 November 2015 for a period of five years.

Licensees for PRLs 180, PRL 181 and PRL 182 during the reporting period are tabled below.

Date	Licensees & percentage interest	
20 November 2018 – 11 March 2019	Acer Energy Pty Limited	100%
12 March 2019 – 10 September 2019	Red Sky Energy (NT) Pty Limited	100%
10 September 2019 – 11 March 2021	Santos QNT Pty Ltd	80%
	Red Sky Energy (NT) Pty Limited	20%

On 17 June 2020, a variation of work program and variation of licence conditions of PRLs 180, 181 and 182 approved. The minimum work program commitment for the grouped PRLs 180 180 182 requires the licensee carry out Eligible Activity (as defined in the PRL licence instrument) commensurate to expenditure of \$12.33 per square kilometre of the Group Subject Area per day. This is calculated as an aggregate required amount at the end of the Expenditure Period (five year period as defined in the PRL licence instrument), or such other lesser aggregate required amount as may be agreed by the Minister. The Group Subject Area also varied to encompass PRLs 14, 17, 18, 180, 181 and 182. In addition to the Overall Expenditure Target defined above, the Licensee is required to drill one well or acquire 35 square kilometre of 3D seismic in PRL 17 or 18 prior to their expiry.

On 30 April 2019, PRLs 180, 181 and 182 were placed into suspension for the period 16 April 2019 to 15 October 2019 inclusive. The expiry date of the PRLs was then determined to be 21 May 2021.

On 14 July 2020, PRLs 180, 181 and 182 were placed into suspension for the period 19 May 2020 to 18 May 2021 inclusive. The expiry date of the PRLs was then determined to be 21 May 2022.

3 Regulated Activities

Pursuant to Regulation 33(3)(a) under the Act, an annual report must include:

“a summary of the regulated activities conducted under the licence during the [current reporting] year.”

This information relevant to current holders is detailed below in designated sections below.

Drilling and Related Activities

No regulated drilling and related activities were undertaken in the licence reporting period.

Seismic Data Acquisition

No seismic data acquisition was undertaken in the licence reporting period.

Seismic Data Processing and Reprocessing

Seismic data reprocessing of the Yarrow 2D seismic data was undertaken in the licence reporting period. The reprocessing concluded on 1 November 2020.

Geochemical, Gravity, Magnetic and other surveys

No other survey activities were undertaken in the current licence reporting period on an individual survey basis.

Geological, Geophysical and Engineering studies

Studies included interpretation of existing and reprocessed seismic data, field mapping and planning for future drilling activities.

Production and Processing

No production and processing activities undertaken in the licence reporting period.

Pipeline Construction and Operation

No pipeline construction and operational activities undertaken in the licence reporting period.

Preliminary Survey Activities

No preliminary survey activities were undertaken in the current licence reporting period.

4 Compliance Issues

Licence and Regulatory 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.”

<A statement of overall compliance with licence, regulatory and SEO requirements needs to be made, with an indicator of the achievement of licence, regulatory and SEO compliance. A brief assessment of any trends should also be made>

Licence & Regulatory Compliance

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

Compliance with Statement of Environmental Objectives

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

5 Management System Audits

Pursuant to Regulation 33(3) (d) under the Act, 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 these PRLs conducted in the reporting period by the current holders.

6 Report and Data Submissions

Pursuant to Regulation 33(3) (e) under the Act, 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”.

Table 1 List of report and data submissions during current licence reporting year by the current holders

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
Term 1 Year 3 Annual Report	19 Jan 2019	18 Jan 2019	Compliant

7 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 reportable or serious incidents during the reporting period within the permits by the current holders, in accordance with the definitions provided in Section 85(1) and Regulation 32(1) of the Act.

8 **Threat Prevention**

Pursuant to Regulation 33(3) (g) under the Act, an annual report must include:

“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, 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 threats to report by the current holders.

9 **Future Work Program**

Pursuant to Regulation 33(3) (h) under the Act, 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”.

Below is a brief description of each of the regulated activities planned for the following reporting year (subject to change) within the Group Subject Area now encompassing PRLs 14, 17, 18, 180, 181 and 182.:

- An appraisal well is planned to be drilled in PRL 18 in the fourth quarter of 2021 with preliminary survey and civil activity planned to commence in October 2021; and
- Possible drill in Flax field in the third quarter of 2022.

10 **Expenditure Statement**

Pursuant to Regulation 33(4) under the Act, an annual report must contain:

“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)”.*

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

APPENDIX 1 Expenditure Statement

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