

AUSTRALIAN PETROLEUM NEWS

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INDUSTRY
SCIENCE
RESOURCES

Award of Offshore Exploration Permits from the 2000 Acreage Release in the Victoria & Western Australia adjacent areas

Details of offshore exploration permits awarded to date in the Victoria and Western Australia adjacent areas from the 2000 acreage release are set out below. Bidding closed on the first set of areas in November 2000, and on the second set of areas in May 2001. Details of future permit awards will be advised in the next edition of this newsletter.

<u>Area No</u>	<u>Basin</u>	<u>Permit No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
V00-3	Gippsland	Vic/P48	Oct 2001	PanCanadian Petroleum Ltd
V00-4	Gippsland	Vic/P49	Oct 2001	PanCanadian Petroleum Ltd
W00-56	Carnarvon	WA-310-P	21 Aug 2001	West Oil NL Bounty Oil & Gas NL
W00-57	Carnarvon	WA-312-P	18 Sept 2001	Victoria Petroleum (WA-209-P) Pty Ltd PanContinental Oil & Gas NL Sun Resources NL
W00-20	Bonaparte	WA-311-P	3 Sept 2001	Magellan Petroleum (WA) Pty Ltd
W00-28	Bonaparte	WA-313-P	25 Sep 2001	Woodside Energy Ltd Shell Development (Australia) Pty Ltd AGIP Australia Limited

Permit Vic/P48 (PanCanadian) has a guaranteed work program estimated at A\$0.63 million for the first three years involving seismic surveying, gravity and magnetic data acquisition, seismic reprocessing and geological and geophysical studies. The secondary work program, estimated at A\$35.6 million, proposes one well, seismic surveying and geological and geophysical studies. There were no other bids for this area.

Permit Vic/P49 (PanCanadian) has a guaranteed work program estimated at A\$1.25 million for the first three years involving seismic surveying, gravity and magnetic data acquisition, seismic reprocessing and geological and geophysical studies. The secondary work program, estimated at A\$38.8 million, proposes one well, seismic surveying and geological and geophysical studies. There was one other bid for this area.

Permit WA-310-P (West Oil et al) has a guaranteed work program estimated at A\$0.8 million for the first three years involving seismic processing and interpretation, sequence stratigraphy and seismic surveying. The secondary work program, estimated at A\$3.2 million, proposes one well, seismic interpretation and geological and geophysical studies. There were no other bids for this area.

Permit WA-311-P (Magellan) has a guaranteed work program estimated at A\$0.72 million for the first three years involving seismic surveying and geological and

geophysical studies. The secondary work program, estimated at A\$3.2 million, proposes one well and geological and geophysical studies. There were no other bids for this area.

Permit WA-312-P (Victoria Petroleum et al) has a guaranteed work program estimated at A\$0.4 million for the first three years involving geological and geophysical studies, seismic reprocessing and seismic surveying. The secondary work program, estimated at A\$2.2 million, proposes one well, geological and geophysical studies and seismic surveying. There were no other bids for this area.

Permit WA-313-P (Woodside et al) has a guaranteed work program estimated at A\$3.2 million for the first three years involving seismic reprocessing, seismic surveying and geological and geophysical studies. The secondary work program, estimated at A\$9.4 million, proposes one well and geological and geophysical studies. There was one other bid for this area.

The permits have been awarded for a term of six years under the work program bidding system, and each component of the program must be completed in the designated year or earlier.

Re-Release of Areas

Re-released areas which closed on 11 October 2001 from the second bidding round of the 2000 Acreage Release were:

T00-1	Gippsland Basin
W00-2, 4 to 12, 14 to 19, 21 to 23, 25 and 29	Bonaparte Basin
W00-51 to 52	Carnarvon Basin
W00-58 to 61	Perth Basin

All areas from the 2000 release package that have not been bid on, or bids have not been accepted, are no longer open for bidding. Any permits granted from this bidding round will be announced in a future edition of the *Australian Petroleum News* once they have been finalised.

2001 Offshore Acreage Release

Areas in the first round of bidding for the 2001 Acreage Release were:

W01-1	Petrel Sub-basin
W01-10 to 15	Dampier, Exmouth, Barrow Sub-basins
NT01-1 to 5	Bonaparte Basin
AC01-1	Vulcan Sub-basin

Areas not bid on in this round are eligible for re-release. Further information on the re-release will be included in a future edition of the *Australian Petroleum News*. The closing date for bids on these re-released areas will be 11 April 2002.

Details of successful applicants from the 1st closing round of the 2001 Offshore Petroleum Acreage Release will be notified in future editions of the *Australian Petroleum News*.

Companies are reminded that second round areas remain open for bidding until 11 April 2002:

W01-2 to 9
W01-16 to 26
V01-1 to 3
V01-4
S01-1 to 3
T01-1 to 3

Browse Basin
Houtman/Abrolhos Sub-basins
Otway Basin
Gippsland Basin
Duntroon Basin
Sorell Basin

Further information on these areas can be found on our website at:
<http://www.isr.gov.au/resources/petroleum.html> or you can request a CD-ROM to be sent to you by e-mail: petroleum.exploration@isr.gov.au .

Revised Renewal Provisions for Small-Sized Permits

This is a reminder that amendments to the *Petroleum (Submerged Lands) Act 1967* (PSLA) that came into effect on 7 March 2000 are likely to impact on future renewals for permits comprising 30 or fewer graticular blocks.

A key change is the repeal of subsection 31(5), which previously gave the Joint Authority a discretionary power in certain circumstances, to waive the normal area-halving provisions for permit renewals. This affected permits that, after performing the halving calculation, comprised fewer than 16 blocks.

For permits existing at the time the amendments became effective, there is a saving provision so that the former subsection 31(5) will continue to apply for the first renewal application submitted after 7 March 2000. The amended provisions will then apply for all subsequent renewals.

Subsections 31(1)-(6) of the PSLA, as amended, articulate the methodology for calculating the maximum number of blocks that can be included in an application for renewal. In general, half the number of blocks must be relinquished. However, there are special provisions for permits comprising up to 6 blocks and very small permits may not be renewable.

The PSLA can be found Online at:
<http://scaletext.law.gov.au/html/pasteact/0/80/top.htm>

New PSLA Pipeline Regulations

The *Petroleum (Submerged Lands) (Pipelines) Regulations 2001* will commence on 1 November 2001. These new objective based regulations follow the introduction of similar regulations for the Management of Safety on Offshore Facilities and the Management of Environment. Objective based regulations are also being finalised for resource management, drilling, diving and data management.

The Pipeline Regulations introduce the concept of a Pipeline Management Plan which requires pipeline licensees to have an approved management plan (or part of a plan) for each stage of the pipeline: design and construction, operation, modification, and decommissioning. A Pipeline Management Plan may also be submitted for one or more pipelines. The Plan must be revised every 5 years, although where possible documentation can be referenced to avoid duplication.

Specific consents are required from the Designated Authority prior to beginning construction and operation of a pipeline. The regulations also introduce timeframes for government approvals which in most cases is either 7 or 28 days, depending on the approval. Current pipeline licensees have 5 years, ie until 1 November 2006, to comply with the regulations.

The new pipeline regulations are available on the ISR website at http://www.isr.gov.au/resources/petr_legislation/index.html .

For further information please contact Carolyn Barton, ph: 02 6213 7203, e-mail carolyn.barton@isr.gov.au .

Transformation of Coordinates to the New Geocentric Datum of Australia (GDA94)

At a meeting of the Inter-governmental Committee on Surveying and Mapping (ICSM) held in Melbourne on 25-29 October 1999, it was resolved to develop a national transformation product consisting of a national coverage transformation grid from AGD66 to GDA94, and a separate transformation grid from AGD84 to GDA94 for all AGD84 jurisdictions. These transformation grids are now available, in the NTv2 format, from Chapter 7 of the GDA Technical Manual, which can be accessed on the World Wide Web at <http://www.anzlic.org.au/icsm/gda/index.html> . Grid transformation is the easiest and most accurate method of transforming data between AGD and GDA and is recommended by the ICSM for all digital spatial data transformation in Australia.

Australia-China LNG Study

A study on factors that will influence China's future use of natural gas has been released.

The study "*China: Energy Policy and Natural Gas Use*" by Murdoch University's Asia Research Centre in Perth was funded jointly by Australia LNG, Woodside Energy, the Commonwealth, Western Australian and Northern Territory Governments. The Energy Research Institute of the State Development Planning Commission, Beijing, China, contributed to the report.

The need for industry and governments to continue to promote Australia as a potential gas supplier to China, in keeping with commitments made in the Government's Liquefied Natural Gas (LNG) Action Agenda, was a significant study finding.

The China LNG study may be obtained by contacting the Asia Research Centre, Murdoch University, Murdoch WA 6150, Australia. Phone: (61-8) 9360 6259, Fax (61-8) 9310 4944, or by e-mail: blakeway@central.murdoch.edu.au

Proposed Changes in Offshore Health and Safety

In July 1999 the Minister for Industry, Science and Resources announced a review of offshore petroleum health and safety management arrangements applying under the PSLA. A 3-phase review was conducted, facilitated by the Offshore Safety Section of the Petroleum and Electricity Division and the Review Steering Committee.

Phase 1, a compilation of statistical, historical and best practice information, provided data for phase 2, the core of the review, comprising an independent assessment of the

Australian offshore health and safety legal and administrative arrangements. This was conducted by an international team of offshore safety experts (the Independent Review Team or IRT) and their assessment report was completed in March 2000. Phase 3 was the consideration of the implications and the development of preferred policy options, undertaken in close consultation with the Review Steering Committee and senior State/NT officials.

The main conclusion of the IRT was that:

The Australian legal and administrative framework, and the day to day application of this framework, for regulation of health, safety and environment in the offshore petroleum industry is complicated and insufficient to ensure appropriate, effective and cost efficient regulation of the industry.

The Federal Government is committed to the formation of an independent national authority to administer offshore health and safety regulation. As part of the strategy for implementation of the IRT findings and achieving Commonwealth policy, two offshore safety experts, Peter Wilkinson and Dr Andrew Lewin, joined the Department in July 2001. They have already started to familiarise themselves with the Australian Safety Regime by conducting visits to the State / NT regulators and industry.

The Report on the review is now available at www.isr.gov.au/resources/petr_safety .

UK Offshore Safety Experts join the Safety Section

As indicated above, we welcome our new safety experts, Peter Wilkinson and Dr Andrew Lewin, as part of the Offshore Safety Review implementation team.

Peter

After 13 years in a variety of roles in UK Health and Safety Executive (HSE), Peter joined the Offshore Safety Division (OSD) of the HSE on its formation in 1991 following Piper Alpha. He helped set up and subsequently led the Safety Management Systems (SMS) Teams. This included developing standards for assessing SMS, auditing by OSD and developing and implementing a method for reviewing the senior management performance in managing safety.

In 1995 he moved to Norwich, managing a team responsible for safety case assessment, audit and investigation for some 60 offshore installations including platforms, jack-up and semi-submersible rigs as well as pipelay barges. He also held responsibility for onshore wells throughout Britain, which included attending a blowout in the grounds of a hospital.

For the past two years Peter has worked on loan to the UK Railway Inspectorate. Firstly on the politically contentious partial privatisation of the London Underground, and following the Paddington (London) train disaster on the inquiry team investigating the performance of Railtrack who manage the railway infrastructure. This was followed by a project to develop a new railway safety case system including developing the systems, procedures and personally preparing and leading the training of the senior management team and railway inspectors.

Peter is on a three year secondment from HSE in his current position.

Andrew

Andrew was born in London, England and spent his formative years in Essex. Following an extensive academic career, during which he received a PhD, and a spell carrying out forensic fire and explosion investigation, in 1996 Andrew moved to Det Norske Veritas in Aberdeen, Scotland as a Senior Engineer involved in providing consultancy for the offshore industry with respect to safety legislation compliance. He managed a team of engineers working on Mobile Offshore Drilling Unit projects, provided specialist fire and explosion support within the Aberdeen office, and developed methodologies for compliance with new UK legislation.

Andrew joined the UK HSE in 1998 as a general offshore inspector, having responsibility as focal point for a number of offshore installations including fixed platforms, FPSO's and drilling rigs. He left HSE for a spell working in a small training company developing a course entitled "Safety Leadership Training", dealing with people and behavioural issues in the offshore industry. He returned to HSE to work as a specialist inspector in the areas of fires and explosions and QRA / Risk assessment.

Andrew and his family have made a long term commitment by migrating to take up the safety position in ISR.

Advertising in the 2002 Acreage Release Package

This acreage release CD-ROM is now mailed to over 700 people in the industry, both domestically and internationally (including USA, Canada, Japan, Korea, China, India, Europe and the UK).

Support industries, such as seismic companies, are able to advertise their products & services that are applicable to the areas in the release package. We encourage potential bidders to visit the 'Products & Services' section of the CD-ROM to ensure you garner all the information and activities available for the various areas.

Companies interested in placing advertising in the acreage release package should register their interest (no obligation) by e-mail to: petroleum.exploration@isr.gov.au. Advertising is placed on the CD-ROM, and can be hotlinked back to your company home page. The cost for this advertising is A\$2,200 including 10% GST (for the equivalent of up to 4 pages). Expressions of interest should be received by the end of December, with pdfs of your advertising to be forwarded to the e-mail address above by 15 February 2002.

Annual Acreage Release Timetable

Given some of the queries by companies over the past couple of months, we thought it might be helpful to set out the timetable for various aspects of the annual acreage release process so you will be able to incorporate them into your forward planning.

June/July	ISR seeks nominations for areas to be included in the next acreage release (industry input welcomed)
Aug to Oct	area evaluation and consultation period; information preparation
November	area modification and review period; information preparation
December	preliminary areas (ie still subject to change) announced in the <i>Australian Petroleum News</i> ; expressions of interest sought for advertising in the acreage release package; information preparation & coordination

January	information editing & review
Feb/Mar	information formatting & desktopping & production
April	acreage release announced to coincide with APPEA conference
May/June	international promotion of acreage release via seminars and meetings with individual companies.

Western Australia State waters acreage available

Western Australia (WA) is releasing acreage for petroleum exploration in WA state waters on 18 October 2001 at the WA Department of Mineral & Petroleum Resources' Petroleum Open Day. Further information on the Petroleum Open Day is available at: <http://www.dme.wa.gov.au/minpetrol/petro2001.pdf>.

Details on the acreage to be released will be available from 18 October 2001 at: <http://www.dme.wa.gov.au/minpetrol/petweb/ar2001.html>.

APPEA Environment Workshop

The Australian Petroleum Production and Exploration Association (APPEA) will be holding an Environment Workshop on 12-13 December 2001 in Fremantle, Western Australia. The aim of the workshop is to discuss the extent to which Australia's oil and gas industry is achieving an acceptable balance between exploration and production and their impacts on marine and terrestrial biodiversity. Further details on registration and the workshop program can be obtained at: www.appea.com.au or by contacting Julie Hood on ph: 02 6267 0907 or e-mail: jhood@appea.com.au.

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