



## AUSTRALIAN PETROLEUM NEWS

OCTOBER 2009

### **Award of 10 New Offshore Exploration Permits**

Ten new offshore petroleum exploration permits in the offshore area off Western Australia and the Northern Territory have been granted. The work program commitments for the awarded permits are valued at A\$158 million over the next three years.

These new permits result from the second round of the 2008 Acreage Release that closed on 9 April 2009. All offshore exploration permits are jointly administered by the Australian Government and the respective State and Northern Territory Governments.

Exploration permits in Australia's offshore areas are awarded under a work program bidding system for an initial term of six years, with a maximum of two renewals each of five years. Under this system, applicants are required to nominate a guaranteed minimum 'dry hole' exploration program for each of the three years of the permit term and a secondary program for the remaining three years. Each component of the program must be completed in the designated year or earlier.

#### **Summary**

<u>Permit</u>	<u>Basin</u>	<u>Area No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
WA-434-P	Carnarvon	W08-21	24 July 09	Woodside Energy Ltd
WA-435-P	Roebuck	W08-11	28 July 09	Carnarvon Petroleum Ltd
WA-436-P	Roebuck	W08-12	30 July 09	Finder Exploration Pty Ltd
WA-437-P	Roebuck	W08-14	30 July 09	Finder Exploration Pty Ltd
WA-438-P	Roebuck	W08-15	30 July 09	Finder Exploration Pty Ltd
WA-439-P	Carnarvon	W08-22	15 Aug 09	Chevron Australia Pty Ltd & Shell Development (Australia) Pty Ltd
WA-440-P	Bonaparte	W08-6	1 Sept 09	Goldsborough Energy Pty Ltd
WA-441-P	Bonaparte	W08-4	1 Sept 09	Goldsborough Energy Pty Ltd
NTP/79	Bonaparte	NT08-2	24 June 09	Finder Exploration Pty Ltd
NTP/80	Bonaparte	NT08-1	24 June 09	Murphy Australia Oil Pty Ltd & Diamond Resources Australia Pty Ltd

## Details

**WA-434-P (released as W08-21)** in the Carnarvon Basin off Western Australia has been awarded to *Woodside Energy Ltd.* The company proposed a guaranteed work program of 1505km of 2D seismic reprocessing, 2610km<sup>2</sup> of new 3D seismic surveying and four exploration wells to an estimated value of A\$121.52m. The secondary work program consists of geotechnical studies and one exploration well to an estimated value of A\$24.0m. WA-434-P has been designated as a Frontier Area. There were two other bids for this area.

**WA-435-P (released as W08-11)** in the Roebuck Basin off Western Australia has been awarded to *Carnarvon Petroleum Ltd.* The company proposed a guaranteed work program of 2500km of 2D seismic reprocessing and geotechnical studies to an estimated value of A\$0.50m. The secondary work program consists of 400km<sup>2</sup> of new 3D seismic surveying, one exploration well and geotechnical studies to an estimated value of A\$48.25m. There was one other bid for this area.

**WA-436-P (released as W08-12)** in the Roebuck Basin off Western Australia has been awarded to *Finder Exploration Pty Ltd.* The company proposed a guaranteed work program of 4550km<sup>2</sup> of new Aeromagnetic surveying, 500 km of 2D seismic reprocessing and geotechnical studies to an estimated value of A\$0.47m. The secondary work program consists of 250km of new 2D seismic surveying, geotechnical studies and one exploration well to an estimated value of A\$6.60m. There were no other bids for this area.

**WA-437-P (released as W08-14)** in the Roebuck Basin off Western Australia has been awarded to *Finder Exploration Pty Ltd.* The company proposed a guaranteed work program of 2350km<sup>2</sup> of new Aeromagnetic surveying, 500km of 2D seismic reprocessing and geotechnical studies to an estimated value of A\$0.42m. The secondary work program consists of 250km of new 2D seismic surveying, geotechnical studies and one exploration well to an estimated value of A\$6.60m. There was one other bid for this area.

**WA-438-P (released as W08-15)** in the Roebuck Basin off Western Australia has been awarded to *Finder Exploration Pty Ltd.* The company proposed a guaranteed work program of 6050km<sup>2</sup> of new Aeromagnetic surveying, 500km of 2D seismic reprocessing and geotechnical studies to an estimated value of A\$0.55m. The secondary work program consists of 250km of new 2D seismic surveying, geotechnical studies and one exploration well to an estimated value of A\$6.60m.

WA-438-P has been designated as a Frontier Area. There were no other bids for this area.

**WA-439-P (released as W08-22)** in the Carnarvon Basin off Western Australia has been awarded to *Chevron Australia Pty Ltd* and *Shell Development (Australia) Proprietary Limited.* The company proposed a guaranteed work program of 501km<sup>2</sup> of new 3D seismic surveying, geotechnical studies and one exploration well to an estimated value of A\$25.25m. The secondary work program consists of geotechnical studies and 500km of new 2D seismic surveying to an estimated value of A\$1.15m. WA-439-P has been designated as a Frontier Area. There were two other bids for this area.

**WA-440-P (released as W08-6)** in the Bonaparte Basin off Western Australia has been awarded to *Goldsborough Energy Pty Ltd*. The company proposed a guaranteed work program of geotechnical studies and 450km of new 2D seismic surveying to an estimated value of A\$1.55m. The secondary work program consists of geotechnical studies and one exploration well to an estimated value of A\$15.6m. There was one other bid for this area.

**WA-441-P (released as W08-4)** in the Bonaparte Basin off Western Australia has been awarded to *Goldsborough Energy Pty Ltd*. The company proposed a guaranteed work program of geotechnical studies and 550km of new 2D seismic surveying to an estimated value of A\$1.55m. The secondary work program consists of geotechnical studies and one exploration well to an estimated value of A\$15.6m. WA-441-P has been designated as a Frontier Area. There were no other bids for this area.

**NTP/79 (released as NT08-2)** in the Bonaparte Basin off Northern Territory has been awarded to *Finder Exploration Pty Ltd*. The company proposed a guaranteed work program of 400km of new 2D seismic surveying and geotechnical studies to an estimated value of A\$0.83m. The secondary program consists of one exploration well and geotechnical studies to an estimated value of A\$6.30m. There were no other bids for this area.

**NTP/80 (released as NT08-1)** in the Bonaparte Basin off Northern Territory has been awarded to *Murphy Australia Oil Pty Ltd* and *Diamond Resources Australia Pty Ltd*. The company proposed a guaranteed work program of 3000km of 2D seismic reprocessing, 750km of new 2D seismic surveying and geotechnical studies to an estimated value of A\$5.70m. The secondary program consists of 500km<sup>2</sup> of new 3D seismic surveying, geotechnical studies and one exploration well to an estimated value of A\$48.70m. There were no other bids for this area.

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## **Re-release of 2008 Areas**

Eight areas did not receive bids in the second bidding round of the 2008 Acreage Release that closed on 9 April 2009 and have been re-released at the discretion of the relevant Joint Authorities. See next item below for application closing dates for these areas. The areas are:

**NT08 - 3**

**W08 - 1 to 3, 5, 13, 23 to 24.**

The re-released areas are open to all interested bidders under the work program bidding system. The areas are also open for bidding by any company who wishes to fulfil its obligations under a good standing arrangement after cancellation of an exploration permit.

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## Summary of Areas Currently Available for Bidding

Release/Round	Areas	Bid Closing Date
2009 Acreage Release, first closing round [18 areas plus 2 special areas]	NT09-1 W09-1 to 5, 9 to 11 & 12 to 16 V09-1 to 3 S09-7 NT09-Special W09-Special	Thursday, 3 December 2009
Re-release of 2008 areas (from second closing round) [8 areas]	NT08-3 W08-1 to 3, 5, 13, 23 to 24	Thursday, 3 December 2009

Further information on these areas and application requirements can be found by visiting this website: [www.ret.gov.au/petexp](http://www.ret.gov.au/petexp) or by requesting a free CD-ROM by e-mail: [petroleum.exploration@ret.gov.au](mailto:petroleum.exploration@ret.gov.au)

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## Reminder: Nomination of Areas for the 2010 Offshore Acreage Release

As announced at the 2009 APPEA Conference and noted in the September edition of *Australian Petroleum News*, the Commonwealth and State/NT governments are calling for nominations from interested parties for vacant offshore areas to be considered for release in 2010.

Nominations are treated as "Commercial-in-Confidence", should be in writing, and be forwarded by **12 October 2009** to the relevant State/NT Department or the General Manager, Offshore Resources Branch, at the address at the end of this newsletter.

While expressing interest does not guarantee inclusion in the release, all nominations are considered seriously and are subjected to a rigorous assessment and short listing.

In considering which areas to release, we look at whether there is a new geoscientific story or a new market development that might generate the interest of potential bidders. We also look at synergies with other industry activities such as drilling programs, speculative survey proposals, and the Geoscience Australia research agenda.

Industry will be advised of proposed short listed areas for release in the November/December issue of *Australian Petroleum News*.

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## **New Petroleum Titles Granted for the Gorgon Project**

The Gorgon LNG Project will be the largest resource project ever undertaken in Australia. The Gorgon Venture, Chevron (50 percent, operator), Shell (25 percent) and ExxonMobil (25 percent) announced they had reached a final investment decision to proceed with the Project on 14 September 2009. The estimated recoverable gas resource for the Project exceeds 40 trillion cubic feet. The Project involves building a three-train, 15 million tonnes per annum LNG plant on Barrow Island. Construction of the project is expected to take nearly 60 months and first LNG is expected in 2015.

The Joint Authority granted the Gorgon Venture five production licenses covering the Gorgon and Jansz/Jo fields (Chevron operated WA-37-L and WA-38-L and ExxonMobil operated WA-36-L, WA-39-L and WA-40-L) on the 14 September 2009. Chevron was also offered seven retention leases covering West Tryal Rocks, Geryon, Orthrus, Maenad and Urania fields (WA-5-R, WA-19-R, WA-20-R, WA-21-R, WA-22-R, WA-23-R and WA-24-R). These smaller satellite fields will also supply gas to the Gorgon project.

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## **Montara Wellhead Platform – Uncontrolled Hydrocarbon Release**

On Friday 21 August 2009, during activity being undertaken by the West Atlas jack-up drilling rig (that is, performing operations through the Montara Wellhead Platform – a separate structure to the rig) an uncontrolled hydrocarbon release was observed from one of the platform wells. As a consequence, oil is escaping to the surface and gaseous hydrocarbons are being released into the atmosphere. The wellhead and wellbore status of the uncontrolled (leaking) well is unknown. At the time of the incident all 69 personnel were safely evacuated.

After ensuring the occupational health and safety of all personnel involved in the operation, the Government's immediate focus is to deal with the spill and limit the impact on the environment and ultimately, seal the well.

Drilling by the *West Triton* to intersect the original well began on 14 September 2009. It is estimated that it will take three-and-a-half weeks (10 October 2009), from the date of drilling, for the relief well to intersect with the original well at a depth of 2.6 kilometres within the sub-sea formation.

The Australian Maritime Safety Authority (AMSA) is coordinating the clean-up response under the National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances.

The Government is committed to undertaking a full inquiry into the cause of this incident and will act decisively to make any necessary regulatory changes as appropriate. The National Offshore Petroleum Safety Authority (NOPSA) has also begun a full investigation into the incident.

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## **NOPSA CEO and Board Appointments Announced**

On 21 September 2009, Ms Jane Cutler was formally appointed by the Minister for Resources and Energy, the Hon Martin Ferguson AM MP, to the role of NOPSA CEO. On 15 September 2009, Mr Kym Bills was formally appointed by Minister Ferguson as a member to the NOPSA Board.

Ms Cutler will bring to NOPSA outstanding strategic leadership and managerial skills based on her considerable experience as a senior executive in various industry posts. Ms Cutler has over 27 years of diverse experience in the Oil and Gas and Financial Services industries, including her most recent position as a Senior Executive for Woodside Energy.

Mr Bills is the former Executive Director of the Australian Transport Safety Bureau (ATSB), and had held that position since 1 July 1999 when the ATSB was established. Mr Bills retired from this position and the public service in September 2009.

In 2005, Mr Bills worked with the Rt Hon Sir John Wheeler reviewing Australia's airport security and policing. In June 2009, Mr Bills completed an appointment as the Commonwealth's expert panel member for the Inquiry into Offshore Petroleum Safety Regulation.

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## **Geoscience Australia News**

### **Data supporting 2009 Acreage Release Areas**

A new report relevant to the current Ceduna Sub-basin exploration areas (S09-1 to S09-6) has just been published. The results of a 2007 geological sampling survey in the Bight Basin are presented in Geoscience Australia Record 2009/24, *Bight Basin Geological Sampling and Seepage Survey, R/V Southern Surveyor SS01/2007*.

A highlight of the Bight Basin survey was the collection of Cenomanian-Turonian organic-rich rocks from the northwestern edge of the Ceduna Sub-basin. Geochemical analyses have characterised these samples as world-class, oil-prone, marine potential source rocks. This Record provides details of the samples collected during the survey, and focuses on the organic geochemical and biostratigraphic analysis of these rocks. The Record is presented in CD-ROM format and is available from the Geoscience Australia Sales Centre (<http://www.ga.gov.au/sales>)

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## **Australian Petroleum Statistics**

The July 2009 issue of *Australian Petroleum Statistics* (APS) is now available. It contains statistics on petroleum production, refining, consumption, stocks, imports and exports.

APS was previously only available by subscription. It is now published monthly here: <http://www.ret.gov.au/resources/fuels/aps/Pages/default.aspx>. This website also contains archived issues of APS.

Further information on APS can be obtained by contacting Ms Teresa Peczalski by Phone +61 2 6213 7797 or e-mail: [psims@ret.gov.au](mailto:psims@ret.gov.au)

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## **Amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006**

The *Offshore Petroleum and Greenhouse Storage Legislation Amendment Bill 2009* and the *Offshore Petroleum and Greenhouse Gas Storage ((Safety Levies) Amendment Bill 2009* were passed by the Senate on 17 September 2009.

Most of the provisions in the Legislation Amendment Bill will come into effect from the day following Royal Assent – it is anticipated this will occur on 9 October 2009. The amendments seek to reduce the regulatory burden on industry, while maintaining an effective and consistent regulatory system. It addresses minor policy and technical issues identified during consultative processes reviewing the operation of the Act over the past two years.

Key changes include:

- enactment of a mechanism to enable the responsible Commonwealth Minister to appoint a Commissioner to conduct a commission of inquiry into a significant offshore petroleum or greenhouse gas incident;
- corrections to the 2008 amendments to the Act in relation to the registration of transfers of petroleum titles and dealings in existing petroleum titles and future interests;
- changes to the declaration of a petroleum location and grant of a scientific investigation consent mechanism – this will now be a joint decision between the relevant State or Territory Minister and the Commonwealth Minister;
- mechanisms to provide an expedited consultation process for the granting of an access authority to titles in adjoining offshore areas where the title holders have consented to the access;
- a requirement to provide notification of a petroleum discovery in a production licence area, as is required for other titles and extend the period to notify a discovery of petroleum in all title areas from immediately to 30 days;
- technical amendments to the occupational health and safety (OHS) requirements set out in the Act in Schedule 3, Clauses 9-15;
- technical amendments relating to the extension of Australia's offshore areas following recent findings of the United Nations Commission on the Limits of the Continental Shelf, which confirmed Australia's claims;
- Removal of the requirement for data management plans. Plans already in force will continue until they terminate at the end of their five year lives. The collection of petroleum data is a very important part of attracting petroleum companies to explore Australia's offshore waters. It is, however, sufficient that regulations require companies to collect, store and provide this valuable data without requiring a plan to set out how that is to be achieved.

The Safety Levies Bill will commence on 1 January 2010, this amendment will remove references to the pipeline safety management plan levy and consent to operate a pipeline. These two amendments are linked to planned amendments to regulations in force under the Act which will see regulatory arrangements for the construction and operation of pipelines being incorporated into safety regulations.

For more information on the amendments or a copy of the Explanatory Memorandum please contact Malcolm Jamieson, Department of Resources, Energy and Tourism on Tel: +61 2 6213 7334 or email [malcolm.jamieson@ret.gov.au](mailto:malcolm.jamieson@ret.gov.au)

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This occasional newsletter was prepared by the Resources Division, Department of Resources, Energy and Tourism, Canberra, Australia.

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