

# Annual Report

## Licence Year 3 Term 1

29<sup>th</sup> October 2010 – 28<sup>th</sup> October 2013

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Geothermal Exploration Licences (GEL) 378, 382, 386

Revision 0

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## REVISION HISTORY

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A	15/10/2013	Issued for Review	Document creation	Kimberley Presow	James Crowley
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## 1 INTRODUCTION

Geothermal Exploration Licences (GEL) 378, 382 & 386 were granted on 29<sup>th</sup> October 2008. The licences are located in the Cooper and Eromanga Basins, South Australia. This report details the work conducted during Licence Year 3 (Term 1) of the licences (29<sup>th</sup> October 2010 to 28<sup>th</sup> October 2013), in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.

## 2 PERMIT SUMMARY

For the duration of the licence year, licensees for Geothermal Exploration Licences (GEL) 378, 382 and 386 were:

- Stuart Petroleum Pty Ltd 100%

The current work commitments (including all variations) associated with GEL 378, 382 and 386 can be seen in Table 1.

**Table 1 Current work commitments (incl. variations) by licence year**

Licence Year	Work Program Year Begins	Work Program Year Ends	Minimum Work Program
Year 1	29 <sup>th</sup> October 2008	28 <sup>th</sup> October 2009	G&G studies
Year 2	29 <sup>th</sup> October 2009	28 <sup>th</sup> October 2010	G&G studies
Year 3	29 <sup>th</sup> October 2010	28 <sup>th</sup> October 2013	G&G studies
Year 4	29 <sup>th</sup> October 2013	28 <sup>th</sup> October 2014	G&G studies
Year 5	29 <sup>th</sup> October 2014	28 <sup>th</sup> October 2015	Drill 4 wells

Licence Year 3 concluded on 28<sup>th</sup> October 2013. The following table displays the minimum work program (after all variations) and the actual work completed up until the end of the current licence period.

**Table 2 Final work program and work completed (as of end of current reporting period) by licence year**

Licence Year	Minimum Work Program	Actual Work
Year 1	Geological and Geophysical Studies	Geothermal gradients using relevant petroleum exploration well data have been defined
Year 2	Geological and Geophysical Studies	Geothermal gradients using relevant petroleum exploration well data have been defined. Work continued on generation of depth and isopach maps of potential thermal aquifers Review of basement lithology and impact on thermal regimes in aquifers
Year 3	Geological and Geophysical Studies	Work continued on generation of depth and isopach maps of the Namur Sandstone and the Hutton Sandstone Temperature data analysis was ongoing

Year 4	Geological and Geophysical Studies	-
Year 5	Drill Four (4) wells	-

## 2.1 Licence Suspensions & Variations

- Section 90 Suspension – 4<sup>th</sup> August 2011 to 3<sup>rd</sup> August 2012
- Section 90 Suspension – 8<sup>th</sup> October 2012 to 7<sup>th</sup> October 2013

As a result of the above suspensions, the licences now expire on 28 October 2015.

An application to vary the work program for GELs 378, 382 and 386 was submitted on 28<sup>th</sup> October 2013. At the time of writing, a decision on the approval of this variation is pending.

## 2.2 Licence Consolidation

On the 8<sup>th</sup> October 2012 the following GELs were consolidated;

- GELs 378, 379, 380 & 381 were consolidated into GEL 378 (1,565km<sup>2</sup>).
- GELs 382, 383, 384, 385 were consolidated into GEL 382 (1,955km<sup>2</sup>).
- GELs 386, 387, 388, 389 were consolidated into GEL 386 (1,976km<sup>2</sup>).

On consolidation of the licences the work programs were amended to comprise:

Licence Year	Work Program
Year 1	G&G Studies
Year 2	G&G Studies
Year 3	G&G Studies
Year 4	G&G Studies
Year 5	Drill 4 Wells

## 3 REGULATED ACTIVITIES

Pursuant to Regulation 33(2)(a) of the Regulations, an annual report must include:

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

This information is detailed below in designated sections.

### 3.1 Drilling and Related Activities

No regulated activities undertaken in the licence reporting period.

### 3.2 Seismic Data Acquisition

No regulated activities undertaken in the licence reporting period.

### **3.3 Seismic Data Processing and Reprocessing**

No regulated activities undertaken in the licence reporting period.

### **3.4 Geochemical, Gravity, Magnetic and other surveys**

No regulated activities undertaken in the licence reporting period.

### **3.5 Production and Processing**

No regulated activities undertaken in the licence reporting period.

### **3.6 Pipeline/Flowline Construction and Operation**

No regulated activities undertaken in the licence reporting period.

### **3.7 Preliminary Survey Activities**

No regulated activities undertaken in the licence reporting period.

## **4 COMPLIANCE ISSUES**

Pursuant to Regulations 33(2) (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.”*

Detailed information on the individual instances of non-compliance is provided below in designated sections.

#### **4.1.1 Licence Non-Compliance**

No licence non-compliances identified for GEL 378, 382 & 386

#### **4.1.2 Regulatory Non-Compliance**

No regulatory non-compliances identified for GEL 378, 382 & 386

#### **4.1.3 Compliance with Statement of Environmental Objectives**

No SEO non-compliances identified for GEL 378, 382 & 386

### **4.2 Management System Audit**

Pursuant to Regulation 33(2) (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”*

No management system audits undertaken.

### 4.3 Report and Data Submissions

Pursuant to Regulation 33(2) (e) under the Act, an annual report must include:

*“a list of all report and data relevant to the operation of the Act generated by the licensee during the licence year”.*

Sent	Description	Due date
16/12/2010	GEL 378-389 Year 2 Annual Report	28/12/2010

### 4.4 Incidents

Pursuant to Regulation 33(2) (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”.

No reportable incidents occurred during the licence reporting period.

### 4.5 Threat Prevention

Pursuant to Regulation 33(2) (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”.*

No applicable activities during the licence reporting period.

## 4.6 Future Work Program

Pursuant to Regulation 33(2) (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”.*

Area of Activity	Minimum Work Program	Planned Work	Commencement Date
Drilling and related activities	-	-	-
Seismic data and acquisitions	-	-	-
Seismic data processing and reprocessing	-	-	-
Production and Processing	-	-	-
Geochemical, Gravity, Magnetics and other surveys	-	-	-
Pipeline Construction and Operation	-	-	-
Geological and Geophysical studies	Geological and Geophysical studies	Mapping, Temperature data analysis	ongoing



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## 5 EXPENDITURE STATEMENT

Pursuant to Regulation 33(3) 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.