

AUSTRALIAN PETROLEUM NEWS

JULY 2001



INDUSTRY
SCIENCE
RESOURCES

Re-Release of 2nd Round 2000 Acreage Release Areas

Areas not under application from the second closing round of the 2000 Offshore Petroleum Acreage Release, which closed on 3 May 2001, have now been re-released in accordance with the work program bidding guidelines. Bids are now open for the following areas, and close on 11 October 2001:

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

Maps, details of the geology and data available on these areas, and information on how to apply for an exploration permit, can all be found on our website at:
http://www.isr.gov.au/resources/petr_exploration/releases-2000/index.html

Details of successful applicants from the 2nd closing round of the 2000 Offshore Petroleum Acreage Release will be notified in future editions of the *Australian Petroleum News*.

2001 Offshore Acreage Release

The following areas are open for bids with a closing date of 11 October 2001:

W01-1 and 10 to 15; NT01-1 to 5; AC01-1.

The following areas are open for bids with a closing date of 11 April 2002:

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

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.

Final Call for Area Nominations for 2002 Offshore Acreage Release

The Commonwealth and State/NT governments are now calling for nominations from interested parties for offshore areas to be considered for release in 2002. All nominations will be treated as 'Commercial-in-Confidence'. Written nominations should be forwarded to the relevant State/NT Department or to the Commonwealth (e-mail: petroleum.exploration@isr.gov.au) by 27 July 2001.

Award of Exploration Permits Offshore of Western Australia from the 1999 Acreage Release

Details of two exploration permits awarded offshore of Western Australia from the 1999 acreage release are set out below. Bidding on these two re-released areas closed in November 2000.

<u>Area No</u>	<u>Basin</u>	<u>Permit No</u>	<u>Date Granted</u>	<u>Successful Applicant(s)</u>
W99-31	Carnarvon	WA-308-P	12 June 2001	Cultus Timor Sea Pty Ltd OMV Petroleum Pty Ltd
W99-32	Carnarvon	WA-309-P	12 June 2001	Cultus Timor Sea Pty Ltd OMV Petroleum Pty Ltd

Permit WA-308-P has a guaranteed work program estimated at A\$0.8 million for the first three years involving seismic processing and licensing seismic data, and a secondary work program estimated at A\$6.8 million proposing one well and geological and geophysical studies. There were no other bids for this area.

Permit WA-309-P has a guaranteed work program estimated at A\$0.5 million for the first three years involving seismic processing and licensing seismic data, and a secondary work program estimated at A\$6.8 million proposing one well and geological and geophysical studies. There were no other bids 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.

Report on the Overseas Promotion of the 2001 Offshore Petroleum Acreage Release

Australian delegates travelled to Japan, Korea, the USA and Canada to promote the 2001 Offshore Petroleum Acreage Release in May/June.

The promotional activity took the form of seminars, individual company meetings and an exhibit at the American Association of Petroleum Geologists (AAPG) in Denver. Over 500 CD-ROM packages were distributed and the visits enabled Australia to introduce the exciting opportunities contained in the 2001 acreage release to many new and old acquaintances. We are looking forward to some competitive bidding on several of the areas in this release.

Calgary News

Good news for those of you based in Calgary who were not able to attend the seminar held on 8 June, but who still wish to obtain the promotional materials distributed there. Mr Patrick Wesley, as the Regional Director for Calgary of the Association of International Petroleum Negotiators (AIPN), has kindly offered to hold the additional promotional materials for a short time. The promotional materials consist of the 2001 acreage release CD-ROM and additional information packages. You can e-mail Patrick at wesleyph@cadvision.com or phone him on: 403 862 3638 to request further information. We very much appreciate Patrick's gracious offer, and look forward to continuing to build our relationships with Canada.

New Regulations and Guidelines under the PSLA

Commonwealth, State/NT government officials and industry representatives have been working together to develop new regulations and guidelines for pipelines, drilling, resource management and data management. These are all nearly finalised. This follows the introduction of the safety and environment regulations under the new objective based system, replacing the previous more prescriptive regime. Compliance costs should be reduced under the new system, while operating performance should be improved as industry has the capacity to implement innovative solutions. Where appropriate, the new regulations will replace provisions in the 'Schedule of Directions' issued under the *Petroleum (Submerged Lands) Act 1967* (PSLA).

Work has also begun on the consolidation of the regulations under the PSLA, that is, the safety, environment, resource management, drilling, pipelines, diving and data management regulations. The form of the consolidation is yet to be determined, but at the very minimum it will aim to ensure consistency of definitions and approach across the regulations. A consolidation working group under the Upstream Petroleum Sub-Committee is currently looking at options for consolidation. The next step is a consultation process with industry and other interested stakeholders.

For further information please contact Carolyn Barton, ph: +61 2 6213 7203, or e-mail: carolyn.barton@isr.gov.au .

Annual Infrastructure Licence Fee

Amendments made to the *Petroleum (Submerged Lands) Act 1967* in 2000 enabled the granting of infrastructure licences.

These allow a company to construct and/or operate facilities for various processing or control activities in or near an oil-field where the operator does not have a production licence over the area in which the facilities are or will be located.

Regulations have now been drafted to prescribe an annual infrastructure licence fee of \$18,000 per licence. This matches the minimum annual fee that is payable for a production licence. If the draft regulations are approved, the fee is expected to come into effect in August 2001.

For further information contact: Ilkka Aaltonen, ph: +61 2 6213 7972, or e-mail: ilkka.aaltonen@isr.gov.au .

Timor Gap News

On 5 July 2001, the Hon Alexander Downer, MP, Minister for Foreign Affairs and Senator the Hon Nick Minchin, MP, Minister for Industry, Science and Resources, and East Timorese and United Nations representatives initialled and endorsed a new Timor Sea Arrangement to govern petroleum development in the Timor Sea.

The terms of the Arrangement will be incorporated into a new Treaty to come into force upon East Timor's independence, expected in early 2002. The Treaty will replace an existing agreement between Australia and the United Nations.

The key elements of the Arrangement include:

- a revenue split of 90% for East Timor and 10% for Australia from petroleum activities in the Joint Petroleum Development Area (JPDA);
- deferral of permanent delimitation of the seabed boundary without prejudice to Australia's and East Timor's rights and entitlements;
- maintenance of the contractual terms of the existing petroleum projects (Bayu-Undan, Greater Sunrise and Elang-Kakatua);
- Australian jurisdiction over the planned pipeline from the JPDA to Australia;
- unitisation of the Greater Sunrise field (which straddles the JPDA and an area under Australian jurisdiction) on the basis that 20% of the field lies within the JPDA and 80% within Australian jurisdiction;
- the new Treaty will have a duration of 30 years.

For further information contact: Ian Walker, ph: +61 2 6213 7974, or
e-mail: ian.walker@isr.gov.au .

Are you on our distribution list?

If you or your colleagues would like to receive future annual Offshore Petroleum Exploration Acreage Releases on CD-ROM and/or be notified when new editions of this Newsletter are issued, simply forward your address, phone/fax and e-mail details to the e-mail address below. There is no charge for this service or the CD-ROM.

Help us to help you!

In looking to improve our 2002 release, we are seeking your feedback on the content and format of the 2001 release material (ie CD-ROM, website and hardcopy). What did you like? What didn't you like, or what do you think could be improved?

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