

Department of Natural Resources and Mines
MINISTER'S BRIEFING NOTE – Dr Anthony Lynham MP

SUBJECT: Renewal of Petroleum Lease Number 42
 Principal Applicant: Australia Pacific LNG Pty Limited
 Project Name: North Denison

Policy Advisor	[Redacted]	OK
Chief of Staff	[Redacted] 4(6) Personal information	OK
Approved / Not approved / Noted		
sch4p4(6) Personal information		
Minister	[Signature]	
Dated	21/9/16	

TIMING: Required by **23 September 2016**. See paragraphs 11 to 14 of this brief

EXECUTIVE SUMMARY:

Petroleum Licence (PL) Number 42 is owned and operated by APLNG and forms part of the assets commonly referred to as North Denison. The PL is located south of Rolleston, with the target formation being the Denison Trough in the Bowen Basin. This application is for the renewal of the existing PL and to decrease the term of the renewal to five years through an amendment. The PL is for conventional gas and was originally granted in 1989 under the *Petroleum Act 1923* (PA1923).

APLNG suspended production of North Denison in 2011 citing the project being uneconomic due to the depleted reservoir, estimating that 80% of the total reserve had been recovered. APLNG believe another commercial entity may be able to return North Denison to production. As such the North Denison assets are available for sale.

APLNG has indicated there are a number of interested parties who have commenced due diligence to purchase the North Denison assets and a data room has already been established. The renewal of the PL will provide tenure surety to any potential purchaser.

The return to production of North Denison would generate approximately 30 jobs during recommissioning and 15 ongoing full time production jobs. Gas would potentially be sold into the domestic market via the Roma to Brisbane Gas Pipeline.

In the event that the North Denison assets cannot be sold, APLNG have stated in its application it will abandon the PL and commence remediation and rehabilitation activities during the term of the renewal period.

It is recommended that the Minister approves the renewal of the PL for the nominated applied term of five years to enable the possibility of returning North Denison to production. Financial Assurance of \$10,259,549 is being held for PLs 41, 42, 43, 44, 45, 54, 67, 173 and 218. There are no contentious issues that the Minister should be aware of and rents and royalties are paid and up to date.

RECOMMENDATION:

It is recommended that you:

- pursuant to section 122, agree to the making of the amendment to the application made on 30 October 2014 to change the renewal term from twenty to five (5) years;
- pursuant to section 45(1), determine that the lessees of PL 42 have substantially complied with the PA1923 and *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act), Chapter 6 and the terms and conditions of the lease and therefore are entitled to renewal of the lease by the Minister;
- pursuant to section 45(3), determine that the renewal term of five (5) years for PL 42 is appropriate for producing economically viable petroleum from the fields within the land subject to the lease;
- pursuant to section 45(1), **renew** PL 42 over 48 sub blocks for a term of five (5) years to Australia Pacific LNG Pty Limited (50 per cent) and Santos QNT Pty Ltd (50 per cent); and
- sign** the attached renewal endorsement in duplicate and single-sided (refer to **Attachment 1**). The documentation can then be returned to the Petroleum Assessment Hub for immediate action and advice to holder.

Author:	Recommended – RD	Recommended – ED:	Endorsed – DDG:
Name: Amanda Love Title/Business Group: Senior Tenures Officer, Petroleum Assessment Hub Telephone: 3199 8113 Date: 05/07/2016	Name: Mark Kelly Title/Business Group: Director, Petroleum and Gas Operations Telephone: 3199 7757 Date: 07/09/2016	Name: Peter Donaghy Title/Business Group: A/Executive Director, Mining and Petroleum Operations Telephone: 3199 8086 Date: 9/09/16	Name: Rachael Cronin Title/Business Group: Deputy-Director General, Mineral and Energy Resources Telephone: 3199 8277 Date: 16/09/16

KEY ISSUES:

1. In regard to **recommendation a**, section 122 of the PA1923 provides that if a person has made an application under the Act, the person may amend the application only if the person who may or must decide the application has agreed to the making of the amendment. In this instance, the Minister is the person deciding the application. The amendment sought to be made by the lessee is to change the nominated renewal term from 20 years to five years.
2. In regard to **recommendation b**, section 45(1) of the PA1923 provides if the lessee has substantially complied with the requirements of the PA1923, Chapter 6 of P&G Act and the terms and conditions of the lease, the lessee is entitled to renew the PL subject to section 45(2) of the PA1923. The Minister can be satisfied the lessee, APLNG, has substantially complied with the requirements. For details refer to **Attachment 2 – Question 2**.
3. In regard to **recommendation c**, under section 45(3) of the PA1923 the renewal term must be no longer than the period nominated by the lessee as an appropriate term for producing petroleum in an economically viable way from the fields within the land subject of the lease. The term of five years is considered to be appropriate (refer to **Attachment 2 – Question 3**).
4. In regard to **recommendation d**, if the Minister is satisfied of the matters above the lessee is entitled to renewal of the lease and the Minister is required to renew the lease.

BACKGROUND:

5. PL 42 is located south of Rolleston in the Denison Trough of the Bowen Basin. Gas production under the lease is from the Rolleston field.
6. PL 42 was originally granted by the Governor in Council over 48 sub blocks for a term of 21 years commencing on 26 May 1989.
7. On 30 October 2014, the lessees of PL 42 lodged an application to renew the lease for a nominated term of 20 years. The application was accompanied by a proposed later development plan.
8. On 2 December 2014, the applicants applied to amend the renewal term from 20 years to five years. There are no contentious issues with this proposed amendment that the Minister should be aware of.
9. PL 42 is currently administered under the PA1923.
10. The later development plan for the period ending 31 October 2014 was approved on 19 June 2014. Pursuant to section 53D of the PA1923 the lease is taken to have a development plan until a decision on whether to approve the proposed development plan is made.
11. The holders of PL 42 have indicated that it is their intention to sell the PL and associated assets to a third party.
12. APLNG suspended production in 2011 due to the PL being uneconomic and subsequently shut in production due to the depleted reservoir, estimating that 80% of the total reserve had been recovered. APLNG believe that another commercial entity may be able to return the PL to production, resulting in the North Denison assets being available for sale.
13. Further, APLNG have indicated that there are a number of interested parties who have commenced due diligence to purchase the North Denison project and a data room has already been established. However until the PL has been renewed the potential sale cannot progress.
14. In the eventuality that the assets and PL cannot be sold, APLNG have stated in its application they will abandon the PL and commence remediation and rehabilitation activities during the term of the renewal period.
15. Pursuant to section 45(2)(a) of the PA1923, the Minister can be satisfied that APLNG has declared through the information supplied in its application that payable deposits of petroleum exist within the area of the lease. For confirmation refer to **Attachment 2 – Question 1**.
16. A project later development plan was lodged for PL 41, 42, 54, 67 and 173 on 30 October 2014 with the renewal application and is currently under assessment. Sections 53A and 53B of the PA1923 set out the requirements for proposed later development plans. The project later development plan complies with those requirements. Accordingly, the Minister may be satisfied that the holder has complied with its obligation to lodge a proposed later development plan.
17. PL 42 is part of an integrated Environmental Authority (EA) Number 150 036. The Department of Environment and Heritage Protection confirmed on 18 July 2016 that the EA remains current.
18. The lessees of PL 42 are qualified persons under section 7AA of the PA1923 to hold a PL being that they are companies registered under the Corporations Act.
19. On 24 December 2015, the holders were asked to comply with their obligations under section 76W of the PA1923 by providing an updated later development plan and safety management plan to the overlapping coal exploration tenement holders.

20. PL 42 overlaps with Tri-Star Coal Company's Exploration Permit for Coal (EPC) Number 1057, Arcadia Coal Pty Ltd's EPC 1742 and Matilda Coal Pty Ltd's EPC 2205.
21. The holder provided delivery confirmation to Tri-Star Coal Company, Bandanna Energy as the parent company of Arcadia Coal Pty Ltd and to Matilda Coal Pty Ltd on 12 January 2016.
22. Bandanna Energy and Arcadia Coal Pty Ltd were in administration at the time of notification and have since gone into liquidation.
23. On 26 April 2016 the holder provided a submission pursuant to section 76W(1)(d) of the PA1923.

ATTACHMENTS:

24. **Attachment 1:** Renewal Endorsement.
Attachment 2: Technical Assessment.
Attachment 3: Location Map.

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As the lessee(s) for this petroleum lease has/have complied with section 45(1) of the *Petroleum Act 1923* and met the application requirements under section 45(2) of the *Petroleum Act 1923*, the lessee(s) is/are entitled to the renewal of this petroleum lease.

Therefore, I, **THE HONOURABLE Dr ANTHONY LYNHAM, MINISTER FOR STATE DEVELOPMENT AND MINISTER FOR NATURAL RESOURCES AND MINES** (the Minister) for the State of Queensland, pursuant to section 45(1) of the *Petroleum Act 1923*, renew this petroleum lease. This petroleum lease confers on the lessee(s) the exclusive right to prospect for, mine, extract, recover, remove, and dispose of all petroleum in or under the land demised, with the right to construct and maintain thereon all works buildings plant waterways (including any pipelines for conveying water) roads pipelines reservoirs tanks pumping stations and other structures necessary to the full enjoyment thereof.

1. LESSEE(S) (HOLDER(S)):

Company Name		Share (%)
Australia Pacific LNG Pty Limited	ACN: 001 646 331	50
Santos QNT Pty Ltd	ACN: 083 077 196	50

2. RENEWAL COMMENCEMENT DATE: 1 November 2014

3. EXPIRY DATE: 31 October 2019

4. LATER DEVELOPMENT PLAN:

A later development plan lodged 23 March 2010 for PL 42 was approved on 19 June 2014 for a period of five (5) years to expire 31 October 2014.

5. RESERVATIONS, CONDITIONS AND COVENANTS

Petroleum lease 42 has the following reservations, conditions and covenants:

- (a) A reservation of power to authorise mining on the land for any purpose other than the production or obtaining of petroleum or petroleum products, but not such as to interfere with, encroach upon, or endanger operations for producing or obtaining petroleum;
- (b) A covenant by the lessee to pay the prescribed rent in accordance with *Petroleum Act 1923*;
- (c) A covenant by the lessee to pay the State petroleum royalty, as required under the *Petroleum and Gas (Production and Safety) Act 2004*, chapter 6;
- (d) A covenant by the lessee to work the land demised by the lease in accordance with recognised good oilfield practice and in compliance with the *Petroleum Act 1923*, unless exemption or partial exemption is granted in such manner as may be prescribed;
- (e) A covenant by the lessee that, if directed by the Minister administering the *Petroleum Act 1923* (the Minister) not to dispose of any petroleum or petroleum products for use or consumption outside Australia, the lessee will not so dispose of any petroleum or petroleum products;
- (f) A covenant by the lessee to comply with the provisions of the *Petroleum Act 1923*;
- (g) A covenant by the lessee to use the land bona fide exclusively for the purpose for which it is demised and in accordance with the *Petroleum Act 1923*, unless prevented from so doing by circumstances beyond the lessee's power and control;
- (h) A covenant by the lessee not to assign, transfer, sublet, mortgage or make the subject of any trust the lease or the land or any part thereof otherwise than in accordance with the *Petroleum Act 1923*;
- (i) A condition for the forfeiture of the lease in the event of any breach of any covenant or condition by the lessee and the failure of the lessee completely to remedy the same within 3 months (or such further time as the Minister may in the Minister's discretion, allow) after the Minister shall have given to the lessee notice in writing to make good the same.

6. AREA DESCRIPTION:

That part of the State of Queensland within the boundaries of the blocks and sub-blocks as defined and shown on the Queensland Mines and Energy Block Identification Map (BIM) - Series B and set out below.

BIM	Block(s)	Sub-Block(s)
CHAR	416	q, r, s, t, u, v, w, x, y, z
CHAR	417	q, v
CHAR	488	ALL
CHAR	489	a, f, l, q, v
CHAR	560	a, b, c, d, e
CHAR	561	a

Area of Tenure (Total): 48 Sub-Blocks, Approx. 150 km²

other than the following:

- land detailed under 'Excluded Land' of this lease; and
- land over which a mining interest cannot be granted in relation to the *Nature Conservation Act 1992*.

7. EXCLUDED LAND:

Excluded land: NIL

Dr Anthony Lynham MP

Minister for State Development and
Minister for Natural Resources and Mines
Department of Natural Resources and Mines

Date Granted: / /



PL Renewal (1923) Technical Assessment

Complete the Technical Assessment using the form below.

Enter Petroleum Lease number

42

Applicant

Australia Pacific LNG Pty Limited (50%)

Santos QNT Pty Ltd (50%)

Contact Details

Australia Pacific LNG Pty Limited
C/ Tenure Manager GPO Box 148 Brisbane QLD
4001
Email: tenures@originenergy.com.au

MILESTONE: Overview

PL 42 is located directly south of Rolleston in central Queensland. PL 42 is held and operated as part of a joint venture between APLNG and Santos QNT Pty Ltd with each company holding equal shares. This joint venture includes four other PLs (41, 54, 67 and 173) and are referred to as the Northern Denison PL's. This group of PL's is also grouped together as a project when the holder submits Later Development Plans.

- PL 42 was granted on 15 June 1989 and is administered under the Petroleum Act 1923.
- PL 42 covers an area of 50 sub-blocks.
- The primary resource of PL 42 is conventional gas.
- As a group, the Northern Denison PLs have produced approximately 146.645PJ of gas to date.
- On 30 October 2014 the holder lodged a renewal application for the Northern Denison PL's for a term of 20 years. The holder requested a 20 year term due to ongoing uncertainty with an overlapping mining lease. The uncertainty was related to;
 - Coordination arrangement with overlapping Mining Lease 70486 held by Springsure Creek Coal Pty Ltd.
 - Springsure Creek Coal and its parent company Bandanna Energy Limited were placed into voluntary administration on 22 September, 2014.
 - Uncertainty around timing of development of the proposed mine and material impacts to petroleum operations that would result from any such mine.
- This uncertainty left the holders of the Northern Denison PL's unable to make significant investment decisions.
- On 19 November 2014 DNRM met with APLNG and requested that APLNG revise their renewal applications for a term of 5 years due to the ongoing uncertainties. This would allow APLNG flexibility to either recommence production, rehabilitate the land, set out a CSG exploration program or divest the tenures.
- On 2 December 2014 the applicants lodged amendment applications to change the originally proposed terms of 20 years for the four PL's to five years.
- On 11 February 2015 the applicants provided further information as required by the department to justify the required renewal and LDP for those PL's.

The applicants have proposed the following later development plan for the project area.

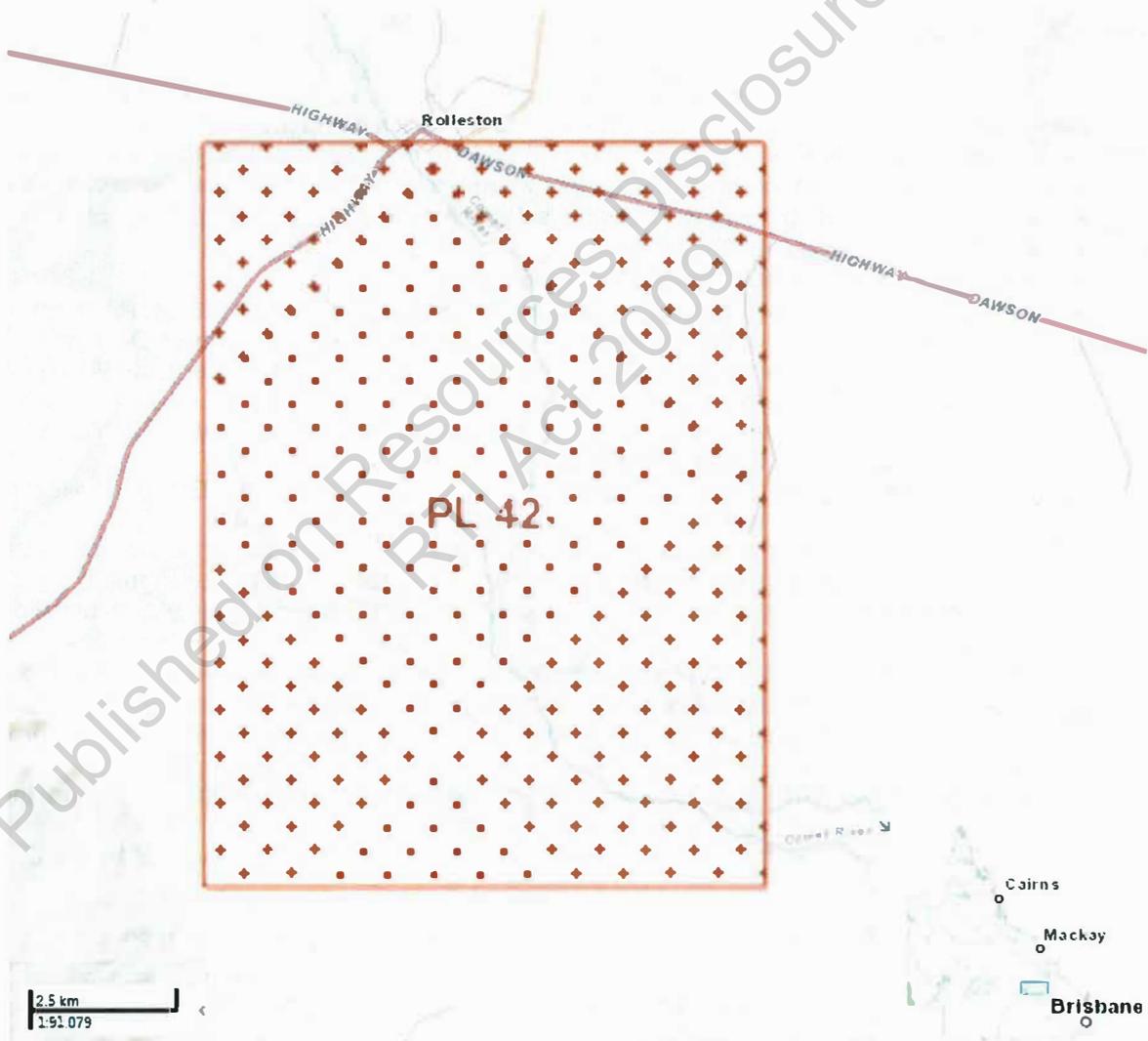
Year	Ending 31 October	Nature and extent of activities	Estimated investment per each northern denison PL ('000 \$AU)				Total Investment ('000 \$AU)
			PL 41	PL 42	PL 54	PL 67	
1	2015	Operating and maintenance activities to ensure safety and preservation of assets	1,641	1,382	86	518	3,627
		Capital activities to support ongoing suspension of production including - Suspension of PPL 10 and infield gathering - Remove accommodation and office buildings	1,634	4,366	126	754	6,880
2	2016	Operating and maintenance activities to ensure safety and preservation of assets. Decision point on future of project area expected end of year.	1,641	1,382	86	518	3,627



3	2017	Operating and maintenance activities to ensure safety and preservation of assets	1,641	1,382	86	518	3,627
4	2018	Operating and maintenance activities to ensure safety and preservation of assets	1,372	1,156	72	433	3,033
5	2019	Operating and maintenance activities to ensure safety and preservation of assets	1,094	921	58	345	2,418

The applicants are currently (subject to change) considering the following timeline for the 5 year renewal term:

- Years 1-3
 - Market assets for sale and ongoing mandatory compliance work.
- Years 3-5
 - Sale success – transfer asset and close deal
 - Sale not successful – develop a phased remediation program (may stretch beyond the current LDP timeframe)
- Entire renewal term - Continually reviewing market conditions to assess the economic viability of the field (i.e. lower costs, higher sales price, lower compliance costs)



PL 42 Location map with overlapping ML application 70486.

1	Has the applicant provided a declaration of payable deposits supported by reasonable grounds?	Yes	s.45(2)(a)
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Provide Details:

The fields in this PL are mature fields and there is pre-existing evidence available to show they still contain payable deposits.

The holder has also provided independently verified estimates of contingent resources for the Rolleston field in PL 42. No production has occurred from the permit since this estimate.

The conventional natural gas reserves estimates prior to production being suspended are shown below.

PL 42 Rolleston - Conventional natural gas			
Reservoir	Category	Initial Reserves (PJ)	Remaining Reserves (PJ) 30 June 2012
Rolleston Mantuan	1P	8.0	0.1
	2P	8.1	0.2
	3P	9.3	1.4
Rolleston Freitag	1P	35.3	5.5
	2P	38.4	8.7
	3P	47.7	18.0
Rolleston Aldebaran	1P	15.4	4.6
	2P	16.4	5.5
	3P	23.9	13.1

2	If the development plan has not been complied with, has the holder stated the details of and the reasons for each non-compliance, and are these reasons sufficient to justify each non-compliance?	Yes	s.45(2)(c)
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The current approved LDP for PL's 41, 42 54 and 67 comprised of maintenance and capital activities. There was no production proposed for this period from 30 October 2010 to 31 October 2014.

The holder provided details on their compliance with the current LDP. It is considered that the previous development plan for PL 42 had been complied with.

3	Has the lessee nominated and given reasons for the term of the renewal?	Yes	s.45(3)
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The holder is seeking approval for a 5 year renewal term.

This term is considered appropriate as it will allow the holder flexibility when making decisions regarding the future of the Northern Denison PL's. Such decisions could include the recommencement of production, rehabilitation of the permit area, investigating potential CSG exploration programs or divesting the tenures.

4	Does the Later Development Plan of the renewal application provide the rate and amount of production proposed from the reservoir to justify the entire nominated term?	No	s.45(3)
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The technical assessor concludes that the company meets the requirements for this section.

Previous production rates are shown below. This project area contains a number of mature fields. Being mature fields, the holder requires time to conduct a number of preliminary activities in order to reinstate production which is a potential reason for the renewal application.

PL location	Average Production on shut-in (TJ/d)
PL 41 Springton/Arcturus	2.61
PL 42 Rolleston	3.30
PL 54 Moorooloo	0.09
PL 67 Turkey Creek	2.55



5	Does the proposed renewal application provide other information relevant to the nominated term and activities to be carried out in the lease?	Yes	s.45(3)
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The applicants provided further information on the timeline of proposed activities of the asset sale which is considered relevant to the newly proposed term of 5 years.

MILESTONE: Recommendation/Conclusion

Conclusion and Recommendation

The technical assessor believes that the Minister should support the renewal of PL 42.

A short period of renewal will allow sufficient flexibility to achieve the optimisation of the development and use of the State's petroleum resources, either through recommencement of production, divestment of assets, further exploration into CSG potential of the permit area or rehabilitation of the permit area. The technical assessor considers that the risk of approving the PL for a period of 5 years is low.

It is recommended, pursuant to section 45 of the PA1923, that the Minister approves Petroleum Lease 42 renewal for a period of 5 years from the date of grant.

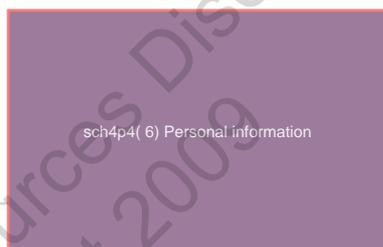
Technical Assessment Officer

Name: sch4p4(6) Personal information (6) Personal information

Designation: Technical Officer

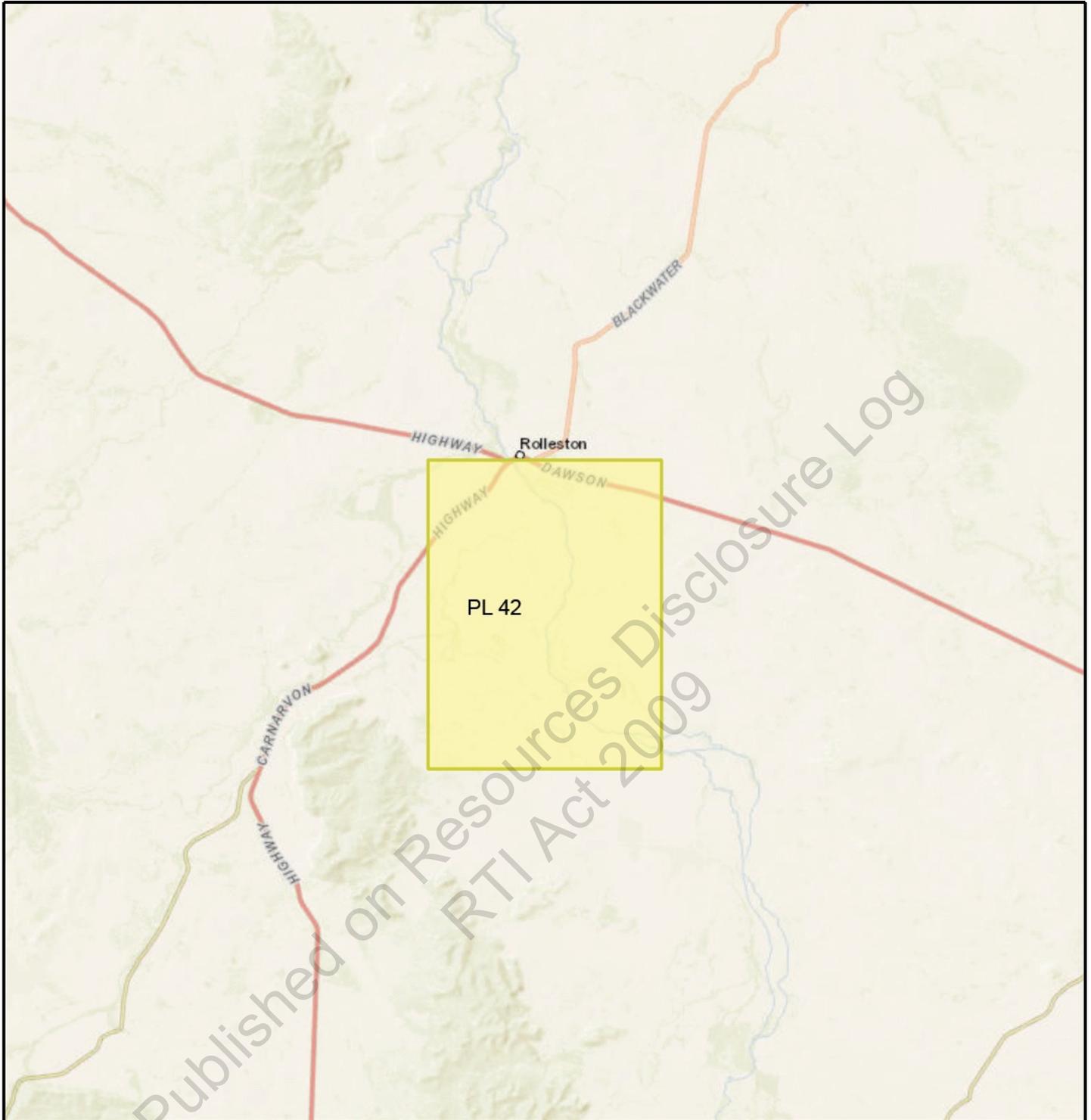
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Location Map PL42



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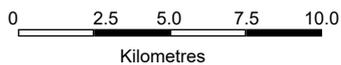
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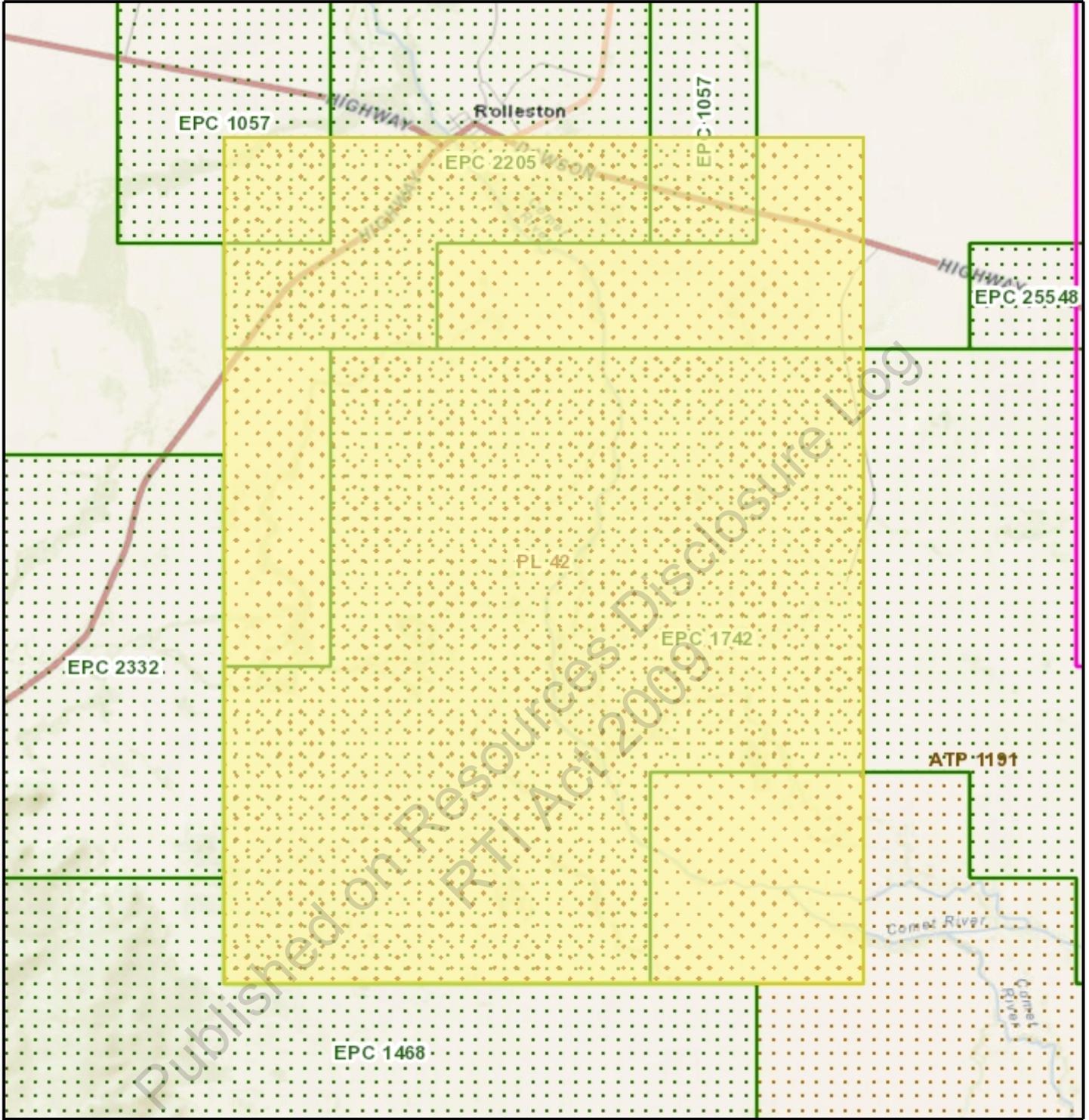
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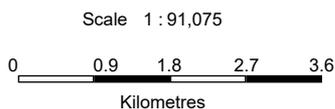


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-  EPM Application
-  EPM Granted
-  EPM Special Application
-  EPM Special Granted
-  EPC Application
-  EPC Granted
-  EPG Application
-  EPG Granted
-  EPQ Application
-  EPQ Granted
-  ATP Application
-  ATP Granted
-  Petroleum PCA Application
-  Petroleum PCA Granted
-  MDL Permit Application
-  MDL Permit Granted
-  OEP Application
-  OEP Granted (source NOPTA)
-  MC Permit Application
-  MC Permit Granted
-  ML Permit Application
-  ML Permit Granted
-  ML Surface Area Application
-  ML Surface Area Granted
-  GL Application
-  GL Granted
-  QL Application
-  QL Granted
-  PL Application
-  PL Granted
- Roads (Refidex Style)
 -  Freeways/Motorways
 -  Highways
 -  Major Roads
 -  Connector Roads
 -  Local Roads
 -  Private Roads
 -  4WD/Tracks
 -  Malls
 -  Pathways/Bikeways
 -  Busways
-  Rail
-  River
-  Lake and Reservoir

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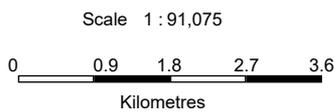


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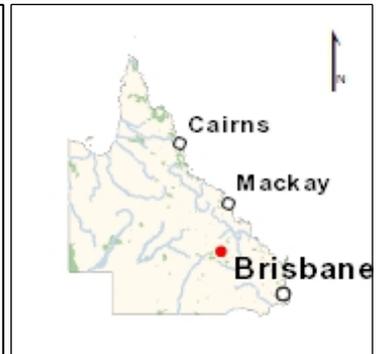


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-  Highways
-  Major Roads
-  Connector Roads
-  Local Roads
-  Private Roads
-  4WD/Tracks
-  Malls
-  Pathways/Bikeways
-  Busways

-  Rail
-  River
-  Lake and Reservoir

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North Denison Petroleum Leases (PLs) 41, 42, 54, 67 & 173

Later Development Plans - North Denison Project Area

Tenure Holder: Australia Pacific LNG Pty Limited 50%
 Santos QNT Pty Ltd 50%

LDP periods: 1 November 2014 to 31 October 2019

Petroleum Act 1923

Section of Act	Requirement	Location in LDP
53A	<i>General requirements</i>	-
53A (1)(a)	Overview of activities proposed during term of lease	Section 2.1
53A(1)(b)	For each year of plan period - activities, location & cost	Section 3.1; Attach 1
53A(1)(c)	For each natural underground reservoir - location & estimate of petroleum - standards & procedures used to make estimate - rate & amount of production proposed - when production is to start - schedule for proposed production during the plan	Section 4.1, Table 4, Attachment 2 Section 4.2 Section 4.3 Section 4.3 n/a
53A(1)(d)	Maps that show - location & extent of activities to be carried out - location & estimate of petroleum in reservoir	Attachment 2
53A(1)(f)	Reasons the plan is considered appropriate	Section 2.1 & 5
53A(1)(g)	Another matter prescribed under a regulation (Petroleum Regulation section 7 - area limits of reservoirs)	Attachment 2
53A(2)(a)	Highlight any significant changes from current development plan	Section 6
53A(2)(b)	If current plan not complied with, state details & reasons for noncompliance	Section 6
53A(3)	If proposed plan significantly changes activities in current plan, state reasons for change	throughout
53A(4)	For a significant change that is cessation or reduction of production, an evaluation of	-
53A(4)(a)	- petroleum production potential in the area of the lease	Section 7.1
53A(4)(b)	- market opportunities for petroleum production in the area of the lease	Section 7.2
53B	Plan period	Section 8
53E	<i>Deciding whether to approve proposed plan</i>	-
53E(2)	Matters that must be considered	-
53E(2)(a)	Potential for petroleum production activities	Refer 53A(4)(a)
53E(2)(b)	Nature & extent of activities	Refer 53A(1)(b)
53E(2)(c)	When & where activities proposed to be carried out	Refer 53A(1)(b)
53E(2)(d)	Whether petroleum production sought under lease will be optimised in best interests of the State, having regard to the public interest	Attachment 3 Section 7
53E(2)(e)	Extent of compliance with current development plan	Refer 53A(2)
53E(2)(f)	If plan provides for significant change that is a cessation or reduction of production - whether it is reasonable, and whether all steps have been taken to prevent it	See previous LDP
<i>Part 6F Div 6 Subdivision 1</i>	<i>Additional requirements for proposed later development plans</i>	-
77ZB	Statement about interests of coal or oil shale mining tenement holder	Attachment 3
77ZC	Requirement to optimise petroleum production	Attachment 3
77ZD	Consistency with coal or oil shale mining lease, development plan & coordination arrangement	Section 2.1
78	Additional criteria - CSG assessment criteria - effect of proposed plan on any relinquishment condition	Refer 77ZB n/a

1. INTRODUCTION

1.1 Background

Petroleum Leases (PLs) 41, 42, 54, 67 and 173 (together, the North Denison PLs) are held by Australia Pacific LNG Pty Ltd (APLNG) and Santos QNT Pty Ltd (Santos) in equal shares.

The North Denison PLs are operated under a single joint venture arrangement between APLNG and Santos, known as the Denison Trough Joint Venture (DTJV), and are reliant on common set of processing and transmission infrastructure.

Significant investment has been made in the North Denison PLs by the DTJV over a number of years. Since the grant of the PLs in 1989 - 1999, the DTJV has incurred operating expenditure of approximately \$200 million and spent \$120 million on the following capital infrastructure:

Gas Processing Facilities (GPF)

- Rolleston GPF (includes 3 compressors, condensate storage tanks, water storage ponds, control equipment and pipework).
- Arcturus GPF (includes 4 compressors, condensate storage tanks, water storage ponds, control equipment and pipework).
- Springton GPF (includes 2 compressors, condensate storage tanks, water storage ponds, control equipment and pipework).
- Yandina GPF (includes 1 compressor, condensate storage tanks, water storage ponds, control equipment and pipework).

Wells

- PL 41 (Arcturus/Springton) - 16 wells.
- PL 42 (Rolleston) - 19 wells.
- PL 54 (Moorooloo) - 1 well.
- PL 67 (Turkey Creek) - 6 wells.
- PL 173 (Yandina) - 4 wells.

Pipeline

- PPL 10 - transports gas from the North Denison PLs to the Rolleston Meter Station at the intersection with the Queensland Gas Pipeline PPL 30 (QGP).

Other Infrastructure

- In-field gathering pipelines.
- Telecommunication equipment.
- 10 bed permanent camp at the Rolleston GPF.
- Diesel generator.
- Stores and administration.

Total gas production from the North Denison PLs since June 1990 is 146.645 PJ.

Total condensate production from the North Denison PLs since June 1990 is 14619.658 BBL.

The petroleum production has supplied demand to gas sales and condensate sales agreements of both APLNG and Santos.

The reasons supporting the decision to temporarily suspend production from the North Denison PLs were outlined in the LDPs lodged with DNRM on 5 March 2014 and approved on 20 June 2014.

1.2 Term and status of PLs

The North Denison PLs are administered under the *Petroleum Act 1923* (the **Petroleum Act**) and the *Petroleum Regulation 2004* (the **Petroleum Regulation**), and, other than PL 173, each is currently subject to a renewal application.

The term, status and proposed renewal term for each North Denison PL is set out in **Table 1** below.

Table 1: North Denison PLs

PL	Status	Expiry	Current renewal application term	Proposed renewal term
PL 41	Granted - renewal lodged	25 May 2010	26 May 2010 - 31 October 2014	20 years, to end 31 October 2034
PL 42	Granted - renewal lodged	25 May 2010	26 May 2010 - 31 October 2014	20 years, to end 31 October 2034
PL 54	Granted - renewal lodged	27 March 2012	28 March 2012 - 31 October 2014	20 years, to end 31 October 2034
PL 67	Granted - renewal lodged	23 June 2011	24 June 2011 - 31 October 2014	20 years, to end 31 October 2034
PL 173	Granted	15 December 2019	n/a	n/a

For PLs 41, 42, 54 and 67 the current PL renewal applications were amended in March 2014, with a proposed renewal period to end 31 October 2014, these are still the subject of review by DNRM. An amended proposed Later Development Plan (LDP) for the period ending 31 October 2014 was lodged with each renewal application and approved in June 2014.

In the case of PL 173, an approved LDP was in place and due to expire on 15 December 2014. A new LDP for PL 173 was submitted in July 2013, amended in March 2014 and approved in June 2014.

1.3 Combined development plan

It is considered appropriate to submit a combined project LDP that covers activities across all of the North Denison PLs given that all the North Denison PLs are:

- Owned by the same parties with the same interests;
- Operated under a single joint venture arrangement, the DTJV;
- Geographically aligned;
- 3 of the 5 PLs are overlapped by a Mining Lease Application (MLA) by Springsure Creek Coal Pty Ltd (SCC) (currently in voluntary administration); and
- The North Denison PLs are interconnected by infrastructure required to process and transport gas from the 5 PLs.

2. OVERVIEW OF ACTIVITIES FOR TERM OF EACH PL (Section 53A(1)(a))

2.1 Overview of activities proposed for term of PLs

The DTJV has been in negotiations for over 12 months to enter into a Coordination Arrangement with SCC. The Coordination Arrangement was to facilitate the granting of the ML and the coordination of safe mining and petroleum activities by the parties. The development of the proposed mine was also going to necessitate the staged abandonment of certain infrastructure and areas within PLs 41, 54 and 67 over the term of this LDP.

On 22 September 2014 Bandanna Energy Limited (Bandanna Energy), the parent company of SCC, was placed into voluntary administration. On 10 October 2014 the Administrator went before the Supreme Court of Queensland to seek an extension to the second creditor's meeting, which is to decide Bandanna Energy's future. This extension was granted by the Court. As a result the DTJV is uncertain as to whether the Coordination Arrangement will be entered into, and thus is uncertain as to any potential impact that may be had on the North Denison PLs.

The Administrator, PPB Advisory, is working with Bandanna Energy's management team to fully understand the options available to Bandanna Energy. The options may potentially include seeking expressions of interest to purchase the business and assets, a restructure, or recapitalisation of Bandanna Energy, at an appropriate time.

Given uncertainty regarding the likelihood and timing of development of the proposed mine by Bandanna Energy (or a replacement entity), and the material impacts to petroleum operations that would result from any such mine, the DTJV is uncertain as to its activities for the proposed term of the PLs and is unable to make significant investment decisions. The DTJV will continue with maintenance, preservation and compliance activities across all the North Denison PLs in the interim.

A revised LDP will be submitted during the LDP term once greater certainty exists regarding the proposed mine. Pending the outcome of Bandanna Energy's voluntary administration, possible future options for North Denison field include:

- Co-ordination arrangement with overlapping mining lease applicant on terms similar to those already negotiated with SCC;
- Negotiation of a new co-ordination arrangement;
- Production restart (full or partial);
- Divestment of the project area (full or partial);
- CSG exploration;
- Storage of brine and/or CSG; or
- A combination of one or more of the above options.

Justification of term:

Due to the current uncertainty over coordinated activities with SCC, and the time required to assess the options above in 2.1, a term of 20 years has been requested. Regardless of the option chosen for the future of the North Denison PLs, it is anticipated that it may be up to two years, or longer, before certainty on the progression of the SCC coal mine is achieved, and therefore it may be up to two years before a decision can be made by DTJV on the future of the project area. A more accurate timeframe cannot be given at this time as the matter is beyond the control of the DTJV. Once a decision on future plans can be made, the following factors will influence the term of the PL required:

- A new coordination arrangement with the overlapping mining lease applicant (SSC or a new applicant) would take a period of time to negotiate before any required activities could commence.
- Production restart will necessitate significant compliance activities, in particular industrial Type B gas device compliance works, before recommencement.
- CSG exploration would require several years of exploration and appraisal activities before any new production could commence.
- Storage of brine or CSG would require a period of time for feasibility studies before actual storage activities could commence.

A revised LDP will be submitted when the future of the project area is more certain. The DTJV will continue with the maintenance, preservation and compliance activities across all the North Denison PLs until the future of the MLA is known.

3. NATURE, EXTENT, LOCATION AND ESTIMATED COST OF ACTIVITIES DURING EACH YEAR OF THE PLAN PERIOD (Section 53A(1)(b) of the Petroleum Act, Section 7(1)(b) of the Petroleum Regulation)

3.1 Nature and extent of activities & the estimated cost of activities

The nature and the extent of activities to be carried out in the North Denison PLs, and the estimated cost of those activities, for each year of the plan period is set out in Attachment 1, and detailed in the sections below.

3.1.1 Operating and maintenance activities to ensure safety and preservation of assets

The North Denison project will continue to incur operating expenses for the maintenance of the PLs. Preservation activities will also be undertaken to ensure assets remain in a safe state and do not deteriorate to a level beyond which they would become unusable. The required activities include:

- 1 Full Time Equivalent (FTE) site supervisor
- Well visit and inspections
- Continuing application of nitrogen blanket to pressure vessels
- Pond inspections
- Pressure Safety Valve (PSV) visual inspections
- Building inspections
- Fire equipment inspections
- Lifting and load recertification
- Check CP systems
- Road maintenance
- Mowing and weed spraying

3.1.2 Capital/compliance activities

PIPELINES:

- Isolate wells from gathering lines
- Isolate gathering lines from trunk lines
- Blow down of pressure
- Suspending using nitrogen on trunk lines and biocide liquid layup on the gathering lines

BUILDINGS:

- Remove camp and office including tanks, sheds, auxiliary equipment
- Remove asbestos in these buildings (third party contractor)
- New office designed (with assistance of third party contractors)
- Replacing office on site (third party contractor)

OTHER:

- Thickness inspections of pressure piping, register validation and pressure vessel external inspections
- Compressor and engine re-preservation
- Cleaning condensate tanks to remove from service
- Conducting erosion repairs as required
- Implementing actions from chemical audit
- Assessment corrosion management plan for life of the assets (underway)

3.2 Location of activities

The Maps in Attachment 2 show the locations of each North Denison PL and related infrastructure, including:

- a) Rolleston GPF;
- b) Arcturus GPF;
- c) Springton GPF;
- d) Yandina GPF;
- e) the gas pipeline authorised under PPL 10, that transports gas from the North Denison PLs to the QGP; and
- f) Wells (shut-in, plugged & abandoned).

4. **NATURAL UNDERGROUND RESERVOIRS (Section 53A(1)(c) of the Petroleum Act, Section 7(1)(a) of the Petroleum Regulation)**

4.1 **Location and verifiable estimate of the amount of petroleum in the reservoirs**

Table 2 below shows the location and verifiable estimate of the Proved, Probable and Possible (3P) conventional natural gas reserves for the gas fields within the area of each North Denison PLs as estimated by Netherland, Sewell & Associates Inc (NSAI). These reserve figures are as per 30 June 2012, the first NSAI report after production was suspended December 2011. Since this time reserves in the North Denison PLs have been reclassified as resources, including contingent resources of 9.6 BCF in PL 41 and 11.3 BCF in PL 67.

It should be noted that to date no activities have been undertaken to appraise possible CSG resources. Possible future CSG exploration may result in further reserves booking.

Table 2: Location and reserve estimates

PL 41 (Springton/Arcturus) - conventional natural gas			
Reservoir	Category	Initial Reserves* (PJe)	Remaining reserves (PJe) 30 June 2012
Arcturus Mantuan	Proved (1P)	23.4	0.8
	Proved and Probable (2P)	24.2	1.6
	Proved, Probable, Possible (3P)	25.3	2.7
Arcturus Catherine	Proved (1P)	0.0	0.0
	Proved and Probable (2P)	0.8	0.8
	Proved, Probable, Possible (3P)	3.9	3.9
Arcturus Aldebaran	Proved (1P)	0.0	0.0
	Proved and Probable (2P)	0.3	0.3
	Proved, Probable, Possible (3P)	0.9	0.9
Springton Mantuan	Proved (1P)	2.8	0.0
	Proved and Probable (2P)	3.5	0.07
	Proved, Probable, Possible (3P)	4.0	1.2
Springton Catherine	Proved (1P)	19.5	1.6
	Proved and Probable (2P)	23.6	5.4
	Proved, Probable, Possible (3P)	27.2	9.0
Springton Freitag	Proved (1P)	14.2	1.7
	Proved and Probable (2P)	16.4	3.8
	Proved, Probable, Possible (3P)	18.0	5.5
Springton Aldebaran	Proved (1P)	2.4	0.0
	Proved and Probable (2P)	2.4	0.0
	Proved, Probable, Possible (3P)	3.2	0.8
Springton Lower Aldebaran	Proved (1P)	2.7	0.8
	Proved and Probable (2P)	3.1	1.1
	Proved, Probable, Possible (3P)	3.7	1.8

* As at initial production date.

PL 42 (Rolleston) - conventional natural gas			
Reservoir	Category	Initial Reserves* (PJe)	Remaining reserves (PJe) 30 June 2012
Rolleston Mantuan	Proved (1P)	8.0	0.1
	Proved and Probable (2P)	8.1	0.2
	Proved, Probable, Possible (3P)	9.3	1.4
Rolleston Freitag	Proved (1P)	35.3	5.5
	Proved and Probable (2P)	38.4	8.7
	Proved, Probable, Possible (3P)	47.7	18.0
Rolleston Aldebaran	Proved (1P)	15.4	4.6
	Proved and Probable (2P)	16.4	5.5
	Proved, Probable, Possible (3P)	23.9	13.1

* As at initial production date.

PL 54 (Moorooloo) - conventional natural gas			
Reservoir	Category	Initial Reserves* (PJe)	Remaining reserves (PJe) 30 June 2012
Moorooloo Catherine	Proved (1P)	1.47	0.00
	Proved and Probable (2P)	1.50	0.07
	Proved, Probable, Possible (3P)	1.50	0.10

* As at initial production date.

PL 67 (Turkey Creek) - conventional natural gas			
Reservoir	Category	Initial Reserves* (PJe)	Remaining reserves (PJe) 30 June 2012
Turkey Creek Mantuan	Proved (1P)	7.1	1.4
	Proved and Probable (2P)	7.1	1.4
	Proved, Probable, Possible (3P)	7.2	1.5
Turkey Creek Catherine	Proved (1P)	18.6	4.1
	Proved and Probable (2P)	19.6	5.1
	Proved, Probable, Possible (3P)	20.9	6.3

* As at initial production date.

PL 173 (Yandina) - conventional natural gas			
Reservoir	Category	Initial Reserves* (PJe)	Remaining reserves (PJe) 30 June 2012
Yandina Freitag	Proved (1P)	4.6	0.1
	Proved and Probable (2P)	4.6	0.3
	Proved, Probable, Possible (3P)	5.3	1.0
Yandina Aldebaran	Proved (1P)	2.5	0.1
	Proved and Probable (2P)	2.8	0.5
	Proved, Probable, Possible (3P)	3.4	1.0
Yandina Lower Aldebaran	Proved (1P)	2.4	0.1
	Proved and Probable (2P)	2.5	0.6
	Proved, Probable, Possible (3P)	3.1	1.2

* As at initial production date.

The maps provided for the purposes of this Section 4.1 also set out the area limit of each reservoir, as required under Section 7(1)(a) of the Petroleum Regulation. Refer Attachment 2.

4.2 Standards and procedures used to make estimates

NSAI estimates are constructed using a regional model that uses reservoir parameters such as net pay, porosity, and gas content data gathered from the exploration drilling program to calculate Original Gas in Place (OGIP). Recoverable reserve volumes are based on ultimate recoverable gas volumes over the field life, and are determined after the application of a recovery (RF) factor based on expected economic conditions.

4.3 Rate and amount of production proposed from the reservoirs & approximately when proposed production is to start

Production from the known reservoirs in the North Denison PLs is uncertain pending the outcome of Bandanna Energy's voluntary administration and the future of the ML application.

Exploration & appraisal activities have not been embarked upon during previous LDP terms or envisaged in this proposed LDP due to the uncertainty of the outcome of negotiations with SCC.

Table 3: Average Daily Production per Well at Shut-In for Northern Denison PLs.

PL Location	Average Production on Shut-In (TJ/d)
PL41 Springton/Arcturus	0.29
PL 42 Rolleston	0.30
PL 54 Moorooloo	0.09
PL 67 Turkey Creek	0.51
PL 173 Yandina	0.11

5. REASONS WHY THE PLAN IS CONSIDERED APPROPRIATE (Section 53A(1)(f) and 53E(2)(f))

5.1 No impact for supply to existing customers or coal / oil shale development

Both APLNG and Santos have gas portfolios that supply gas commitments to customers. The portfolio approach allows customers access to multiple sources of gas and thus there is no impact for supply to existing customers of APLNG and Santos. Further detail is provided in Attachment 3.

5.2 Existing infrastructure available for development of adjacent areas of ATP 337

Each of APLNG and Santos hold a significant interest in the Mahalo JV, a separate joint venture area within ATP 337, which lies immediately to the east of PL 41. CSG pilot production testing from the Mahalo JV area commenced in April 2013. The objective of this pilot activity is the booking of 2P CSG reserves in this area.

There is potential strategic benefit to be gained by both the DTJV and Mahalo JV parties if CSG production was to commence from the Mahalo JV area in the short to medium term (following the grant of PLs). Upon construction of a relatively short pipeline the Mahalo JV field could be connected to PPL 10 at the Arcturus GPF, Mahalo gas could then be processed through the existing infrastructure at Rolleston (subject to a relatively modest capital investment).

Accordingly, if it were to crystallise, this opportunity should positively influence the economics of both the DTJV and the Mahalo JV, and support future development.

6. SIGNIFICANT CHANGES AND COMPLIANCE WITH CURRENT DEVELOPMENT PLANS (Sections 53A(2), (3) & (4))

The current development plan, ending 31 October 2014, has been complied with in all regards excepting that some activities supporting the suspension of production are still underway, see Section 3.1.2. Reasons for delay in completion of activities include land access issues and the need to finalise appropriate contracts to acquire specialised equipment, namely a nitrogen generator for pipeline suspension work. Completion is expected early 2015.

7. EVALUATION OF PETROLEUM PRODUCTION POTENTIAL AND MARKET OPPORTUNITIES (53A(4) and 53E(2))

7.1 Evaluation of petroleum production potential in the area of the North Denison PLs

To date the focus within the North Denison PLs has been exploring, appraising and producing conventional petroleum reserves. These reserves have produced to date Gas 146.654 PJ and Condensate 14619.658 bbl. The North Denison assets continued to produce until production was suspended in November 2011 (see 4.3 for average daily production rates at shut-in). The potential for extending reserve bookings may also exist by identifying new conventional reservoir targets within the PLs, as is being done in the Southern Denison PLs at present

CSG reserves are yet to be wholly measured across the North Denison PLs.

SCC, after undertaking coal exploration activities within the North Denison PLs have provided geological information to the DTJV. This information has provided some insight into the coal seams and possible CSG nearer the surface but not the coal seams typically targeted for CSG production.

7.2 Evaluation of market opportunities for petroleum production

Gas produced from the North Denison PLs will generally be supplied to industrial gas customers in Gladstone via the Queensland Gas Pipeline. These customers may be supplied under existing contracts, or they may be new customers that are identified as demand is created and opportunities arise. Produced gas may also be supplied into a portfolio that is used to supply both local and interstate domestic customers.

Given the proximity of the North Denison field to Gladstone and to existing and planned infrastructure supporting the LNG projects to be located there, going forward there may also be an opportunity to market the gas produced from North Denison PLs to one or more of those projects. Of course, this opportunity would be subject to both existing and future domestic gas supply agreements and infrastructure constraints.

8. PLAN PERIOD (Section 53B)

The proposed plan periods are 5 years commencing 1 November 2014 and ending 31 October 2019.

ATTACHMENT 1

Table 5: Activities and expenditure during LDP period

Year	Ending 31 October	Nature and extent of activities	Estimated investment per each North Denison PL ('000 \$AU)					Total investment ('000 \$AU)
			PL 41	PL 42	PL 54	PL 67	PL 173	
1	2015	Operating and maintenance activities to ensure safety & preservation of assets	\$1,641	\$1,382	\$86	\$518	\$345	3,972
		Capital activities to support ongoing suspension of production including: - Suspension of PPL 10 & infield gathering - Remove accom & office buildings	\$1,634	\$4,366	\$126	\$754	\$377	7,256
2	2016	Operating and maintenance activities to ensure safety & preservation of assets. Decision point on future of project area expected end year.	\$1,641	\$1,382	\$86	\$518	\$345	3,972
3	2017	Operating and maintenance activities to ensure safety & preservation of assets	\$1,641	\$1,382	\$86	\$518	\$345	3,972
4	2018	Operating and maintenance activities to ensure safety & preservation of assets	\$1,372	\$1,156	\$72	\$433	\$289	3,323
5	2019	Operating and maintenance activities to ensure safety & preservation of assets	\$1,094	\$921	\$58	\$345	\$230	2,648

Operating & maintenance expenditure during LDP term - \$17,887,000

Capital & compliance activities during LDP term - \$7,256,000

Attachment 1: Renewal Justification Statement

Payable deposits (Section 45(2)(a))

Petroleum Leases (PLs) 41, 42, 54, 67 and 173 (together, the **North Denison PLs**) are held by Australia Pacific LNG Pty Ltd (**APLNG**) and Santos QNT Pty Ltd (**Santos**) in equal shares.

To date the focus within the North Denison PLs has been exploring, appraising and producing conventional petroleum reserves. These reserves have produced to date Gas 146.654 PJ and Condensate 14619.658 bbl. The North Denison assets continued to produce until production was suspended in November 2011. The potential for extending reserve bookings may also exist by identifying new conventional reservoir targets within the PLs, as is being done in the Southern Denison PLs at present

CSG reserves are yet to be wholly measured across the North Denison PLs.

The table below shows the location and verifiable estimate of the Proved, Probable and Possible (3P) conventional natural gas reserves for the gas fields within the area of each North Denison PLs as estimated by Netherland, Sewell & Associates Inc (NSAI). These reserve figures are as per 30 June 2012, the first NSAI report after production was suspended in December 2011. Since this time reserves in the North Denison PLs have been reclassified as resources, including contingent resources of 9.6 BCF in PL 41 and 11.3 BCF in PL 67.

It should be noted that to date no activities have been undertaken to appraise possible CSG resources. Possible future CSG exploration may result in further reserves booking.

Total reserves in each PL as assessed by NSAI in 2012 (that is, shortly after shut-in) were as follows:

Petroleum Lease	Total reserves (PJe) at 30 June 2012
PL 41	24.9
PL 42	17.66
PL 54	0.10
PL 67	7.8
PL 173	3.2

Background & Justification of Term (Section 45(3))

The North Denison PLs are operated under a single joint venture arrangement between APLNG and Santos, known as the Denison Trough Joint Venture (**DTJV**), and are reliant on common set of processing and transmission infrastructure.

The DTJV has been in negotiations for over 12 months to enter into a Coordination Arrangement with Springsure Creek Coal Pty Ltd (**SCC**). The Coordination Arrangement was to facilitate the granting of the ML and the coordination of safe mining and petroleum activities by the parties. The development of the proposed mine was also going to necessitate the staged abandonment of certain infrastructure and certain areas within PLs 41, 54 and 67 over the term of the LDP for the North Denison PLs.

On 22 September 2014 Bandanna Energy Limited (Bandanna Energy), the parent company of SCC, was placed into voluntary administration. On 10 October 2014 the Administrator went before the Supreme

Court of Queensland to seek an extension to the second creditor's meeting, which is to decide Bandanna Energy's future. This extension was granted by the Court. As a result, the DTJV is uncertain as to whether the Coordination Arrangement will be entered into, and thus is uncertain as to any potential impact that may be had on the North Denison PLs.

The Administrator, PPB Advisory, is working with Bandanna Energy's management team to fully understand the options available to Bandanna Energy. The options may potentially include seeking expressions of interest to purchase the business and assets, a restructure, or recapitalisation of Bandanna Energy, at an appropriate time.

Given the uncertainty regarding the likelihood and timing of development of the proposed mine by Bandanna Energy (or a replacement entity), and the material impacts to petroleum operations that would result from any such mine, the DTJV is uncertain as to its activities for the proposed term of the PLs and is unable to make significant investment decisions. The DTJV will continue with maintenance, preservation and compliance activities across all the North Denison PLs in the interim.

Pending the outcome of Bandanna Energy's voluntary administration, possible future options for the North Denison PLs include:

- Co-ordination arrangement with overlapping mining lease applicant on terms similar to those already negotiated with SCC;
- Negotiation of a new co-ordination arrangement;
- Production restart (full or partial);
- Divestment of the project area (full or partial);
- CSG exploration;
- Storage of brine and/or CSG; or
- A combination of one or more of the above options.

Due to the current uncertainty over coordinated activities with SCC, and the time required to assess the options listed above, a term of 20 years has been requested. Regardless of the option chosen for the future of the North Denison PLs, it is anticipated that it may be up to two years, or longer, before certainty on the progression of the SCC coal mine is achieved, and therefore it may be up to two years before a decision can be made by the DTJV on the future of the project area. A more accurate timeframe cannot be given at this time as the matter is beyond the control of the DTJV. Once a decision on future plans can be made, the following factors will influence the term of the PL required:

- A new coordination arrangement with the overlapping mining lease applicant (SSC or a new applicant) would take a period of time to negotiate before any required activities could commence.
- Production restart will necessitate significant compliance activities, in particular industrial Type B gas device compliance works, before recommencement.
- CSG exploration would require several years of exploration and appraisal activities before any new production could commence.
- Storage of brine or CSG would require a period of time for feasibility studies before actual storage activities could commence.

Attachment 2: Public Interest Statement

Queensland's gas sector has grown rapidly in the past decade and now supplies a significant proportion of eastern Australia's total gas needs. This expansion has generated new jobs, contributed to the growth of the regional economy in southern central Queensland, and has seen a significant increase in royalties returned to the State of Queensland.

APLNG supplies gas to commercial and domestic customers from its gas fields in the Bowen and Surat Basins in south central Queensland, and has the largest reserves position of Queensland's producers. Santos continues its long standing commitment to supply gas markets in Queensland from its fields in the Bowen and Surat Basins and elsewhere in Australia. The Bowen and Surat Basin region is fast becoming an energy hub not only for Queensland but also for eastern Australia through the rapid development of new gas fields. The driver for this rapid development is a growing domestic demand for gas and the development of a number of CSG to LNG projects.

Gas that would have been produced under the North Denison PLs, but for the suspension of production, is currently being supplied by production from other areas within APLNG's and Santos' respective portfolios.

The DTJV will continue to work with overlapping tenure holders for the mutual beneficial interests of the parties and the state.

Attachment 3: Obligations compliance

At the time of lodgement, the Holders submit that they have met and complied with the reporting requirements of Chapter 6 of the P&G Act

The current development plan, ending 31 October 2014, has been complied with in all regards excepting that some activities supporting the suspension of production, planned to be completed in 2014, are still underway. Reasons for delay in completion of activities include land access issues and the need to finalise appropriate contracts to acquire specialised equipment, namely a nitrogen generator for pipeline suspension work. Completion is expected early 2015.

Approved development plan 2010 - 2014

12 months ending	Nature and extent of activities	Estimated investment per each Northern Denison PL ('000 SAU)					Total investment ('000 SAU)
		PL 41	PL 42	PL 54	PL 67	PL 173	
2011	Maintenance activities to support on-going production	1,363	3,068	545	1,022	818	6,816
	Capital activities to support on-going production						750
2012	Maintenance activities to support temporary suspension of production	951	2,140	380	713	570	4,754
	Capital activities to support temporary suspension of production						320
2013	Maintenance activities to support temporary suspension of production	436	982	174	327	262	2,181
	Capital activities to support temporary suspension production						200
	Rolleston delivery point rectification works	500	500	500	500	500	2,500
2014	Maintenance activities to support temporary suspension of production	611	1,375	244	458	366	3,054
	Capital activities to support temporary suspension production						1,600

Capital activities proposed for the year ending 31 October 2014 which are still underway are:

- a) pigging of pipelines and application of bacterial inhibitor;
- b) cleaning of condensate storage tanks; and
- c) chemical audit - completed, actions arising from audit in progress.

Attachment 4: CSG statement & CSG assessment criteria

CSG Statement (Section 76V) - please refer to Attachment 3 of the proposed Later Development Plan included in **Attachment 6** of this renewal application, and the Safety Management Plan included in this Attachment

CSG Assessment Criteria (Section 76U(2)) - please refer to the Later Development Plan included in **Attachment 6** of this renewal application.

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RTI Act 2009

Attachment 5: Landholder consultation plan

Consultation with Owners and Occupiers of Land

Origin Energy Resources Limited (Origin), acting as agent for Australia Pacific LNG Pty Limited, has a proven record of accomplishment in developing landholder relationships in this region since obtaining petroleum acreage in the Surat Basin in the early 1990's. Origin has developed good working relationships with indigenous groups in its Queensland operation areas and has ongoing land use agreements in place.

Early in the planning stages of any proposed project, Origin identifies and obtains information pertaining to all properties that may be affected by the proposed petroleum activities. This process includes obtaining real property information and title searches from the Queensland Land Registry to determine current ownership and other relevant property information.

Origin maintains ongoing consultation with all affected landowners from inception of authorised activities through to final site rehabilitation. It provides adequate prior notice of all activities to be undertaken as part of its operations, including but not limited to, site inspections, seismic acquisition, well locations, drilling activities, civil construction works and the progress of activities.

Rehabilitation requirements are discussed and agreed to with affected landowners. Field based landowner liaison employees work with affected owners and occupiers of private and public land affected by proposed petroleum activities to agree access conditions to the property and negotiate fair compensation for the activities in compliance with petroleum legislation. Origin embraces its own corporate values in establishing and maintaining long-term landowner relationships.

In strict accordance with legislative requirements, a compensation agreement is negotiated and signed and, where required, an entry notice is issued prior to entry onto private and public land.

Attachment 6: Later Development Plan

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