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17 July 2018

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NEATS Ref.: 0C8861 & 4CC7F9

## APPLICATION FOR VARIATION AND SUSPENSION OF WORK PROGRAM COMMITMENTS AND EXTENSION OF PERMIT TERM – PETROLEUM EXPLORATION PERMIT EPP41

Dear Delegates of the Commonwealth-South Australia Offshore Petroleum Joint Authority

I write concerning an application submitted on 27 April 2018 and amended on 2 June 2018 (refer **Attachment 1**) by Bight Petroleum Pty Ltd. (Bight), to include an above-commitment variation and a 12 month suspension on *force majeure* grounds of the Permit Year 1-3 combined work program commitments, with a corresponding 12 month extension of the permit term, in relation to Petroleum Exploration Permit EPP41.

The application was lodged in accordance with sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) and has been assessed by NOPTA against the requirements of the Act and the expectations of the Joint Authority, as set out in the *Offshore Petroleum Exploration Guideline: Work-bid* (the Guideline).

This permit pre-dates the Western Eyre Marine Park that it overlaps (see Figure 1) and is considered to have a 'prior usage right'. The Minister for the Environment and Energy's consent as per section 359(3) of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is required before a decision on the extension of term application can be made by the Joint Authority.

The titleholder has provided a copy of its request made under section 359(3) of the EPBC Act and submitted to Parks Australia on 26 April 2018 (**Attachment 2** refers). A copy of the consent of the Delegate of the Minister for the Environment and Energy is attached for your information. (**Attachment 3** refers).

I consider that the application is in accordance with the Act and the Guideline, and should be approved. The following advice is provided for your consideration.



Figure 1. Petroleum Exploration Permit EPP41 intersect with the Western Eyre Marine Park



## Permit History

Petroleum Exploration Permit EPP41 comprises 56 graticular blocks covering an area of approximately 3,892 km<sup>2</sup> in the Ceduna and Duntroon sub-basins of the Bight Basin, offshore South Australia. The permit was granted on 7 July 2011 and is currently in Permit Years 1-3. Bight is sole titleholder and operator.

The current (varied, suspended and extended) work program is summarised below.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed
1-3	07/07/2011	06/07/2018	<p>Acquire 850 km<sup>2</sup> new 3D seismic survey</p> <p><u>01/12/2011</u> - 12 month suspension and extension of Permit Year 1.</p> <p><u>25/01/2013</u> - 12 month suspension and extension of Permit Year 1.</p> <p><u>06/11/2013</u> - 12 month suspension and extension of Permit Year 1.</p> <p><u>03/06/2015</u> - 12 month suspension and extension of Permit Year 1.</p> <p><i>All four suspension and extensions were granted on the basis of force majeure due to inability to undertake the seismic survey.</i></p> <p><u>03/03/2016</u> – Opt-in variation</p> <p>Geological and Geophysical Studies including 3D seismic interpretation, basin modelling, reservoir &amp; fault seal modelling</p> <p>One (1) Exploration Well</p>	<ul style="list-style-type: none"> <li>• <i>Survey not completed</i></li> <li>• On 6/6/2014 NOPSEMA accepted the Lightning 3D Seismic Survey EP for Bight;</li> <li>• Lightning EP expired on 30/06/2016;</li> <li>• [REDACTED] lodged the Duntroon EP with NOPSEMA on 27/02/2017;</li> <li>• NOPSEMA provided [REDACTED] with an Opportunity to Modify and Resubmit the EP on 26/04/2018;</li> <li>• Airborne cetacean monitoring study</li> <li>• Structure mapping, interpretation and prospect identification</li> <li>• AVO analysis and volumetrics</li> </ul>
4	07/07/2018	06/07/2019	Acquire 1,969 km <sup>2</sup> 3D Seismic Survey Geological and Geophysical Studies	
5	07/07/2019	06/07/2020	Geological and Geophysical Studies	
6	07/07/2020	06/07/2021	Two Exploration Wells Geological and Geophysical Studies	

When approving the 3 March 2016 'opt-in' variation, the Joint Authority placed an additional condition on the title instrument requiring *the permittee to provide the Titles Administrator with monthly reports that outline and detail the progress made in contracting a seismic vessel, completing the primary term survey, and processing and interpreting the acquired data.* NOPTA confirms that Bight has met this condition thus far.

The Joint Authority also placed the following expectations in relation to the permit:

- The 850 km<sup>2</sup> 3D seismic survey is to be completed no later than July 2017 to ensure that the remainder of the guaranteed work program can be completed prior to the end of the primary term;

- Within 12-months from the date of that approval, a signed seismic contract is to be submitted to NOPTA.

Bight signed a contract with s47G(1)(b) for non-exclusive use of 2,820 km<sup>2</sup> of Duntroon MC3D seismic data on 28 February 2017. A copy was submitted to NOPTA on 3 March 2017. This satisfied the second expectation. Nevertheless, the 850 km<sup>2</sup> 3D seismic survey is yet to be completed.

## Exploration Context

Petroleum Exploration Permit EPP41 lies 110 km south west of Port Lincoln and overlies the Duntroon and Ceduna Sub-basins of the Bight Basin. Water depth varies from less than 200 m in the north of the permit to greater than 2,500 m in the southern part. The permit contains Late Jurassic to Early Cretaceous fluvial to lacustrine sediments and is overlain by nearshore marine to non-marine Late Cretaceous to Tertiary sediments which are associated with the break up and separation of Australia and Antarctica.

Currently the permit is covered by medium to sparse density older 2D seismic data. Widely spaced, reprocessed, multi-client 2D data which was reprocessed in 2011 is available from s47G(1)(b) across the permit.

Two wells have been drilled in the permit. Platypus-1 (1972) was dry and Greenly-1 (1993) encountered gas and oil shows in the Coniacian part of the Tiger Supersequence (Wigunda Formation). The source is presumed to be from the Lower Cretaceous Borda Formation of the Bronze Whaler Supersequence. Poor seismic quality and related difficulties in interpretation were implicated in the failure of both wells. Multiple potential reservoirs and seals are present throughout the section.

The Wigunda and Platypus Formations are the main targets identified to date. Several fault dependent prospects have been identified within the permit area which requires 3D seismic data to better define the traps.

## Application Overview

On 27 April 2018, Bight applied for a 12 month suspension of the Permit Years 1-3 work program on *force majeure* grounds, with a corresponding 12 month extension to the permit term, due to delays associated with acceptance of the Environment Plan (EP), which is required to undertake the Duntroon MC3D seismic survey. On 22 May 2018, it amended the application to include an above-commitment variation to the combined primary term of 1-3 years. Specifically Bight has applied for:

- an above-commitment variation to Permit Years 1-3 to licence 990 km of 2D seismic data from 47G(1)(b) and
- a 12 months suspension to the Permit Year 1-3 work program commitments with a corresponding extension to the permit term.

On 23 April 2018, Bight signed a contract with 47G(1)(b) to purchase approximately 1,000 km of 2D data from the Duntroon Basin PSTM Reprocessing project, of which 990 km are over Petroleum Exploration Permit EPP41. It states that the 2D seismic data will improve the understanding of block prospectivity and aid in planning for the Duntroon MC3D seismic survey.

Bight believes that the delays associated with obtaining acceptance of the Duntroon MC3D Seismic Survey EP from NOPSEMA are *force majeure* grounds. Bight entered into a contract with 47G(1)(b) in early 2017 to acquire the survey, and has provided 47G(1)(b) with Bight's previously accepted Lightning EP that was accepted by NOPSEMA on 6 June 2014. The accepted Lightning EP constrained seismic acquisition to a short window between 1 March and 31 May to avoid key stakeholder activities and whale migration. 47G(1)(b) has pursued the new Duntroon EP using the Lightning EP as a baseline document.

Bight states that the EP process has taken longer than expected due to the complexity of gaining approval for petroleum operational activities in the Great Australian Bight (GAB). Additional stakeholder requests posed significant challenges and resulted in the need for a resubmission of the EP on 20 October 2017. According to the NOPSEMA website, and the submission of further information on 9 March 2018, NOPSEMA issued a "*not reasonably satisfied – opportunity to modify EP*" decision notification on 26 April 2018. The modified submission is due on 24 August 2018.

This, together with the very short acquisition operating window over Petroleum Exploration Permits EPP41 and EPP42, has resulted in 47G(1)(b) deferring the acquisition of the survey to the 2019 autumn season. Bight states that the lengthy EP process is beyond its control and could not be avoided. A 12 month suspension and extension is requested in order to complete the survey (refer **Attachment 4** for Gantt chart).

Bight has provided a submission to substantiate its application which was provided to the Joint Authority with the application on 27 April 2018.

The proposed varied, suspended and extended work program is set out below.

Year of Permit Term	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure Constant dollars (indicative only) \$A
1-3	07/07/2011	06/07/2019	<i>Licence 990 km reprocessed 2D seismic data</i> Acquire 850 km <sup>2</sup> new 3D Seismic Survey Geological and Geotechnical Studies including 3D seismic interpretation, basin modelling, reservoir & fault seal modelling One (1) Exploration Well	24,750  16,800,000 1,825,000  45,000,000
4	07/07/2019	06/07/2020	Acquire 1,969 km <sup>2</sup> 3D Seismic Survey Geological and Geophysical Studies	40,000,000
5	07/07/2020	06/07/2021	Geological and Geophysical Studies	600,000
6	07/07/2021	06/07/2022	Two (2) Exploration Wells Geological and Geophysical Studies	115,600,000

## Assessment

Part 2 (Overview) of the Guideline states an application may be submitted at any time but should not be made later than 60 days before the end of the primary term or the permit term. The application was submitted within the requisite timeframe.



Section 2.13 of the Guideline states that the Joint Authority may agree to suspend, or suspend with a corresponding extension of the permit conditions, if the ability of the permittee to meet a work program commitment is adversely impacted by an event that cannot be reasonably anticipated or controlled (*force majeure* circumstances). Commercial circumstances and common risks in the industry are not considered to constitute a *force majeure* basis for suspension and extension of the permit conditions (section 2.15 of the Guideline refers).

Section 2.14 of the Guideline states a *force majeure* application must include substantial and compelling documentary evidence to demonstrate how the force majeure circumstance has adversely impacted the ability to complete the work program.

Section 2.24–2.27 of the Guideline states that the Joint Authority will consider a 12 month suspension, or suspension with a corresponding extension, of the permit conditions, to allow a permittee time to undertake significant above-commitment work (varied into the work program) that could have critical implications for the exploration of the permit area.

#### Above-commitment variation

Bight proposes an above commitment work variation to licence 990 km of reprocessed 2D seismic data within Petroleum Exploration Permit EPP41. The 47G(1)(b) 2011 PSTM reprocessed 2D seismic data will cover the permit with better quality, widely spaced seismic data. Bight considers that as the data has been recently reprocessed, it will enable them to better image the regional geology and prospects. In addition, Bight claims that access to the 2D data will assist Bight in optimising the acquisition parameters and location of the planned 3D seismic acquisition within the limits of the submitted EP.

NOPTA considers that the licencing of the 47G(1)(b) 2D data will increase the understanding of the prospectivity of Petroleum Exploration Permit EPP41, and will assist Bight to identify the most appropriate location for the 3D survey within the permit area. While NOPTA considers it unlikely to have a significant impact on the acquisition parameters for the 3D multi-client survey, it may inform and improve the processing parameters for the Duntroon MC3D data. The Gantt chart provided shows that the new 2D data will be used for prospectivity assessment and seismic survey design activities from July to October 2018. NOPTA assesses that the proposed above-commitment has technical merit and is warranted.

#### Suspension and extension

The Duntroon MC3D seismic survey data is an essential element of the exploration work program, and is required for the other guaranteed work program commitments to proceed. The titleholder has met the additional title condition of providing monthly reports, as well as the Joint Authority's expectation to submit a signed seismic contract to NOPTA.

Despite being unable to complete the 3D seismic survey, NOPTA accepts that Bight has made reasonable efforts to facilitate the acceptance of the Duntroon EP by providing the 2014 Lightning EP to 47G(1)(b) to use as a baseline document.

Bight has updated NOPTA on its progress via monthly reports and meetings. The delay in acceptance of the Duntroon EP is related to the environmental sensitivity of the GAB. NOPSEMA has recently requested additional information with respect to noise modelling, and impacts on fisheries, whales, and pinnipeds, as well as stakeholder consultation. It has requested that resulting measures be included in a modified EP submission by 24 August 2018.

47G(1)(b) has postponed the survey until the next possible acquisition window of mid-March to late May 2019. The region is subject to strict operational windows for seismic surveying due to Blue Whale migration periods and Southern Bluefin Tuna industry operations. Bight's Gantt chart indicates that it anticipates EP acceptance by the end of September 2018, and survey planning to continue, leading to acquisition within the proposed extension period.

NOPTA has examined the seismic contract and confirms that it has provision for acquiring data in 2019. Providing Bight with an additional 12 months in the combined primary term will give it the best chance of completing the survey and the proposed above-commitment work. NOPTA notes that Karoon Gas Browse Basin Pty Ltd (titleholder of Petroleum Exploration Permit EPP46) also has guaranteed 2D and 3D seismic survey commitments, and may be interested in licencing data from the Duntroon MC3D. Therefore, there is a high likelihood of the survey being completed if the EP is accepted.

NOPTA considers that the approval of the Duntroon MC3D EP may be the only remaining opportunity for Bight to complete the seismic survey commitments. Furthermore, the complexity of the EP acceptance process is beyond Bight's control and comprises *force majeure* circumstances.

NOPTA is cognisant that a 12 month suspension and extension period will only enable the completion of the survey acquisition. It will not be adequate to process and interpret the data and drill the primary term exploration well in Petroleum Exploration Permit EPP41. Nevertheless, NOPTA is concerned that Bight has been unable to complete the seismic survey commitment to date despite 48 months of suspension and extension being approved. NOPTA therefore is of the opinion that Bight should first be given time to complete the acquisition of the survey. It may submit further applications in the future for the remaining work program commitments in the primary term. NOPTA will assess such applications on their merit.

In summary, NOPTA assesses that the proposed above-commitment variation and a 12 month suspension to Permit Years 1-3 work program commitments with a 12 month extension to the permit term of Petroleum Exploration Permit EPP41 are in accordance with the Guideline. NOPTA confirms that Bight has provided adequate supporting documentary evidence pursuant to section 2.14 of the Guideline.

### Advice

The application submitted by Bight is in accordance with the Act and the Guideline that refers to the minimum requirements and expectations of the Joint Authority.

Accordingly, I advise that I am of the opinion that approval should be given for an above-commitment variation and a 12 month suspension of the Permit Year 1-3 work program commitments, with a corresponding 12 month extension of the permit term, in relation to Petroleum Exploration Permit EPP41.

I also recommend that the Joint Authority remind the titleholder of its monthly reporting obligations under the title conditions. Please find enclosed the draft instrument and cover letter to the applicant, reflecting NOPTA's recommendation, for your review.

This permit pre-dates the Western Eyre Marine Park that it overlaps and is considered to have a prior usage right. The Minister for the Environment and Energy's consent as per section 359(3) of the EPBC Act is attached and a final decision on the extension of term can be made by the Joint Authority.

Should you agree with the advice in this letter, I ask that the Delegate of the State member of the Joint Authority please provide its decision in relation to the applications to the Commonwealth Delegate by **31 July 2018**. Please provide a copy to NOPTA.

Following which, I seek the expeditious decision of the Delegate of the Commonwealth member of the Joint Authority, ideally by **2 August 2018**. Please provide a copy of the decision to NOPTA.

If you have any queries regarding this application, please contact s22 on s22 or [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

Yours sincerely

s22

Graeme Waters  
Titles Administrator

Enc     Draft Instrument  
         Draft Letter to Titleholder  
         Attachment 1 – Amended Application Form  
         Attachment 2 – EPBC Application  
         Attachment 3 – EPBC Consent  
         Attachment 4 – Gantt chart





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National Offshore Petroleum  
Titles Administrator

17 July 2018

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NEATS Ref: 001DDE

## APPLICATION FOR SUSPENSION OF WORK PROGRAM COMMITMENTS AND EXTENSION OF PERMIT TERM – PETROLEUM EXPLORATION PERMIT EPP42

Dear Delegates of the Commonwealth-South Australia Offshore Petroleum Joint Authority

I write concerning an application submitted on 27 April 2018 and updated on 2 June 2018 (refer **Attachment 1**) by Bight Petroleum Pty Ltd. (Bight), seeking a 12 month suspension on *force majeure* grounds of the Permit Years 1-3 combined work program, and a corresponding 12 month extension of the permit term, in relation to Petroleum Exploration Permit EPP42.

The application was lodged in accordance with sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) and has been assessed by NOPTA against the requirements of the Act and the expectations of the Joint Authority, as set out in the *Offshore Petroleum Exploration Guideline: Work-bid* (the Guideline).

This permit pre-dates the Western Eyre Marine Park that it overlaps (see Figure 1) and is considered to have a 'prior usage right'. The Minister for the Environment and Energy's consent as per section 359(3) of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is required before a decision on the extension of term application can be made by the Joint Authority.

The titleholder has provided a copy of its request made under section 359(3) of the EPBC Act and submitted to Parks Australia on 26 April 2018 (**Attachment 2** refers). A copy of the consent of the Delegate of the Minister for the Environment and Energy is attached for your information. (**Attachment 3** refers).

I consider that the application is in accordance with the Act and with the Guideline, and should be approved. The following advice is provided for your consideration.

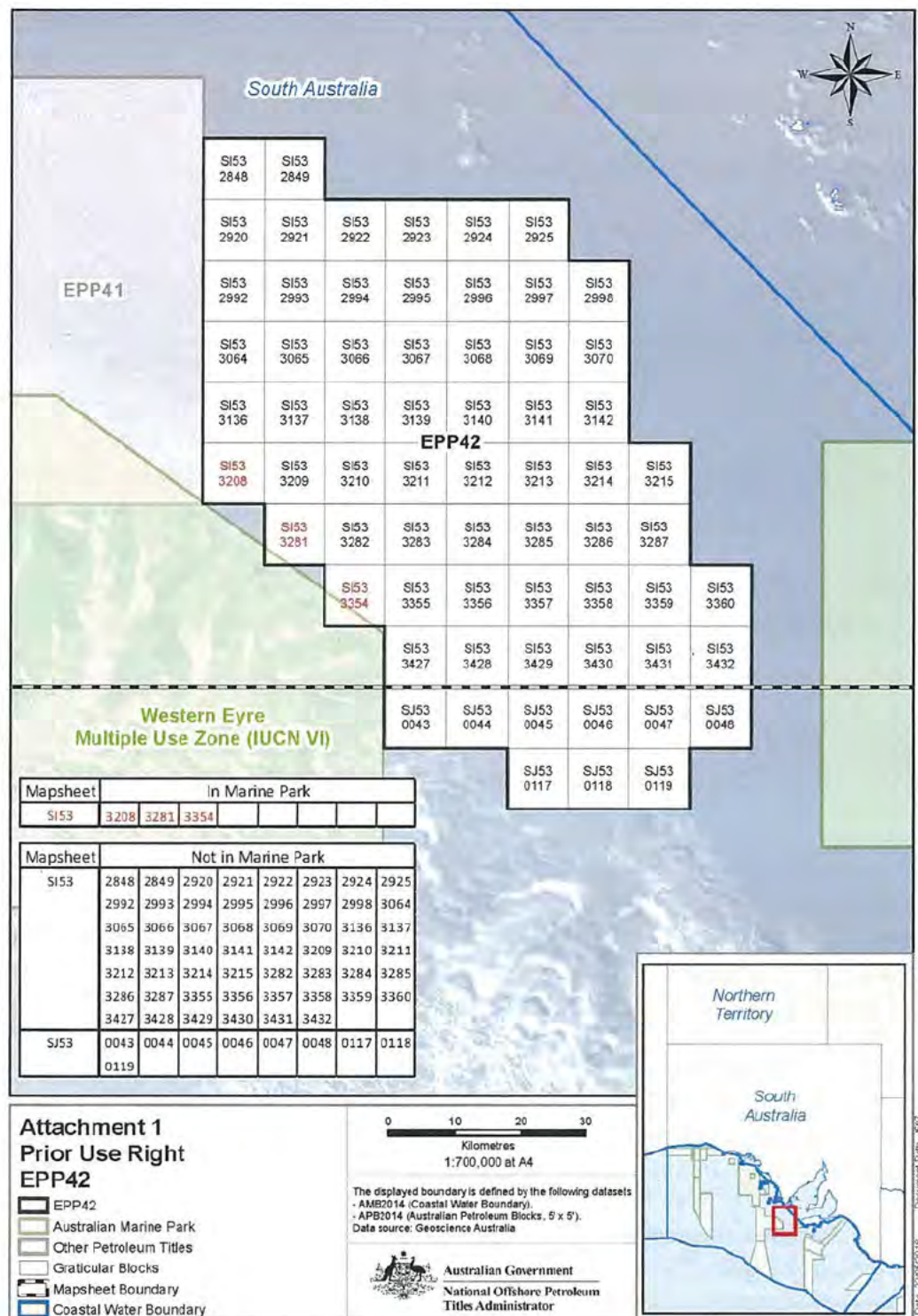


Figure 1. Petroleum Exploration Permit EPP42 intersect with the Western Eyre Marine Park

### Permit History

Petroleum Exploration Permit EPP42 comprises 66 graticular blocks covering an area of approximately 4,571 km<sup>2</sup> in the Duntroon sub-basin of the Bight Basin. The permit was granted on 7 July 2011 and is currently in Permit Years 1-3. Bight Petroleum Pty Ltd is the sole titleholder and operator.



The current (varied, suspended and extended) work program is summarised below.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed
1-3	07/07/2011	06/07/2018	<p>Acquire 181 km<sup>2</sup> new 3D seismic survey</p> <p>Geological and Geotechnical Studies including 3D seismic interpretation, basin modelling, reservoir &amp; fault seal modelling</p> <p>Geological and Geotechnical Studies</p> <p><i>08/08/ 2011 - work-equivalent variation granted for PY 1 to replace 235 km 2D seismic survey with 167 km<sup>2</sup> 3D seismic survey</i></p> <p><i>01/12/ 2011 - 12 month suspension granted for PY 1*</i></p> <p><i>25/01/2013 - 12 month S&amp;E granted for PY 1*</i></p> <p><i>6 November 2013 - 12 month S&amp;E granted for PY 1*</i></p> <p><i>3 June 2015 – 12 month S&amp;E granted for PY 1*</i></p> <p><i>*All four suspension and extensions were granted on the basis of force majeure due to the inability to undertake the seismic survey.</i></p> <p><i>3 March 2016<sup>1</sup> – Opt-in and work equivalent (14 km<sup>2</sup> increment to the 3D seismic survey to replace the bathymetric and geological sampling survey) variations granted;</i></p> <p><i>11 July 2017 – 12 month S&amp;E approved on force majeure grounds</i></p>	<ul style="list-style-type: none"> <li>• <i>Survey not completed</i></li> <li>• Airborne cetacean monitoring study;</li> <li>• NOPSEMA approved the Lightning 3D Seismic Survey EP for Bight on 06/06/2014;</li> <li>• Lightning EP expired on 30/06/2016;</li> <li>• Structure mapping, interpretation and prospect identification;</li> <li>• AVO analysis and volumetrics;</li> <li>• [REDACTED] lodged the Duntroon EP with NOPSEMA on 27/02/2017;</li> <li>• NOPSEMA provided [REDACTED] with an Opportunity to Modify and Resubmit the EP on 26/04/2018;</li> </ul>
4	07/07/2018	06/07/2019	Acquire 405 km 2D Seismic Survey	
5	07/07/2019	06/07/2020	Geotechnical Studies	
6	07/07/2020	06/07/2021	1 Exploration Well Geotechnical Studies	

When approving the 3 March 2016 variations, the Joint Authority placed an additional condition on the title instrument that requires *the permittee to provide the Titles Administrator with monthly reports that outline and detail the progress made in contracting a seismic vessel, completing the primary term survey, and processing and interpreting the acquired data*. NOPTA confirms that Bight has met this condition thus far.

The Joint Authority also placed the following expectations in relation to the permit:

- The 181 km<sup>2</sup> 3D seismic survey is to be completed no later than July 2017 to ensure that the remainder of the guaranteed work program can be completed prior to the end of the primary term;
- Within 12-months from the date of this approval, a signed seismic contract is to be submitted to NOPTA.



Bight signed contract with 47G(1)(b) for non-exclusive use of 2820 km<sup>2</sup> of seismic data on 28 February 2017. A copy was submitted to NOPTA 3 March 2017. This satisfied the second expectation. Nevertheless, the 181 km<sup>2</sup> 3D seismic survey is yet to be completed.

### Exploration Context

Petroleum Exploration Permit EPP42 extends across the Duntroon and Ceduna sub-basins, in the eastern Bight Basin, offshore South Australia. The boundary between these sub-basins is a series of extensional faults oriented roughly parallel to and located just inboard of the present day continental shelf. Water depths range from 60 m to more than 2,000 m.

Exploration in this section of the Bight Basin has not been extensive. Seismic coverage is limited to 2D data ranging in quality from good to poor. Three wells have been drilled within this permit, two at the edge of the continental shelf in the Ceduna Sub-basin (Duntroon-1 in 1986 and Borda-1 in 1993), and Echidna-1 (1972) in shallow water on the continental shelf in the Duntroon Sub-basin.

None were successful, although very low gas readings were encountered in Duntroon-1. Vivonne-1 (1993) encountered high gas readings and other indications of hydrocarbons, and is located just outside the eastern boundary of this permit on the continental shelf. Poor seismic coverage and related difficulties in interpretation and structural mapping were implicated in the failure of these wells, along with absence of reservoir and lack of migration pathways.

Several fault-dependent prospects have been identified within the permit area, which require 3D seismic data to better define the traps.

### Application Overview

On 27 April 2018, Bight applied for a 12 month suspension of the Permit Years 1-3 work program on *force majeure* grounds, with a corresponding 12 month extension to the permit term, due to delays associated with the Environment Plan (EP), which is required to undertake the Duntroon MC3D seismic survey.

Bight entered into a contract with 47G(1)(b) in early 2017 to acquire the Duntroon MC 3D survey. It subsequently provided 47G(1)(b) with its previously accepted Lightning EP that was accepted by NOPSEMA in 2014. The Lightning EP constrained seismic acquisition to a short window between 1 March and 31 May to avoid key stakeholder activities and whale migration. 47G(1)(b) has pursued the new Duntroon EP using the Lightning EP as a baseline document.

Bight states that the EP process has taken longer than expected due to the complexity of gaining approval for petroleum operational activities in the Great Australian Bight (GAB). Additional stakeholder requests posed significant challenges and resulted in the need for a resubmission of the EP on 20 October 2017. According to the NOPSEMA website after the submission of further information on 9 March 2018, NOPSEMA issued a "*not reasonably satisfied – opportunity to modify EP*" decision notification on 26 April 2018. The modified submission is due on 24 August 2018.

This, together with the very short acquisition window has lead 47G(1)(b) to defer the survey until the 2019 autumn season. Bight states that the lengthy EP process is beyond its control and could not be avoided. A 12 month suspension and extension is requested in order to complete the survey.

Concurrent to this application, Bight has submitted an above-commitment variation application with a suspension of the primary term and a corresponding extension of the permit term for its adjacent Petroleum Exploration Permit EPP41. Bight intends to licence 990 km of reprocessed 2D data from the Duntroon Basin PSTM Reprocessing project by 47G(1)(b) [REDACTED]. Bight believes that this activity will aid in planning the Duntroon MC3D seismic survey. It therefore believes that the timelines for the adjacent Petroleum Exploration Permit EPP41 is also relevant to EPP42 (refer **Attachment 4** for Gantt chart).

Bight has provided a submission to substantiate its application which was provided to the Joint Authority with the application on 27 April 2018.

The proposed suspended and extended work program is set out below.

Year of Permit Term	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure \$A
1-3	07/07/2011	06/07/2019	Acquire 181 km <sup>2</sup> New 3D Seismic Survey Geological and Geotechnical Studies including 3D seismic interpretation, basin modelling, reservoir & fault seal modelling Geological and Geotechnical Studies	3,675,000 200,000 100,000
4	07/07/2019	06/07/2020	Acquire 405 km 2D Seismic Survey	4,250,000
5	07/07/2020	06/07/2021	Geological and Geophysical Studies	300,000
6	07/07/2021	06/07/2022	One (1) Exploration Well Geological and Geophysical Studies	45,300,000

## Assessment

Part 2 (Overview) of the Guideline states that an application may be submitted at any time but should not be made later than 60 days before the end of the primary term or the permit term. The application was submitted within the requisite timeframe.

Section 2.13 of the Guideline states that the Joint Authority may agree to suspend, or suspend with a corresponding extension of the permit conditions, if the ability of the permittee to meet a work program commitment is adversely impacted by an event that cannot be reasonably anticipated or controlled (*force majeure* circumstances). Commercial circumstances and common risks in the industry are not considered to constitute a *force majeure* basis for suspension and extension of the permit conditions (section 2.15 of the Guideline refers).

Section 2.14 of the Guideline states a *force majeure* application must include substantial and compelling documentary evidence to demonstrate how the *force majeure* circumstance has adversely impacted the ability to complete the work program.

NOPTA considers that the Duntroon MC3D seismic survey is an essential element of the exploration work program and completion is required before other guaranteed work program activities can proceed.

The titleholder has met the additional title condition to provide monthly reports and the Joint Authority's expectation to submit a signed seismic contract to NOPTA. NOPTA accepts that Bight has made a reasonable effort to facilitate the acceptance of the Duntroon EP by providing the 2014 Lightning EP to [47G(1)(b)] to use as a baseline document.

Bight has updated NOPTA on its progress via monthly reports and meetings. The delay in acceptance of the Duntroon EP is related to the environmental sensitivity of the GAB. NOPSEMA has recently requested additional information with respect to noise modelling, and impacts on fisheries, whales and pinnipeds, as well as stakeholder consultation. It has requested that resulting measures be included in a modified EP submission by 24 August 2018.

[47G(1)(b)] has postponed the survey until the next possible acquisition window of mid-March to late May 2019. The region is subject to strict operational windows for seismic surveying due to Blue Whale migration periods and Southern Bluefin Tuna industry operations. Bight's Gantt chart indicates that it anticipates EP acceptance by the end of September 2018, and survey planning to continue, leading to acquisition within the proposed extension period.

NOPTA has examined the seismic contract and confirms that it has provision for acquiring data in 2019. Providing Bight with an additional 12 months in the combined primary term will give it the best chance of completing the survey. NOPTA notes that Karoon Gas Browse Basin Pty Ltd (titleholder of Petroleum Exploration Permit EPP46) also has guaranteed 2D and 3D seismic survey commitments, and may also be interested in licencing data from the Duntroon MC3D. Therefore, there is a high likelihood of the survey being completed if the EP is accepted.

NOPTA considers that the approval of the Duntroon MC3D EP may be the only remaining opportunity for Bight to complete the seismic survey commitments. Furthermore, the complexity of the EP acceptance process is beyond Bight's control and comprises *force majeure* circumstances.

NOPTA is cognisant that a 12 month suspension and extension period will only enable the completion of the survey acquisition. It may not be adequate to process and interpret the data. Nevertheless, NOPTA is concerned that Bight has been unable to progress the seismic survey commitment to date despite 48 months of suspension and extension being approved to date. NOPTA therefore is of the opinion that Bight should first be given time to complete the acquisition of the survey. It may submit further applications in the future for the remaining work program commitments in the primary term. NOPTA will assess such applications on their merit.

In summary, NOPTA assesses that the delays associated with the Duntroon MC3D EP constitute adequate grounds for *force majeure* suspension of Permit Years 1-3 and confirm that Bight has provided adequate supporting documentary evidence pursuant to section 2.14 of the Guideline.



## Advice

The application submitted by Bight is in accordance with the Act and the Guideline that refers to the minimum requirements and expectations of the Joint Authority.

Accordingly, I advise that I am of the opinion that approval should be given for a 12 month suspension of the Permit Years 1-3 work program commitments, with a corresponding 12 month extension of the permit term, in relation to Petroleum Exploration Permit EPP42.

I also recommend that the Joint Authority remind the titleholder of its monthly reporting obligations under the title conditions. Please find enclosed the draft instrument and cover letter to the applicant, reflecting NOPTA's recommendation, for your review.

This permit pre-dates the Western Eyre Marine Park that it overlaps and is considered to have a prior usage right. The Minister for the Environment and Energy's consent as per section 359(3) of the EPBC Act is attached and a final decision on the extension of term can be made by the Joint Authority.

Should you agree with the advice in this letter, I ask that the Delegate of the State member of the Joint Authority please provide its decision in relation to the applications to the Commonwealth Delegate by **31 July 2018**. Please provide a copy to NOPTA.

Following which, I seek the expeditious decision of the Delegate of the Commonwealth member of the Joint Authority, ideally by **2 August 2018**. Please provide a copy of the decision to NOPTA.

If you have any queries regarding this application, please contact s22 on s22 or [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

Yours sincerely,

Graeme Waters  
Titles Administrator

Enc     Draft Instrument  
         Draft Letter to Titleholder  
         Attachment 1 – Amended Application Form  
         Attachment 2 – EPBC Application  
         Attachment 3 – EPBC Consent  
         Attachment 4 – Gantt chart



9 July 2019



Australian Government  
National Offshore Petroleum  
Titles Administrator

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NEATS Ref.: CW9WKR

**APPLICATION FOR SUSPENSION OF WORK PROGRAM COMMITMENTS AND  
EXTENSION OF PERMIT TERM – PETROLEUM EXPLORATION PERMIT EPP41**

Dear Delegates of the Commonwealth-South Australia Offshore Petroleum Joint Authority

I write concerning an application submitted on 14 May 2019 by Bight Petroleum Pty Ltd (Bight), seeking a 24 month suspension of the Permit Years 1-3 work program, and a corresponding 24 month extension of the permit term, in relation to Petroleum Exploration Permit EPP41 (EPP41). The applicant has requested that the application be assessed on its merits rather than on technical or *force majeure* grounds as specified in the *Offshore Petroleum Exploration Guideline: Work-bid* (2015) (the Guideline).

The application was lodged in accordance with sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) and consider it should be approved on its merits.

This permit pre-dates the Western Eyre Marine Park that it overlaps (**Figure 1**) and is considered to have a 'prior usage right'. The Minister for the Environment and Energy's consent as per section 359(3) of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is required before a decision on the extension of term application can be made by the Joint Authority.

Bight has provided a copy of its request made under section 359(3) of the EPBC Act and submitted to Parks Australia on 3 March 2019 (**Attachment 1**). A copy of the consent of the Delegate of the Minister for the Environment and Energy is attached for your information. (**Attachment 2**)

The following advice is provided for your consideration.



## Permit History

EPP41 comprises 56 graticular blocks covering an area of approximately 3,892 km<sup>2</sup> in the Ceduna and Duntroon sub-basins of the Bight Basin, offshore South Australia. The permit was granted on 7 July 2011 and is currently in Permit Years 1-3. Bight is sole titleholder and operator.



The current (varied, suspended and extended) work program is summarised below.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed (not including EP-related work)
1-3	07/07/2011	06/07/2019	<p>Licence 990 km reprocessed 2D seismic data</p> <p>Acquire 850 km<sup>2</sup> new 3D seismic survey  <u>01/12/2011</u> - 12 month suspension and extension of Permit Year 1.  <u>25/01/2013</u> - 12 month suspension and extension of Permit Year 1.  <u>06/11/2013</u> - 12 month suspension and extension of Permit Year 1.  <u>03/06/2015</u> - 12 month suspension and extension of Permit Year 1.  <i>All four suspension and extensions were granted on force majeure grounds due to inability to undertake the seismic survey.</i>  <u>03/03/2016</u> – Opt-in variation to combined primary term  <u>13/09/2018</u> – above-com variation and 12 month suspension and extension approved</p> <p>Geological and geotechnical studies including 3D seismic interpretation, basin modelling, reservoir &amp; fault seal modelling</p> <p>One (1) exploration well</p>	<p><b><u>Survey not completed</u></b></p> <ul style="list-style-type: none"> <li>• Licenced 990 line km reprocessed 2D seismic data</li> <li>• Structure mapping, interpretation and prospect identification</li> <li>• Geological studies, including regional geology, sequence stratigraphy and petroleum systems analysis</li> <li>• AVO analysis and volumetrics</li> </ul> <p><b>Next ATAR due in August 2019</b></p>
4	07/07/2019	06/07/2020	<p>Acquire 1,969 km<sup>2</sup> 3D seismic survey</p> <p>Geological and geophysical studies</p>	
5	07/07/2020	06/07/2021	Geological and geophysical studies	
6	07/07/2021	06/07/2022	<p>Two (2) exploration wells</p> <p>Geological and geophysical studies</p>	

When approving the 3 March 2016 'opt-in' variation, the Joint Authority placed an additional condition on the title instrument requiring *the permittee to provide the Titles Administrator with monthly reports that outline and detail the progress made in contracting a seismic vessel, completing the primary term survey, and processing and interpreting the acquired data*. NOPTA confirms that Bight has met this condition thus far.

Bight signed a contract with 47G(1)(b) for non-exclusive use of the Duntroon MC3D seismic data on 28 February 2017. NOPSEMA accepted the Duntroon MC3D and 2D MSS Environment Plan (EP) on 14 January 2019. The conditions applying to the operations for the Duntroon MC3D Survey are provided at **Attachment 3**.

## Application Overview

Bight applied for a 24 month suspension of the Permit Years 1-3 work program, with a corresponding 24 month extension to the permit term, so that [REDACTED] can complete all of the additional environmental studies required by the conditions of the accepted EP, and undertake the survey acquisition within one of the two operational windows allowed under the EP.

Bight has made a corresponding application for its adjacent Petroleum Exploration Permit EPP42 (EPP42).

Bight claims that the following reasons relating to the EP has put it in a position of requiring additional time:

- The accepted EP allows two short operational windows for the acquisition of the Duntroon Seismic Survey - between 1 September – 30 November of 2019 (**Period A**) and 2020 (**Period B**). Both periods are after the end date of the current combined primary term.
- The tuna and zooplankton studies required by the conditions of the accepted EP and the additional technical modelling to inform the technical specifications of the survey have not yet been completed by [REDACTED].
- In response to NOPTA's request for information (**Attachment 3**), Bight informed NOPTA that [REDACTED] has rescinded the Supplement to the General Licencing Agreement (GLA) signed in 2017 between Bight and [REDACTED] (**Attachment 4**). The Supplement specified the terms of the GLA, including the licencing cost to Bight of [REDACTED].
- On 9 May 2019, [REDACTED] provided Bight with a revised Supplement to the GLA for the Duntroon MC3D and 2D which now estimates the cost at approx. [REDACTED]. Bight requires time to consider this new offer and make a decision on future steps (**Attachment 5**).
- Bight claims that in April 2019 [REDACTED] informed Bight that due to vessel availability, a decision to acquire the proposed program during Period A would need to be given to [REDACTED] by end May 2019 at the very latest. Given the constrained timeline, Bight requires additional time to effectively negotiate with [REDACTED] on the terms and conditions of the proposal and to seek approvals.
- Bight has also engaged RISC Advisory to farmout both EPP41 and EPP42 and believes that the 24 month suspension and extension period for will enable it to come to an agreement with potential farminees.

Bight has provided evidence of its discussions with [REDACTED] and other seismic companies to justify its claim for additional time to complete the seismic acquisition program in EPP41 (**Attachment 6 & 7**).



The proposed suspended and extended work program is set out below.

<b>Year</b>	<b>Permit Year Starts</b>	<b>Permit Year Ends</b>	<b>Minimum Work Requirements</b>	<b>Estimated Expenditure</b> Constant dollars (indicative only) <b>\$A</b>
<b>1-3</b>	<b>07/07/2011</b>	<b>06/07/2021</b>	Licence 990 km reprocessed 2D seismic data	24,750
			Acquire 850 km <sup>2</sup> new 3D Seismic Survey	16,800,000
			Geological and Geotechnical Studies including 3D seismic interpretation, basin modelling, reservoir & fault seal modelling	1,825,000
			One (1) Exploration Well	45,000,000
<b>4</b>	<b>07/07/2021</b>	<b>06/07/2022</b>	Acquire 1,969 km <sup>2</sup> 3D Seismic Survey	40,000,000
			Geological and Geophysical Studies	
<b>5</b>	<b>07/07/2022</b>	<b>06/07/2023</b>	Geological and Geophysical Studies	600,000
<b>6</b>	<b>07/07/2023</b>	<b>06/07/2024</b>	Two (2) Exploration Wells	115,600,000
			Geological and Geophysical Studies	

### Assessment

Part 2 (Overview) of the Guideline states that an application may be submitted at any time but should not be made later than 60 days before the end of the primary term or the permit year. The application was submitted within this timeframe.

At the request of the applicant NOPTA has assessed the application on its merits. In NOPTA's opinion, the Duntroon MC3D and 2D EP recently accepted by NOPSEMA presents the only realistic opportunity to undertake a survey in the Great Australian Bight (GAB) within the next 24 months. According to the NOPSEMA website (at the time of this advice), no other seismic company or titleholder has submitted an EP for the purposes of a seismic acquisition in the GAB within this timeframe or further into the future.

On this basis, NOPTA considers that the titleholders of permits covered by the Duntroon MC3D and 2D EP should be given the opportunity to complete their seismic commitments during the two year period for which the EP is valid.

In forming its recommendation, NOPTA has considered the following actions taken by Bight demonstrate progress and intent towards meeting the seismic acquisition in EPP41:

- signed a contract with [REDACTED] for a non-exclusive use of the Duntroon MC3D seismic data on 28 February 2017 (a copy forwarded to NOPTA in-confidence on 3/3/2017);
- successfully engaged and collaborated with [REDACTED] to submit and obtain acceptance of the Duntroon MC 3D and 2D EP.
- invested money for the EP process and has pledged further funding to [REDACTED] to encourage [REDACTED] to progress with the acquisition of the survey;
- demonstrated that it has approached other seismic companies as a back up plan should [REDACTED] not undertake the survey. However, it is understood that the companies approached by Bight have little interest undertaking operational activities in the GAB at present.

Therefore, NOPTA considers that Bight should be given the opportunity to engage [REDACTED] to complete the seismic survey while the Duntroon MC 3D and 2D EP is valid. A 24 month suspension and extension period will cover Period A and Period B as set out in the EP and if the survey is undertaken, it will give [REDACTED] enough time to deliver the final seismic products to Bight.

Bight has also stated that the 24 month suspension and extension period will provide it with an opportunity to find a farmin partner for both EPP41 and EPP42. NOPTA assesses this as purely a commercial circumstance and has not considered it when making this recommendation.

NOPTA does not anticipate a 24 month suspension and extension period will provide Bight with enough time to complete the geological and geotechnical studies related to the new data or undertake drilling in EPP41. The requested 24 month period will only enable Bight to reach the initial milestone of acquiring the survey. Once that milestone is achieved, Bight should engage with NOPTA to discuss its plan to continue exploring EPP41.

NOPTA is concerned about the prolonged primary term of EPP 41 and the inability of the titleholders to complete the seismic acquisition despite having had access to two accepted EPs (for the Lightning 3D MSS and Duntroon MC 3D and 2D MSS). NOPTA therefore considers it prudent for the Joint Authority to inform the titleholder of its expectations below.

- Bight are to continue to actively consider all seismic acquisition options (including exclusive and non-exclusive surveys) in order to complete the primary term seismic commitment in the 24 month suspension and extension period; and
- the outstanding primary term work program commitment to acquire a 850 km<sup>2</sup> new 3D seismic survey is to be acquired in this 24 month suspension and extension period; and
- any future applications to suspend and/or extend the primary term should only be made for the completion of seismic data interpretation activities and associated technical work; and

In summary, NOPTA assesses that the 24 month suspension of Permit Years 1-3 with a corresponding 24 month extension of the permit term of EPP41 should be approved on merit.

## Advice

The application submitted by Bight is made in accordance with the Act but not in accordance with the Guideline that refers to the minimum requirements and expectations of the Joint Authority. Nevertheless, I consider that the application be approve on its merits.

Accordingly, I advise that approval should be given for a 24 month suspension of the Permit Years 1-3 work program commitments, with a corresponding 24 month extension of the permit term, in relation to Petroleum Exploration Permit 41.

Please find enclosed the draft instrument and cover letter to the applicant, reflecting NOPTA's recommendation, for your review.

Should the Joint Authority agree to approve the suspension and extension, I recommend that the Joint Authority convey the following expectations to the applicant, via NOPTA:

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- Bight are to continue to actively consider all seismic acquisition options (including exclusive and non-exclusive surveys) in order to complete the primary term seismic commitment in the 24 month suspension and extension period; and
- the outstanding primary term work program commitment to acquire a 850 km2 new 3D seismic survey is to be acquired in this 24 month suspension and extension period; and
- any future applications to suspend and/or extend the primary term should only be made for the completion of seismic data interpretation activities and associated technical work; and
- the monthly reporting obligations under the title conditions currently in place will continue in force for the duration of the permit term.

NOPTA will also remind the titleholder that the monthly reporting obligations under the title conditions currently in place will continue in force for the duration of the permit term.

This permit pre-dates the Western Eyre Marine Park that it overlaps and is considered to have a prior usage right. The Minister for the Environment and Energy's consent as per section 359(3) of the EPBC Act is attached and a final decision on the extension of term can be made by the Joint Authority.

Should you agree with the advice in this letter, I ask that the Delegate of the State member of the Joint Authority please provide its decision in relation to this application to the Commonwealth Delegate by **23 July 2019**. Please provide a copy to NOPTA.

Following which, I seek the expeditious decision of the Delegate of the Commonwealth member of the Joint Authority, ideally by **27 July 2019**. Please provide a copy of the decision to NOPTA.

If you have any queries regarding this application, please contact **s22** on **s22** or [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

Yours sincerely

**s22**

Graeme Waters  
Titles Administrator

Enc. ATTACHMENT 1 - EPP41 EPBC APPLICATION  
ATTACHMENT 2 - EPP 41 EPBC CONSENT  
ATTACHMENT 3 - EPP41 SE RFI SIGNED  
ATTACHMENT 4 - EPP41 AND EPP42 RFI RESPONSE  
ATTACHMENT 5 - EPP41 AND EPP42 - **47G(1)(b)** GLA COST COMPARISON - 2017 SUPPLEMENT VS 2019 SUPPLEMENT  
ATTACHMENT 6 - EPP41 AND EPP42 - BIGHT COMMITS FUTHER FUNDING TO **47G(1)(b)**  
ATTACHMENT 7 - EPP41 AND EPP42 - OTHER SEISMIC QUOTES FOR THE GAB

Draft Instrument  
Draft Letter to Titleholder

For Official Use Only





Australian Government

National Offshore Petroleum  
Titles Administrator

9 July 2019

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NEATS Ref.: JMZFMM

**APPLICATION FOR SUSPENSION OF WORK PROGRAM COMMITMENTS AND  
EXTENSION OF PERMIT TERM – PETROLEUM EXPLORATION PERMIT EPP42**

Dear Delegates of the Commonwealth-South Australia Offshore Petroleum Joint Authority

I write concerning an application submitted on 15 May 2019 by Bight Petroleum Pty Ltd, (Bight), seeking a 24 month suspension on *force majeure* grounds of the Permit Years 1-3 work program, and a corresponding 24 month extension of the permit term, in relation to Petroleum Exploration Permit EPP42 (EPP42). The applicant has requested that the application be assessed on its merits rather than on technical or *force majeure* grounds as specified in the *Offshore Petroleum Exploration Guideline: Work-bid* (2015) (the Guideline).

The application was lodged in accordance with sections 264 and 265 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act), and I consider it should be approved on its merits.

This permit pre-dates the Western Eyre Marine Park that it overlaps (**Figure 1**) and is considered to have a 'prior usage right'. The Minister for the Environment and Energy's consent as per section 359(3) of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is required before a decision on the extension of term application can be made by the Joint Authority.

Bight has provided a copy of its request made under section 359(3) of the EPBC Act and submitted to Parks Australia on 3 March 2019 (**Attachment 1**). A copy of the consent of the Delegate of the Minister for the Environment and Energy is attached for your information. (**Attachment 2**)

The following advice is provided for your consideration.

## Permit History

EPP42 comprises 66 graticular blocks covering an area of approximately 4,571 km<sup>2</sup> in the Duntroon Sub-basin of the Bight Basin. The permit was granted on 7 July 2011 and is currently in Permit Years 1-3. Bight Petroleum Pty Ltd is the sole titleholder and operator.



Figure 1. Petroleum Exploration Permit EPP42 intersect with the Western Eyre Marine Park

The current (varied, suspended and extended) work program is summarised below.

Year	Permit Year Starts	Permit Year Ends	Activity Description	Actual Work Completed (not including EP-related work)
1-3	07/07/2011	06/07/2019	<p>Acquire 181 km<sup>2</sup> new 3D seismic survey</p> <p>Geological and geotechnical studies including 3D seismic interpretation, basin modelling, reservoir &amp; fault seal modelling</p> <p>Geological and geotechnical Studies</p> <p><i>08/08/2011 - work-equivalent variation granted for PY 1 to replace 235 km 2D seismic survey with 167 km<sup>2</sup> 3D seismic survey</i></p> <p><i>01/12/2011 - 12 month suspension granted for Permit Year 1*</i></p> <p><i>25/01/2013 - 12 month suspension and extension granted for Permit Year 1*</i></p> <p><i>6 November 2013 - 12 month suspension and extension granted for Permit Year 1*</i></p> <p><i>3 June 2015 – 12 month suspension and extension granted for Permit Year 1*</i></p> <p><i>*All four suspension and extensions were granted on force majeure grounds due to the inability to undertake the seismic survey.</i></p> <p><i>3 March 2016<sup>1</sup> – Opt-in to combined primary term and work equivalent (14 km<sup>2</sup> increment to the 3D seismic survey to replace the bathymetric and geological sampling survey) variations granted;</i></p> <p><i>11 July 2017 – 12 month S&amp;E approved on force majeure grounds</i></p> <p><i>13/09/2018 – above-com variation and 12 month suspension and extension approved</i></p>	<p><b><u>Survey not completed</u></b></p> <ul style="list-style-type: none"> <li>• Structure mapping, interpretation and prospect identification;</li> <li>• Geological studies, including regional geology, sequence stratigraphy and petroleum systems analysis</li> <li>• AVO analysis and volumetrics</li> </ul> <p><b>Next ATAR due in August 2019</b></p>
4	07/07/2019	06/07/2020	Acquire 405 km 2D seismic survey	
5	07/07/2020	06/07/2021	Geotechnical studies	
6	07/07/2021	06/07/2022	1 exploration well Geotechnical studies	

When approving the 3 March 2016 'opt-in' variation, the Joint Authority placed an additional condition on the title instrument requiring *the permittee to provide the Titles Administrator with monthly reports that outline and detail the progress made in contracting a seismic vessel, completing the primary term survey, and processing and interpreting the acquired data*. NOPTA confirms that Bight has met this condition thus far.

Bight signed a contract with **47G(1)(b)** for non-exclusive use of the Duntroon MC3D seismic data on 28 February 2017. NOPSEMA accepted the Duntroon MC3D and 2D MSS



Environment Plan (EP) on 14 January 2019. The conditions applying to the operations for the Duntroon MC3D Survey are provided at **Attachment 3**.

### Application Overview

Bight applied for a 24 month suspension of the Permit Years 1-3 work program, with a corresponding 24 month extension to the permit term, so that [REDACTED] can complete all of the additional environmental studies required by the conditions of the accepted EP, and undertake the survey acquisition within one of the two operational windows allowed under the EP. Bight has made a corresponding application for its adjacent Petroleum Exploration Permit EPP41 (EPP41).

Bight claims that the following reasons relating to the EP has put it in a position of requiring additional time:

- The accepted EP allows two short operational windows for the acquisition of the Duntroon Seismic Survey - between 1 September – 30 November of 2019 (**Period A**) and 2020 (**Period B**). Both periods are after the end date of the current combined primary term.
- The tuna and zooplankton studies required by the conditions of the accepted EP and the additional technical modelling to inform the technical specifications of the survey have not yet been completed by [REDACTED].
- In response to NOPTA's request for information (**Attachment 3**), Bight informed NOPTA that [REDACTED] has rescinded the Supplement to the General Licencing Agreement (GLA) signed in 2017 between Bight and [REDACTED] (**Attachment 4**). The Supplement specified the terms of the GLA, including the licencing cost to Bight of [REDACTED].
- On 9 May 2019, [REDACTED] provided Bight with a revised Supplement to the GLA for the Duntroon MC3D and 2D which now estimates the cost at approx. [REDACTED]. Bight requires time to consider this new offer and make a decision on future steps (**Attachment 5**).
- Bight claims that in April 2019 [REDACTED] informed Bight that due to vessel availability, a decision to acquire the proposed program during Period A would need to be given to [REDACTED] by end May 2019 at the very latest. Given the constrained timeline, Bight requires additional time to effectively negotiate with [REDACTED] on the terms and conditions of the proposal and to seek approvals.
- Bight has also engaged RISC Advisory to farmout both EPP41 and EPP42 and believes that the 24 month suspension and extension period for will enable it to come to an agreement with potential farminees.

Bight has provided evidence of its discussions with [REDACTED] and other seismic companies to justify its claim for additional time to complete the seismic acquisition program in EPP42 (**Appendices 6 & 7**).

The proposed suspended and extended work program is set out below.

Year of Permit Term	Permit Year Starts	Permit Year Ends	Minimum Work Requirements	Estimated Expenditure \$A
1-3	07/07/2011	06/07/2021	Acquire 181 km <sup>2</sup> New 3D Seismic Survey Geological and Geotechnical Studies including 3D seismic interpretation, basin modelling, reservoir & fault seal modelling Geological and Geotechnical Studies	3,675,000 200,000 100,000
4	07/07/2021	06/07/2022	Acquire 405 km 2D Seismic Survey	4,250,000
5	07/07/2022	06/07/2023	Geological and Geophysical Studies	300,000
6	07/07/2023	06/07/2024	One (1) Exploration Well Geological and Geophysical Studies	45,300,000

## Assessment

Part 2 (Overview) of the Guideline states that an application may be submitted at any time but should not be made later than 60 days before the end of the primary term or the permit year. The application was submitted within this timeframe.

At the request of the applicant NOPTA has assessed the application on its merits. In NOPTA's opinion, the Duntroon MC3D and 2D EP recently accepted by NOPSEMA presents the only realistic opportunity to undertake a survey in the Great Australian Bight (GAB) within the next 24 months. According to the NOPSEMA website (at the time of this advice), no other seismic company or titleholder has submitted an EP for the purposes of a seismic acquisition in the GAB within this timeframe or further into the future.

On this basis, NOPTA considers that the titleholders of permits covered by the Duntroon MC3D and 2D EP should be given the opportunity to complete their seismic commitments during the two year period for which the EP is valid.

In forming its recommendation, NOPTA has considered the following actions taken by Bight demonstrate progress and intent towards meeting the seismic acquisition in EPP42:

- signed a contract with [47G(1)(b)] for a non-exclusive use of the Duntroon MC3D seismic data on 28 February 2017 (a copy forwarded to NOPTA in-confidence on 3/3/2017);
- successfully engaged and collaborated with [47G(1)(b)] to submit and obtain acceptance of the Duntroon MC 3D and 2D EP.;
- invested money for the EP process and has pledged further funding to [47G(1)(b)] to encourage [47G(1)(b)] to progress with the acquisition of the survey;
- demonstrated that it has approached other seismic companies as a backup plan should [47G(1)(b)] not undertake the survey. However, it is understood that the companies approached by Bight have little interest undertaking operational actives in the GAB at present.

Therefore, NOPTA considers that Bight should be given the opportunity to engage [47G(1)(b)] to complete the seismic survey while the Duntroon MC3D and 2D EP is valid. A 24 month suspension and extension period will cover Period A and Period B as set out in the EP and if the survey is undertaken, it will give [47G(1)(b)] enough time to deliver the final seismic products to Bight.

Bight has also stated that the 24 month suspension and extension period will provide it with an opportunity to find a farmin partner for both EPP41 and EPP42. NOPTA assesses this as purely a commercial circumstance and has not considered it when making this recommendation.

NOPTA does not anticipate a 24 month suspension and extension period will provide Bight with enough time to complete the geological and geotechnical studies related to the new data or make decisions about the secondary work program of EPP42. The requested 24 month period will only enable Bight to reach the initial milestone of acquiring the survey. Once that milestone is achieved, Bight should engage with NOPTA to discuss its plan to continue exploring EPP42.

NOPTA is concerned about the prolonged primary term of EPP42 and the inability of the titleholders to complete the seismic acquisition despite now having had access to two accepted EPs (for the Lightning 3D MSS and Duntroon MC 3D and 2D MSS). NOPTA therefore considers it prudent for the Joint Authority to inform the titleholder of its expectations below.

- Bight are to continue to actively consider all seismic acquisition options (including exclusive and non-exclusive surveys) in order to complete the primary term seismic commitment in the 24 month suspension and extension period;
- the outstanding primary term work program commitment to acquire a 181 km<sup>2</sup> 3D seismic survey is to be acquired in this 24 month suspension and extension period;
- any future applications to suspend and/or extend the primary term should only be made for the completion of seismic data interpretation activities and associated technical work

In summary, NOPTA assesses that the 24 month suspension of Permit Years 1-3 with a corresponding 24 month extension of the permit term of EPP42 should be approved on merit.

### **Advice**

The application submitted by Bight is made in accordance with the Act but not in accordance with the Guideline that refers to the minimum requirements and expectations of the Joint Authority. Nevertheless, I consider that the application be approve on its merits.

Accordingly, I advise that approval should be given for a 24 month suspension of the Permit Years 1-3 work program commitments, with a corresponding 24 month extension of the permit term, in relation to Petroleum Exploration Permit42.

Please find enclosed the draft instrument and cover letter to the applicant, reflecting NOPTA's recommendation, for your review.

Should the Joint Authority agree to approve the suspension and extension, I recommend that the Joint Authority convey the following expectations to the applicant, via NOPTA:

- Bight are to continue to actively consider all seismic acquisition options (including exclusive and non-exclusive surveys) in order to complete the primary term seismic commitment in the 24 month suspension and extension period;
- the outstanding primary term work program commitment to acquire a 181 km<sup>2</sup> 3D seismic survey is to be acquired in this 24 month suspension and extension period;
- any future applications to suspend and/or extend the primary term should only be made for the completion of seismic data interpretation activities and associated technical work



NOPTA will also remind the titleholder that the monthly reporting obligations under the title conditions currently in place will continue in force for the duration of the permit term.

This permit pre-dates the Western Eyre Marine Park that it overlaps and is considered to have a prior usage right. The Minister for the Environment and Energy's consent as per section 359(3) of the EPBC Act is attached and a final decision on the extension of term can be made by the Joint Authority.

Should you agree with the advice in this letter, I ask that the Delegate of the State member of the Joint Authority please provide its decision in relation to this application to the Commonwealth Delegate by **23 July 2019**. Please provide a copy to NOPTA.

Following which, I seek the expeditious decision of the Delegate of the Commonwealth member of the Joint Authority, ideally by **27 July 2019**. Please provide a copy of the decision to NOPTA.

If you have any queries regarding this application, please contact s22 on s22 or [titles@nopta.gov.au](mailto:titles@nopta.gov.au).

Yours sincerely,

s22

Graeme Waters  
Titles Administrator

Enc.

ATTACHMENT 1 - EPP42 EPBC APPLICATION

ATTACHMENT 2 - EPP 42 EPBC CONSENT

ATTACHMENT 3 - EPP42 SE RFI SIGNED

ATTACHMENT 4 - EPP41 AND EPP42 RFI RESPONSE

ATTACHMENT 5 - EPP41 AND EPP42 s22 GLA COST COMPARISON - 2017 SUPPLEMENT VS 2019 SUPPLEMENT

ATTACHMENT 6 - EPP41 AND EPP42 - BIGHT COMMITS FURTHER FUNDING TO s22

ATTACHMENT 7 - EPP41 AND EPP42 - OTHER SEISMIC QUOTES FOR THE GAB

Draft Instrument

Draft Letter to Titleholder