

South Australia

## **Petroleum Variation Regulations 2009**

under the *Petroleum Act 2000*

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### **Contents**

#### **Part 1—Preliminary**

- 1 Short title
- 2 Commencement
- 3 Variation provisions

#### **Part 2—Variation of *Petroleum Regulations 2000***

- 4 Variation of regulation 1—Short title
- 5 Variation of regulation 3—Interpretation
- 6 Variation of regulation 7—Retention licences
- 7 Variation of regulation 8—Production licences
- 8 Variation of regulation 9—Pipeline licences
- 9 Variation of regulation 10—Environmental impact report
- 10 Variation of regulation 12—Preparation of statement of environmental objectives
- 11 Variation of regulation 16—Preliminary
- 12 Variation of regulation 17—Operator classification—section 74
- 13 Variation of regulation 18—Activity notification—low level official surveillance
- 14 Variation of regulation 19—Activity notification—high level official surveillance
- 15 Variation of regulation 20—Detailed activity information
- 16 Variation of regulation 21—Assessment to be registered
- 17 Variation of regulation 22—Notice of entry on land
- 18 Variation of regulation 26—Location surveys
- 19 Variation of regulation 27—Well evaluation
- 20 Substitution of regulation 29
  - 29 Pipelines and flowlines
- 21 Variation of regulation 30—Fitness-for-purpose assessments
- 22 Variation of regulation 31—Emergency response procedures
- 23 Variation of regulation 32—Incident reports
- 24 Variation of regulation 33—Annual reports
- 25 Variation of regulation 35—Geophysical operations reports
- 26 Variation of regulation 36—Geophysical interpretation reports
- 27 Variation of regulation 37—Geophysical data
- 28 Variation of regulation 38—Daily drilling reports
- 29 Variation of regulation 39—Wireline logs
- 30 Variation of regulation 40—Well completion reports
- 31 Variation of regulation 47—Other technical reports
- 32 Variation of regulation 50—Form of reports
- 33 Variation of regulation 51—Form of information in reports and corrections
- 34 Variation of regulation 52—Availability of information
- 35 Variation of regulation 58—Administrative penalties
- 36 Variation of Schedule 1—Fees

## Part 1—Preliminary

### 1—Short title

These regulations may be cited as the *Petroleum Variation Regulations 2009*.

### 2—Commencement

These regulations will come into operation on the day on which the *Petroleum (Miscellaneous) Amendment Act 2009* comes into operation.

### 3—Variation provisions

In these regulations, a provision under a heading referring to the variation of specified regulations varies the regulations so specified.

## Part 2—Variation of *Petroleum Regulations 2000*

### 4—Variation of regulation 1—Short title

Regulation 1—delete "*Petroleum Regulations 2000*" and substitute:

*Petroleum and Geothermal Energy Regulations 2000*

### 5—Variation of regulation 3—Interpretation

- (1) Regulation 3(1), definition of *Act*—delete "*Petroleum Act 2000*" and substitute:

*Petroleum and Geothermal Energy Act 2000*

- (2) Regulation 3(1), definition of *facility*, (d)—after "substance" insert:

(including a drilling rig and production testing equipment)

### 6—Variation of regulation 7—Retention licences

- (1) Regulation 7(b)—before "all information" insert:

in the case of an application that relates to a proposed or existing petroleum retention licence or geothermal retention licence—

- (2) Regulation 7—after paragraph (b) insert:

(ba) in the case of an application that relates to a proposed gas storage retention licence—all information reasonably required to enable the Minister to assess whether—

- (i) the grant of the licence is reasonable to facilitate the testing of the relevant natural reservoir for the storage of petroleum or another regulated resource; or

- (ii) the grant of the licence may proceed because the use of the relevant natural reservoir for the storage of petroleum or another regulated substance is not currently commercially feasible or reasonable (including by virtue of the fact that production of petroleum or another regulated substance from a related area is not currently commercially feasible); and
  - (bb) in the case of an application that relates to an existing gas storage retention licence in circumstances where the Minister has determined that it appears the natural reservoir is more likely than not to be used in connection with the production of petroleum—all information reasonably required for the Minister to assess whether the natural reservoir is more likely than not to be used in connection with the production of petroleum within the next 15 years, including an assessment of the factors and risks that may influence predicted outcomes; and
- (3) Regulation 7(c)—delete paragraph (c) and substitute:
- (c) a map showing an outline of the proposed area for the purposes of the Act, the location of the relevant natural resource and, in the case of a petroleum retention licence, setting out the area of the discovery in square kilometres together with a technical justification for the area that has been chosen.

### **7—Variation of regulation 8—Production licences**

- (1) Regulation 8(a)—delete paragraph (a)
- (2) Regulation 8(b)—before "all information" insert:

in the case of an application that relates to a petroleum production licence or a geothermal production licence—
- (3) Regulation 8(c)—delete paragraph (c) and substitute:
  - (c) a map showing an outline of the proposed area for the purposes of the Act, the location of the relevant natural resource and, in the case of a petroleum production licence, setting out the area of the discovery in square kilometres together with a technical justification for the area that has been chosen; and

### **8—Variation of regulation 9—Pipeline licences**

Regulation 9(d)—delete paragraph (d) and substitute:

- (d) unless an existing statement of environmental objectives applies—an environmental impact report and a draft statement of environmental objectives.

### **9—Variation of regulation 10—Environmental impact report**

- (1) Regulation 10(1)—delete "or associated facility licence" and substitute:

, associated activities licence or special facilities licence
- (2) Regulation 10(1)(d)(i)—after subparagraph (C) insert:
  - (D) the size and scope of these consequences; and

- (E) the cumulative effects (if any) of these consequences when considered in conjunction with the consequences of other events that may occur on the relevant land (insofar as this is reasonably practicable); and
- (3) Regulation 10(4)—after "signed" insert:
  - or executed

### **10—Variation of regulation 12—Preparation of statement of environmental objectives**

- (1) Regulation 12(4)(b) and (c)—delete paragraphs (b) and (c) and substitute:
  - (b) the Environment Protection Authority; and
  - (c) *Safework SA*; and
  - (d) the Department of Planning and Local Government; and
  - (e) the Department for Water, Land and Biodiversity Conservation.
- (2) Regulation 12—after subregulation (4) insert:
  - (4a) The Minister is not required to consult with a particular agency under subregulation (4) if the Minister determines that such consultation would not be relevant in the circumstances of the particular case.

### **11—Variation of regulation 16—Preliminary**

Regulation 16(2)—delete subregulation (2) and substitute:

- (2) For the purposes of this Part, the following are operator assessment factors:
  - (a) a licensee's corporate policies that address the achievement of regulatory objectives;
  - (b) a licensee's procedures or practices to achieve compliance with regulatory requirements and objectives;
  - (c) the extent to which a licensee has adopted and implemented a comprehensive and effective risk-management system;
  - (d) the extent to which a licensee has established systems to monitor, evaluate, audit and review compliance against regulatory requirements and objectives;
  - (e) a licensee's systems to identify and report serious and reportable incidents under the Act;
  - (f) the extent to which a licensee has established a comprehensive and effective emergency response plan;
  - (g) a licensee's practices and procedures to provide appropriate communication of regulatory requirements to employees, contractors and visitors, including site induction, ongoing training and supervision;
  - (h) a licensee's mechanisms to respond to, and communicate with, external parties on compliance matters;

- (i) a licensee's record in achieving regulatory objectives and regulatory requirements;
- (j) the extent to which a licensee has allocated resources to compliance systems.

**12—Variation of regulation 17—Operator classification—section 74**

Regulation 17(1)—delete "supervision" and substitute:

surveillance

**13—Variation of regulation 18—Activity notification—low level official surveillance**

- (1) Regulation 18(1)—delete "supervision" and substitute:

surveillance

- (2) Regulation 18(1)—after "the activities" insert:

or within such shorter period as the Minister may, in a particular case, allow

**14—Variation of regulation 19—Activity notification—high level official surveillance**

- (1) Regulation 19(1)—delete "supervision" and substitute:

surveillance

- (2) Regulation 19(1)—after "the activities" insert:

or within such shorter period as the Minister may, in a particular case, allow

**15—Variation of regulation 20—Detailed activity information**

Regulation 20(1)—after paragraph (i) insert:

and

- (j) an assessment that indicates that any facility, equipment or management system that is to be used for undertaking any drilling, production or pipeline related activity is fit-for-purpose so as to ensure compliance with the regulatory requirements of the Act.

**16—Variation of regulation 21—Assessment to be registered**

Regulation 21—delete "supervision" and substitute:

surveillance

**17—Variation of regulation 22—Notice of entry on land**

- (1) Regulation 22—after paragraph (e) insert:

- (ea) if it is proposed to commence negotiations for an easement in connection with the construction of a pipeline while activities are being carried out under a preliminary survey licence—

- (i) provide reasonable information about the proposed construction and operation of the pipeline that may be relevant to the owner; and

- (ii) provide reasonable information about the scheme under the Act for the compulsory acquisition of an interest in land (including with rights to compensation); and
- (2) Regulation 22(f)—delete "occupier" and substitute:  
owner
- (3) Regulation 22(g)(iv)—after "consequential loss" insert:  
suffered or incurred by the owner on account of the licensee entering the land and carrying out regulated activities under the Act
- (4) Regulation 22—after paragraph (h) insert:
  - (ha) state that compensation under the Act may include an additional component to cover reasonable costs reasonably incurred in connection with negotiating and resolving issues associated with gaining access to the land, undertaking activities on the land, and determining appropriate levels of compensation under the Act; and

### **18—Variation of regulation 26—Location surveys**

Regulation 26—delete "2 months" and substitute:  
6 months

### **19—Variation of regulation 27—Well evaluation**

Regulation 27(b)—after "regulation 20" insert:  
subject to the qualification that the licensee may substitute another form of wireline logs that provide an outcome that is at least equivalent to the outcome that would be provided by the wireline logs originally specified in the program under that regulation

### **20—Substitution of regulation 29**

Regulation 29—delete the regulation and substitute:

#### **29—Pipelines and flowlines**

Unless otherwise approved by the Minister, the design, manufacture, construction, operation, maintenance, testing and abandonment of pipelines and flowlines must be carried out in accordance with the relevant requirements of AS 2885 *Pipelines—Gas and Liquid Petroleum*.

### **21—Variation of regulation 30—Fitness-for-purpose assessments**

- (1) Regulation 30(1) and (2)—delete subregulations (1) and (2) and substitute:
  - (1) This regulation prescribes the requirements envisaged by section 86A of the Act.
- (2) Regulation 30(4)—delete subregulation (4) and substitute:
  - (4) For the purposes of section 86A(2) of the Act, the following intervals are prescribed:
    - (a) the first assessment must be carried out within—

- (i) in the case of a report that relates to a production facility or pipeline—within 5 years after commissioning; or
  - (ii) in any other case—within 5 years after the completion of a statement of environmental objectives under the Act, or an environmental impact statement or public environmental report under the *Development Act 1993* (as the case may be); and
- (b) each subsequent assessment must be carried out within 5 years after the completion of the previous assessment.  
Administrative penalty.
- (3) Regulation 30(5)—delete subregulation (5) and substitute:
  - (5) For the purposes of section 86A(4), a report must be furnished to the Minister within 2 months after the completion of the assessment.  
Administrative penalty.
- (4) Regulation 30(6)—at the foot of subregulation (6) insert:  
Administrative penalty.
- (5) Regulation 30—after subregulation (8) insert:
  - (8a) A report under this regulation—
    - (a) must be provided by the licensee or a person specifically authorised to provide the report for the purposes of this regulation; and
    - (b) must contain a declaration signed or executed by the person providing the report that he or she has taken reasonable steps to review the report in order to ensure the accuracy of the information contained in the report.

## **22—Variation of regulation 31—Emergency response procedures**

- (1) Regulation 31(1)—delete "under a prescribed licence"
- (2) Regulation 31(3)—delete "under a prescribed licence"
- (3) Regulation 31(8)—delete subregulation (8) and substitute:
  - (8) A report under this regulation—
    - (a) must be provided by the licensee or a person specifically authorised to provide the report for the purposes of this regulation; and
    - (b) must contain a declaration signed or executed by the person providing the report that he or she has taken reasonable steps to review the report in order to ensure the accuracy of the information contained in the report.
- (4) Regulation 31(13)—delete subregulation (13)

### **23—Variation of regulation 32—Incident reports**

- (1) Regulation 32(1)(a)—delete "unintended"
- (2) Regulation 32(2)(a)—delete paragraph (a) and substitute:
  - (a) initially—
    - (i) by telephone or fax (using a number determined by the Minister for the purposes of this regulation); or
    - (ii) by email (using an email address determined by the Minister for the purposes of this regulation); and
- (3) Regulation 32(4)—delete "written" and substitute:

comprehensive
- (4) Regulation 32(4)(a)—after "the incident" insert:

, including an assessment of the effectiveness of the design, procedures and management systems that were in place to prevent the incident occurring
- (5) Regulation 32(6)(e)—after "the incident" insert:

, including an assessment of the effectiveness of the design, procedures and management systems that were in place to prevent the incident occurring

### **24—Variation of regulation 33—Annual reports**

- (1) Regulation 33(1)—delete "written"
- (2) Regulation 33—after subregulation (1) insert:
  - (1a) An annual report must be provided in a manner and form determined by the Minister.
- (3) Regulation 33(2)(e)—delete paragraph (e) and substitute:
  - (e) a list of—
    - (i) unless subparagraph (ii) applies—all reports and data relevant to the operation of the Act generated by the licensee during the relevant licensing year; or
    - (ii) with the approval of the Minister—the technical reports required to be provided to the Minister under regulation 47 during the relevant licensing year; and
- (4) Regulation 33(2)(i)—delete "production licence" and substitute:

petroleum production licence or a gas storage production licence
- (5) Regulation 33(3)—delete subregulation (3) and substitute:
  - (3) An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year.

Administrative penalty.
  - (3a) An annual report for an associated activities licence may be included as part of the annual report for the primary licence.



- (3b) Without limiting subregulation (3a), a licensee may, with the approval of the Minister, amalgamate the annual reports with respect to 2 or more licences.
- (3c) If or when a licence expires or is surrendered or cancelled, the person who is holding the licence at that time must furnish a final annual report under this regulation within 2 months after the expiration, surrender or cancellation (as the case may be) for the period starting at the end of the last full licence year.

### **25—Variation of regulation 35—Geophysical operations reports**

Regulation 35(1)(c)—delete "6 months" and substitute:

12 months

### **26—Variation of regulation 36—Geophysical interpretation reports**

Regulation 36(1)—delete "6 months" and substitute:

12 months

### **27—Variation of regulation 37—Geophysical data**

- (1) Regulation 37(4)—delete "2 years" and substitute:  
the prescribed period
- (2) Regulation 37—after subregulation (4) insert:
  - (5) In subregulation (4)—  
*prescribed period* means—
    - (a) unless paragraph (b) applies—2 years;
    - (b) in relation to speculative survey data—8 years.

### **28—Variation of regulation 38—Daily drilling reports**

- (1) Regulation 38(2)(b)—delete paragraph (b) and substitute:
  - (b) must be provided to the Minister—
    - (i) unless subparagraph (ii) applies—within 12 hours after the end of the period to which it relates;
    - (ii) if the end of the period of 12 hours under subparagraph (i) would fall on a Saturday, Sunday or public holiday—by 10 am on the first business day following the end of that 12 hour period.
- (2) Regulation 38(3)—after paragraph (j) insert:
  - (k) results of cement calculation; and
  - (l) results of formation integrity tests (including leak off tests).

### **29—Variation of regulation 39—Wireline logs**

Regulation 39(1)—delete "1 month" and substitute:

2 months

### **30—Variation of regulation 40—Well completion reports**

- (1) Regulation 40(2)(c)—delete "plan" and substitute:  
    diagram
- (2) Regulation 40(2)(c)(i)—delete subparagraph (i)
- (3) Regulation 40(2)(c)(iii)—delete subparagraph (iii)
- (4) Regulation 40(2)(p)—delete paragraph (p) and substitute:
  - (p) for exploration and appraisal wells—an interpreted post drill structure map of the primary objective and an interpreted seismic section; and
  - (q) a location survey.

### **31—Variation of regulation 47—Other technical reports**

- (1) Regulation 47(1)—delete "completed" and substitute:  
    in a reasonable state of completion
- (2) Regulation 47(2)(a)—delete paragraph (a) and substitute:
  - (a) in the case of analytical laboratory data, field survey data or general technical data (in any form)—after the expiration of the prescribed period;
- (3) Regulation 47—after subregulation (2) insert:
  - (3) In subregulation (2)—  
    *prescribed period* means—
    - (a) in the case of analytical data or general technical data—the period of 2 years from the time at which the report is first received from the licensee (including in a case where the report is first received without being fully completed);
    - (b) in any other case—the period of 2 years from the date on which the report is provided to the Minister.

### **32—Variation of regulation 50—Form of reports**

Regulation 50(1) and (2)—delete subregulations (1) and (2) and substitute:

- (1) Subject to any specific requirement in another regulation, a report or other information required under this Part (including information referred to in a report under this Part) must be provided in a manner and form determined or approved by the Minister.

Administrative penalty.

### **33—Variation of regulation 51—Form of information in reports and corrections**

Regulation 51—after its present contents (now to be designated as subregulation (1)) insert:

- (2) If information provided in or in association with a report is found to contain errors or omissions, the person who provided the information must immediately correct or provide the information (as the case may require).

Administrative penalty.

### **34—Variation of regulation 52—Availability of information**

Regulation 52—after subregulation (3) insert:

- (4) Without limiting any other provision, the Minister may make available for public inspection (or otherwise release) production, sales and value statistics provided to the Minister as part of the royalty returns furnished under Part 7 of the Act if the information is released on a consolidated basis (according to each form of product or more generally).

### **35—Variation of regulation 58—Administrative penalties**

Regulation 58—after its present contents (now to be designated as subregulation (1)) insert:

- (2) The Minister may, in the Minister's discretion, waive a part of an administrative penalty.

### **36—Variation of Schedule 1—Fees**

- (1) Schedule 1, items 14 and 15—delete items 14 and 15 and substitute:

14	Retention licence—	
	(a) in relation to a petroleum retention licence	\$2 976 or \$512 per km <sup>2</sup> of the total licence area, whichever is the greater
	(b) in relation to a geothermal retention licence or a gas storage retention licence	\$2 976 or \$128 per km <sup>2</sup> of the total licence area, whichever is the greater
15	Production licence—	
	(a) in relation to a petroleum production licence	\$2 976 or \$512 per km <sup>2</sup> of the total licence area, whichever is the greater
	(b) in relation to a geothermal production licence or a gas storage licence	\$2 976 or \$128 per km <sup>2</sup> of the total licence area, whichever is the greater

(2) Schedule 1, item 17—delete item 17 and substitute:

17	Associated activities licence—	
	(a) in relation to a licence to which section 57(1)(a) of the Act applies	\$2 976 or \$1 489 per km <sup>2</sup> of the total licence area, whichever is the greater
	(b) in relation to a licence to which section 57(1)(b) of the Act applies	\$2 976
18	Special facilities licence	\$2 976 or \$1 489 per km <sup>2</sup> of the total licence area, whichever is the greater

### **37—Variation of Schedule 2—Administrative penalties**

(1) Schedule 2—after the item relating to section 85(3) insert:

Section 86(1)	\$10 000	\$1 000
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(2) Schedule 2—after the item relating to regulation 30(4) insert:

Regulation 30(5)	\$10 000	\$1 000
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(3) Schedule 2—after the item relating to regulation 31(1) insert:

Regulation 31(2)	\$10 000	\$1 000
Regulation 31(3)	\$10 000	\$1 000

(4) Schedule 2—delete the item relating to regulation 33(2) and substitute:

Regulation 33(2)	\$10 000	\$1 000
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(5) Schedule 2—delete the item relating to regulation 50(2) and substitute:

Regulation 51(2)	\$2 000	\$200
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#### **Note—**

As required by section 10AA(2) of the *Subordinate Legislation Act 1978*, the Minister has certified that, in the Minister's opinion, it is necessary or appropriate that these regulations come into operation as set out in these regulations.

### **Made by the Governor's Deputy**

with the advice and consent of the Executive Council  
on 1 October 2009

No 246 of 2009