

Discussion paper on proposed changes to the *Petroleum and Geothermal Energy Regulations 2013*

June 2021



**Government
of South Australia**

Department for
Energy and Mining

Energy Resources

Department for Energy and Mining
Level 4, 11 Waymouth Street, Adelaide
GPO Box 320, Adelaide SA 5001

Phone +61 8 8463 3000

Email DEM.Petroleum@sa.gov.au

petroleum.sa.gov.au

South Australian Resources Information Gateway (SARIG)

map.sarig.sa.gov.au



© Government of South Australia 2021

With the exception of the piping shrike emblem and where otherwise noted, this product is provided under a [Creative Commons Attribution 4.0 International Licence](https://creativecommons.org/licenses/by/4.0/).

Published June 2021

Preferred way to cite this publication. Department for Energy and Mining 2021. *Discussion paper on proposed changes to the Petroleum and Geothermal Energy Regulations 2013*. Department for Energy and Mining, South Australia, Adelaide.

Contents

INTRODUCTION	4	REGULATIONS 35 AND 37: GEOPHYSICAL OPERATIONS REPORTS AND DATA	12
PROPOSED REGULATORY CHANGES	4	35 – Geophysical operations reports	12
Part 1 – Preliminary	4	37 – Geophysical data	12
Regulation 3: Interpretation	4	REGULATION 40: WELL COMPLETION REPORTS	13
PART 3 – ENVIRONMENT PROTECTION	5	REGULATION 43: PETROLEUM RESERVOIR FLUID ANALYSIS REPORTS	13
Regulation 10: Environmental impact report	5	REGULATION 45: PRODUCTION REPORTS	13
Regulation 13: Requirements for environmental objectives and assessment criteria	5	Licensees to report on geothermal energy production	13
PART 4 – OPERATOR CLASSIFICATION AND ACTIVITY NOTIFICATION	6	Licensees to report on water injection	14
Regulation 16: Preliminary	6	REGULATION 47: ‘OTHER’ TECHNICAL DATA AND REPORTS	14
Regulation 17: Operator classification – section 74	7	REGULATION 49: REPORT ON ANALYSIS OF CORE OR CUTTINGS	14
PART 6 – OPERATIONAL ISSUES	7	REGULATION 52: AVAILABILITY OF INFORMATION	15
Division 4 Regulation 30:7 Fitness for purpose assessments	7	FEE NOTICE	15
Division 5 Regulation 31: Emergency response procedures	8	Fee for deferment of a work program	15
PART 7 – REPORTS AND INFORMATION	8	DETERMINATIONS	16
Division 1 – Incident reports	8	TRANSITIONAL PROVISIONS	17
Division 2 – Performance and technical reports	8		
REGULATION 33: ANNUAL REPORTS	10		
Annual reports	10		
Geotechnical information	11		
Compliance statements	11		
Information on management system performance	11		
Reports and data	11		

Introduction

This document details proposed changes to the *Petroleum and Geothermal Energy Regulations 2013* associated with the reforms to the *Petroleum and Geothermal Energy Act 2000* that are contained within the *Petroleum and Geothermal Energy (Energy Resources) Bill 2021*.

These regulatory changes reflect the submissions received on the [issues paper](#) for the review of the *Petroleum and Geothermal Energy Act 2000*, which was released for public comment on 11 February 2021.

Proposed regulatory changes

PART 1 – PRELIMINARY

Regulation 3: Interpretation

Implementation of the Geocentric Datum of Australia 2020 (GDA2020)

It is proposed that an amendment be made to the definition of 'GDA 94' within Regulation 3 by replacing it with an equivalent definition for GDA2020, and all such references in the PGE legislation be amended accordingly.

Suggested definition for GDA2020:

'GDA 2020 means the *Geocentric Datum of Australia 2020*'.

Suggested reference locations:

- **Regulation 3 – Interpretation:** To be amended as suggested above.
- **Regulation 20(1)(c) - Detailed activity information:** Proposed amendment as follows:

'Information on the proposed location of the relevant activity using co-ordinates in the GDA2020 datum (which may be in digital format), and including a map of the relevant area showing the proposed location of the relevant activity and significant topographical, environmental and cultural features. If

GDA2020 has been superseded as the official operational mapping datum for South Australia then, unless otherwise approved by the Minister, co-ordinates must be referenced to the official South Australian mapping datum that is in effect when the co-ordinates are measured or calculated.'

- **Regulation 37(3) - Geophysical data:**
Proposed amendment as follows: 'Unless otherwise determined by the Minister, all location data must use GDA2020 co-ordinates. If GDA2020 has been superseded as the official operational mapping datum for South Australia then, unless otherwise approved by the Minister, co-ordinates must be referenced to the official South Australian mapping datum that is in effect when the co-ordinates are measured or calculated.'
- **Regulation 40(2)(c)(i) - Well completion reports:** Proposed amendment as follows: 'The latitude and longitude of the well in GDA2020 values, computed within accuracy levels approved by the Minister. If GDA2020 has been superseded as the official operational mapping datum for South Australia then,

unless otherwise approved by the Minister, co-ordinates must be referenced to the official South Australian mapping datum that is in effect when the co-ordinates are measured or calculated’.

PART 3 – ENVIRONMENT PROTECTION

Regulation 10: Environmental impact report

Environmental impact report requirements

Regulation 10(1)(e) outlines that an Environmental Impact Report (EIR) must include a list of all owners of the relevant land. However, it has been identified in practice, when assessing EIRs against the Regulations, that this requirement is not imposed due to its conflict with protecting the privacy of landholders and, as such, it is proposed that this regulation be removed.

Regulation 13: Requirements for environmental objectives and assessment criteria

Regulation 13(1)

Regulation 13(1) of the Regulations currently requires that a Statement of Environmental Objectives (SEO) include objectives that relate to:

- (c) emergency response and management; and
- (d) rehabilitation in cases involving a serious incident or reportable incident under section 85 of the Act.

However, it is considered that emergency response and management is adequately managed through incident reporting requirements and the requirement for emergency response procedures under Regulation 31. Under Regulation 31(1), a licensee must maintain procedures (emergency response procedures) to be followed in the event of an emergency at a facility. Any emergency must

also be investigated as per the incident reporting requirements under the Act.

In addition, it is not considered possible to capture rehabilitation objectives and assessment criteria for all types of incidents defined under reporting obligations under the Act. Regulations 32(4) and (6) require licencees to provide reports outlining the steps that have been taken, or are proposed to be taken, to clean up and rehabilitate any area affected by the incident.

The department considers that it is therefore not necessary or practical that SEOs **must** include objectives relating to emergency response and management or rehabilitation of serious and/or reportable incidents.

Proposed amendment: It is therefore proposed that both Regulations 13(1)(c), (d) and (e) be removed.

Regulation 13(2)

Regulation 13(2) requires that SEO assessment criteria must be developed to assess whether the SEO-specified objectives have been achieved. Licensee annual reports then provide details of compliance with environmental objectives by reporting against the assessment criteria, and are made publicly available on the department’s website.

However, feedback indicates that the annual public reporting of assessment criteria does not provide sufficient details of licencees’ ongoing monitoring and measurement activities to demonstrate compliance with environmental objectives.

Proposed amendment:

To address this issue, it is proposed that Regulation 13(2) be amended to explicitly prescribe the requirements of the assessment criteria for SEOs in the following suggested manner:

It is proposed that the assessment criteria require measures that reflect the following attributes, either specified explicitly in the SEO or as required in a specific monitoring plan against the relevant objective(s):

- Where appropriate, use of quantitative rather than qualitative measures.
- Clear articulation of the environmental attributes that will be measured.
- The method or standard that will be used to take the measurement.
- The locations on the licence where the measurement will be made, measured as close to the impacted receptor, as well as the source, as practical or where necessary, given the expected timeframes to impact the receptor, and other possible third-party impacts on that receptor.
- The target or acceptable value for the objective's achievement, with consideration of any inherent errors of measurement.
- The frequency of measurement or monitoring.
- Any background data or control data required to support the criteria.
- Timeframes for rehabilitation, and how to assess whether rehabilitation has met the objective.

PART 4 – OPERATOR CLASSIFICATION AND ACTIVITY NOTIFICATION

Regulation 16: Preliminary

Revise operator assessment factors (management system components)

Amendments to Regulation 16 are proposed to support the proposed Bill amendment that intends to clarify that all operators must implement and maintain a suitable management system.

Proposed amendments:

Regulation 16(1) to be amended in line with the underlined suggestions below:

(1) In this Part –

regulatory objectives are the objectives that must be achieved under the Act, these regulations, **the relevant statement of environmental objectives** and conditions of a licence

regulatory requirements means the requirements imposed by the Act, these regulations **and** conditions of a licence.

Regulation 16(2) to be amended as follows:

- (2) A licensee must establish a management system for undertaking regulated activities in accordance with this regulation.

The following provisions into Regulation 16 are proposed to be inserted into sub-regulations (3), (4) and (5):

- (3) The licensee must implement and maintain the management system so that it remains effective, so far as is reasonably practicable.
- (4) The management system must set out the following for the purpose of satisfying regulatory requirements and achieving regulatory objectives:
- (a) A licensee's corporate policies;
 - (b) The resources that will be applied for the effective implementation of the management system;
 - (c) A licensee's procedures or practices to identify and achieve compliance with regulatory requirements;
 - (d) A licensee's procedures or practices to identify good practice as recognised in the relevant industry and to undertake regulated activities in accordance with this practice;

- (e) A licensee's processes for managing physical, procedural or organisational changes;
- (f) A licensee's systems to manage all risks to the achievement of regulatory objectives that arise from the undertaking of regulated activities. Note – this includes the implementation of controls to eliminate or reduce risk so far as is reasonably practicable;
- (g) For all controls in place to manage risk, a licensee's systems to ensure that the required performance is clearly defined and achieved.
- (h) A licensee's practices and procedures to ensure employees, contractors, vendors and visitors have the appropriate competency, ongoing training, induction and supervision;
- (i) A licensee's mechanisms to consult with, respond to, and communicate with, external parties;
- (j) A licensee's systems to identify, investigate and report incidents under the Act;
- (k) A licensee's plans and procedures to be followed in the event of an emergency relating to a regulated activity; and
- (l) A licensee's systems to monitor, evaluate, audit and review the effectiveness of all aspects of the management system, including the performance of controls.

- (5) The Minister may make a determination on specific requirements for any of the management system items listed under (4).

Regulation 17: Operator classification – section 74

Proposed amendments:

In response to above proposed changes under Regulation 16, the following changes to Regulation 17 (in bold) are also proposed:

- (1) For the purposes of section 74 of the Act, **the effectiveness of the management system is** relevant to determining whether a licensee can be classified as a licensee who is carrying out activities requiring low level official surveillance.
- (2) The Minister must publish guidelines relating to the criteria that will be used in assessing **the effectiveness of a licensee's management system**.

The existing Regulation 17(2) will be retained so that the Minister will be required to publish guidelines. However, it is proposed that this be in the form of a determination relating to the criteria that will be used in assessing the above components of a licensee's management system.

In light of the proposed changes to Regulation 16, all existing regulations that refer to management systems and/or operator assessment factors will be reviewed to determine whether any amendments are required – including, but not limited to, terminology used and possible duplication of a requirement. Some of these regulations include:

- 13(2)(c) and (d)
- 17
- 19(2)(a) and (3)
- 20(l)(j)
- 30(2)(b) and 30(5)(d)(ii)
- 31(6)(c)
- 32(4)(a) and 32(6)(e)
- 33(3)(d).

PART 6 – OPERATIONAL ISSUES

Division 4 Regulation 30: Fitness for purpose assessments

Proposed amendment:

Regulations 30(10) and 30(11) currently provide for the public release of a fitness for purpose report provided under this Regulation. To streamline this process an amendment is proposed to allow for

the licensee to submit at the prescribed time in addition to the FFP assessment report a version of that report, which contains no commercially sensitive information and is suitable for public release under Regulation 30(10) at the request of a member of the public.

Division 5 Regulation 31: Emergency response procedures

Liaison with appropriate authorities and other relevant stakeholders

Regulation 31 currently requires licensees to maintain emergency response procedures that must be followed in the event of an emergency, and conduct a practice drill at intervals of not more than two years. There are currently no specific requirements for stakeholder liaison to be considered in an emergency, although this is considered to be an important aspect of emergency preparedness.

Proposed amendment:

It is proposed that Regulation 31(2) be amended to include a requirement for emergency response procedures to contain provisions for liaison with appropriate authorities and other relevant stakeholders, including emergency services, where this is considered appropriate.

The intention is that, with this amendment in place, emergency response practice drills (see Regulation 31(3)) will be required to address stakeholder liaison where appropriate.

PART 7 – REPORTS AND INFORMATION

Division 1 – Incident reports

Proposed amendments:

To align with the proposed amendment to the Act to set out classifications of immediately notifiable and reportable incidents in the SEO, it

is proposed that all classifications of reportable/ immediately notifiable incidents be removed from the regulations.

Reporting requirements listed in 32(2) will be updated in line with current communication technologies ie remove reference to fax.

Division 2 – Performance and technical reports

Final decommissioning activities report

The petroleum and geothermal industries are currently placing greater emphasis on end-of-life decommissioning activities as projects reach the end of their productive lives.

Proposed amendment:

To better administer such activities, it is proposed that a requirement for a ‘final decommissioning activities report’ be introduced that provides a summary of all the technical and operational information that transpired during decommissioning activities. This will demonstrate that the activities on site resulted in an acceptable outcome.

The department’s intention is that this information is used to inform the department’s determination whether an application for the relinquishment of a license carries acceptable risk to the state.

It is also the department’s intention that this information will be held internally and subject to the existing confidentiality provisions of the Act.

Consideration will be given to capturing the above in a determination, in line with preferred policy to move prescriptive detail in regulations to determinations.

Geological, geophysical and engineering surrender reports

Proposed amendment:

It is proposed that a requirement is introduced for the submission of a 'geological, geophysical and engineering surrender report' that provides a summary of the licensee's understanding of discoveries and prospectivity within areas that are being relinquished. It is intended that the report will only cover areas that are genuinely being relinquished, ie could be gazetted for licensing by a new company, and would exclude areas that are converted (i) from a PEL to a PRL or PPL, and/or (ii) from a PRL to a PPL – where tenure is maintained but rolls over to a different type of licence. The proposed wording of the new Regulation is:

- (1) A licensee must, within 2 months after the end of each term of an exploration, retention or production licence, furnish to the Minister a geological, geophysical and engineering report for that licence term (a geological, geophysical and engineering surrender report or GGE report) in accordance with the requirements of these regulations. Administrative penalty will apply.
- (2) A licensee may, with the approval of the Minister, amalgamate the GGE reports with respect to 2 or more licences.
- (3) If a licence has not been surrendered in its entirety, a GGE report submitted under this Regulation should cover only the parts of the licence that are being surrendered, but excluding any areas converted to a retention or production licence.
- (4) Unless otherwise determined by the Minister, a GGE report must include the following:
 - (a) Details of the licence or part-licence being surrendered.
 - (b) A summary of all regulated activities carried out within the surrendered area during the licence term, the results of those activities and any conclusions drawn from those results.
 - (c) A summary of any discovery of regulated resources made within the surrendered area during the period covered by the report.
 - (d) A summary of all geological, geophysical and engineering studies carried out in relation to the surrendered area during the period covered by the report, the results of those studies and any conclusions drawn from those results.
 - (e) A summary of any prospectivity remaining within the surrendered area.
 - (f) A map showing:
 - (i) the locations and outlines of all discoveries, prospects and leads remaining within the surrendered area
 - (ii) the locations of all wells within the surrendered area
 - (iii) the locations of all 2D seismic lines and 3D seismic surveys over the surrendered area.
 - (g) Georeferenced digital versions of the outlines of all discoveries, prospects and leads identified within the surrendered area at the end of the licence term, in a form determined by the Minister.
- (5) At the time of submission of the GGE report, the licensee must liaise with the department to ensure that the department has received a copy of all data and reports held by the licensee and that are required to be submitted to the Minister under the Act. The licensee must provide a copy of any missing data or reports upon request.
- (6) Information contained in a GGE report provided under this regulation will be available for public inspection as soon as reasonably practical.

Fracture stimulation reports

It is proposed that a requirement be introduced for the submission of reports on hydraulic fracturing, similar to Regulation 42 'well test analysis reports'.

Division 2 of Part 7 of the Regulations covers a number of required technical reports but does not specifically require submission of hydraulic fracturing reports.

Proposed amendments:

- (1) A licensee who undertakes hydraulic fracturing for the purpose of producing a regulated substance from a well bore must furnish to the Minister, within 6 months after the hydraulic fracturing is completed, a **hydraulic fracturing report** in accordance with the requirements of these regulations.
- (2) A hydraulic fracturing report must include:
 - (a) the well name, well number and hydraulic fracturing stage number
 - (b) information on the type of hydraulic fracturing that was carried out
 - (c) the date of the hydraulic fracturing
 - (d) the interval fractured
 - (e) the volume of fluid and proppant injected
 - (f) the rate of injection and pumping schedule
 - (g) the pressures measured at surface and bottom hole
 - (h) the results of any diagnostic fracture injection tests
 - (i) a description of any analysis or interpretation that has been undertaken.
- (3) A copy of a report under this regulation will be available for public inspection after the expiration of 2 years from the date on which the relevant test was carried out.

Consideration will be given to capturing the above in a determination, in line with preferred policy to move prescriptive detail in regulations to determinations.

Reserve reports

Currently there are no specific provisions within the PGE legislation to require holders of production licences to submit reserve and resource estimates relating to their licence areas, although these may be requested under section 86(2) of the Act.

Reserve and resource estimates are important for state and federal governments to understand the country's energy resources and ensure the country's energy needs are managed and met. Reserves reports must be submitted in other Australian jurisdictions, such as Queensland and Western Australia.

Proposed amendment:

It is proposed that a requirement be introduced in the Regulations for licensees to submit annually, where relevant, estimates of reserves and resources, in a manner and form required by the Minister.

The department's intention is that the information provided will be subject to the Act's existing confidentiality provisions.

REGULATION 33: ANNUAL REPORTS

Annual reports

Proposed amendment:

It is proposed that Regulation 33's title be amended to 'Annual licence reports' rather than 'Annual reports', to better reflect the nature and importance of these reports.

Geotechnical information

The level of geotechnical information currently provided in licensee annual reports is not always sufficient for the department's needs.

Proposed amendment:

To address this, it is proposed that Regulation 33(3)(a) be amended to require more detailed geotechnical information about activities conducted to progress the licence to be provided in annual reports. The suggested amendment is in bold below:

- (a) a summary of the activities conducted **to progress** the licence during the year...

Compliance statements

Paragraphs (b) and (c) of regulation 33(3) are not considered to be consistent as only paragraph (b) refers to compliance with SEOs.

Proposed amendment:

To address this, it is proposed that Regulation 33(3)(c) be amended to also include compliance with SEO objectives, so that the amended Regulation 33(3)(c) is consistent with paragraph (b) and reads as follows (suggested amendment in bold):

- (c) a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations, the licence and **any relevant statement of environmental objectives**, and to minimise the likelihood of the recurrence of any such non-compliance.

Information on management system performance

Proposed amendments:

To better reflect the changes that have been proposed to Regulation 16 regarding the requirements of a management system, it is proposed that Regulation 33(3)(d) be expanded to require a licensee to provide the following in their annual report:

- A summary of the work undertaken to monitor the effectiveness of the management system during the licence year, including details of auditing, monitoring and review of the effectiveness of all aspects of the management system, including the performance of controls. Information on any failure or deficiency identified by the work undertaken and any corrective action that has, or will be, taken.

Reports and data

The current provisions for the listing of reports and data in licensee annual reports are considered to be insufficient.

Since the annual report's purpose is to provide a summary of all activities conducted, and the extent to which compliance with the Act was achieved, the department's intention is that a list of all reports and data generated by the licensee and provided to the Minister should be included in the annual report in all cases.

Proposed amendments:

It is proposed that Regulation 33(3)(e) be amended as follows:

a list of –

- (i) all reports and data relevant to the operation of the Act generated by the licensee during the relevant licensing year; **and**
- (ii) the technical reports required to be provided to the Minister under Regulation 47 during the relevant licensing year

REGULATIONS 35 AND 37: GEOPHYSICAL OPERATIONS REPORTS AND DATA

The current provisions for speculative data under Regulation 37(4) refer to 'a report involving speculative survey data'. They could therefore be read as referring only to information contained in the Geophysical Operations Report for the survey, and not to the geophysical data itself. This has now been corrected under the proposed changes above.

In addition, it is becoming increasingly common for companies to acquire new 3D seismic data and then, during data processing, incorporate and reprocess the data from adjacent, pre-existing 3D surveys.

Regulations 35 and 37 currently mandate that data and reports from newly acquired geophysical surveys become open-file two years from completion of the acquisition of the data, while reprocessed data becomes open-file two years from completion of the reprocessing.

Given that processing or reprocessing of 3D seismic data generally takes many months, this leads to a scenario where different parts of a merged 3D consisting of a combination of newly-acquired data and reprocessed pre-existing data technically become open-file at significantly different times.

Proposed amendments:

It is therefore proposed that Regulations 35(3) and 37(4) be amended to clarify that Regulation 37(4) refers to data, in order to resolve issues around merged 3Ds and explicitly reflect the intent of the provisions regarding speculative surveys. However, subdivision of a 3D seismic volume for such a reason is technically undesirable and therefore the regulations will be updated so that the entire survey, including any reprocessed data, becomes publicly available in line with the requirements for newly-acquired data.

Suggestions are in bold below:

35 – Geophysical operations reports

- (3) A copy of a report under this regulation will be available for public inspection –
- (a) in the case of a report involving speculative survey data – after the expiry of the period (not being more than 15 years) specified in the speculative survey licence; or
 - (b) in any other case –
 - (i) after the expiration of 2 years from the date of substantial completion of the recording of the data; or
 - (ii) if the data has been reprocessed **without the inclusion of newly-recorded data that is being processed for the first time** – after the expiration of 2 years from the date of substantial completion of the reprocessing of the data; or
 - (iii) if the data has been reprocessed in conjunction with the initial processing of newly-recorded data and which becomes part of a single, merged output dataset – after the expiration of 2 years from the date of substantial completion of the recording of the data (in line with the requirements for the newly-recorded data).

37 – Geophysical data

- (4) Geophysical data provided under this regulation will be available for public inspection –
- (a) in the case of **geophysical data acquired under a speculative survey licence** (whether or not including reprocessed data) – after the expiry of the period (not being more than 15 years) specified in the speculative survey licence; or

- (b) in any other case –
 - (i) after the expiration of 2 years from the date of substantial completion of the recording of the data; or
 - (ii) if the data has been reprocessed **without the inclusion of newly-recorded data that is being processed for the first time** – after the expiration of 2 years from the date of substantial completion of the reprocessing of the data; or
 - (iii) if the data has been reprocessed in conjunction with the initial processing of newly-recorded data and which becomes part of a single, merged output dataset – after the expiration of 2 years from the date of substantial completion of the recording of the data (in line with the requirements for the newly-recorded data).

REGULATION 40: WELL COMPLETION REPORTS

Proposed amendments:

To bring departmental policy on data submission requirements into official effect, it is proposed that two additional requirements be added to Regulation 40(2) as follows:

- (g) (xiii) the final surveyed well location and elevation information (including the co-ordinate reference system used)
- (r) if the well was drilled from a multi-well pad, a diagram identifying which well was drilled from which slot on the pad.

REGULATION 43: PETROLEUM RESERVOIR FLUID ANALYSIS REPORTS

Regulation 43 requires the submission of a 'petroleum reservoir fluid analysis report' by a licensee who samples reservoir fluid, including water. The inclusion of the word 'petroleum' is confusing as the intention of the provision is to obtain fluid analysis for any reservoir fluids obtained during regulated activities, not just petroleum, and should include geofluid as well as any other relevant reservoir fluid.

Proposed amendment:

To provide clarity, it is proposed that Regulation 43 be amended to remove the word 'petroleum' and refer instead to 'reservoir fluid analysis reports' or 'regulated resource reservoir fluid analysis reports'.

REGULATION 45: PRODUCTION REPORTS

Licensees to report on geothermal energy production

Regulation 45 requires the submission of monthly production reports by a licensee who produces a 'regulated substance'. However, this does not capture the production of geothermal energy, which is defined as a 'regulated resource'.

Accordingly, there is currently no requirement for geothermal licensees to submit monthly reports containing geothermal energy production data.

The collection of production data is important as it allows monitoring of changes to the reservoir in response to fluid circulation, and enables more accurate reservoir modelling.

In addition, provision of information on the geochemistry of produced geofluids would enable reservoir scaling monitoring and any production facilities that might be of environmental concern.

Proposed amendment:

It is proposed that Regulation 45 be amended to require a licensee who produces geothermal energy to submit a production report containing, for example, the following information:

- The volume, flow rates, production temperature and pressure and geochemistry of the geofluid that is produced; and
- The volume, flow rates, reinjection temperature and pressure and geochemistry of the geofluid that is re-injected to the reservoir once heat energy has been ‘used’ for commercial purposes.

Licensees to report on water injection

Production reports prepared in accordance with the Act currently do not require licensees to report on the quantity of water injected in connection with production of a regulated substance, such as for enhanced oil recovery or water disposal via re-injection.

Regulation 45(2)(b)(iii) requires licensees to report on the quantity of ‘regulated resource’ injected during each month. The department believes this should refer to ‘regulated substance’, not resource.

Through separate mechanisms, licensees also report on quantities of water injected for activities relating to the production of a regulated substance, for example enhanced oil recovery techniques.

Proposed amendment:

It is proposed that Regulation 45(2)(b) be amended to require production reports to include the quantity of water injected in connection with the production of a regulated substance.

REGULATION 47: ‘OTHER’ TECHNICAL DATA AND REPORTS

The department does not consider existing reporting requirements to specify all types of data and reports that should be submitted to the Minister as ‘other technical’ data or reports.

As compliance with Regulation 47 has not been well achieved by licensees, and based on feedback to date, the department’s intention is to provide more legislative prescription about the types of reports considered to be ‘technical’ that must be submitted to the Minister in accordance with this regulation.

Proposed amendment:

It is proposed that a provision be introduced to allow the Minister to determine the types of technical reports and data that the department considers should be submitted to the Minister in accordance with Regulation 47.

Protection of intellectual property and commercial in-confidence information will be considered in this new provision as well as whether it is necessary to include a provision that requires the Minister to take steps to ensure that commercially sensitive information is not publicly disclosed before releasing a report provided under this regulation.

REGULATION 49: REPORT ON ANALYSIS OF CORE OR CUTTINGS

The current two-year confidentiality periods for reports on the analysis of core or cuttings from open file wells, which are already available for public inspection, are significantly longer than the six-month period under most equivalent interstate legislation.

Proposed amendment:

It is proposed that Regulation 49(9) be amended to align with equivalent interstate legislation and require reports on the analysis of core or cuttings from an open file well to be made available for public inspection six months from the date of their removal for analysis. An exception would be where the well itself is still confidential, in which case the report would become available for public inspection at the same time as the well itself.

Proposed amendment to Reg 49(9) will be as follows:

A copy of a report provided to the Minister under this regulation will be available for public inspection after the later of:

- (a) the expiration of 6 months after the date on which the sample was removed from the Core Library (or as soon as reasonably practical if an extension has been granted under subregulation (4)); and
- (b) the expiration of 2 years from the date on which the rig was released from the well in which the core or cuttings were obtained.

REGULATION 52: AVAILABILITY OF INFORMATION

Proposed amendments:

It is proposed that Regulations 52(1), (2) and (3) be amended as follows to cover the release of data as well as reports, and to include the immediate release of both data and reports upon expiry or surrender of a licence, with the exception of material covered by a speculative survey licences, commercial-in-confidence material and material subject to privacy legislation:

52—Availability of information

- (1) The Minister will determine the places where **data and** documents available

for public inspection under this Part will be so available.

- (2) The Minister will determine whether **data or** a document available for public inspection under this Part may be copied and, if so, the amount of a copying fee.
- (3) Despite a preceding provision of this Part, but excluding material acquired under a speculative survey licence, commercial-in-confidence material and material subject to privacy legislation, any data or report that is to be made available for public inspection after a specified period may, in any event, be made available immediately for public inspection if or when the relevant licence expires or is surrendered or cancelled under the Act.

FEE NOTICE

Fee for deferment of a work program

Currently, there is no provision for an application fee in circumstances where the Minister is requested to approve the work program deferment in accordance with sections 25(4) or 33(4) of the Act (relating to exploration and retention licences respectively).

Determination of a deferment application requires significant assessment to ensure that the deferral is appropriate and justified and will not disadvantage prospective licensees, or, in the case where the licence was awarded through competitive tender, maintains the level of benefit to the state of the licensee's work program commitment over competing bids.

It is the department's intention that, with this fee in place, bringing forward a work program will not attract a fee.

Proposed amendments:

To address this, it is proposed that deferment of a work program application fee be introduced, with the amount set at the same level as other applications to vary, suspend or renew licences.

Suggestion:

Application for the approval of the Minister to defer a work program \$2 378.00

Determinations

As raised in the issues paper released on 11 February 2021, the department considers that a number of reporting detail requirements stipulated under the legislation could be best administered through Ministerial Determinations.

The department's intention is that an additional consultation process will occur for each determination and that all gazetted determinations will be published on the department's website.

Proposed amendments:

It is proposed to include Ministerial Determination provisions for the following:

- Licence application requirements: Part 2 of the regulations
- Environmental impact reports (EIRs): regulation 10
- Statements of environmental objectives (SEOs): regulations 12-14
- Notice of entry on land: regulation 22
- Activity notifications: regulations 18, 19 and 20
- Fitness-for-purpose assessments: regulation 30
- Emergency response procedures and drill reports: regulation 31
- Reportable and serious incident reports: regulation 32

- Annual reports (including updated requirements to report on rehabilitation plans): regulation 33
- Geophysical progress reports: regulation 34
- Geophysical operations reports: regulation 35
- Geophysical interpretation reports: regulation 36
- Geophysical data: regulation 37
- Daily drilling reports: regulation 38
- Wireline logs: regulation 39
- Well completion reports: regulation 40
- Quarterly cased-hole well activity reports: regulation 41
- Well test analysis reports: regulation 42
- Petroleum reservoir fluid analysis reports: regulation 43
- Downhole diagrams: regulation 44
- Production reports: regulation 45
- Facility construction reports: regulation 46
- Other technical reports: regulation 47
- Well samples: regulation 48
- Reports on analysis of cores or cuttings: regulation 49

Transitional provisions

The following is a preliminary list of proposed transitional provisions:

Bill provision	Proposed transitioning provision
Immediately reportable incidents	For all existing SEOs – serious incidents will mean ‘immediately reportable’ for this purpose.
Fitness for purpose assessment	For existing facilities at the proclamation date of revised Act that were subject to the FFP provisions under the previous Act, this clause will apply from next FFP report anniversary due date. For existing facilities at the proclamation date of revised Act which were not subject to the FFP provisions under the previous Act, that is facilities not under prescribed licences, the licensees will be required within 6 months from the proclamation date of the new Act or within a period approved by the Minister to conduct their first FFP.
New SEO provisions	For all existing SEOs, including an SEO that has been formally submitted for the Minister’s approval – these new requirements will apply at next revision anniversary date, or when the Minister decides that an SEO should be revised.

Acknowledgement of Country

The Department for Energy and Mining (DEM) acknowledges Aboriginal people as the First Nations Peoples of South Australia. We recognise and respect the cultural connections as the traditional owners and occupants of the land and waters of South Australia, and that they continue to make a unique and irreplaceable contribution to the state.



Government of South Australia
Department for Energy and Mining