

Notes to accompany the Exploration Permit or Drilling Reservation Annual Assessment Report form

Petroleum, Geothermal Energy and Greenhouse Gas Storage
(Resource Management and Administration) Regulations 2015
and

Petroleum and Greenhouse Gas Storage (Submerged Lands)
(Resource Management and Administration) Regulations 2015

Purpose

DMPE provides an approved form for submitting an Annual Assessment Report (AAR) for the purpose of section 152A of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* (PGEAGSA) and section 152J of the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* (PGSLA). This guide note is to inform title holders of the information to be submitted in an AAR in the **approved form**. The intended audience for this guide note is all petroleum, geothermal or GHG permittees or holders of a petroleum, geothermal or GHG drilling reservation (noting drilling reservations may only be granted under the PGEAGSA).

Objectives

The approved form for AARs has been developed to improve reporting consistency for exploration permits and drilling reservations. The Department of Mines, Petroleum and Exploration (DMPE) assesses submitted AARs with regard to:

- title holders' compliance with any conditions on the title instrument, including the work program;
- details of work and studies undertaken in the reporting period;
- details of future work to be undertaken;

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- consistency in resource reporting of petroleum, regulated substances, geothermal energy or GHG storage formations; and
 - the reports submitted to DMPE during the reporting period.

Required information:

References to items in the regulations within this guide note are consistent with the Petroleum, Geothermal Energy and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2015 in force under PGEGGSA and the Petroleum and Greenhouse Gas Storage (Submerged Lands) (Resource Management and Administration) Regulations 2015 in force under PGGS(SL)A, together referred to as RMAR. Note that item numbers are the same under both sets of regulations.

Regulation 37(2) – For the purposes of subregulation (1), the required information for a petroleum, geothermal or GHG permittee or holder of petroleum, geothermal or GHG drilling reservation is listed in Schedule 2 Division 1.

Additional information

Regulation 37(3) – An Annual Assessment Report may include any other information that the title holder believes is relevant to the title.

Approved form

The approved form sets out the information required from petroleum permittees, geothermal permittees, GHG permittees and holders of drilling reservations to prepare and submit an AAR in accordance with their annual reporting obligations, as prescribed in the RMAR.

Title holders are required to be aware of their rights and obligations under the Acts, and Part 5 and Schedule 2 of the RMAR.

Subject to regulation 37, a title holder must give the Minister an AAR containing the required information for each year of a term of the title. The AAR is due within 30 days after each anniversary of the day in which the title came into force. The Minister may accept an AAR submitted before the anniversary date, provided it contains all the required information for the relevant reporting period.

The AAR may include multiple titles in a combined report if prior written agreement has been obtained pursuant to regulation 38.

An AAR is excluded information under regulation 82 of the RMAR and therefore permanently confidential under regulation 83. All AARs submitted to DMPE should be marked as **Permanently Confidential**.

A title holder may be required to provide an AAR for part of a year pursuant to regulation 39, which applies where a title ceases to be in force (i.e. has expired, was surrendered, cancelled, revoked or terminated), or if the term of the title was not a whole number of years (for example, where a title is deemed to continue in force per section 42(8) (and 43(6) for a drilling reservation) of PGEGGSA and section 32(8) of PGGS(SL)A.



Compliance

An AAR may be considered **unacceptable and require resubmission** where:

- the reporting period is incorrect;
- required information under Schedule 2 Division 1 has not been adequately addressed; or
- information contained within the AAR is inconsistent with other sections of the report, departmental records, or the current title instrument.

An unacceptable AAR does not necessarily indicate title non-compliance; however, it may warrant further investigation where deficiencies prevent the department from adequately assessing compliance with legislative obligations, title conditions, or approved work program commitments.

A work commitment must be carried out within the permit area, in accordance with all required approvals, and to a standard accepted by the Minister or the department. A commitment is considered completed only when the activity has fulfilled the minimum work commitment within the relevant permit year. Commencing an activity without fulfilling the minimum work commitment does not constitute completion. Work is not regarded as completed merely because it has begun, resources have been allocated, contracts have been executed, equipment has been mobilised or expenditure has been incurred.

If a permittee reasonably expects that a commitment will not be completed by the end of the permit year, the permittee should contact the department and apply for an available statutory remedy – such as a suspension with or without extension of the permit term – before the commitment becomes due.

Completion is generally demonstrated through submission and acceptance of the relevant operational results, data and reports. For geological and geophysical study commitments, completion is ordinarily demonstrated by providing study outputs or other evidence sufficient for the regulator to assess whether the work has been undertaken to a standard acceptable to the Minister. A study that is not submitted, or for which sufficient evidence of completion is not provided, may be treated as an unsatisfied work commitment, even if technical work is claimed to have been undertaken internally.



Notes on specific items under Schedule 2 Division 1

Required information: petroleum, geothermal or GHG permittee or holder of petroleum, geothermal or GHG drilling reservation

Item 1:

Information to be provided for item 1 is as per the current title instrument and should be consistent with the instrument in force at the end of the reporting period. If a variation to a title condition is still under assessment, the title holder should include this detail as discretionary information under Regulation 37(3) of the form.

Item 2(a):

This information is used to identify and track compliance with the conditions to which a title is subject, such as those relating to the work program. Title holders are advised that only work undertaken within the title area will meet a work program commitment condition.

Actual expenditure should reflect the total actual expenditure incurred in undertaking each exploration activity associated with title conditions (including drilling, surveys or studies) during the reporting period and not be an estimate. Title administration costs should be listed separately from work expenditure. Amounts should be reported in Australian dollars.

Item 2(b):

The AAR should summarise all evaluation and study efforts (geological, geophysical and/or technical), including surveys and drilling, that have furthered the understanding of the petroleum or regulated substance pool (as applicable) or geothermal energy potential, the understanding of potential GHG storage formations and potential GHG injection sites within the title area. Provide support for any changes to the exploration rationale as a result of the updated knowledge, new data, techniques, etc.

Actual work undertaken (whether per a work program commitment, or considered in addition to commitments) should be described in relation to an activity, for example:

- For geotechnical studies – seismic planning, seismic interpretation, rock property studies, geological studies, petrophysical interpretation, etc.
- For exclusive survey acquisition – the name of the survey, type (2D, 3D, AEM, gravity, etc.), size of survey (line km/km²) within the permit or drilling reservation area.
- For non-exclusive surveys (purchase/licensing) – the name of the dataset, the name of the survey, total area, size of survey (line km/km²) within the permit or drilling reservation area.
- For seismic processing or reprocessing – the name of the survey, processed or reprocessed, type of processing, amount of data (line km/km²) processed within the permit or drilling reservation area.
- For well activities – the name of the well.



Specific information should relate to:

- any well activity during the reporting period, including any drilling, production or injectivity tests;
- studies (geological, geophysical, geotechnical, engineering, etc.);
- new data and surveys;
- updated knowledge of the petroleum or regulated substance system, geothermal system, a potential greenhouse gas storage formation or a potential GHG injection site; and
- updated assessment of any resource pool, geothermal resources area or the fundamental suitability determinants and spatial extent of a GHG storage formation.

Where a discovery has been made within the permit or drilling reservation, this summary should identify how the work undertaken has contributed to the understanding and evaluation, including revision of resource estimates, of any resource pool, geothermal resources area, the fundamental suitability determinants and spatial extent of a GHG storage formation or any evaluation of potential GHG injection sites. Reporting of any resources should follow Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS) guidelines for petroleum and regulated substances or the United Nations Framework Classifications for Resources Update (UNFC) (2019) for geothermal energy resources, as applicable. If the title area contains an identified GHG storage formation, a table of the fundamental suitability determinants and spatial extent (blocks), as declared, should be provided. Alternatively, resource reporting for GHG storage formations can be reported using SPE-SRMS guidelines and/or the estimated fundamental suitability determinants and spatial extent.

Item 2(b) (continued):

Regarding provision of details of prospects and leads, the regulations do not specify the manner or detail in which this information should be provided, therefore the department has included tables in this form that reflect a standard descriptive methodology used to convey this information. Only the tables applicable to the resource type in the title are required; the other tables should be deleted prior to submission. Comments may be expanded upon for all leads and prospects, including those identified during the reporting period, in relation to the summary of progress in characterisation or understanding of lead/prospect; for example, new seismic, revised mapping, charge modelling, change to resource estimate, plans for drilling, and maturation efforts.

In respect of each lead and prospect identified or further evaluated during the reporting period, the department recommends including the following information:

- A clear and concise map with legible contours that shows the location and outline of all leads and prospects within the permit area are currently considered valid.
- A description of all leads and prospects, providing details on the trap type and mechanism, reservoir, source rock and seal for each individual prospect/lead.

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- Maturation efforts for all leads and prospects, including those identified during the reporting period.
 - Any previous prospects or leads that have been downgraded due to further work carried out and the technical justification to support this.

For resources mentioned in Tables AA, BB, and CC, the prospective resources are recoverable volumes or mass, not initially in place volumes or mass.

Item 3:

Reports to be included: Annual Assessment Reports, (including revisions/resubmissions), reports/data associated with a work program operational activity or study, etc. (e.g. final well activity reports, survey acquisition reports, interpretative reports, etc.).

Do not include reports submitted under regulations **other than** the RMAR (e.g. environmental reports under the Environment Regulations; reports under Work Health and Safety (Petroleum and Geothermal Energy Operations) Regulations 2022 or applications (e.g. well management plans, suspension/extension/variation applications, etc.).

Item 4(a):

This information is used to identify and track compliance with the conditions to which a permit or drilling reservation is subject, such as those relating to the work program.

Details are only required for the title year(s) covered by the next reporting period.

Planned or scheduled work (whether to meet a work program commitment, or considered in addition to commitments) should be described in relation to an activity, for example:

- For geotechnical studies - seismic planning, seismic interpretation, rock property studies, geological studies, petrophysical interpretation etc.
- For exclusive survey acquisition – the name of the survey, type (2D, 3D, AEM, gravity, etc.), size of survey (line km/km²) within the permit or drilling reservation area.
- For non-exclusive surveys (purchase/licensing) – the name of the dataset, the name of the survey, total area, size of survey (line km/km²) within the permit or drilling reservation area.
- For seismic processing or reprocessing – the name of the survey, processed or reprocessed, type of processing, amount of data (line km/km²) processed within the permit or drilling reservation area.
- For well activities – the name of the well.

Item 4(b):

Measures taken to prepare for the planned or scheduled work in Item 4a may include land access negotiations, approvals sought/received, contracts for a drilling rig or survey acquisition, etc.



Item 5:

This item relates to conditions of permit or drilling reservation in accordance with section 43 or 43C of PGEGGSA and section 33 of PGGS(SL)A. This information is used to identify and track compliance with the conditions to which a permit or drilling reservation is subject under section 97 of PGEGGSA and section 103 of PGGS(SL)A.

Regulation 37(3)

This regulation allows for the title holder to include any discretionary information in the AAR. This may include an overview, which outlines the main aspects of the permit or drilling reservation, for example:

- relevant permit history;
- applications and relevant dealings having an effect on the permit or drilling reservation lodged or approved within the reporting period; and
- anything else the permittee or holder of a drilling reservation wishes to include.

This may be included under “Additional Information” or under the appropriate section within the report.