

Notes to accompany the production licence 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* (PGEGGSA) and section 152J of the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* (PGGS(SL)A). 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 and geothermal licensees.

Objectives

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

- title holders' compliance with any conditions on the title instrument;
- details of work and studies undertaken in the reporting period;
- details of future work to be undertaken;
- consistency in resource reporting of petroleum, regulated substances and geothermal energy; 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 (PGEgg(RMA)R) and the Petroleum and Greenhouse Gas Storage (Submerged Lands) (Resource Management and Administration) Regulations 2015 (PGGS(SL)(RMA)R). Note that item numbers differ between the two sets of regulations.

Regulation 37(2) – For the purposes of subregulation (1), the required information for a petroleum licensee or geothermal licensee is listed in Schedule 2 Division 3.

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 licensees or geothermal licensees to prepare and submit an AAR in accordance with their annual reporting obligations, as prescribed in the Petroleum, Geothermal Energy and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2015 and/or the Petroleum and Greenhouse Gas Storage (Submerged Lands) (Resource Management and Administration) Regulations 2015; together, the RMAR.

Licensees are required to be aware of their rights and obligations under the PGEggSA, the PGGS(SL)A, and Part 5 and Schedule 2 of the RMAR.

Subject to regulation 37, a title holder must give the Minister an AAR providing the required information for each year of a term of the licence. 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 licensee 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 licence is deemed to continue in force per section 65(11) of PGEggSA or section 55(11) 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 3 has not been adequately addressed;
- information within the AAR is inconsistent with other sections of the report, departmental records, or the current title instrument;
- production forecasts, reserves and/or contingent resources are inconsistent, and the discrepancies are not adequately explained;
- development or production activities differ from an approved Field Management Plan, and the differences are not adequately justified; or
- annual production, injection, venting, flaring or other reported operational data are inconsistent with corresponding monthly production reports.

An unacceptable AAR does not necessarily indicate title non-compliance. However, where deficiencies prevent the Department from verifying compliance with legislative obligations, title conditions, approved management plans, or production reporting requirements, further compliance assessment may be warranted.

Notes on specific items under Schedule 2 Division 3

Required information: petroleum licensee or geothermal licensee

Item 19(a), PGEGGS(RMA)R or Item 13(a), PGGS(SL)(RMA)R:

This section should list all work, evaluations and study efforts and the associated expenditure on each.

Actual expenditure should reflect the total actual expenditure incurred in undertaking each operational activity (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 19(b), PGEGGS(RMA)R or Item 13(b), PGGS(SL)(RMA)R:

The AAR should summarise the results of all work, evaluations and study efforts (geological, geophysical and/or technical), including surveys and drilling, that have furthered the understanding of the resource potential of the licence. Please provide any changes to the development strategy being pursued as a result of the updated knowledge, new data, techniques etc.

Actual work undertaken should be described in relation to an activity, for example:

- For geotechnical studies – seismic planning, seismic interpretation, rock property studies, geological studies, petrophysical interpretation, static and dynamic modelling, etc.
- For exclusive survey acquisition – the name of the survey, type (2D, 3D, AEM, gravity, etc.), size of survey (line km/km²) within the lease 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 lease 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 area.
- For well activities – the name of the well.
- For a facility – the name of the facility.

Specific information should relate to:

- studies (geological, geophysical, geotechnical, engineering, etc.);
- new data and surveys;
- updated knowledge of the resources pool or geothermal energy resource area;
- summary of production operations e.g. production rate, any well shutdown and/or workovers, decommissioning, etc.;
- details and results on any development drilling during the reporting period;
- summary of any appraisal or production activities undertaken that result in new information about a pool or geothermal resources area; and
- facility changes – specific details of work undertaken.



Item 19(b), PGEGGS(RMA)R or Item 13(b), PGGS(SL)(RMA)R (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 template that reflect the standard descriptive methodology used by industry to convey this information for petroleum and regulated substances. 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 licence 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.
- 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 20, PGEGGS(RMA)R or Item 14, PGGS(SL)(RMA)R:

This section should detail the work activities expected to be undertaken over the next 12 months as outlined by condition of the licence pursuant to section 66 of PGEGGSA or section 56 of PGGS(SL)A or to any conditions imposed on the grant of the licence, or both.

Item 21, PGEGGS(RMA)R or Item 15, PGGS(SL)(RMA)R:

Reports to be included: Annual Assessment Reports (including revisions/resubmissions), reports/data associated with an activity under the regulations, (e.g. final well activity reports, survey acquisition reports, interpretative reports, etc.).

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

Item 22, PGEGGS(RMA)R or Item 16, PGG(SL)(RMA)R:

This section should detail the work activities expected to be undertaken over the next 12 months not covered by Item 20, PGEGGS(RMA)R (or Item 14, PGG(SL)(RMA)R), such as:

- upcoming development activities, including wells, workovers, facilities, etc.; and
- any further evaluation of the pool or exploration potential of the licence, including drilling, update to field models, seismic surveys or reprocessing and geotechnical studies.

Item 23, PGEGGS(RMA)R or Item 17, PGG(SL)(RMA)R:

The production forecast should cover the expected life of the field(s) in a tabular format. Consistency is expected between production forecast and 2P reserves. Provision of a graph of the forecast is discretionary.

Item 24(a-f) , PGEGGS(RMA)R or Item 18(a-f), PGG(SL)(RMA)R:

‘For a year after the first year’ has the meaning of ‘For every year after Licence Year 1’.

The description of the resource pool(s) should include a depth structure map, cross-section (strike and dip or inline and crossline), stratigraphic column and well log, as well as a description of the petroleum system (trap, reservoir, seal and source rock) or provide a reference to a document previously submitted to DMPE which has this information.

‘At the end of the previous year’ has the meaning of the end of the previous calendar year (1 January to 31 December).

For petroleum and regulated substances, the categorisation and classification of estimates in the template should be consistent with those defined in the SPE Petroleum Resources Management System (SPE-PRMS) 2018 and the Guidelines for Application of the Petroleum Resources Management System (July 2022). For geothermal energy, the reporting should follow the United Nations Framework Classifications for Resources Update 2019 (UNFC), as applicable.

Probabilistic (P90, P50 and P10) or deterministic (low, best and high) estimates for 1P, 2P and 3P reserves and 1C, 2C and 3C contingent resources are acceptable under the SPE-PRMS 2018.

Volumes should be reported at Standard Conditions, 15.56 °C (60 °F) and 101.325 kPa (1 atm); 1 cf = 0.02831685 m³; 1 MMbbl = 0.1589873 GL.

If the volumes reported under Items 24(c) and (d) represent a change in the petroleum/regulated substance initially in place, estimated ultimate recovery, reserves or contingent resources reported in previous years, the new or revised data that result in the changes should be included under Item 24(b). If by the time of submission of the AAR, no detailed information is ready for submission, the AAR should include a summary of the reasons and impact on the changes, and a timeline for providing the supporting data/studies.



Specifically for Item 24(f), PEGGGS(RMA)R or Item 18(f), PGGS(SL)(RMA)R:

In addition to the tables under Item 24(c), where the reserves or contingent resources are reported for individual pools, the two tables under 24(f) summarise the total reserves or contingent resources for the field.

It is required that a summary table for the reserves and contingent resources in Excel format from all pools should be included as an attachment to the AAR. The approved form is linked [here](#).

Items 25-27, PEGGGS(RMA)R or Items 19-21, PGGS(SL)(RMA)R:

‘During the year’ means calendar year (1 January to 31 December) as opposed to reporting year based on anniversary dates. These items cover total production/recovery/injection data, as well as flaring and venting data.

Item 28, PEGGGS(RMA)R or Item 22, PGGS(SL)(RMA)R:

This information is used to identify and track compliance with the conditions to which a licence is subject pursuant to section 66 of PEGGSA and section 56 of PGGS(SL)A, or to any conditions imposed on the grant of the licence, or both. Specify any information that is in accordance with a condition of the licence, not already mentioned under Item 20, PEGGGS(RMA)R (or Item 14, PGGS(SL)(RMA)R).

Regulation 37(3)

This regulation allows for the licensee to include any discretionary information in the AAR. This may include an overview which outlines the main aspects of the licence, for example:

- any major factors likely to affect current or future production;
- any updates on facilities;
- other relevant licence history;
- applications and relevant dealings having an effect on the licence, lodged or approved within the reporting period; and
- anything else the licensee wishes to include.

For production licences with a Gas Storage Agreement (GSA) under section 67(2)(a) of PEGGSA, the title holders should report gas storage activities undertaken during the reporting period, including injection and withdrawal operations and are required to report compliance with any specific conditions of the GSA.

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