



Santos NSW Pty Ltd
Sofia Oliver - Regulatory Approvals Coordinator
Level 16
40 Creek Street
Brisbane QLD 4000

File No: MCV13/205, Ref No: OUT13/23533

RE: PEL 238 Approval to undertake Dewhurst 26-29 Pilot Wells exploration program.

Pursuant to Condition 2 of PEL 238 granted under the provisions of the *Petroleum (onshore) Act 1991*, the licence holder presented for the Minister's approval a Category 3 exploration program comprising the drilling and operation of 4 pilot wells known as Dewhurst 26-29 Pilot Wells.

I, Greg Summerhayes, Manager Licensing and Approvals Office of Coal Seam Gas, under delegation from the Minister for Resources and Energy, dated 16 May 2013, in accordance with Condition 2 of PEL238 that became effective on 15 February 2013, approve the *Dewhurst 26-29 Pilot Wells - PEL 238, Gunnedah basin, NSW* exploration program, subject to the Conditions of Schedule 2 of PEL238 and to the additional conditions set out below. A breach of these conditions is an offence under the *Petroleum (Onshore) Act 1991*.

CONDITIONS.

General Conditions.

1. The works must be carried out at the location(s) and in accordance with the methods contained in:
 - a. *Review of Environmental Factors, Dewhurst 26-29 Pilot Wells - PEL 238, Gunnedah basin, NSW* dated March 2013; and
 - b. *Dewhurst 26-29 Pilot Wells - PEL 238, Gunnedah basin, NSW Review of Environmental Factors (REF) – Additional Information* dated June 2013.
2. All works must be completed and the site fully rehabilitated by the end of the current term of PEL 238, being **2 August 2016**, unless an extension to this period is approved by the Minister before this time.

Access to activity approval and relevant documents

3. The licence holder must ensure that a copy of this activity approval, the REF described at Condition 1, and any relevant documentation relating to the conduct of the activity is:
 - a) accessible on the site of active prospecting operations authorised by this activity approval; and
 - b) made available to all supervisors or other persons concerned in the day to day management of prospecting operations authorised by this exploration licence.

Fracture stimulation

4. Fracture stimulation, the process by which a well is "stimulated" when fluids are forced at high pressure into hydrocarbon-bearing formations to create a conductive flow path into the target formation resulting in enhanced flow of hydrocarbons to the wellhead, is not approved.

Rehabilitation

5. Quantitative rehabilitation completion criteria for disturbed areas must be submitted to, and approved by the Minister within 3 months of the date of this approval. The licence holder must take account of the pre-disturbance vegetation characteristics (density and diversity) of the project area in the development of the rehabilitation completion criteria.

Water Licensing Requirements

6. Licenses must be obtained from the NSW Office of Water to account for the take of water associated with the project.

Bore construction and Abandonment

7. A Form A (construction report) must be submitted to the NSW Office of Water for all monitoring bore completed.
8. All groundwater data obtained throughout the activity is to be made available to the NSW Office of Water on request.

Drill Pad and Access Road Construction

9. Construction activity within 40m of any watercourse, including construction of the drill pad, upgrades to access roads and any watercourse crossing, should be designed by a suitably qualified person, consistent with the NSW Guidelines for Controlled Activities (July 2012).

Security

10. An additional security deposit is to be lodged with the Department. You will be contact by the Departments Titles Branch regarding the lodgment of this security.

Waste

11. Any liquid and/or non liquid waste for processing, resource recovery or disposal at the premises must be assessed and classified in accordance with the DECC Waste Classification Guidelines, prior to dispatching from the site.

Groundwater Monitoring

12. Groundwater monitoring must be conducted in accordance with and at the locations shown in the *Narrabri Gas Field, Groundwater Monitoring and Modelling Plan*, dated December 2012, which was approved on 9 July 2013 or as may be subsequently approved by the Minister.

Sediment and Erosion Control Plan

13. A Sediment and Erosion Control Plan must be prepared and implemented. The plan must describe the measures that will be employed to minimise soil erosion and the discharge of sediment and other pollutants to lands and/or waters during construction activities. The

plan should be prepared in accordance with the requirements for such plans outlined in Managing Urban Stormwater: Soils and construction.

Note: The Environmental Protection Authority (EPA) has advised that this proposed exploration program is a scheduled activity under the Protect of Environment Operations Act 1997 (the POEO Act). The titleholder is required to make a separate application to the EPA for an environmental protection license to be issued under the POEO Act.

An environmental protection license issued by the EPA will set conditions for the protection of the environment , waste management, monitoring and reporting, and limits of pollution from noise, discharges to air, water and applications to land. An environmental protection license will supersede those conditions of this approval which are provided as conditions for protection of the environment. Where there is any inconsistency, the conditions of the environmental protection license will prevail.

Should you wish to discuss any details of this approval please contact the Office of Coal Seam Gas on 02 4931 6705

Yours Sincerely,



Greg Summerhayes
Manager Licensing and Approvals, Office of Coal Seam Gas.

Date: 16 August 2013