



Reference: 11/3542, 12/5255

Mr Alan Feely
Manager, Environment and Water, Energy NSW
Santos NSW (Eastern) Pty Ltd
GPO Box 1010
BRISBANE QLD 4001

Dear Mr Feely

**PETROLEUM EXPLORATION LICENCE NO 238 (ACT 1955) AND
PETROLEUM ASSESSMENT LEASE NO 2 (ACT 1991)**

I refer to your letter dated 18 October 2013, requesting that text from our letter to Santos dated 30 September 2013 be corrected and the letter reissued regarding Minister's consent to carry out prospecting operations within Bibblewindi and Pilliga State Forests.

In accordance with the provisions of Section 70 of the *Petroleum (Onshore) Act 1991*, the Minister has consented to operations being conducted as identified in the annexure to this letter (activities listed 1 to 10 of Santos letter).

This consent is subject to the conditions set out in the attached Endorsement Schedule.

For further information, please contact the undersigned on (02) 4931 6705.

Yours faithfully

Greg Summerhayes
Manager, Licensing and Approvals
Office of Coal Seam Gas
23 October 2013

Santos Ltd
ABN 80 007 550 923
Santos Centre
Level 16, 40 Creek Street
Brisbane Queensland 4000
GPO Box 1010
Brisbane Queensland 4001
Telephone: 61 7 3838 3000
Direct: 61 7 3838 3435
www.santos.com

Santos
We have the energy.

18 September 2013

Mr Greg Summerhayes
Manager, Licensing and Approvals
Office of Coal Seam Gas
NSW Trade and Investment
PO Box 344
Hunter Region Mail Centre NSW 2310

Delivery: via email

Dear Mr Summerhayes

Petroleum Exploration Licence (PEL) 238 and Petroleum Assessment Lease (PAL) 2 – Exempt Area Consent

The purpose of this letter is for the holders of PAL 2 and PEL 238 to seek consent under section 70(1) of the *Petroleum (Onshore) Act 1991* (PO Act) to exercise the rights conferred by PEL 238 and PAL 2 within Bibblewindi and Pilliga State Forests in respect of the holders' proposed exploration and appraisal program.

Santos NSW (Eastern) Pty Ltd is a wholly owned subsidiary of Santos NSW Pty Limited (formally known as Eastern Star Gas Limited) and is the operator appointed by the holders of PAL 2 and PEL 238.

An Occupation Permit between the Forestry Corporation of NSW, the State of NSW and Santos NSW Pty Limited allows Santos to conduct activities that it is authorised to perform under the PO Act or a petroleum title within the Bibblewindi and Pilliga State Forests that is within the boundaries of PEL 238 and PAL 2 subject to conditions. The Occupation Permit commenced on 1 January 2011 and is for a term of 30 years. A copy of the Occupation Permit is attached.

The holders, through their appointed operator, are proposing undertake an updated exploration and appraisal program within PEL 238 and PAL 2. Part of this program is proposed to be undertaken in the Bibblewindi and Pilliga State Forests. The operator, on behalf of the holders, proposes to recommence operation of some of the existing wells and has also submitted applications for approval of further components of the exploration and appraisal program to the Department pursuant to the conditions of PEL 238 and PAL 2. The applications have been accompanied by a Review of Environmental Factors. The holders seek consent to exercise the rights conferred by PAL 2 and PEL 238 within Bibblewindi and Pilliga State Forests for the following components of the exploration and appraisal program:

1. Operation of the existing Bibblewindi Multi-Lateral Pilot (Bibblewindi 12, 13, 14, 15, 16, 17, 18H, 19H, 21H, 27, 28H and 29) and associated gathering and flow lines;
2. Operation of the existing Bibblewindi West Pilot (Bibblewindi 22, 23, 24, 25 and 26) and associated gathering and flow lines;
3. Operation of the existing Dewhurst 13-18H Pilot (Dewhurst 13, 14, 15, 16H, 17H and 18H) and associated gathering and flow lines;

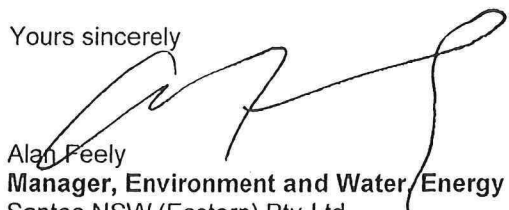
4. Construction and operation of Dewhurst Northern Water and Gas Flow Lines submitted to the Department on 2 July 2013;
5. Construction and operation of Dewhurst Southern Water and Gas Flow Lines submitted to the Department on 2 July 2013;
6. Construction and operation of Dewhurst Pilot Wells 22-25 approved by the Department on 16 August 2013;
7. Construction and operation of Dewhurst Pilot Wells 26-29 approved by the Department on 16 August 2013;
8. Construction and operation of the components of the Leewood – Produced Water & Brine Management Project (Phase 1) within Bibblewindi and Pilliga State Forests approved by the Department on 19 March 2013 including the operation of the Bibblewindi Water Transfer Facility;
9. Narrabri Gas Field Groundwater Monitoring and Modelling Plan; and
10. Activities permissible as "Category 1 prospecting operations" under Condition 1 of PEL 238, activities within clause 9A(2) of Schedule 1 of the *Protection of the Environment Operations Act 1997 (NSW)* and exempt development under the *State Environmental Planning Policy (Mining, Petroleum and Extractive Industries 2007)* including:
 - (a) the construction, maintenance and use of equipment for the monitoring of weather, noise, air, groundwater or subsidence;
 - (b) geological mapping and airborne surveying;
 - (c) sampling and coring using hand-held equipment;
 - (d) geophysical (including seismic) surveying and downhole logging;
 - (e) accessing of areas by vehicle that does not involve the construction of an access way such as a track or road; and
 - (f) soil sampling by machinery.

We advise that applications have been submitted for additional components of the proposed exploration and appraisal program. It is intended to apply for further consent under section 70 of the PO Act at the relevant time if these applications are approved pursuant to the conditions of PAL2 and PEL238.

Santos continues to maintain strong working relationship with Forestry NSW including regular briefings and communication on upcoming activities within the Occupation Permit area.

We trust that this information is sufficient for your purposes. Should you wish to discuss, please do not hesitate to contact Sofia Oliver, on telephone (07) 3838 5823 or email Sofia.Oliver@santos.com.

Yours sincerely



Alan Feely
Manager, Environment and Water Energy NSW
Santos NSW (Eastern) Pty Ltd
CSG operator for and on behalf of the holders of PEL 238 and PAL 2


C/c: Mr Conan Rossler, District Manager, Forestry Corporation of NSW

Attachment 1 –Occupation Permit – *Forestry Act 1916*

COPY

ENDORSEMENT SCHEDULE

In accordance with Section 70 of the *Petroleum (Onshore) Act 1991*, the Manager, Licensing and Approvals on 27 September 2013 consented to the holder of Petroleum Assessment Lease No 2 (Act 1991) exercising the rights conferred by the Act and the licence within Pilliga & Bibblewindi State Forests, subject to the conditions of the lease.



Greg Summerhayes
Manager, Licensing and Approvals
Office of Coal Seam Gas
Under delegation for the Minister dated 16 May 2013

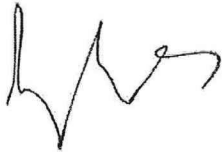
Date of Endorsement: 30 September 2013

File No: 12/5255

COPY

ENDORSEMENT SCHEDULE

In accordance with Section 70 of the *Petroleum (Onshore) Act 1991*, the Manager, Licensing and Approvals on 30 September 2013 consented to the holder of Petroleum Exploration Licence No 238 (Act 1955) exercising the rights conferred by the Act and the licence within Pilliga & Bibblewindi State Forests, subject to the conditions of the licence.



Greg Summerhayes
Manager, Licensing and Approvals
Office of Coal Seam Gas
Under delegation for the Minister dated 16 May 2013

Date of Endorsement: 30 September 2013

File No: 11/3542