

Annual Community Consultation Report Petroleum Exploration Licence No 12 (PEL 12)



For period 27 September 2021 to 26 September 2022

Licence Renewal Date: 12 April 2022

Licence Expiry Date: 12 April 2028

Licence: Petroleum Exploration Licence 12

Licence Holders: Santos QNT Pty Ltd and Australian Coalbed Methane Pty Limited

Report date: 26 October 2022

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Executive summary

Australian Coalbed Methane Pty Limited and Santos QNT Pty Ltd have appointed Santos as the operator for Petroleum Exploration Licence No. 12 (PEL 12). This report has been prepared by Santos to meet Condition 8 of the Petroleum Exploration Licence which states the licence holder must engage with the community in relation to the planning for and conduct of prospecting operations authorised under this exploration licence; the consultation must be undertaken in accordance with the *NSW Exploration code of practice: community consultation* (March 2016) requirements for the exploration of coal and petroleum, including coal seam gas as amended or replaced from time to time; and an annual report on Community Consultation must be submitted to the Department within 28 days of the anniversary of this licence being granted, together with evidence that community consultation has been undertaken in accordance with the code of practice.

Desktop studies and reviews have been conducted throughout the reporting period to meet the current work program in accordance with the *NSW Exploration code of practice: community consultation* requirements for exploration (March 2016), NSW Department of Regional NSW. As a result of Santos' ongoing community engagement and consultation, the following outcomes have been achieved:

- Information was provided to stakeholders and the broader community, and opportunities for interaction and feedback were provided;
- Implemented a consultation framework with engagement activities relevant to the specific exploration program, the resources available, and current the scale of the project;
- Consulted with relevant parties and increased community knowledge of the gas industry and Santos' work program in NSW in order to build stronger relationships with community members;
- Managed conflict effectively and minimised its risks by implementing strategies and resolving issues as they arose.

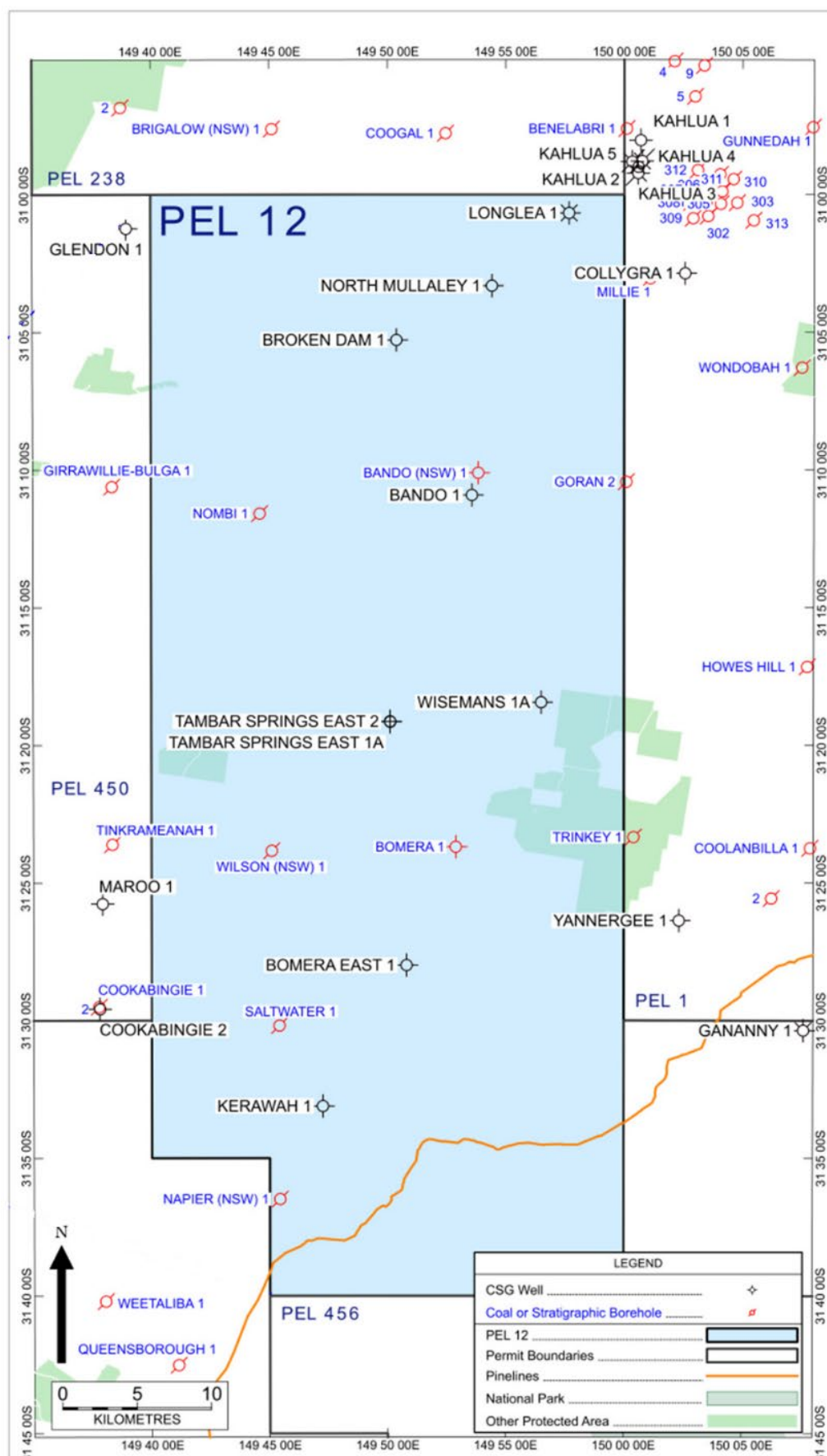
PEL 12 has received interest in activities beyond its immediate area, particularly after the NSW Independent Planning Commission (IPC) approved the State Significant Development (SSD 6456) Application and Environmental Impact Statement (EIS) for the Narrabri Gas Project, as well as the Federal Minister for the Environment's approval of the Narrabri project in November 2020. As a result of an appeal filed by the Mullaley Gas and Pipeline Accord and represented by the Environmental Defenders Office, a small number of community enquiries have been received regarding the Judicial Review proceedings that were heard in the NSW Land and Environment Court from 30 August 2021. The group appealed the IPC's approval of the Narrabri Gas Project and the IPC's consideration of the potential environmental impacts of the transmission pipeline; and engagement associated with Greenhouse Gas Emissions and the potential impact on climate change and the environment. As a result of the proceedings, an outcome was handed down on 18 October 2021, affirming the approval of the project by the IPC. Information relevant to the enquiries can be found in the Narrabri Gas Project SSD 6456 Development Consent and Statement of Reasons for Decision located on the IPC website.

During the period, participation in community events and the opportunity to offer community site tours has continued to be limited due to the NSW Public Health Orders and internal Santos protocols associated with COVID-19, and inclement weather conditions. Santos continues to distribute monthly activity updates to subscribers, monthly advertisements in the Narrabri Courier and Wee Waa News and providing updates to the community for key matters through our website, social media and media releases. Staff from the Santos community team have been available at the Narrabri shopfront (when COVID-19 restrictions allowed) and available by phone and email during the period.

The key items of interest to stakeholders and the community during the reporting period include groundwater management in relation to the Great Artesian Basin; drill-well integrity; the proposed PEL 1 seismic program and impact on existing land uses. There have been no complaints recorded for activities within PEL 12 during the reporting period.

During the period, the work program for PEL 12 has focussed on tenure management and progressing desktop activities during the tenement renewal assessment process. The PEL 12 renewal application was finalised with the NSW Government following the release of the Future of Gas Statement in July 2021. With the renewal of PEL 1 and PEL 12 on 12 April 2022, Santos plans to engage with PELs 1 and 12 in a broader manner in order to support our future work program.

Figure 1. PEL 12 map



Work program

Petroleum Exploration Licence (PEL) 12 was granted on 27 September 1995. A renewal application for a further term of six years for PEL 12 was lodged on 24 August 2016. The renewal application was granted by the Department of Regional NSW, Mining, Exploration and Geoscience branch (MEG) on 12 April 2022 for a term of 6 years.

Through its subsidiary companies, Santos Limited (Santos) is the operator of the wider contiguous exploration project, which includes PEL 1, PEL 12, PEL 238, and PEL 427. Minimum Standards and Merit Assessment Procedure (Minimum Standards) recognise work program minimum standards for prospecting permits that are part of a larger contiguous exploration project consisting of multiple prospecting titles, where some titles are more actively worked. At least one prospecting title within a project must meet the Minimum Standards in these circumstances. As a Strategic Energy Project (SEP), PEL 238 and PAL 2 are being developed more actively. To maintain the remaining prospecting titles within a project, active work must be conducted, however at a lower level than that required for the SEPs.

Santos continued to evaluate the prospectivity of the entire Gunnedah Basin during the reporting period. Each of the following Santos teams has conducted desktop studies and reviews:

- Regional Exploration;
- Community Engagement and Government Relations;
- Aboriginal Engagement;
- Environment and Approvals; and
- Health and Safety.

The work program for PEL 12 which covers this reporting period has been limited to desktop activities associated with environmental studies, geological studies, community engagement (including resources and information available at the Narrabri Shopfront, the Narrabri Gas Project website and Santos website), tenure management and reporting to maintain the tenure in good standing during renewal assessments. Due to government restrictions and internal Santos protocols associated with COVID-19, face-to-face engagement opportunities have been limited. As part of its community engagement efforts, Santos has participated in a variety of events including the NSW Farmers Conference networking event in July and the AgQuip information stall in August.

Regional context

Located in the south western part of the Gunnedah Basin in New South Wales, PEL 12 is comprised of 22 geographic blocks, which cover approximately 1,650 square kilometres. Nearby, but outside the PEL, major centres include Coonabarabran (approx. 30 kilometres west) and Gunnedah (approx. 51 kilometres east).

PEL 12 is located within the Federal Government Electoral Boundaries of Parkes and New England, the State Government Electoral Boundaries of Barwon, Tamworth and Upper Hunter, and the Local Government Areas of Warrumbungle Shire, Gunnedah Shire and Liverpool Plains Shire. The Gomeroi Native Title Applicant Group's native title claim extends over the PEL 12 tenure area.

Consultation activities

At this stage of the exploration and appraisal program, the annual work program consists primarily of desktop activities pertaining to environmental and geological studies, as well as communication with the landowner of the Longlea 1 site for purposes of weed management and monitoring. As on-ground activities are limited, limited consultations have been conducted with the broader community regarding activities in the licence area.

As a result of NSW Public Health Orders and internal Santos protocols associated with COVID-19, participation in community events and community site tours have been limited during the reporting period. As part of Santos' ongoing commitment to the community, we continue to provide monthly activity updates to subscribers, monthly advertisements in the Narrabri Courier and Wee Waa News, and updates to the community through our website, social media, and media releases. The Santos community team was available at the Narrabri shopfront (when COVID-19 restrictions permitted) as well as by phone and email throughout the period.

Consultation and engagement activities during the reporting period have included providing information to the community regarding the assessment of the Narrabri Gas Project Environmental Impact Statement, the approval of the Narrabri Gas Project by the IPC in September 2020, and the subsequent approval by the Federal Environment Commission in November 2020. Other topics of interest have included announcements from the NSW Government regarding the Strategic Opportunities for Gas in Regional NSW, the Future of Gas Statement, and the renewal of the PEL. Responses to enquiries have been provided on a timely and accurate basis and interested parties have been referred to relevant government websites for more information.

As a result of the PEL renewal process and the review of the tenement licences, a number of enquiries have been received from landholders and members of the community. There were generally questions regarding which areas would be included in the renewed PEL areas, including PEL 12. The Department of Regional NSW, Mining, Exploration, and Geoscience (MEG) has renewed PEL 12 for a term of 6 years effective 12 April 2022.

A small number of community enquiries have been received regarding the Judicial Review proceedings heard in the NSW Land and Environment Court on 30 August 2021. The Mullaley Gas and Pipeline Accord filed a judicial review challenging the approval of the Narrabri Gas Project by the IPC, which was represented by the Environmental Defenders Office. On Monday, 18 October 2021, the NSW Land and Environment Court rejected all grounds for review, upholding the decision of the NSW Independent Planning Commission. Enquiries relating to this matter have been directed to the Narrabri Gas Project SSD 6456 Development Consent and Statement of Reasons for Decision that are publicly available on the IPC website. As a result of the decision, the Santos media release was communicated to key stakeholders and posted on the company's website.

A considerable amount of effort has been made to provide information regarding the broader NSW gas industry and to provide factual information in response to false or misleading information that is communicated on social media. Systems and processes have been established by Santos to ensure that communities and stakeholder groups are provided with adequate information to understand the nature of the project and the potential impacts and benefits that may be derived from the project operations before on-ground activities begin.

Stakeholder identification and activities undertaken

The identification of key stakeholders for PEL 12 has been completed and a consultation plan has been developed with stakeholders grouped according to their level of interest in the work program and potential impact of exploration and appraisal activities:

- Local, State and Federal Government departments and elected representatives
- Industry groups and regional organisations
- Landholders
- Local Aboriginal communities and Aboriginal Land Councils
- Local community
- Local business and contractors
- Media

Considering the forward work program and stakeholder interest, as well as the potential impact of the PEL 12 exploration and appraisal program, we have assessed the expected levels of participation for entities and individuals within each grouping.

Summary of activities

During the reporting period, activities have been undertaken in accordance with the *Exploration code of practice: community consultation* (March 2016), NSW Department of Regional NSW. Desktop studies and reviews have been conducted throughout the period to meet the current Work Program. At this stage of the exploration and appraisal program, on-ground consultation activities have been limited to keeping the tenure in good standing and consequently the potential impact to the community and stakeholders is very low.

To facilitate participation and comment on the PEL 12 exploration and appraisal program, a variety of activities have been implemented:

- Liaison with landholders for regular well inspections at Longlea 1, the only site in PEL 12 with surface infrastructure. In addition, the Resources Regulator and the Environment Protection Authority conducted leak detection with their infrared cameras on the site. No leaks were detected.
- On all printed materials, an email address and telephone number are provided for community members to seek information and provide feedback.
- The Santos corporate website and the Santos Narrabri Gas Project website are regularly updated with current information and future activities.
- In relation to the CSG industry, a series of fact sheets are available. The materials can be found on the Narrabri Project Gas website and at our community shopfront in Narrabri.
- Santos provides information via print media, including advertisements, advertorials, and media releases. To provide information through social media channels, Santos maintains a Facebook page and a Twitter account.
- Community site tours to visit operational sites within PEL238 have been on an on-request basis for interested community members and groups during the reporting period due to NSW Public Health Orders and internal Santos COVID-19 protocols, and inclement weather conditions.
- Direct community consultation conducted in Gunnedah with an open community information session held to answer general and technical questions regarding Santos operations from landholders, interested groups and community members.
- The Santos team attended a networking event at the NSW Farmer's Conference in Sydney in the month of July as well as an information stand at AgQuip at Gunnedah in August.
- Santos participates in relevant local groups and committees (e.g. Chambers of Commerce) in areas where we have on-ground activity in to ensure that current information is provided regarding Santos' activities and potential issues are identified and resolved.

With respect to Native Title negotiations, Santos has focused on progressing negotiations with the Gomeroi Applicant Group. In the reporting period, Santos met with the applicant group and negotiations are in progress.

Responses to issues raised

Despite the absence of on-ground work within PEL 12, enquiries received remain general in nature; they relate to the Narrabri Gas Project or the natural gas industry in general. In the event that frequent questions about a particular topic are received, a technically comprehensive response will be prepared. This response will provide information for subsequent enquiries through Q&As, fact sheets, other informative displays on our website and in our shopfront.

The key issues that are of interest to stakeholders and the community include the assessment process of the Narrabri Gas Project Development Application and accompanying Environmental Impact Statement, groundwater management, potential impacts on existing land uses, and requests for sponsorship contributions for local community groups and events. Santos continues to focus on these matters as part of its commitment to consultation with the community.

By utilising the existing consultation tools in place, the operator will be able to identify community concerns and address them as soon as possible; ensuring that identified community stakeholders are informed of the proposed schedule for implementing the work program for the licence; communicating with the community prior to the commencement of relevant activities; and monitoring and responding to community feedback.

Table 1: Responses to issues

Theme	Topic	Summary	Stakeholder				Action taken/response
			Community	Government	Industry	Landholders	
Business and employment opportunities	Supporting local business	What things are in place to support buying locally? Are there contract opportunities for local contractors?	■			■	In the communities in which Santos operates, Santos has and continues to support initiatives that attract new investment and creates jobs. The licence area of PEL 12 did not have any new on-the-ground works conducted during the reporting period, which meant that local contractors had few opportunities for on-the-ground work.
Community benefits	Sponsorship	Will Santos support local sporting clubs and groups?	■				A variety of information is available on the Santos website regarding community contributions and the application process for clubs and community groups seeking sponsorships. There is a limited amount of funding available for sponsorships in regions in which no on-the-ground operations are taking place.

Theme	Topic	Summary	Stakeholder				Action taken/response
			Community	Government	Industry	Landholders	
Activity timing	PEL 12 exploration and appraisal	When activities will occur; what activities are proposed?	■	■	■	■	Santos' operations in NSW are centred on the Narrabri Gas Project, and desktop activities are being undertaken for PEL 12 as described in fact sheets and on the website.
Santos activities in other areas in NSW	Narrabri Gas Project	Has the Narrabri Gas Project received approval and what is the timing for the project?	■			■	Referred to information contained on IPC and NSW Major Projects websites, fact sheets and on website in relation to Narrabri Gas Project, shopfront displays and community site tours.

Outcomes of consultation

Outcomes	Effectiveness
<ul style="list-style-type: none"> - Raised awareness that Santos is the tenure holder of PEL 12 and as the operator is currently undertaking desktop activities to progress the exploration and appraisal program in this area - Advised key stakeholders of the NSW Government Future of Gas Statement and the associated PEL 12 renewal process - Raised awareness of the assessment approval of the Narrabri Gas Project - Engaged with stakeholders on specific areas of interest - Strengthened relationships with key stakeholders within the licence area - Provided information to stakeholders and the broader community - Provided opportunities for community interaction and feedback - Met with the Gomeroi applicant 	<ul style="list-style-type: none"> - Face to face meetings and briefings where possible are effective in relation to familiarisation of the natural gas industry in NSW and Santos' activities in PEL 12. - On-site inspections and field tours to operational sites in PEL 238 are effective to raise awareness and understanding of the operational aspects of an exploration and appraisal program. Opportunity for site tours had been limited due to COVID-19. Activities have been able to resume in accordance with with Public Health Orders and site access restrictions. - Regular telephone and face to face meetings with landholders that have agreements or a strong interest in project activities is important. - The Santos website and media articles on significant activities are effective to provide information on the natural gas industry and Santos' activities in NSW. - AgQuip is an effective way to provide community members with access to information on natural gas and Santos' exploration program in NSW. - Face to face meetings with Aboriginal community members are effective to exchange information and to discuss specific activities being undertaken.

Proposed future consultation

The Community Consultation Plan will continue to guide the effective and timely implementation of consultation activities within PEL 12. By engaging stakeholders and the community on an ongoing basis, we will be able to keep the community informed about our current and proposed future activities, as well as provide opportunities for feedback on our plans in a timely manner.

The Future of Gas Statement was released in July 2021, and Santos worked with the NSW Government to finalise the renewal of the PEL, which was granted on 12 April 2022 for a period of 6 years, and to initiate a broader engagement with the tenement in order to advance our future work program, subject to approvals.

The operator has systems and processes in place to ensure that communities and stakeholder groups are provided with reasonable information to understand the nature of the activities planned and the likely impacts and benefits that may be derived from the project operations well before any on-ground activities are carried out. **Table 2** below provides the community consultation activities proposed to be conducted during the next twelve-month period.

Table 2 - Proposed community consultation during the next 12 month period

Consultation Activity	Description
<ul style="list-style-type: none"> - Community site tours, Narrabri shopfront, community drop-in sessions, attendance at community events and agricultural shows 	<ul style="list-style-type: none"> - The Narrabri shopfront continues to provide printed information and displays. - Community site tours to visit operational sites within PEL 238 will be facilitated, where possible, on request for interested community members and groups. - Community drop-in sessions are planned for the PEL 12 area. - Santos will attend targeted opportunities to engage stakeholders including NSW Farmers Conference in July, AgQuip in August and other relevant community events.
<ul style="list-style-type: none"> - Face to face meetings and written correspondence 	<ul style="list-style-type: none"> - Engaging landowners and broader stakeholder groups affected by or interested in future possible work programs.
<ul style="list-style-type: none"> - Communication tools 	<ul style="list-style-type: none"> - The generic email and a contact telephone number will be referenced on the Narrabri Gas Project and Santos websites and external printed documentation.
<ul style="list-style-type: none"> - Website 	<ul style="list-style-type: none"> - Websites will be maintained and regularly updated with current information.
<ul style="list-style-type: none"> - Brochures and fact sheets 	<ul style="list-style-type: none"> - Brochures and fact sheets will be regularly reviewed and updated. - New publications will be produced as required.
<ul style="list-style-type: none"> - Media Updates 	<ul style="list-style-type: none"> - Advertisements and media releases on key announcements will continue.
<ul style="list-style-type: none"> - Social Media 	<ul style="list-style-type: none"> - Information will continue to be provided through social media channels.

Complaints received and action taken

Santos did not receive any complaints either directly, or referred, in relation to activities within PEL 12 during the reporting period. As part of our operations, complaints received (or referred) from individual members of the community or a representative body are entered to a database and the response provided or action taken is recorded.