



Santos NSW Pty Ltd
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File No: MCV13/588, Ref No: OUT13/32001

RE: PEL 238 and PPL3, Approval to recommence Tintsville Pilot and construct and operate associated flare.

Pursuant to Condition 2 of PEL 238 and Condition 3 of PPL3, 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 recommencement of the Tintsville appraisal pilot and construction and operation of an associated flare.

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, and delegation from the Director General for Resources and Energy, dated 8 May 2013, in accordance with Condition 2 of PEL238 that became effective on 15 February 2013 and Condition 3 of PPL3 that became effective on 15 December 2003, approve the *Recommencement of Tintsville Pilot and flare PEL238 and PPL3, Gunnedah Basin* exploration program, subject to the conditions set out below. A breach of these conditions is an offence under the *Petroleum (Onshore) Act 1991*.

CONDITIONS – numbered 1 to 5.

General Conditions.

1. The works must be carried out generally in accordance with the location(s) and methods contained in:
 - a. Recommencement of Tintsville Pilot and flare PEL238 and PPL3, Gunnedah Basin, NSW Supplementary Review of Environmental factors (REF) dated August 2013.
 - b. Supplementary REF Recommencement of Tintsville and flare: additional information, dated 10 October 2013.
2. All works must be completed and the site fully rehabilitated by 31 October 2016 (3 years), unless an extension to this period is approved by the Minister before this time, or the works are permitted within a subsequent development approval under the EP&A Act.

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.

Produced Water Management

4. A revised Produced Water Management Plan (PWMP) in accordance with condition 14 of PEL238 is required to be approved by NSW Office of Coal Seam Gas (OSCG) prior to the extraction of produced water from the Tintfield Pilot. The PWMP must incorporate activities associated with the reactivation of the Tintfield Pilot and Tintfield Ponds and associated transfer of produced water to the Leewood facility. Consultation for the development of the revised PWMP should be undertaken with the NSW Office of Water.
5. The integrity of the Tintfield Ponds must be verified by appropriately qualified and experienced person prior to the extraction of produced water from the Tintfield Pilot, and records made available to OSCG on request.

Security deposit review

The Rehabilitation Cost Estimate for these works is currently being assessed as a separate process for all of PEL 238. The license holder will be separately advised of this security deposit review requirement.

Other approvals may be required

The activity may require supplementary approvals from other agencies which may include approvals under the; *Water Act 1912, Water Management Act 2000, Dam Safety Act 1978, Protect of Environment Operations Act 1997.*

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: 25 October 2013

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