

Our Ref: MER F2010/000597

27 November 2017

Mr Greg Harrison
General Manager
Infrastructure & Facilities Operations

Mr Chad Wilson
General Manager
Upstream Cooper Operations

Santos Ltd
60 Flinders St
Adelaide SA 5000

cc. Darren Griffiths, Ramachandran Kaimakolangara, Michael Little,

Dear Greg

Santos Operated Facilities in the Cooper Basin – Fitness for Purpose Assessment (FFP) – 2017

I refer to Santos's letter dated 19 November 2017, regarding the following facilities operated by Santos Ltd in the Cooper Basin, South Australia and regulated under the *Petroleum and Geothermal Energy Act 2000* (PGE Act):

- South Australian Cooper Basin Joint Ventures (SACBJV) Facilities in the Cooper Basin
- Ballera to Moomba Pipeline - licenced under Pipeline Licence (PL) 5
- Stokes to Mettika Pipeline – licenced under PL 9
- Moon to Kerna Pipeline – licenced under PL 15
- Jackson to Moomba Oil Pipeline - licenced under PL 17
- Cook to Merrimelia Oil Pipeline – licenced under PL 20

In accordance with Section 86A of the PGE Act and Regulation 30 of the *Petroleum and Geothermal Energy Regulations 2013* (PGE Regulations), Santos is required to undertake a Fitness for Purpose (FFP) assessment within 5 years of completion of the previous assessment, or within 5 years of commissioning of a new facility.

In relation to the Fitness for Purpose assessments for the facilities listed above, Santos requests:

1. The grouping of the pipelines and facilities listed above under Regulation 30(6), allowing for the pipelines to be included in the next SACBJV Cooper Basin Facilities FFP assessment and report.
2. An extension of time for completion of the SACBJV Cooper Basin Facilities FFP assessment, by virtue of Section 134 of the PGE Act, to allow for submission of the report prior to 24 November 2018.

Santos advises that they are currently in the process of implementing a new management system. The extension of time will allow for this implementation to occur, and for Santos to include an assessment of the effectiveness of the new management system in the FFP assessment and report.

Santos assert that their facilities will remain fit for purpose during the period of extension, based on the existing work processes and governance mechanisms in place. Santos will continue to meet quarterly with DPC to share lead and lag performance measures.

In alignment with discussion during our meeting of 10th November, Santos will keep DPC informed with detailed progress towards the final report deliverable, with the aim of minimising the follow on validation activities on receipt of the report. This will be achieved through high level progress v. plan updates at quarterly meetings and in more detail during meetings arranged for the purpose of Santos/ DPC understanding and aligning expectations during this period.

In this regard, pursuant to Regulation 30(6), I approve the **grouping of the SACBJV facilities, PL 5, PI 9, PL 15, PL 17 and PL 20** for the purpose of the FFP assessment and report. Pursuant to Section 134 of the PGE Act, I also grant an extension of time for completion for the FFP assessment to allow for the submission of the FFP report for these facilities by **24 November 2018**.

If you have any queries on this matter please feel free to contact William Hughson on (08) 8226 1613 or william.hughson@sa.gov.au

Yours sincerely



Michael Malavazos
Director – Engineering Operations Branch
Department of the Premier and Cabinet
Sub Delegate of the Minister for Mineral Resources and Energy