

APPLICATION AND AWARD PROCEDURES AND FORMS CO2019 A-E ACREAGE RELEASE

Required information

An application for a petroleum exploration licence (PEL) should include the information listed below, and be prepared using the pro forma included herein. It must also be accompanied by a plan of the application area and the prescribed application fee.

Fee payment may be made by cheque marked payable to Department for Energy and Mining (DEM), or by electronic funds transfer to a DEM nominated account (evidence of funds transfer must accompany the application). Please refer to the following web page from 1 July 2019 to determine the applicable application fee for FY 2018/2019, and for DEM banking details for payments made by electronic funds transfer. Alternatively, please call the Energy Resources Division on +61 8 8429 2443:

http://www.energymining.sa.gov.au/petroleum/licensing_and_land_access/applications#tenement_requirement_summary_and

http://www.energymining.sa.gov.au/petroleum/licensing_and_land_access/applications#payment_of_regulated_fees

An application can be made by one or more individuals, one or more companies or a combination of both. Where a foreign company makes an application, that company must be able to lawfully conduct business in Australia. Information on company registration requirements pursuant to the Australian Corporations Law can be supplied on request.

Technical qualifications and experience

The applicant must submit with the application a summary of their technical qualifications and experience (or their consultants or agents) to satisfy requirements that the applicant is capable of compliance with the Petroleum and Geothermal Energy Act 2000 and the terms and conditions of the licence.

The applicant's past performance in fulfilling work program commitments elsewhere in Australia may also be taken into account.

Financial position

Evidence of the financial resources available to the applicant is to be supplied to demonstrate ability to fulfill the work program. Such evidence can be in the form of the latest annual report or a verifiable statement from an independent accountant, auditor or financial institution for each applicant. If other known financial and exploration commitments over the next five years are such as to subsequently likely impact on the applicant's ability to carry out the program set out in the application, attention must be drawn to this fact and the implications briefly described.

Work program

In considering an application for an exploration licence, the Minister must consider the suitability of the applicant's proposed work program for evaluating the prospectivity of the licence area and discovering regulated resources. It is a requirement that a work program be submitted for each block applied for, including a statement of exploratory operations the applicant proposes to carry out in the first five-year term of the licence. A pro forma is attached for the five year work program.

Special conditions

The **CO2019 A-E** licence will be offered under the *Petroleum and Geothermal Energy Act 2000* for an initial five year term plus a right of renewal for a further two five year terms (minimum 33.33% area relinquishment at each renewal, however the area to be relinquished may be reduced by an amount equal to the area of any petroleum production licence or petroleum retention licence granted during the preceding term of the exploration licence).

Security

The Department is implementing an updated and risk based approach to financial security bond arrangements. The risk based approach to managing liabilities will use a range of regulatory tools in a principled and consistent way to ensure an appropriate security bond is held. Prospective licence holders will have their financial and operational capabilities assessed and the level of financial security will be set as a proportion of the total rehabilitation liability estimate of the proposed work program.

Award criteria

Winning bidders will be selected on the basis of the total five-year work program bid and the applicant's demonstrated capacity to fund the proposed work program. The work program must be completed within the overall area of the PEL. It must include a statement of exploratory operations the applicant proposes to carry out in the first five-year licence term. It is expected that at least one petroleum exploration well would be included in the program.

Bids will be assessed using the philosophies expressed in "[Selecting the winning bid](#)". For a review of how this process has been applied see "[Shaping the Cooper Basin 21st century renaissance](#)". The specific scoring scheme is detailed in "[CO2019 Bid Assessment Policy](#)".

In general, it is important to note that the timing of well drilling and seismic or other data acquisition will be taken into account. Key assessment criteria include:

- The number of exploration wells to be drilled in the PEL (***appraisal and development wells are not considered***).
- The number of years the applicant is prepared to guarantee the program. ***Non-guaranteed years cannot be followed by later guaranteed years.***
- ***A work program year can only be guaranteed OR non-guaranteed (not both in the same year)***
- The extent to which proposed wells are supported by existing or proposed seismic data.
- The amount and nature of seismic surveying to be carried out and its timing.
- Other data acquisition (e.g. gravity, aeromagnetic or geochemical surveys).
- Seismic reprocessing to be carried out.

In the case of cascading bids (i.e. multiple or hybrid bids by one applicant or joint venture), only the highest bid will be considered.

Contact information

Comments, inquiries and applications for exploration licences should be addressed to:

Executive Director, Energy Resources Division
Department for Energy and Mining
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Web site <http://energymining.sa.gov.au/petroleum>

The envelope containing your application must be marked

'Confidential — contains PEL application'

Closing date and time

The closing date for OT2019 A-C applications is
4.00 pm Australian Central Standard Time on Friday 29 November 2019

Checklist

The following information must be included in the licence application:

- complete the attached pro forma
- application must be signed or executed by the applicant/s
- if applicant is a foreign company, the company must be registered as a foreign company under the provisions of the Australian Corporations Law
- include one copy of a plan of the application area
- include a summary of the technical qualifications of the applicant (or consultants or agents of the applicant)
- include evidence of the financial position of the applicant to demonstrate ability to fulfill the proposed work program (i.e. the latest annual report or a verifiable statement from an independent accountant, auditor or financial institution)
- using the pro forma, include a work program statement of exploratory operations the applicant proposes to carry out in each year of the initial five-year term of the licence
- include the prescribed fee for each licence applied for. *(Please refer to the following web page from 1 July 2017 to determine the applicable application fee for FY 2017/2018, and for banking details for payments made by electronic funds transfer. Alternatively, please call the Energy Resources Division on +61 8 8463 3204:*
http://www.energymining.sa.gov.au/petroleum/licensing_and_land_access/applications#payment_of_regulated_fees
- ensure the envelope containing your application is marked '**Confidential – contains PEL application**'.