



File Ref: F2010/000701

11th October 2011

Mr Nick Lagonik
General Manager Onshore Gas Business
Santos Ltd
GPO Box 2319
Adelaide SA 5000

Dear Nick,

RE: EXTENSION OF TIME FOR SUBMISSION OF THE FITNESS FOR PURPOSE (FFP) REPORT

I refer to Santos letter dated 17 May 2011 requesting an extension of time of the Fitness for Purpose (FFP) assessment period for the Moomba Plant and associated facilities from 29 September 2011 to an appropriate time in 2012.

This extension was requested to allow Santos sufficient time to prepare a single report that will satisfy the FFP provisions of the *Petroleum and Geothermal Energy Act 2000* (PGE Act) as well as the anticipated Major Hazard Facility (MHF) requirements. These requirements are scheduled to come into effect on 1 January 2012 as part of the introduction of South Australia's new Work Health Safety (WHS) Act and associated Regulations.

PIRSA is of the opinion that a report prepared to satisfy the MHF requirements of the WHS Regulations would satisfy the FFP requirements of the PGE Act provided the report addresses the following:

- The scope of the report must include the Moomba Plant as well associated facilities.
- The adequacy and the reliability of utilities to enable the effective operation of each facility needs to be addressed to satisfy PGE Regulation 30(3)(e). PIRSA notes that the integrity of utilities may have implications on security of gas supply, which are not considered within the WHS Regulations.
- The current state of the physical integrity of facilities has to be addressed to satisfy regulation PGE Regulation 30(6)(d)(i).
- A statement of the state of the current and expected, over an ensuing 5 year period, fitness-for-purpose of facilities has to be included within the report as required by PGE Regulation 30(6)(d).
- The report must state any limitations that apply, or should apply, to the use of the information to address PGE Regulation 30 (8)(b)
- The report should identify any matter in relation to which there is a significant lack of relevant information or a significant degree of uncertainty to satisfy PGE Regulation 30 (8)(c).

0006232

- The report must identify the sensitivity to change of any assumption that has been made and any significant risks that may arise if an assumption is later found to be incorrect to satisfy PGE Regulation 30 (8)(d).

In this regard, pursuant to Section 134 of the PGE Act I hereby grant an extension of time for completion of the FFP assessment period for the Moomba Plant and associated facilities from 29 September 2011 to 29 April 2012. I take this opportunity to advise that the associated report addressing the above points is to be furnished to the Minister within 2 months of the completion of the assessment.

If you have any questions in relation to this matter please do not hesitate to contact me on (08) 8463 3245 or Michael.Malavazos@sa.gov.au.

Yours sincerely



Barry A. Goldstein
Executive Director Petroleum and Geothermal Division
Delegate of the Minister for Mineral Resources Development

Cc: Peter Klaosen
Trevor Whitelaw
Kevin Judge