Guideline for reporting a petroleum discovery

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| **Document title** | Guideline for reporting a petroleum discovery |
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| **Approved by** | Rod Applegate |
| **Date approved** | 15 May 2019 |
| **Document review** | Biannual |

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| --- | --- | --- | --- |
| Version | Date | Author | Changes made |
| 0 | 1 April 2019 | Mehrdad Rezazadeh | NA |
| 1 | 10 May 2019 | Mehrdad Rezazadeh | Update post review |

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| Acronyms | Full form |
| NTG | Northern Territory Government |
| PRMS | Petroleum Resources Management System |

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# Purpose

This guideline aims to ensure that the Northern Territory Government (NTG) continues to assist oil and gas explorers to carry out effective exploration and to ultimately develop petroleum resources, while still meeting legislative requirements and providing transparency and accountability.

The guideline applies to all exploration permit, retention licence and production licence holders or their representatives who wish to report a petroleum discovery.

# Applicable Legislation

Section 64 of NT Petroleum Act, and Clause 312 of the NT Schedule of Onshore Petroleum Exploration and Production Requirements (The Schedule).

# Definitions

## What is a petroleum?

Pursuant to section 5 of the NT Petroleum Act,

“petroleum means:

1. a naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;
2. a naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or
3. a naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state, with hydrogen sulphide, nitrogen, helium or carbon dioxide or any combination of them,

and includes a hydrocarbon as defined by paragraph (a), (b) or (c) that has been returned to a natural reservoir, but does not include a substance which, in its naturally occurring state, is not recoverable from a well by conventional means.”

In accordance with section 5, the petroleum is not limited to only hydrocarbon mixture but also includes other substances such as Helium.

## What is a petroleum discovery?

Where the presence of petroleum within a reservoir (an accumulation) is indicated during drilling, and the petroleum is shown to be producible, the petroleum accumulation is considered to be a discovery.

Please note that well logging activities only establish the presence of petroleum within a reservoir. Well logging activities do not establish the producibility of petroleum resources and as such well logging activities are not enough for the establishment of a petroleum discovery. The titleholder is required to demonstrate that the petroleum is shown to be producible by undertaking other activities such as Drill Stem Test or flow testing.

Please note that the notification of a discovery is independent of the size of the resource or whether it is deemed necessary to make an announcement to the stock market.

If you are unsure, please contact the Petroleum Operations Team or send an email to DITTPetroleumOperations@nt.gov.au.

# Reporting Requirements

## Which titleholders are required to notify the Energy Division when petroleum is discovered?

The registered holders of either an exploration permit, a retention licence or a production licence, are required to notify the Energy Division when petroleum is discovered.

## When must I notify the Energy Division regarding the petroleum discovery?

A notification is required if the petroleum discovered in a well is part of a new discrete accumulation.

A notification is also required if a well encountered the petroleum of a known pool outside of its known limits or if it encountered a previously unknown phase of producible petroleum (e.g. an oil rim or a new gas reservoir) in a known pool.

Apart from the above circumstances, notification is not required if a well encountered petroleum from a petroleum pool that has been previously discovered and the Energy Division was notified at the time of the discovery.

## Reporting stages of a petroleum discovery

The Energy Division understands that a detailed discovery report including estimates of petroleum resources requires further reservoir engineering studies and it is not possible for it to be submitted within a short timeframe. As such, the petroleum discovery reporting requirements in the legislation are designed in a staged mode.

* **Notification**: Pursuant to subsection 64(1) of the NT Petroleum Act, notification must be given to the Energy Division as soon as possible; The notification must be conveyed in a cover letter or an email and include, at a minimum, the following information:
	1. Permit/Licence in which discovery was made;
	2. Name of the discovery well;
	3. Data or information used to confirm discovery;
* **Initial report**: Pursuant to subsection 64(1) of the NT Petroleum Act, the title holder must submit to the Energy Division the particulars in writing, within 3 days of the discovery. The initial report must include information which was in the notification and the following information:
	1. the rate or quantity of production of petroleum and water from the discovery well
	2. The physical and chemical properties of the petroleum from the discovery well that have been determined.
* **Evaluation of the Discovery and Estimate of Petroleum Resources Report**: Pursuant to Clause 312 of the Schedule, within three months of the date of the discovery, the results of the evaluation of the discovery, including the preliminary estimates of the petroleum resources, shall be conveyed in writing to the Energy Division.

The Evaluation of the Discovery and Estimate of Petroleum Resources Report must include the information in the Initial Report and include, at a minimum, the following information:

* 1. the location of the petroleum pool;
	2. the reservoir rock and fluid properties; and
	3. the data, assumptions and methodologies upon which the estimate is based.

The petroleum resources estimates must be reported in accordance with Society of Petroleum Engineers’ Petroleum Resources Management System (PRMS).

The Energy Division assesses the discovery report and may request further information in a notice.

When a study resulting in a revised estimate of petroleum resources has been carried out, a report of the study and the revised estimate shall be sent to the Energy Division as soon as practicable after the completion of the work.

# More information

If you have any questions regarding your petroleum discovery, please contact DITTPetroleumOperations@nt.gov.au.