

Environmental Report
and
Environmental Code of Practice
for
Dunbar 1 DW 1 Project

APPROVED
DATE.....
M. J. Perry
4/19/00

MINERALS AND PETROLEUM
REGULATION
RECEIVED
4 SEP 2000

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1 INTRODUCTION

This Environmental Report and Environmental Code of Practice has been developed in accordance with the requirements of the *Petroleum Regulations 2000*, made under the Victorian *Petroleum Act 1998*. The Report and Code relate to the proposed drilling by Origin Energy Petroleum Pty Ltd of the Dunbar prospect located near Timboon in southwestern Victoria. Oil Company of Australia Limited, a subsidiary of Origin Energy Limited, is acting as Drilling Manager for Origin Energy Petroleum Pty Ltd.

This Report contains:

- A brief description of the project;
- The project rationale;
- A summary of legislative requirements;
- A description of the existing environment;
- An assessment of potential environmental impacts and mitigation measures (forming the Environmental Code of Practice); and
- The Origin Environmental and Health & Safety Policies.

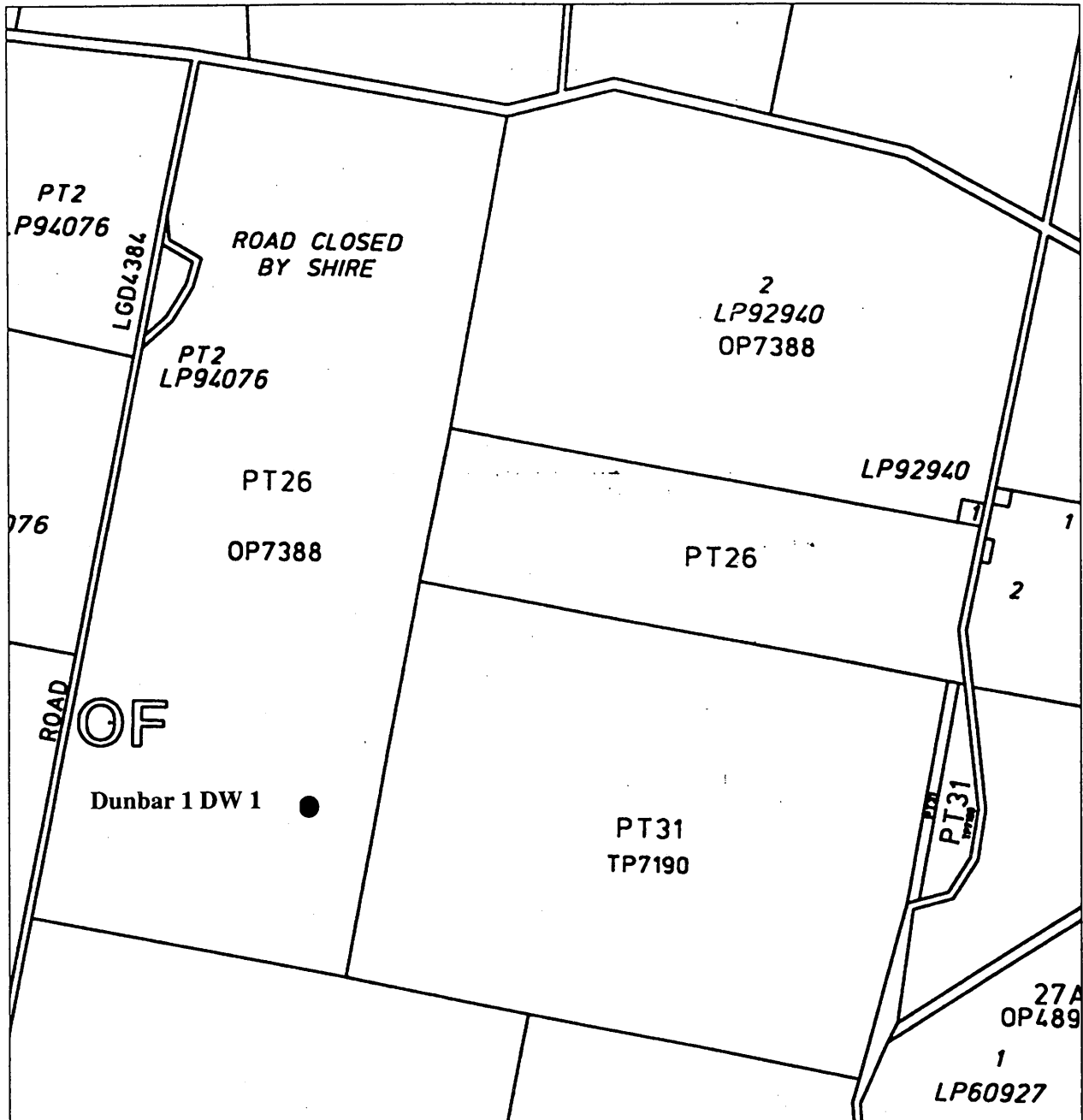
2 PROJECT DESCRIPTION

The Project location is shown in Figures 1 and 2.

There are two components to the Dunbar Project.

- **Dunbar 1 DW 1** which will be a directionally drilled re-entry of the existing Dunbar 1 well located on the southern side of East-West Road. It is forecast that drilling and completion of the well will take 6 days.
- A **new 75 mm buried Production flowline** to transport the gas from the new well to the Santos pipeline, a distance of approximately 2500 metres.

An Environmental Report incorporating Environmental Codes of Practice for the Drilling component of the Project has been previously submitted for approval. The Environmental Report for the Production Flowline will be supplied separately.



3 PROJECT RATIONALE

The proposed development will bring benefits to the region and State. These include:

- Increasing the available gas reserves of the region and State, which is important in meeting winter peak demands;
- Increasing the production of gas to the region;
- Contributing to greater security of supply, as the Otway Basin provides an alternative gas source to the Gippsland Basin;
- Potential for increased competition in the marketplace; and
- Potential substitution of other fossil fuels (eg. coal briquettes), with reductions in air emissions, particularly Greenhouse gases.

4 REGULATORY APPROVALS

The project will require approvals under several Victorian Acts and Regulations.

*Petroleum Act 1998; and
Petroleum Regulations 2000*

Under Section 138 of the *Act* and Regulation 6 of the *Regulations* the drilling and completion of the development wells will require approval.

The flowline will require approval under the *Petroleum Act* rather than the *Pipelines Act*, as it is a "gathering line" located entirely within a Petroleum Production Licence.

5 STAKEHOLDER CONSULTATION

The project is totally within land used for agriculture and Petroleum Production License (PPL) 1. The minor nature of the project will mean that disruption to farming activities is negligible. Origin has consulted with the affected landowner and has agreed mutually acceptable access arrangements.

Origin has also undertaken consultation with the Corangamite Shire, South West Water, Country Fire Authority and Vic Roads. Consultation with the landowner and relevant regulatory authorities will continue as necessary.

6 EXISTING ENVIRONMENT

The well will be located in a rural landscape with expanses of pasture compartmentalised by paddock boundaries and roadways. Remnant strips of native vegetation or cypress hedgerows typically surround roads. Population density is low with farm dwellings typically located several hundred metres apart. The nearest residence to the drilling site is located 2 kilometres away.

The well will be located on the southern side of East-West Road. The site has been cleared for agriculture. The surrounding area is primarily freehold land in agricultural production including dairy, sheep, cattle and cropping. The site is essentially flat with views from the surrounding landscape and major roads effectively blocked by vegetation.

From previous operations in the area, the soils are known to be stable. The drilling proposal itself does not impact on habitat for indigenous flora and fauna. There are no streams within or immediately adjacent to the facility.

Archaeological surface studies have previously been conducted in the area. These studies did not locate any Aboriginal archaeological material, and at the time of preparation of this report Aboriginal Affairs Victoria did not hold any records of Aboriginal archaeological sites in the area of the proposed drilling site.

7 ENVIRONMENTAL IMPACTS AND MITIGATION MEASURES

The accepted Environmental Codes of Practice for the Drilling are:

- Australian Petroleum Production and Exploration Association (1996), *Code of Environmental Practice*; and
- Oil Company of Australia Limited, *Interim Environmental Compliance Manual - Drilling, Revision 3/0 (February 1998)*.

Pre-drilling Environmental Reports have been submitted with the Application to Drill.

Appendix 1

Origin Health, Safety & Environmental Policy

Health, Safety & Environment

We at Origin Energy are committed to

- Eliminating or managing hazards and practices in our businesses that could cause accident, injury or illness to people, damage to property or unacceptable impacts on the environment.
- Assisting all employees to meet their health, safety and environmental obligations.
- Conducting all activities mindful that the decisions we make should recognise both short and long term economic, environmental and community considerations.

We will demonstrate this commitment by

- Integrating Health, Safety and Environment (HSE) management into the planning and operation of all Origin Energy businesses. Accountability for implementing this policy will be clearly defined and the principles by which we operate will be effectively communicated.
- Providing systems for identifying, classifying, assessing, controlling and reviewing HSE risks in all areas. Formal, documented processes for controlling the risks and effectively managing incidents will be established and communicated.
- Ensuring adequate resources, with appropriate training and qualifications, are provided to manage, maintain and implement HSE systems and controls. Systems for work procedures will be developed, implemented, maintained and reviewed regularly for appropriateness.
- Ensuring communication channels are available to provide staff with relevant information on HSE issues. Employee committees or other appropriate mechanisms will ensure involvement of all personnel is possible.
- Measuring, monitoring and reviewing HSE performance as part of our management reviews, with records maintained and results reported to senior management, relevant authorities and other stakeholders.
- Ensuring procedures for the purchase or supply of goods or services include HSE requirements consistent with these management principles. Contractors must comply with our HSE standards and requirements.
- Ensuring that, in the event of a work related injury or illness, we support the full recovery of injured employees through prompt treatment and active rehabilitation programs. In the event of an environmental incident, we will take those steps necessary to minimise the impact of any such incident. We will ensure that the opportunity is taken to learn from any incident and improve our health, safety and environmental capabilities.
- Taking all viable opportunities to reduce waste and greenhouse gas emissions, conserve energy and recycle materials.


Grant King
Managing Director
May 2000

