



## **Exploration Permit**

# **VIC/P42**

## **Quarterly Report**

**14 May 2002 – 13 August 2002**

**Bass Strait Oil Company Ltd**

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## VIC/P42

### QUARTERLY REPORT FOR THE PERIOD

**14 MAY 2002 to 13 AUGUST 2002**

#### 1. PARTICIPATING INTERESTS

Bass Strait Oil Company Ltd	50% (Operator, Joint Venture Partner)
Inpex Alpha Ltd	50% (Joint Venture Partner)

#### 2. GOVERNMENT RELATED MATTERS

An access request was submitted to the DNRE on 15 May to shoot an extension into the vacant acreage V01-4 for our forthcoming Vic/P42 seismic survey.

The DNRE granted access on 24 May effective for 3 months from 27 May 2002.

On 12<sup>th</sup> August 2002 a letter was sent to the Victorian DNRE reporting on the successful completion of 423km<sup>2</sup> of 3D seismic in Vic/P42 without environmental or safety incidents.

#### 3. EXPLORATION ACTIVITIES

##### 3.1 Seismic Acquisition

A meeting was held on the 4<sup>th</sup> June with Western Geco to discuss the forthcoming seismic acquisition in Vic/P42. Western Geco advised that the Geco Beta will not be going to Eden but will be making a port call in Melbourne. Certain vessel certificates need to be renewed and Eden lacks facilities to expedite these. In addition the DGPS will be calibrated. Pre-plots were discussed and agreed with WesternGeco and these are shown on Figure 1.

In discussions with EDR Hydrosearch it was decided that the SWATT option (swell noise attenuation) was not warranted. Coverage specifications were finalized together with the streamer and source depths.

A meeting was held on 5<sup>th</sup> June with NSR Environmental Consultants who are providing the cetacean observers for the Geco Beta. The cetacean procedures were finalized to ensure conformance to the EPBC act, our referral, the IAGC guidelines and the original cetacean permit issued to BSOC. In addition, the requirements made by the Whale and Dolphin Conservation Society in their submission of 5<sup>th</sup> March 2002 will be met.

A meeting was held with Chris Newman on 27<sup>th</sup> June, who is representing BSOC to the fishing industry. Chris is also representing BHPB in their forthcoming Vic/P45 acquisition campaign. Chris will distribute a flyer regarding BSOC 3D acquisition to the fishing industry prior to acquisition.

On 22<sup>nd</sup> July, BSOC staff reviewed HSE, Management, and Emergency Response Plans for the forthcoming 3D seismic survey. Emergency procedure drills were talked through and emergency contact numbers were verified.

The vessel arrived in Melbourne on 22<sup>nd</sup> July, and was berthed at 24 Victoria Dock for 4 days.

A meeting was held on 23<sup>rd</sup> July with EDR Hydrosearch representatives Paul Round and Bruce Calderbank, during which survey specifications and other items were finalised.

BSOC met with Western Geco representatives at the Geco Beta on Wednesday 24th July. BSOC was represented by Ian Reid (General Manager, Exploration), Andrew Adams (Commercial Manager), Chris Newman (fisheries liaison) and two EDR Hydrosearch advisors (Paul Round and Bruce Calderbank). The purpose of the meeting was to undertake the pre-survey start up followed by an HS & E audit.

Visitors were welcome to inspect the vessel, and were coordinated and managed so as to not interfere with the onboard maintenance and re-certification which was ongoing during the port call. The Victorian DNRE were invited to inspect the vessel by BSOC and BHPB, and a delegation undertook a tour of the vessel on 24<sup>th</sup> July. BSOC visitors, including company directors, inspected the vessel on 24<sup>th</sup> July. Journalist Rick Wilkinson was also a visitor, and consequently published an article about it and BSOC's operations in the Oil & Gas' Viewpoint on 31<sup>st</sup> July.

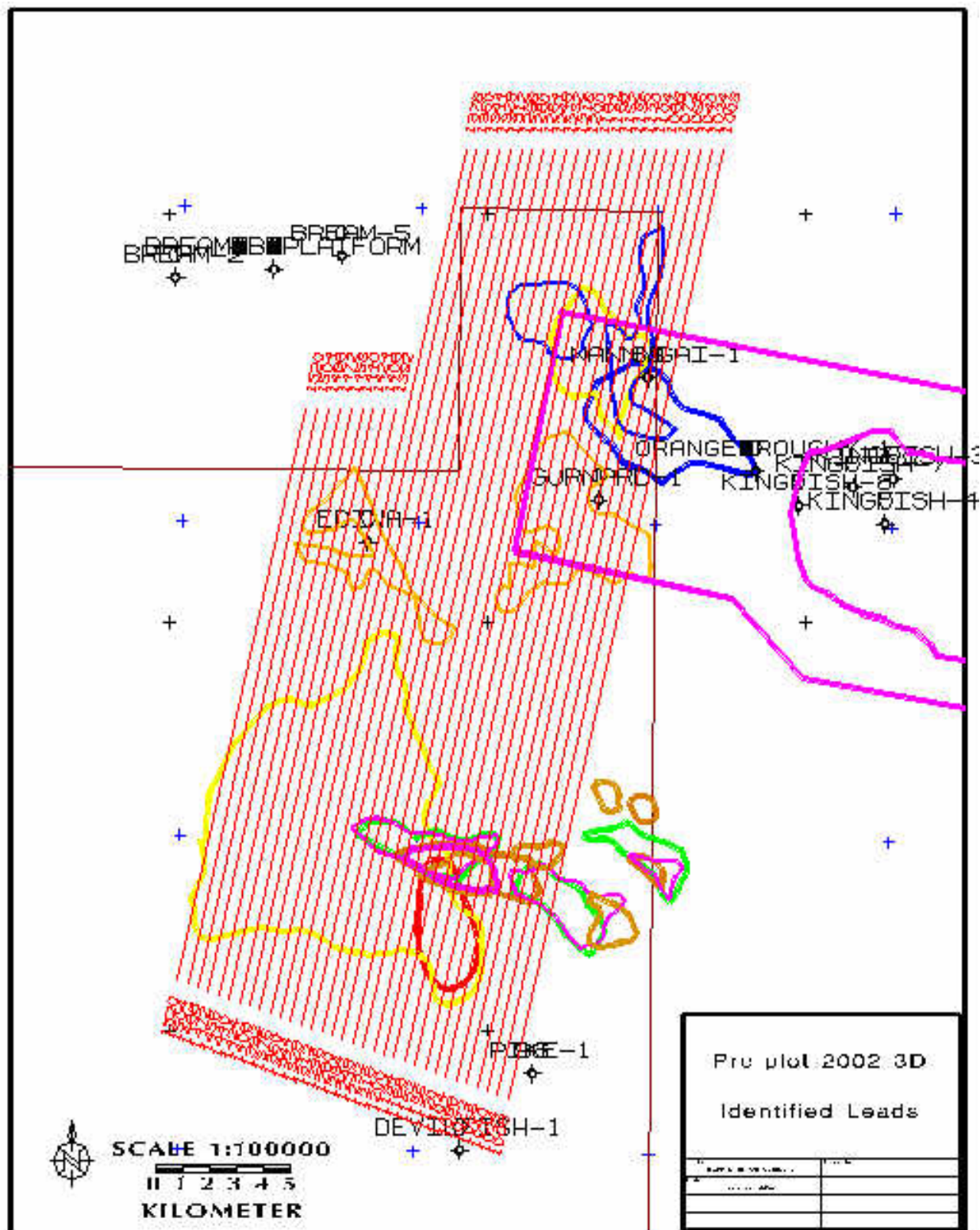
Sailing was delayed by around 17 hours due to a failure in the lifeboat release mechanism. Winds were light and seas were slight during the steam to the prospect and during equipment deployment. All gear was deployed, however production was not possible due to problems in the recording room network, which prevented the seismic QC and plotting systems working and also affected source positioning. These problems resulted from conflicts in the network after the installation of an Onboard Processing system required for the next Client. The OBP system was isolated from the network, which was being put back to its original configuration, allowing production to begin.

The weather conditions until the beginning of August were exceptional, but broke just 6 hours before the end of the survey's 11<sup>th</sup> day (3<sup>rd</sup> August) when wind increased to near gale strength from the southwest. Production continued however, until the 6th August, when winds up to 45 knots and swells up to 5 metres forced the guns to be recovered due to safety considerations. Production resumed on the 8<sup>th</sup> of August, and the remaining 4 lines were speedily acquired. Conditions were initially favourable for cetacean observations with sea states not exceeding Beaufort three. Sightings of cetaceans resulting in the temporary shutdown of the survey were made twice during the survey.

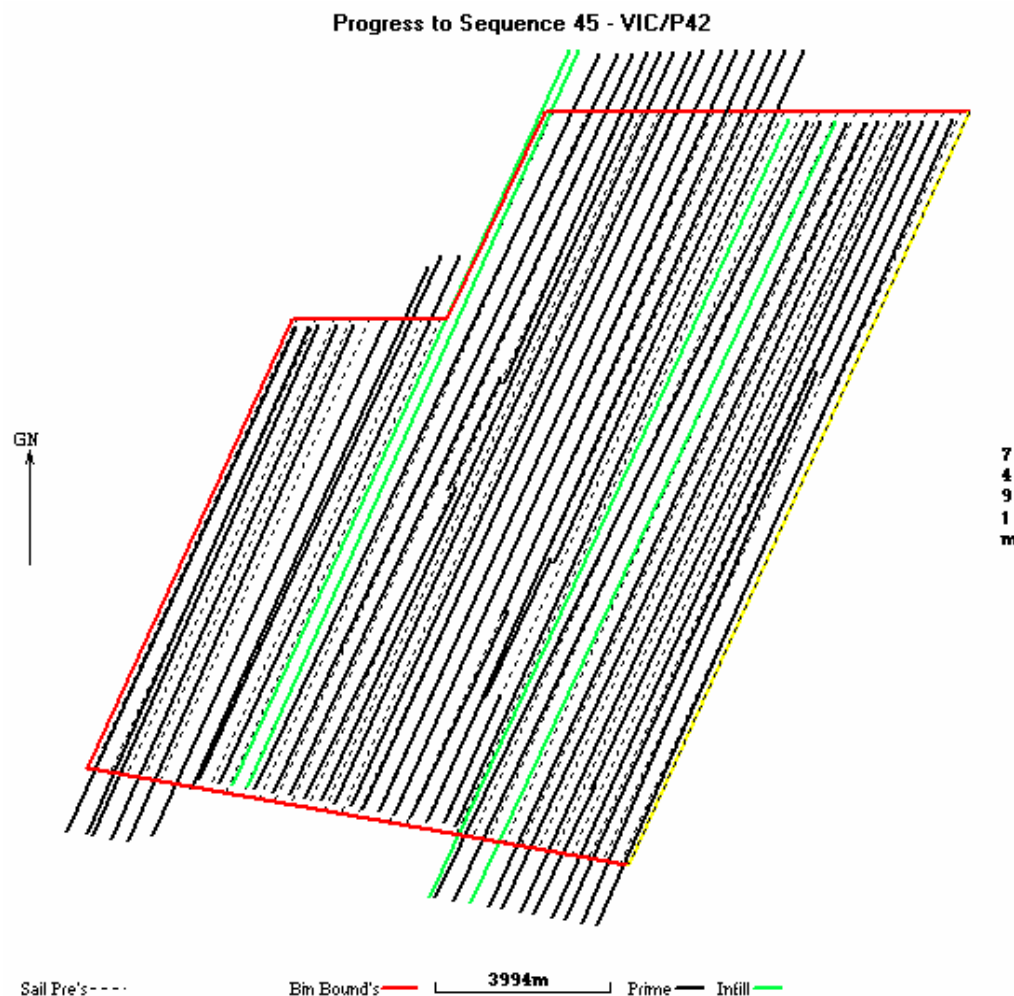
Shipping, whilst ever present in the lanes in the south of the survey area, caused no interference to the survey, and no HSE incidents were reported.

Production ceased on 8<sup>th</sup> August, with survey termination being taken as 21:21 UTC, the time of the last shot.

A total of 33 lines, or 422.52750 km<sup>2</sup> of 3D seismic was acquired (see Figure 2).



**Figure 1.** Preplots of Vic/P42 3D Seismic Survey



**Figure 2.** Seismic survey 100% completed, 8<sup>th</sup> August, 2002.

### 3.2 Seismic Processing

BSOC investigated the use of various processing contractors for the forthcoming 3D survey. Without having conducted a formal tender process, we believe that it is apparent that processing the data with WesternGeco in its Melbourne processing centre would provide the best solution for the Joint Venture.

Therefore BSOC recommended to JV partners, contracting WesternGeco for this work, and emailed to them a copy of the WesternGeco proposal on 30<sup>th</sup> May. An AFE was also faxed on the same day for their approval.

The background to this recommendation is summarised below:

- Using WesternGeco's Melbourne based processing centre will allow the operator to exercise detailed control over processing parameters and decisions on a daily basis - and at minimum cost in terms of travelling etc. WesternGeco is the only contractor to be able to offer processing facilities in Melbourne. BSOC sees the ability to exercise detailed 'hands on' supervision, particularly during the velocity picking process, as a major advantage and one that is crucial to the successful processing of this data.

- In terms of technical capability, WesternGeco is considered to be one of the best available alternatives (Robertson Research, CGG and Veritas DGC were also considered). WesternGeco is a global state-of-the-art organisation capable of producing the best quality final product for this survey.
- The WesternGeco Melbourne centre was originally established to process Gippsland Basin data and we believe there is accumulated relevant experience still within the organisation.
- We also believe that having a seamless transition from acquisition on board the vessel to the processing centre will be an advantage. Using WesternGeco for both aspects of the survey will ensure compatibility of recording format with processing software and will allow ease of communication between processing and acquisition personnel.
- BSOC recommends that the data be processed using pre-stack time migration. We believe that the complex geology in the Vic/P42 area, particularly in relation to velocities and shallow channelling in the northern sector, will require pre-stack processing to get the best result from this dataset.
- It is also recommended that we utilise the Dense Velocity Analysis option over a relatively small area of in the north of the survey. This should contribute directly to a better depth conversion solution in this area.
- The operator believes that pre-stack depth migration is not warranted in this area. It is possible that, as part of the detailed depth conversion project, a small subset of the survey area could be pre-stack depth migrated at some point in the future.
- WesternGeco estimates that this processing project will take between 12 and 16 weeks to complete. This will be dependent on the amount of testing undertaken as well as other factors. On current estimates processing should commence approximately 15 July 2002 and therefore be completed within a further 16 weeks, which is approximately end October 2002.

**4. REPORTS SUBMITTED**

The Melville-1 Well Completion report was submitted to the Victorian DNRE. The basic data volume was submitted on 27<sup>th</sup> May and the interpretative volume on 9<sup>th</sup> July. The first and second weekly reports for the 3D seismic survey were submitted to the DNRE on 31<sup>st</sup> July and 7<sup>th</sup> August, respectively.

**5. HEALTH, SAFETY AND ENVIRONMENT****5.1 Incidents**

There were no health, safety or environmental incidents recorded during the report period.

**6. ESTIMATED EXPENDITURE FOR THE QUARTER**

Estimated expenditure for the reporting period is detailed below:

<b>Activity</b>	<b>Expenditure (\$000's)</b>
Drilling (Melville-1)	7
Permit Administration	198
Seismic (Reprocessing)	13
Geological & Geophysical	363
Seismic (Acquisition)	284
<b>Total</b>	<b>865</b>