

Ref No: 00/1433

8 May 2003

Mr Jon Young  
General Manager,  
Central Australia Business Unit  
Santos Ltd,  
GPO Box 2319  
ADELAIDE, SA, 5001

Dear Jon,

### **MOOMBA FACILITIES FITNESS FOR PURPOSE ASSESSMENT VALIDATION**

Thank you for your letter dated 24 April 2003 advising of your work program and milestones for the review of Santos' EHS Management System (EHSMS) in addressing the issues raised in my 24 March 2003 letter.

Further to discussions held at a meeting between Santos (Peter Klaosen, John Hudson and Andrew Antony) and PIRSA (myself, Michael Malavazos and John Morton) on the 8 May 2003 I accept your proposed work program detailed under section 1 of your letter. However I would like to make explicit some criteria for the achievement of the following outcomes for some of the key milestones of this work program and confirm matters agreed on at the 8 May 2003 meeting.

#### Milestone 1: Finalise scope of EHSMS (i.e. Standards to be included)

##### *PIRSA Expected Outcome:*

As demonstrated by Santos at the 8 May 2003 meeting, PIRSA acknowledges that the scope of the EHSMS addresses all obligations under the Petroleum Act 2000, including all relevant industry accepted standards.

#### Milestone 2: Allocation of custodians for each standard

##### *PIRSA Expected Outcome:*

PIRSA acknowledges receipt of the list of all custodians to the various EHSMS standards emailed to PIRSA by Peter Klaosen on 6 May 2003.

#### Milestone 3: Establish Statutory Compliance Manuals for each State

##### *PIRSA Expected Outcome:*

As agreed at the 8 May 2003 meeting, Santos to demonstrate by 31 July 2003 that the statutory compliance manuals cover all Petroleum Act 2000 requirements (e.g. index showing all Petroleum Act 2000 references).

#### **PETROLEUM GROUP**

Level 7, 101 Grenfell Street, Adelaide SA 5000  
GPO Box 1671, Adelaide SA 5001  
Telephone (08) 8463 3204 Facsimile (08) 8463 3229  
International Code +618

Milestone 4: Develop a draft Priority CBU Legislative Audit Schedule

*PIRSA Expected Outcome:*

PIRSA acknowledges the legislative audit schedule tabled by Santos at the 4 March 2003 FFP report validation meeting. PIRSA requests that progress against this schedule be reported by Santos to PIRSA at each of the remaining quarterly compliance meetings for 2003.

Milestone 5: Implement CBU Legislative Audit Schedule

*PIRSA Expected Outcome:*

A summary of the results of the CBU legislative audit to be included in the next Santos annual compliance report, due in March 2004. Where inconsistencies with independent audit findings are found, an independent third party audit may be required.

Milestone 6: Complete development of draft Management Standards

PIRSA acknowledges Santos to have all draft Management Standards completed by June 2003.

Milestone 7: EHSMS Base Line Assessments of Management Standards

Santos have completed and implemented all Management Standards by end of January 2004.

Milestones 8 & 9: EHS Hazard Standards Implemented

Santos have completed development and implementation of all Hazard Standards by June 2004.

Milestone 10: Repeat of CBU Legislative Audit

*PIRSA Expected Outcome:*

As for milestone 5 above, and the audit completed by December 2004 demonstrates full (material) compliance.

With respect to the submission of the next FFP report as detailed in section 2 of your letter. I request that progress of developing the next FFP report by June 2005 is put on the agenda of the quarterly compliance meetings as a standing item so as to monitor progress against the requirements of Regulation 30.



**Terry Aust**  
**General Manager – Operations Branch**  
**Minerals, Petroleum and Energy**