

Policy for renewal of Exploration licences (Work programs)

Provided that the licensee has fully complied with their work program in year 5 of the initial term of the exploration licence, no specific work program will be required to be submitted for the renewal. Renewal will be considered a right earned by licensees who fulfil the initial five year work program.

PIRSA would expect a minimum acceptable renewal program to be 1 well in the 5 year renewal term. In the case of frontier PELs, this applies to the first and second renewals.

None of the years need to be guaranteed, other than the usual requirement that once a licence year is entered, that year becomes guaranteed. Thus the first year of the renewal program becomes guaranteed once the licensee has accepted the renewal.

To minimise the requirement to seek variations to the licence, and payment of the resultant fee, it may be more convenient for licensees to submit only the standard minimum program (Geological and geophysical studies in years 1 – 4, 1 well in year 5), which becomes the work program requirement for the licence. Additional work may be carried out by the licensee (eg seismic acquisition, additional or earlier wells), but licence variations are not a requirement for approval of these additional activities.

If the licensee is in default of the work program in the 5th year of the initial term of the licence, the licence may be renewed at the discretion of PIRSA, subject to an acceptable work program and the usual policy associated with licence variations. This work program would be in excess of the minimum required above.

JGGM/EA
7/8/03