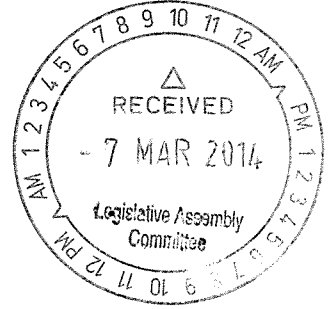




Government of Western Australia
Department of Mines and Petroleum



Ph

Your ref: A437438
Our ref: A0803.201001
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The Chairman
Economics & Industry Standing Committee
Parliament House
PERTH WA 6000

Attention: Dr Abernethie

**INQUIRY INTO THE ECONOMIC IMPLICATIONS OF FLOATING LNG –
REQUEST FOR FURTHER INFORMATION**

I refer to your letter of 4 March 2014 requesting further information in addition to the evidence provided at the hearing of 19 February.

Attached are the Department of Mines and Petroleum's responses to the two questions in your letter.

Yours sincerely

Richard Sellers
DIRECTOR GENERAL

7 March 2014

- 1. It is understood that there was a previous Joint Authority agreement that, to the extent possible, the conditions on the Commonwealth and State Retention Leases would be the same. Could you please confirm that this is correct and, if so, provide a copy of the agreement?**

Yes, there was an agreement that where possible the State and Commonwealth retention leases would be progressed together. A search of DMP records gives reference to such an agreement but it appears to be an understanding between the delegates at the time of original grant of the RL's rather than a formal agreement between the JA members. The renewals in 2008/9 and the 2012 variations were progressed together with the same conditions for State and Commonwealth RL's.

- 2. Section 59(3)(b) provides for the Commonwealth Minister's decision to have effect as the Joint Authority decision if no response to NOPTA's advice is received from the State within 30 days. The Committee notes that the Department received the variation request on 7 June 2013 and the NOPTA assessment in relation to the Commonwealth leases on 26 June 2013. The Committee also notes that clarification was sought by the WA Delegate from both NOPTA and from Woodside. Please advise the following:**

- 2.1 When did the WA Joint Authority Delegate seek clarification from NOPTA and Woodside?**

Woodside provided a response to NOPTA's request for further information on the 21 June 2013 with copy to DMP. At this time it submitted a copy of the Miller & Lents Reserves Report and some clarification on hydrocarbon resources within the Retention Leases. On 24 June 2013 Woodside provided further clarity of the indicative expenditure to both NOPTA and DMP. On 28 June DMP sent a request for additional clarification to NOPTA regarding the Commonwealth Retention Leases and a separate, but similar one to Woodside for the State areas.

- 2.2 Was any response, helpful or otherwise, to this request for clarification received from NOPTA or Woodside? If so, please advise what this response was.**

On 16 July Woodside provided additional information that partially addressed DMP's concern. However DMP still had questions regarding the proposed work to further clarify reserves and assess several development options.

2.3 What time frame was allowed by NOPTA for the WA Delegate to consider the NOPTA assessment of 26 June 2013?

The NOPTA/JA delegate protocol provides 5 working days for a "simple" consideration and 10 working days for a "complex" consideration.

2.4 Did this time frame allow adequate time for consideration and negotiation of NOPTA's assessment?

By letter dated 24 June 2013, NOPTA submitted comments and advice in respect of these applications to the WA Joint Authority delegate proposing the applications for variation of conditions and the revised work program be approved in respect to the Commonwealth Retention Leases. Given the prior discussions DMP would have provided a written response early July, within the 10 days.

2.5 Did the Commonwealth Government's decision-making timeframe allow for the WA Joint Authority Delegate to refer the matter to the WA Minister?

DMP considers that the receipt of Hon Gary Gray's letter of 27 June 2013 did not provide sufficient time for Minister Marmion to be briefed on NOPTA's 24 June 2013 advice

7 March 2014

