

TECHNICAL MEMORANDUM

DATE 1 June 2021 **Project No.** 19126485-001-TM-Rev3

TO rincipal Environmental Advisor / Hydrogeologist, Santos

CC

FROM EMAIL

UPDATING GROUNDWATER IMPACT ESTIMATION – SANTOS COOPER BASIN OIL AND GAS FIELDS, SOUTH-WEST QUEENSLAND

1.0 INTRODUCTION

In accordance with the Queensland Water Act 2000 and the Guideline for Underground Water Impact Reports and Final Reports, Santos prepared an Underground Water Impact Report (UWIR) in 2013 (Santos, 2013), which was updated in 2016 and 2019 (Santos, 2016; Santos, 2019). The goal of the reports was to make predictions about and manage the impacts resulting from extraction of underground water by petroleum tenure holders where production testing or production is taking place.

To support Santos with groundwater impact estimations, Santos engaged Golder Associates Pty Ltd (Golder) to provide estimates of the decline in groundwater levels in response to the extraction of water from the Cooper and Eromanga Basins. Analytical calculations were updated periodically (2016 and 2019) to reflect changes in extraction rates, and proposed counts of future wells on existing and proposed new petroleum leases (PL).

This document reports the latest update of the Cooper and Eromanga Basin models, based on the data provided by Santos to Golder on 28 May 2021. It is Golder's understanding that the intent of this document is to support an Environmental Authority (EA) amendment application to increase the number of oil and gas wells on Santos tenements.

2.0 SCOPE OF WORK

Santos has requested Golder to complete the following scope of work:

- To update existing AnaqSim models (Cooper and Eromanga Basin) with revised extraction rates and numbers of proposed wells;
- To report results in a brief technical memorandum.

To complete these scope of work tasks, the following assumptions and limitations apply:

- The same assumptions and limitations apply as in case of the 2019 and 2020 UWIR reports (Santos, 2019; Santos, 2020);
- The number of existing wells does not change in the IAA (Immediately Affected Area) models, thus they are not required to be updated, results of IAA models can be found in (Santos, 2019);

- Only the long term affected area (LTAA) models are updated based on the new configuration of proposed wells;
- Extraction rates (extraction rate per well) are taken from the 2019 UWIR report (Santos, 2019);
- All other aspects (geometry, parametrization, boundary conditions, calibration) remain the same as they were reported in previous UWIR versions (Santos, 2013; Santos, 2016; Santos, 2019);
- In this technical memorandum only the LTAA model updates are documented, other aspects of an EA amendment are not considered here.

3.0 REVISED GROUNDWATER IMPACT MODELLING WORKFLOW

The revised impact modelling utilises the existing analytical models as documented in the last approved UWIR version (Santos, 2019). All groundwater impact model results described in this technical memorandum should be considered in comparison with the 2019 UWIR version.

To meet Santos requirements, Golder applied the following impact assessment workflow:

- Comparing new production well data sets provided by Santos (210528_UWIR_Wells_Updated.xlsx) with 2019 data sets assigned to the models to determine the new LTAA well configuration for modelling;
- Updating Cooper Basin and Eromanga Basin LTAA analytical models with the new well configuration and rerunning those LTAA models;
- Summarising the revised groundwater impact simulation results for the LTAA (relevant tables, figures).

4.0 NEW PRODUCTION WELL DATA

The number of existing wells in the Cooper and Eromanga Basin remained the same (212 and 250, respectively) as it was reported in (Santos, 2019). However, the number of proposed new wells increased significantly, as summarised in Table 1, based on data provided by Santos (210528_UWIR_Wells_Updated.xlsx, issued 28 May 2021).

Table 1: Number of existing and additional wells in the 2021 long term affected area model compared with previous new well data (Santos, 2019) in brackets.

Basin	Number of Existing Wells	Number of Proposed New Wells at Existing PL's (well count in (Santos, 2019))	Number of Proposed New Wells at New PL's (well count in (Santos, 2019))
Eromanga	250	291 (157)	151 (62)
Cooper	212	358 (173)	291 (232)

The higher number of new wells in the model domains result in higher extraction rates which are summarised in Table 2. Extraction rate per well is calculated based on the 2019 extraction rates and documented in (Santos, 2019).

The number of existing and proposed gas and oil wells is listed in Attachment A.



Table 2: Updated 2021 water extraction rates compared with previous new well data (Santos, 2019) in brackets.

Analytical Model	Immediately Affected Area	Long Term Affected Area (data in (Santos, 2019)
Eromanga Basin	No. of representative wells = 250 Extraction per well = 49.92 m³/day/well Total extraction = 4560 ML/year	No. of representative wells = 692 (469) Extraction per well = 49.92 m³/day/well Total extraction = 12611 ML/year (8550 ML/year)
Cooper Basin	No. of representative wells = 212 Extraction per well = 4.01 m³/day/well Total extraction = 310 ML/year	No. of representative wells = 861 (617) Extraction per well = 4.01 m³/day/well Total extraction = 1260 ML/year (903 ML/year)

5.0 GROUNDWATER MODEL UPDATE

All results of the IAA models are documented in (Santos, 2019) and are still valid due to the fact that the existing well numbers and extraction rates are unchanged since the original 2019 predictions.

In this section of the technical memorandum only the LTAA groundwater impact assessment model results are presented for the Cooper and Eromanga Basin models.

5.1 Impact Assessment Results

Predicted maximum drawdown along two cross sections in the Eromanga Basin (Figure 1 -Figure 6) and the one cross section in the Cooper Basin (Figure 7 -

Figure **9**) are summarised in Table 3 and Table 4, respectively. The drawdowns for the LTAA are based on the revised 2021 modelling, while the IAA predicted drawdowns in Table 3 and Table 4 are based on the 2019 UWIR (Santos, 2019).

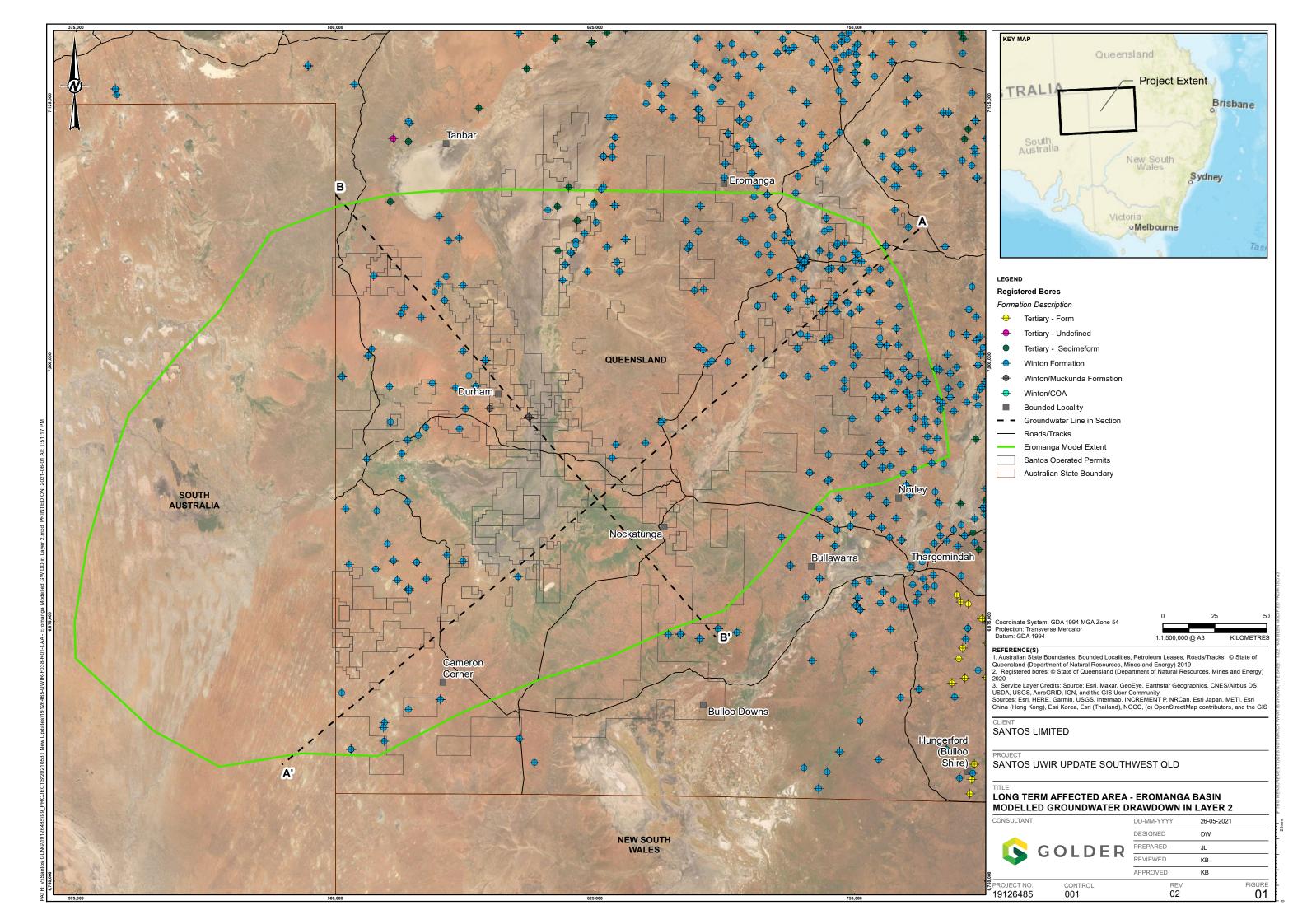
Table 3: Calculated maximum drawdown along sections A-A' and B-B' in the Eromanga Basin

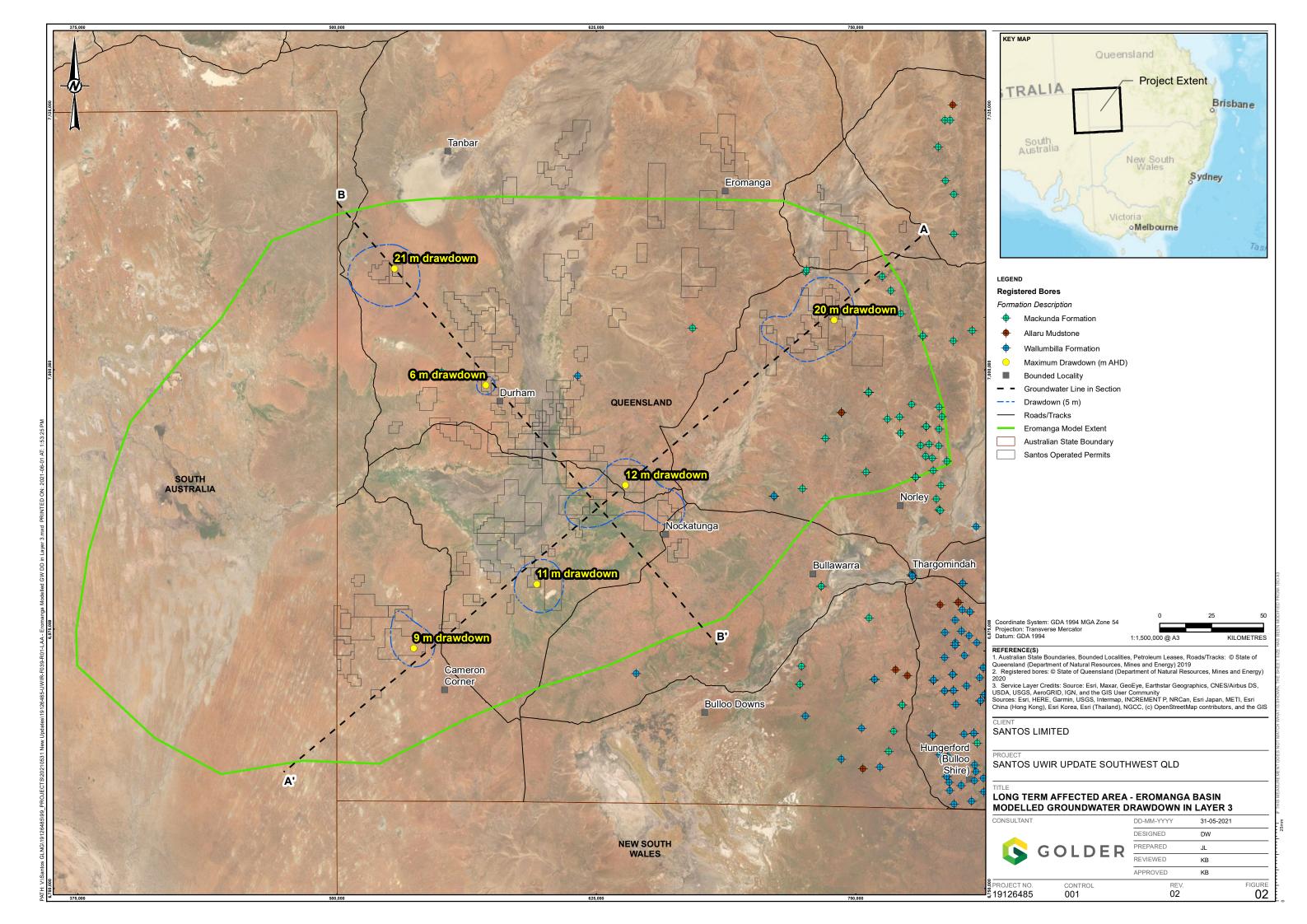
Lavar		Maximum Drawdown in	the Eromanga Basin (m)
Layer Number	Layer Description	Immediately Affected Area	Long Term Affected Area
2	Quaternary, Tertiary and Winton Formation	2	4
3	Alluru, Toolebuc and Wallumbilla Formations	11	21
4	Cadna-owie Formation and Hooray Sandstone	57	120
5	Westbourne, Adori and Birkhead Formations / Hutton Sandstone and Poolowanna Formation	182	390

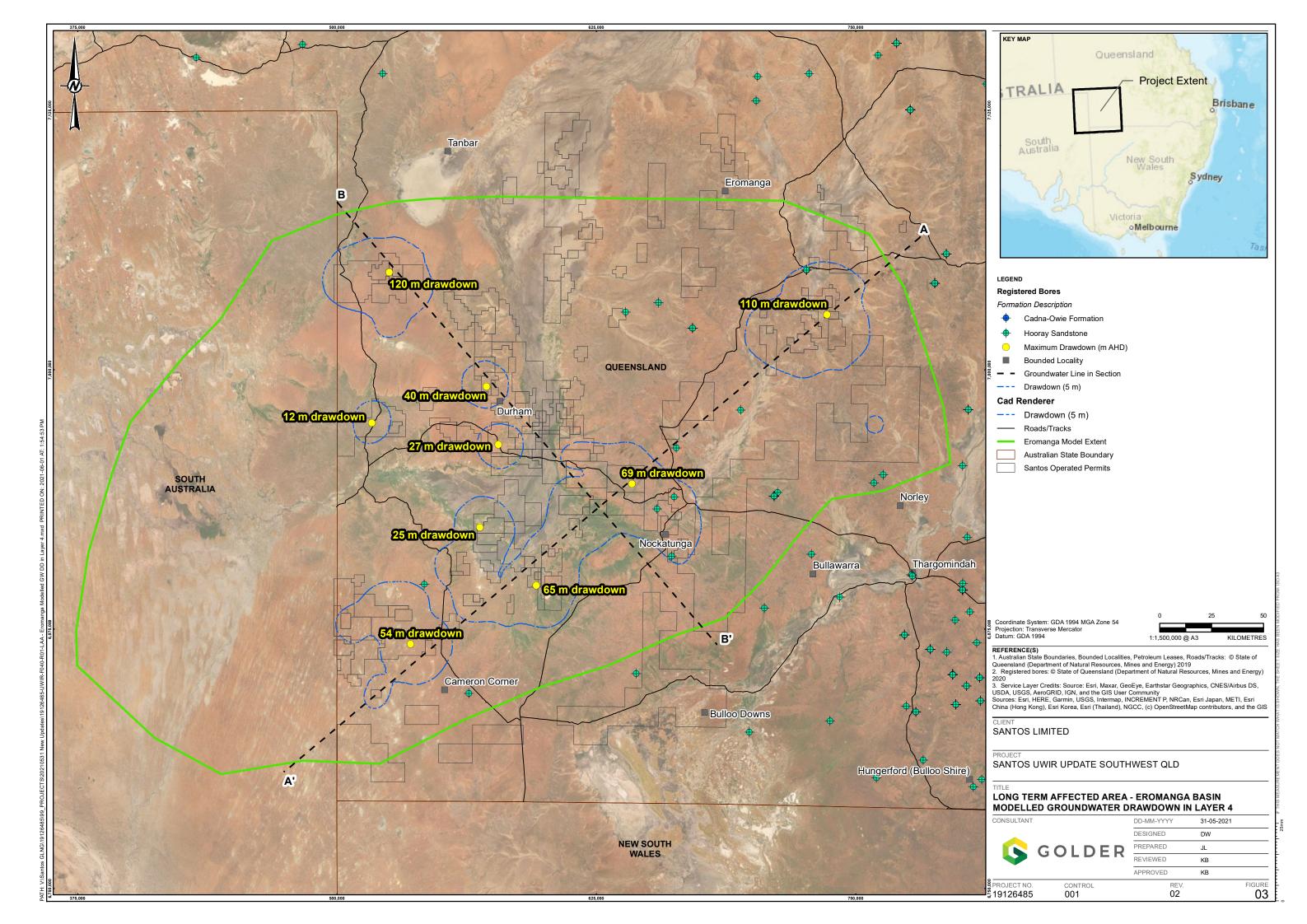


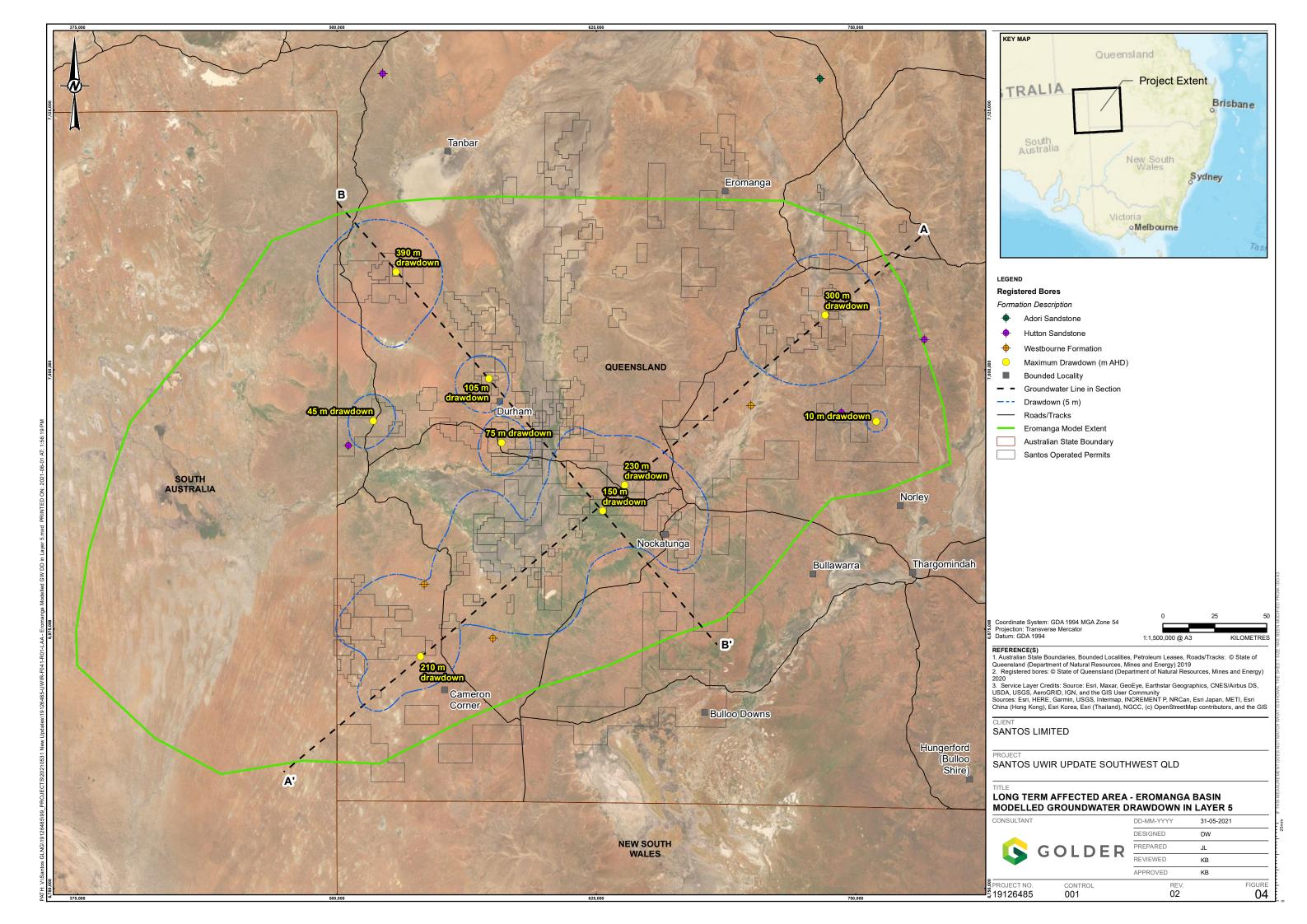
		Maximum Drawdown in t	the Cooper Basin (m)
Layer Number	Layer Description	Immediately Affected Area	Long Term Affected Area
2	Tinchoo and Arraburry Formations	2	15
3	Toolachee to Patchawarra Formations	10	52











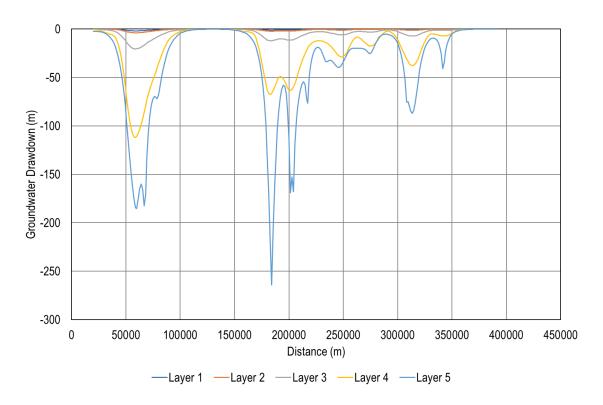


Figure 5. Eromanga Basin: Modelled Long Term Affected Area Groundwater Drawdowns in Cross Section A-A'

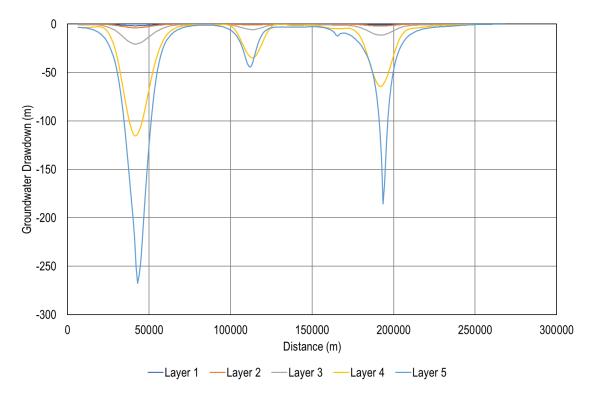
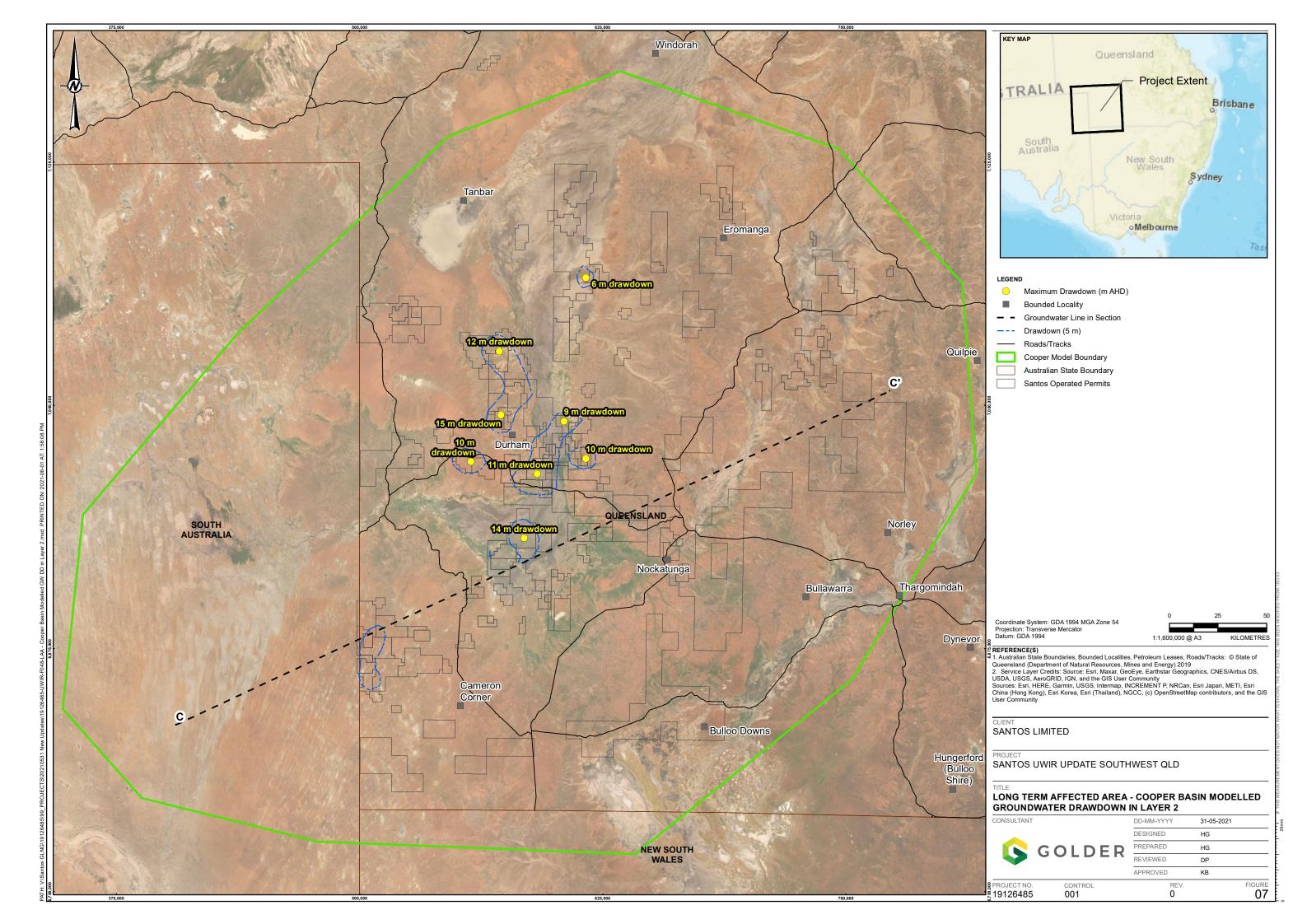
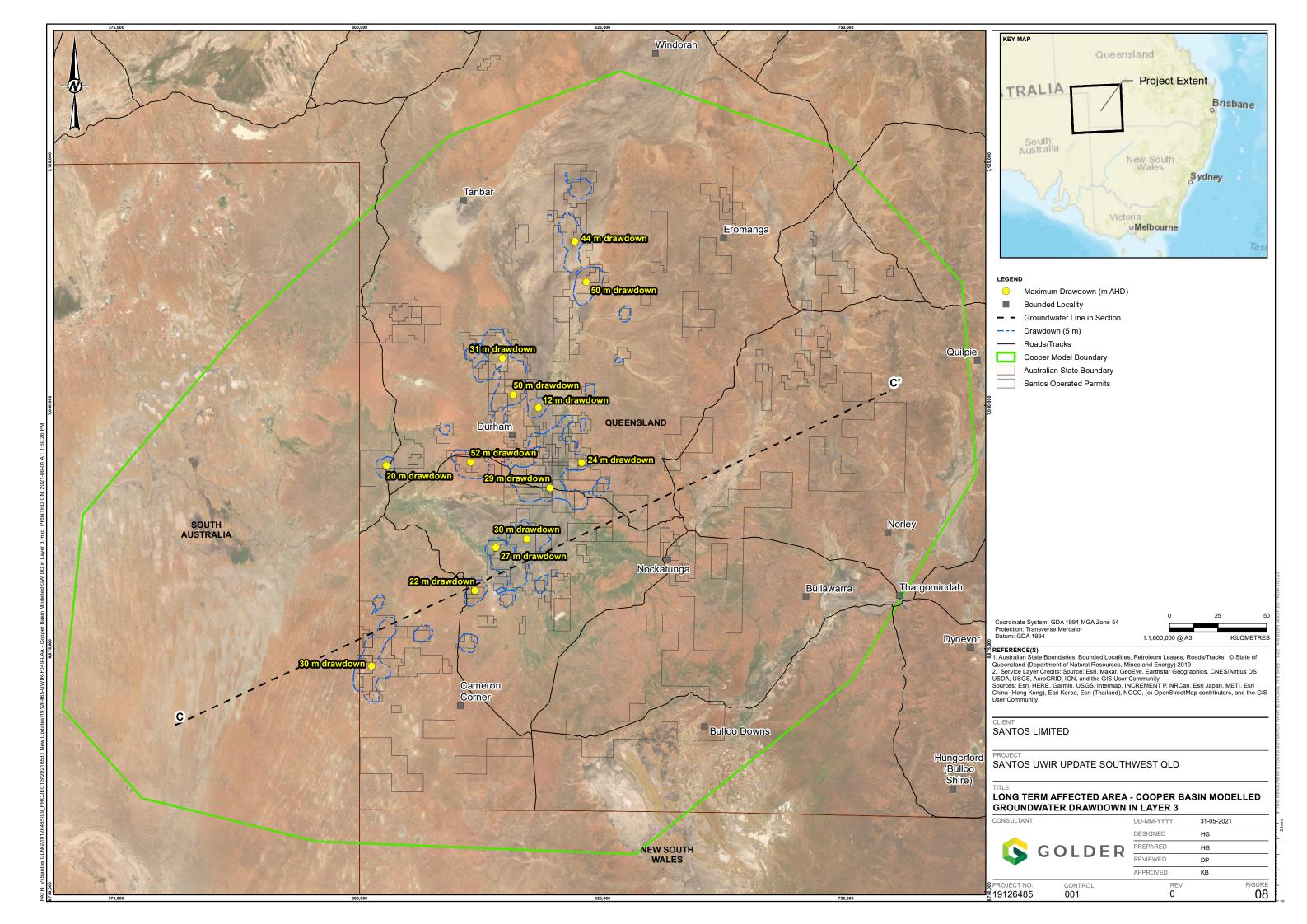


Figure 6. Eromanga Basin: Modelled Long Term Affected Area Groundwater Drawdowns in Cross Section B-B'







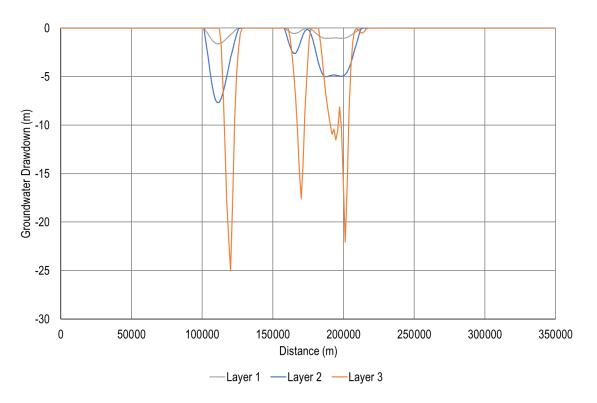


Figure 9. Cooper Basin: Modelled Long Term Affected Area Groundwater Drawdowns in Cross Section C-C'

A summary of the key outcomes s from the 2021 analytical modelling includes:

- The most up-to-date groundwater database compiled by the Department of Natural Resources, Mines and Energy was used for the identification of registered bores within the modelled area (DNRME, 2021).
- There are two existing registered bores (RN23059 and RN358) targeting the Mackunda, Cadna-Owie Formation or Hooray Sandstone (Figure 3), and one existing registered bore (RN16066) targeting the Westbourne Formation (Figure 4) which may be potentially impacted based on the calculated LTAA in the Eromanga Basin (See Section 5.2). The database identifies registered groundwater bores RN23059 and RN358 as GAB monitoring bores and bore RN16066 as Water Supply.
- The impact of extraction from the Cooper Basin strata does not affect areas beyond the assumed extraction well locations at the top of the Cooper Basin stratigraphy. These impacts can therefore be discounted from the analysis of the overlying Eromanga Basin.
- The maximum predicted drawdown in the Eromanga Basin stratigraphy, in the strata directly underlying the unconfined Tertiary and Quaternary strata, is 4m under steady state conditions (Table 3). This is a worst-case scenario due to the limited number of extraction wells used in the calculation and the steady-state analysis conditions applied in the computation. The impact on the Tertiary and Quaternary strata is likely to be less than 4m.
- A maximum pressure decline of 120m (LTAA) is estimated for the modelled unit containing the Cadna-Owie Formation and Hooray Sandstone, however, the 5m contour line does not significantly extend outside of the tenements. Additionally, no private water supply bores targeting the Cadna-Owie Formation and Hooray Sandstone have been identified within the extent of the 5m contours.
- A maximum pressure decline of 390m (LTAA) was estimated for Westbourne Formation, Adori Sandstone, Birkhead Formation, Hutton Sandstone and Poolowanna Formation under the long term



model run. The 5m drawdown contour does not extend outside of Santos tenements and no private bores targeting those formations have been identified.

5.2 Vulnerability of Groundwater Users

Based on the Queensland Groundwater Database (DNRME, 2021) and the simulated drawdown contours for LTAA, five bores are identified within the LTAA.

Bore RN23372 is a water bore that was identified as being impacted in the 2016 UWIR. A Make Good Agreement, as required under provision in the Water Act, was executed in 2017. The amount of drawdown predicted in the next 3 years is 10m (IAA, (Santos, 2019).

Bore RN23569 was investigated by DES (formerly, as DEHP) and found not to be an authorized bore (does not have a license that permits the owner to extract groundwater). It therefore does not qualify for protection and management in accordance with s363 of the Water Act (as advised by DEHP on 29 July 2014) and no further action is required.

Bore RN23059 and RN358 are water bores that have been identified as being impacted by production. The approximate drawdown calculated in the LTAA is 6m and 8m, respectively. The purpose of these bores listed as GAB monitoring.

Bore RN16066 is a water bore that has been identified as being impacted by production. The approximate drawdown calculated in the LTAA is 6m and 5.5m, respectively. The purpose of these bores listed as Water Supply.



Table 5: Registered groundwater bores affected by modelled impacts - LTAA

Bore RN	Latitude	Longitude	Tenure	Date Drilled	Bore Name	Bore Type	Purpose / Status	Formation	Layer Description	Predicted Drawdown (m)
Long Terr	n Affected Area									
358	-26.669389	143.272737	-	1909	Eromanga No 2 Bore	Artesian	GAB Monitoring	Hooray Sandstone	Eromanga Layer 4	8
23059	-27.92540012	142.6376904	PL245	1982	PPL Noccundra 1	Artesian	GAB Monitoring	Hooray Sandstone	Eromanga Layer 4	6
23372	-27.6653824	142.6485650	-	1986	PPL Balooma 1	Artesian	Stock / GAB Monitoring	Hooray Sandstone	Eromanga Layer 4	34
23569	-27.66538237	142.648565	PL33	1987	PPL Coothero 1	Artesian	GAB Monitoring	Hooray Sandstone	Eromanga Layer 4	37
16066	-28.055886	141.427811	-	1962	Dio Orientos 1	Sub-artesian Facility	Water Supply	Westbourne Formation	Eromanga Layer 5	5.5



6.0 SUMMARY

The updated Eromanga and Cooper Basin LTAA models have been rerun for the 2021 report using the new production bore data set provided by Santos (number of proposed new wells). A revised set of drawdown predictions for the LTAA case have been provided in this technical memorandum in cross section and plan view format per formation. Registered bores impacted are listed in Table 5. Immediately affected area models have not been assessed in the frame of this study, since the number of existing wells remained the same.

7.0 CLOSING

Golder trusts that this report satisfies your immediate requirements. Please do not hesitate to contact the undersigned should you require clarification and/or further information.

Your attention is drawn to the document – "Important Information", which is included in Attachment B. The statements presented in this document are intended to advise you of what your realistic expectations of this report should be. The document is not intended to reduce the level of responsibility accepted by Golder, but rather to ensure that all parties who may rely on this report are aware of the responsibilities each assumes in so doing.

8.0 REFERENCES

Santos. 2019. Underground Water Impact Report, Santos Cooper Basin Oil and Gas Fields, South-West Queensland. Brisbane: s.n., 2019.

- —. 2020. Underground Water Impact Report, Santos Cooper Basin Oil and Gas Fields, South-West Queensland. Santos: s.n., 2020.
- —. 2013. Underground Water Impact Report, Santos Cooper Basin Oil and Gas Fields, South-West Queensland. Brisbane: s.n., 2013.
- —. 2016. Underground Water Impact Report, Santos Cooper Basin Oil and Gas Fields, South-West Queensland. Brisbane: s.n., 2016.

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Attachments: Attachment A: Existing and Proposed Well Numbers

Attachment B: Important Information

https://golderassociates.sharepoint.com/sites/111929e/santosuwirupdatesouthwestqld/shared documents/2021 update/rev 3/19126485-001-tm-rev3-model update 2021.docx



ATTACHMENT A

Existing and Proposed Well Numbers



Existing and Proposed Gas Wells – Cooper Basin

Tenure ID	PL 59	PL 60	PL 61	PL 81	PL 83	PL 85	PL 86	PL 288	PL 108	PL 111
Number of Existing Gas Wells	9	9	13	4	1	0	3	2	2	2
Number of Proposed Gas Wells	9	3	5	3	3	3	3	3	3	3

Tenure ID	PL 112	PL 131	PL 132	PL 135	PL 1035	PL 146	PL 147	PL 205	PL 1014	PL 208
Number of Existing Gas Wells	9	28	1	0	0	2	0	2	1	0
Number of Proposed Gas Wells	14	12	3	6	3	9	11	3	3	7

Tenure ID	PL 177	PL 152	PL 155	PL 151	PL 1013	PL 58	PL 136	PL 137	PL 159	PL 156
Number of Existing Gas Wells	4	0	2	0	3	11	0	0	0	1
Number of Proposed Gas Wells	9	9	21	22	10	15	6	6	6	9



Tenure ID	PL 249	PL 80	PL 25	PL 26	PL 62	PL 82	PL 87	PL 287	PL 133	PL 149
Number of Existing Gas Wells	0	13	4	2	3	0	0	6	0	0
Number of Proposed Gas Wells	3	17	6	6	3	3	3	3	3	3

Tenure ID	PL 175	PL 495	PL 496	PL 1047	PL 181	PL 182	PL 79	PL 1026	PL 37	PL 63
Number of Existing Gas Wells	2	1	1	1	2	1	2	0	1	7
Number of Proposed Gas Wells	3	0	3	4	3	3	3	2	6	10

Tenure ID	PL 84	PL 88	PL 129	PL 130	PL 134	PL 140	PL 142	PL 143	PL 144	PL 150
Number of Existing Gas Wells	10	3	4	2	0	1	1	0	1	10
Number of Proposed Gas Wells	6	6	6	6	6	6	6	6	6	7



Tenure ID	PL 186	PL 110	PL 1046	PL 241	PL 255	PL 113	PL 114	PL 141	PL 145	PL 148
Number of Existing Gas Wells	1	0	1	0	1	5	2	1	2	4
Number of Proposed Gas Wells	6	6	7	3	6	6	3	3	7	12

Tenure ID	PL 153	PL 157	PL 158	PL 1016	PL 187	PL 138	PL 154	ATP 1189	PL 117	PL 188
Number of Existing Gas Wells	0	0	0	1	0	0	0	0	0	0
Number of Proposed Gas Wells	10	6	12	6	3	3	3	17	1	1

Tenure ID	PL 254	PL 75	ATP 1174	PL 1055	PL 1058	PL 1077	PL 1087	PL 1107	PL 1108	PL 1093
Number of Existing Gas Wells	2	2	0	1	1	1	0	0	0	0
Number of Proposed Gas Wells	6	0	2	12	11	11	0	4	7	5



Tenure ID	PCA 248	PCA 250	PCA 252	PCA 254	PCA 268	PCA 270	PCA 272	PCA 273	PCA 274	PCA 276
Number of Existing Gas Wells	0	0	0	0	0	0	0	0	0	0
Number of Proposed Gas Wells	3	10	4	6	13	3	4	2	3	2

Tenure ID	PCA 277	PCA 279	PCA 281	PCA 282	PL 411	PL 302
Number of Existing Gas Wells	0	0	0	0	0	0
Number of Proposed Gas Wells	10	1	11	12	1	6



Existing and Proposed Oil Wells – Eromanga Basin

Tenure ID	PL 61	PL 508	PL 509	PL 23	PL 24	PL 35	PL 36	PL 76	PL 77	PL 78
Number of Oil Existing Wells	9	6	11	33	6	7	8	1	3	1
Number of Oil Proposed Wells	5	7	17	14	3	14	17	6	3	3

Tenure ID	PL 29	PL 38	PL 39	PL 52	PL 57	PL 95	PL 169	PL 170	PL 295	PL 34
Number of Oil Existing Wells	2	6	23	20	15	0	2	7	6	21
Number of Oil Proposed Wells	6	6	6	7	3	2	3	14	41	21

Tenure ID	PL 63	PL 68	PL 75	PL 142	PL 502	PL 1046	PL 193	PL 255	PL 301	PL 303
Number of Oil Existing Wells	0	3	3	0	3	0	0	0	13	23
Number of Oil Proposed Wells	2	6	6	1	7	11	21	1	6	33



Tenure ID	PL 1028	ATP 752	PL 55	ATP 1189	ATP 636	PL 254	PL26	PL 33	PL 50	PL 51
Number of Oil Existing Wells	0	0	2	0	0	0	2	0	3	8
Number of Oil Proposed Wells	6	3	3	18	3	3	0	9	2	15

Tenure ID	PL 244	PL 302	PL 1058	PL 1060	PL 1077	PCA 155	PCA 206	PCA 207	PCA 248	PCA 271
Number of Oil Existing Wells	1	0	0	1	0	0	0	0	0	0
Number of Oil Proposed Wells	5	0	13	12	5	4	5	9	11	3

Tenure ID	PCA 275	PCA 279	PCA 280	PCA 282	PCA 283	PL 25
Number of Oil Existing Wells	0	0	0	0	0	1
Number of Oil Proposed Wells	3	5	3	2	8	0



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1 June 2021

ATTACHMENT B

Important Information





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