



Apache Energy Limited (Apache), on behalf of the Van Gogh joint venture participants, is soon to commence operations from the Van Gogh oil field, off the Exmouth coast. A Stakeholder Consultation Group (SCG) was formed in April 2007 consisting of members of the Exmouth community. Attached are the minutes from the SCG meeting.

Meeting Details

Meeting location: Novotel Ningaloo Resort, Exmouth
Time: 6pm – 7.30pm, followed by drinks and canapés

Agenda

The meeting agenda was as follows:

1.	Welcome and Introductions	David Parker
2.	Update on the Ningaloo Vision FPSO	Myles Hyams
3.	Hook-up and Commissioning Overview	Myles Hyams
4.	Environmental Overview of Activities Associated with Hook-up, Commissioning and Operations	Myles Hyams
5.	Drilling Overview in the Exmouth Sub-basin	Myles Hyams
6.	Community Sponsorship	Myles Hyams
7.	Questions and Answers	All
8.	Close of Meeting	David Parker
9.	Drinks and Canapés	

Attendees

The attendees at the meeting are listed in the table below.

#	Name	Company/Organisation	Title
Apache			
	Myles Hyams	Apache Energy	Environment Manager
	David Parker	Apache Energy	Government and Public Affairs Manager
	Michelle Kool	Apache Energy	Environmental Assistant
Government			
1.	Roge Kemp	Shire of Exmouth	Executive Manager Community Engagement
2.	RF (Bob) Todd	Shire of Exmouth	Councillor
3.	Kirsty Dixon	Department of Environment and Conservation (Exmouth)	Nature Conservation Coordinator & Marine Parks

#	Name	Company/Organisation	Title
			Coordinator
4.	Kim Whitehall-Holla	Gascoyne Development Commission	Acting Manager Regional Projects Branch
5.	Karen Thompson	Gascoyne Development Commission	Exmouth Project Officer
6.	Chris Pain	Exmouth Visitors Centre	Manager
7.	Ron Shelley	Boeing Services Australia	Site Manager
8.	Tom Baddeley	APPEA	Director-Western Australia
Non-Government Organisations			
9.	Suzie Bedford	Cape Conservation Group	Member
10.	Brian Reading	Exmouth Chamber of Commerce	Deputy President
11.	Jacqueline Hine	Cape Conservation Group	Secretary
Community Representatives			
12.	Alen Kursar	Exmouth District High School	Deputy Principal

Minutes

David Parker opened the meeting welcoming & introducing all presenters and attendees.

1. Exmouth Games Presentation

An opening presentation was given by Roge Kemp on the Gascoyne Games, which was hosted in Exmouth and took place on the 2nd – 4th October 2009. Various sports events were held and music/bands contributed to the event bringing some 300 participants and a positive focus to Exmouth. Councillor Bob Todd presented the medals awarded to the winners of the events at the Games to David Parker in recognition of Apaches' sponsorship contribution to this event.

2. Update on the Van Gogh Project

Myles Hyams, Apache's Environment Manager, presented an update on the Ningaloo Vision FPSO, overview of the Hook-up and Commissioning activities and the environmental issues and control measures associated with them. Final presentations included production drilling completed for the Van Gogh development and an update on sponsorship Apache is undertaking in the Exmouth community. Major points included the following.

FPSO Update

- Subsea installation complete (mid April 2009)
- Drilling completed (end of June 2009)
- FPSO sail-away delayed due to a fire occurring in the instrument room during the construction programme in Singapore. Repairs completed and modifications corrected following an incident investigation
- Commissioning and start up systems work ongoing
- FPSO departed from the shipyard on the 21/9/09. Now at anchorage

- Following final acceptance testing and commissioning and issuing of a certificate of validation for the FPSO by 3rd party accreditation company, FPSO will undertake sea trials then commence the sail down to WA.

Hook-up & Commissioning

- Cleaning of Disconnectable Turret Mooring (DTM) Buoy and inspection in readiness for connection to the FPSO undertaken
- Once FPSO arrives in WA (Commonwealth) waters will clear customs & AQIS clearances
- Notice of readiness issued and endorsed
- Revert to Operations Safety Case and Operations Environment Plan
- DTM connection/disconnection tested
- Commissioning of FPSO
- Flowline flushing
- Topsides & subsea commissioning
- Prestart up review undertaken
- Clean-up of production wells
- Introduction of hydrocarbons to occur

Environment Overview of Operations

- Role of Apache Company Authorised Representatives discussed
- Reviewed Prosafe's and Apache's responsibilities
- Results of environmental audit of the FPSO by Apache. Minor issues of bunding and housekeeping raised. To be addressed by Prosafe prior to sail-away
- Clean up of wells (1-2 days each) by FPSO when on location and connected to DTM
- Materials from wells processed onboard FPSO
- Commissioning of the gas injection system
- Commissioning of the produced formation water injection system
- All wastes from FPSO transferred to Dampier for disposal by a licensed waste contractor
- Offtake operations

Drilling Update

- Two additional wells, one production and one water injector well completed in late June 09 when the Stena Clyde semi-submersible drill rig returned to the Van Gogh field
- Apache acquired operating interest in WA-35-L and WA-255-P immediately north of the Van Gogh field
- Undertook appraisal drilling in this adjacent identified field known as Coniston/Novara
- Field still to be adequately appraised
- Possible development option of a tie-back to Ningaloo Vision FPSO if found to be commercial

Community and Scientific Sponsorship

- Australian Institute of Marine Science (AIMS) whale shark tagging research Apache has sponsored. Work conducted off the Ningaloo reef from 29 April – 9 May 2009
- Donation made to the Exmouth Hospital from Acergy (Subsea construction & installation company) and Apache from the construction phase of the project

- Apache funded the Exmouth games
- Continue to fund the Exmouth Senior High School Maritime and Marine Program
- Waste oil partnership with Exmouth Chamber of Commerce and Industry and the Department of Transport
- Exmouth Cape Conservation Group involvement with Varanus Island turtle tagging program
- A short 5 minutes video extract of the AIMS research work on Whale Sharks off the Ningaloo reef was shown. Full documentary to be shown on the ABC in January 2010.

David Parker proceeded to close the meeting and open the floor for questions from all attendees.

3. Questions and Answer session

The following are a record of questions and answers recorded during and after the presentations.

Name	Comment/question	Action
Jack	Is there a reason as to why there has been more helicopter traffic flying over the town more recently?	
Myles	We are unaware of the reason for this; however we will follow up with the relevant authorities and advise of the answer. <i>Following on from the meeting, the issue has been raised by the Exmouth Aviation Consortium (EAC consists of the three oil companies operating out of Exmouth) to Bristow's, the operator of the helicopter operations out of Learmonth Airport.</i>	Myles - completed
Brian	Will there be more seismic programmes to follow up in the region?	
David	Due to the world financial crisis, Apache's exploration drilling has been reduced. There are no present plans by Apache to undertake seismic activities off the coast of Exmouth, however should this be proposed Apache will consult with the SCG and notify them in advance. With the recovery of oil prices and the world economy, increase demand for oil will result in Apache reverting to its previous level of drilling activity.	
Kirsty	Time frame on leases, do they get reviewed over time?	
David	Work commitments (such as seismic, drilling etc) are prescribed to exploration acreage (company nominates these when tendering for the permit). If a company has not commenced this work or negotiated an extension to it, then the lease can be relinquished (reverts back to Government). Other Companies can then tender for that lease to undertake exploration for hydrocarbons when it becomes available.	
Bob	How do jack-ups operate?	
Myles	A "Jack-up" describes the nature of the securing mechanism for a particular type of drill rig. Jack-ups have three legs that are elevated through the rig when it is being transported usually by support vessels. When on location the legs are	

Name	Comment/question	Action
	jacked down. They pass through the rig floor and contact the sea floor. They then jack the drill rig above the water line forming an air gap above the sea surface. Jack ups are limited to the water depth they can operate in which is usually around 100m depending upon the size of the jack-up. Offshore Exmouth Apache has been using semi-submersible drill rigs due to the depth of water at the Van Gogh location (~350-380m). Semi-submersibles use sea anchors (around 8) to secure them on location.	
Suzie	What are Apaches' procedures for preventing oil spills from drilling?	
Myles	Standard practice on all drilling rigs is that they are required to have a blow out preventer stack which is located on the drilling rig. These are series of hydraulically actuated steel rams (Double "U" ram of 10,000psi working pressure, a single "U" ram of 10,000psi working pressure and an annular preventer at 5,000 psi working pressure) that automatically release on a high pressure condition in the well, slamming and cutting the casing and providing an instantaneous seal of the well preventing any uncontrolled release. The well design itself following the suspension or completion of drilling requires the well to have numerous seals and cement plugs installed in the well across the formations to prevent upward movement of well bore fluids.	
Suzie	How would you cope with the West Atlas oil spill situation if it occurred off the coast of Exmouth?	
Myles	Detailed oil spill modelling at the Van Gogh site indicates that the offshore wind conditions would not result in any spill being directed towards Ningaloo Reef or the Marine Parks beaches. Nevertheless Industry has prepared oil spill contingency plans and has worked with the Australian Marine Oil Spill Centre (AMOSC) to have first response equipment located in Exmouth. All offshore Floating Production Storage and Offloading (FPSO) vessels also have oil spill equipment located onboard. The company has run training exercises to familiarise company personnel on the response arrangements. Similarly in a large size spill like the West Atlas incident, the Australian Marine Safety Authority (AMSA) would invoke the National Plan and all the resources associated with it not only from Dampier but from around the nation.	