

Dear Senate Committee Members,

On 22 March 2022, the Members requested correspondence sent by Rallen to the NT Ministers in relation to Rallen's allegations of non-compliance by the petroleum interest holders Sweetpea and Santos with the *Petroleum (Environment) Regulations* and other issues.

I have been instructed on behalf of Rallen to provide the attached correspondence.

Yours faithfully,

Marylou Potts

Director & Principal Solicitor
Marylou Potts Pty Ltd is an incorporated legal practice
113b Carabella Street, Kirribilli 2061



MARYLOU POTTS PTY LTD
ACN 074 696 263

15 March 2021

Ms Eva Lawler
NT Minister for Environment

84.6.1 Rallen Australia Pty Ltd: Sweetpea and Santos EMP issues

We act for Rallen Australia Pty Ltd, the pastoral lessee of Tanumbirini, Kalala, Mt McMinn, Big River, Forrest Hill and Larrizona stations primarily in the Beetaloo basin.

We have significant concerns around the administration of the new petroleum land access regime in relation to the approval of EMPs for Sweetpea Petroleum and Santos QNT Pty Ltd and seek the actions of the Minister set out below.

1 Ministerial approval on 2 November 2020 of Sweetpea 2D Seismic Survey EMP (EMP): Query contrary to Explanatory Guide?

It was our understanding of the *Petroleum (Environment) Regulations Explanatory Guide (Explanatory Guide)* that:

- "That the EMP must be accompanied with the following documents where relevant: ... evidence of land access agreement" [1.3.2]; and
- "Under the Petroleum Act and Schedule an interest holder is required to submit a work program, safety management plan and evidence of a land access agreement" [1.4.1].

Our understanding of these statements in the Explanatory Guide is that an access agreement must accompany the EMP application and evidence of it must be demonstrated before approval of an EMP. However, contrary to that understanding, Sweetpea could not have accompanied its EMP with an access agreement as no access agreement has been agreed.

If our understanding of the Explanatory Guide is right, we query how the EMP was approved.

Please provide the information provided by Sweetpea to the Minister to satisfy these paragraphs of the Explanatory Guide.

We query whether Sweetpea has misled the Minister in relation to an access agreement with Rallen in breach of s.109 of the Petroleum Act.

2 Ministerial approval of Sweetpea 2D seismic EMP approved 2 November 2020 – contrary to Petroleum Reg 7 - Inadequate Stakeholder Engagement

It is Rallen's view that Sweetpea failed to adequately engage in stakeholder consultation in relation to the Seismic EMP.

Sweetpea provided a single copy of its draft 2D seismic EMP to Rallen on 8 May 2020. We understand that was an early draft. Comments were made on the EMP to Sweetpea on 29 June 2020. This is an unreimbursed and expensive activity for a pastoralist. Yet all the pastoralists' submissions, even those backed up by scientific evidence, were cursorily dismissed by Sweetpea's solicitors by letter dated 6 July but received on 14 August 2020. No scientific or expert evidence was provided for the explanations given.

The EMP was not approved until 2 November 2020.

Rallen was given no further drafts of the EMP. Rallen was not told of any further changes, or whether any changes were made to the EMP as a consequence of its submission or otherwise, and was not given the opportunity to comment on the final version before it was approved.

The provision of an early draft EMP without any further information of changes made before approval, the pressing for a response in an unreasonable time frame, and an outright dismissal of a stakeholder's submissions without scientific evidence, in our view means that the pastoralist stakeholder has not been properly engaged in the process.

Some process needs to be in place to ensure adequate and effective stakeholder engagement takes place before approval of an EMP. In the least, the stakeholder must be given the final draft and be able to comment on that draft.

May we also submit that the costs incurred in relation to the review of these extensive specialist documents must also be reimbursed to the pastoralist by the petroleum interest holder.

3 Breach of s53 Environment Protection Act - Sweetpea 2D seismic EMP approved 2 November 2020 – significant environmental impact costing well in excess of \$50k and decades to remediate

We can find no evidence in the Sweetpea EMP to demonstrate that the bulldozing of 187kms x 5m + 22ha + 5kmx5m + 2ha within a 30kmx30km area of vegetation will not cause "*significant environmental impact*" as defined in the *Environment Protection Act* and as defined in the *Environment Protection Regulations*.

To give some perspective, 187km plus the extra, is a distance from Darwin to 25km shy of Pine Creek, 2/3rds of the distance between Darwin and Katherine. All this impact will be undertaken on a 5km grid within a 30km x 30m area over 14 Seismic lines and access to them on Tanumbirini station. We attach a map of this distance for further emphasis.

We note that the Sweetpea EMP conflated the impact on Tanumbirini pastoral lease with that on Beetaloo pastoral lease and frequently states that the seismic lines will be located on the existing tracks. There are no such existing tracks on Tanumbirini where these seismic lines are proposed. The tables of impact misrepresent the impact as it is spread over the 2 pastoral leases, yet 95% of that impact is on Tanumbirini. Clearly, if intense impact is spread over a large area it can be seen as less impactful. However, this intense bulldozing is occurring within an area 30kmx30km on Tanumbirini.

It is our view that Sweetpea should have:

- (i) separated the impact on each pastoral lease and not conflated the impact over the two pastoral leases; and
- (ii) referred this activity to the NT EPA under s48 of the Environment Protection Act 2019.

We have no evidence that this action has been referred.

We have no evidence to indicate why it should not have been referred given our preliminary view is that the cost of remediation for the action will be well in excess of \$50K and take decades to remediate.

We query whether Sweetpea will be able to satisfy the undertakings made in its EMP that it will avoid mature trees, as large sections of this area of Tanumbirini are heavily wooded.

Please confirm that Sweetpea has not referred this proposed action in accordance with and in breach of s48 of the Environment Protection Act.

We request that this extensive seismic activity be “called in” under s53 of the Environment Protection Act in relation to the impact of 14 seismic lines and 187kms x 5m plus access tracks on an area 30km x 30km on Tanumbirini pastoral lease south of the Carpentaria Hwy.

4 Press the Minister to exercise powers under Petroleum (Environment) Regulation 19 to require revision

We further press the Minister to exercise her powers under *Petroleum (Environment) Regulation 19* to require Sweetpea to revise its Seismic EMP approved on 2 November 2020 to separate the conflation of impact on Tanumbirini and Beetaloo stations so as to show clearly the impact on each station separately. We believe this will also indicate that the impact on Tanumbirini has been misrepresented and will show the significant impact on Tanumbirini station as one which may require reconsideration, as alternative means, such as, taking the seismic survey by air, will result in significantly less impact on the environment.

5 Ministerial approval of Santos EMP 21 Feb 2021 contrary to Reg 7 - no stakeholder engagement

We note the environmental risk assessment process for the Department set out in paragraph 3.7 of the Explanatory Guide includes assessment of the stakeholder engagement. We also note Petroleum (Environment) Reg 7 which provides it is mandatory to that an interest holder engage in stakeholder engagement.

On 16 February 2021, Rallen, the relevant pastoralist stakeholder, was notified by Santos of its amendment EMP which was approved on 21 February 2021.

We query how this EMP was approved on 21 February 2021 without proper stakeholder engagement.

We also note an EMP must include information about a stakeholder engagement undertaken in the course of developing an EMP. We query what information was included by Santos on stakeholder engagement? Please provide us with that information. Once again, we query if there has been a provision of false statements in breach of s.109 of the Petroleum Act.

We request that the regulator set aside the Santos EMP approved on 21 February 2021 until proper stakeholder engagement has taken place.

If the Minister does not have this power she should have such a power.

6 Conflation of regulated activities in EMPs

We refer to Petroleum (Environment) Regulation 8(2)

*“(2) A plan must relate to **only one regulated activity**, regardless of whether the activity is to be carried out in one or more locations.”*

Both the Sweetpea and the Santos EMPs referred to above relate to many regulated activities, land clearing, well construction, establishing of 2D seismic, drilling, access roads, and, well pads.

From the Pastoral lessee perspective, we require that the regulation be complied with. We require this as we have now discovered that we have no confidence in the accuracy of the EMP's submitted to date which relate to Tanumbirini and where impacts have been conflated across pastoral leases.

7 Realistic time considerations and costs reimbursement

We request that consideration be given and realistic time frames be contemplated for pastoral lessees to properly consider and respond to these extensive documents.

Santos has required a response to its latest draft Hydraulic fracturing EMP within 1 week. That is not realistic.

Rallen will be engaging a specialist to review these EMP documents and must be given the opportunity to properly review, report and advise. These costs should be costs reimbursed by the petroleum interest holder. As, but for the petroleum interest holder seeking access, they would not be costs a pastoralist would have to incur.

We request that the Department consult with the pastoralist to determine if proper and thorough stakeholder engagement has taken place. If it has not we request that no approval be given until the Department has consulted with the pastoral lessee to determine whether stakeholder consultation has taken place and the nature of that consultation. We note that has not occurred to Rallen's significant detriment.

We would be grateful for your response to these concerns as a matter of urgency.

Yours sincerely,

Marylou Potts



MARYLOU POTTS PTY LTD
ACN 074 696 263

15 March 2021

Mark Mayfield
Santos QNT Pty Ltd

Copies to
Minister Manison
Minister Lawler
Mr Sean Drabsch
Mr James Pratt
Land Access Team

Mr Mick Tasker – Group Station Manager Tanumbirini Station
Mr Andrew Stubbs – Regional Station Manager Rallen

84.6.1 Rallen Australia Pty Ltd: Santos breach of LACA - Stop work

We act for Rallen Australia Pty Ltd.

We refer to our client's email to you on 15 February 2021 and your response on 16 February 2021 and the approval on 21 February 2021 of the Santos QNT Pty Ltd "McArthur Basin Drilling Program NT Exploration Permit (EP) 161 Revision ST02-7 dated 1 February 2021" (**EMP**).

We are instructed that our client was not given the opportunity to review or comment on this EMP. We note that the failure of Santos to engage with Rallen as a stakeholder and give Rallen a reasonable opportunity to comment on the draft EMP is in breach of Petroleum (Environment) Regulation 7 and a breach of clause 4(c)(i) of the Land Access and Compensation Agreement (**LACA**).

Rallen reserves its rights in relation to this breach of the LACA and any other breaches of the LACA and this letter may not be construed as an affirmation of the LACA.

We have been instructed to request that Santos agree to stop all work on Tanumbirini and remove all its plant and equipment from Tanumbirini until Rallen has had an opportunity to properly review and comment on the EMP approved 21 February 2021, and thereafter, has had a reasonable opportunity to review and comment on the draft "EMP McArthur Basin 2019-2020 Hydraulic Fracturing Program – Update" (**EMP Update**).

We note Santos' proposed program to prepare roads in March 2021, set up the rigs in April and drilling to commence at the end of April 2021, however our client has not had the opportunity to review this activity or comment on it, as our client has a right to at law and pursuant to the LACA before any activities commence.

Further, we note the discovery of the new aquifer, the Inacumba Aquifer, on Tanumbirini late 2020. We are unaware of whether 6 months of baseline testing has occurred on Tanumbirini of this aquifer in accordance with the Code of Practice. We note clause B.4.17.2 of the Code of Practice and query whether paragraph (a) has been satisfied. That is *“whether an accurate understanding has been gained of what aquifers exist at the well site and their depth from surface, and their relationships to each other and other hydro-stratigraphic units”*.

We are instructed that our client is particularly concerned as the sampled bores in the GISERA December 2020 Stygofauna and microbial assemblages of the Beetaloo Sub-basin, Northern Territory study do not include any bores on Tanumbirini and that study acknowledges that this area is in an *“otherwise little studied region of Australia”*.

Further, we note the GISERA Groundwater characteristics in the Beetaloo Sub-basin and the *“significant groundwater connectivity”* across the basin raises issues of increased risk of hydraulic fracking, and whether given the precautionary principle, any further hydraulic fracking should occur at least until the next steps noted in the GISERA December 2020 study have been conducted and a further assessment has been made of the risks. We note once the basin is contaminated, all in the basin may be affected by a contamination event and a contamination event cannot be remediated.¹ This would decimate the currently sustainable pastoral industry in the basin which is almost wholly dependent on ground water for survival.

We also note Santos’ long held position *“that we will not undertake drilling activities on private land without land holder consent”*², and trust Santos will respect Rallen’s change of position given this flagrant and possible other breaches of the LACA.

If Santos refuses to agree to stop work, we have been instructed to advise Rallen, as a matter of urgency, of its legal options including commencing proceedings to terminate the access agreement.

Please advise as a matter of urgency your acknowledgment of this letter and that Santos will stop work on Tanumbirini and remove all its plant and equipment from Tanumbirini until Rallen has had the opportunity to properly review and comment on the EMP.

Please note that Rallen is now being pressed to focus on Sweetpea’s requests for an access agreement to Tanumbirini and will not be in a position to review Santos’ EMP approved on 21 February 2021 or more recent draft EMP Update until it has concluded its activities with Sweetpea, or, Sweetpea steps back from its insistent and threatening position vis a vis Rallen.

We have been instructed to request that you consider Rallen’s interests and that the current and proposed activities of Santos and Sweetpea are now interfering with the ability of Rallen to focus on and run its own pastoral businesses on Tanumbirini, and consider Sweetpea’s proposed 7 wells and Santos’ proposed 4 wells as *“exploration creep”*.

We are instructed to notify you pursuant to clause 32.1(c) of the LACA, that all further notices in relation to the LACA must be directed to Mr Pierre Langenhoven and copied to this firm and Mr Mick Tasker.

We look forward to your urgent response. If we do not hear from you within 5 business days of the date of this letter we will rely on this correspondence in any urgent proceedings in relation to the question of costs.

Yours sincerely,

Marylou Potts

¹ We note the Santos’ contamination of aquifers and the spill event in the Pilliga Forest, NSW. The spill event resulting in a dead zone which has not recovered 11 years after the event.

² <https://narrabrigasproject.com.au/2014/03/santos-reinforces-its-commitment-not-to-drill-on-private-land-without-landholder-agreement-by-signing-the-agreed-principles-of-land-access/>



MARYLOU POTTS PTY LTD
ACN 074 696 263

7 April 2021

David Banks
Chief Operating Officer
Santos QNT Pty Ltd

Mark Mayfield
Operator responsible person
Santos QNT Pty Ltd

Copies to
Minister Manison
Minister Lawler
Mr Sean Drabsch
Mr James Pratt
Land Access Team

Mr Mick Tasker – Group Station Manager Tanumbirini Station
Mr Andrew Stubbs – Regional Station Manager Rallen

84.6.1 Rallen Australia Pty Ltd challenge to decision to make Environmental Management Plan

We refer to our letter to you of 15 March 2021 and the correspondence between my client and Santos dated 6 April 2021, 3 April 2021 and 31 March 2021.

We are instructed to commence judicial review proceedings of the Minister's decision to approve the McArthur Basin Drilling Program NT Exploration Permit (EP) 161 Revision ST02-7 dated 21 February 2021 (EMP). The EMP is unlawful in that, during its preparation, Santos failed to carry out stakeholder engagement with my client in accordance with cl 7 of the Petroleum (Environment) Regulations 2016 (**Regulations**). In particular, Santos failed to give my client, the stakeholder, information about the anticipated environmental impacts and environmental risks of the proposed drilling of two additional wells, the proposed environmental outcomes and the possible consequences of carrying out the activity to my client's rights or activities at Tanumbirini Station.

In addition, our client does not accept that Mr Mick Tasker, the Group Station Manager, or his wife, were the agent or representative of my client for the purposes of the necessary stakeholder engagement. However, for the avoidance of doubt, to the extent that those individuals are held by the Supreme Court to be the appropriate stakeholder, Santos also failed to give those individuals the information required by cl 7(2) of the Regulations.

Stakeholder engagement in accordance with cl 7 is mandatory and a statutory pre-requisite to the making of a valid EMP. In the event that the judicial review proceedings are successful, the EMP will be declared unlawful and a nullity. The effect is that there will be no revised EMP in place and no authority for Santos to drill the 2 additional wells on the Pastoral Lease.

It is an offence to carry out a regulated activity for which there is no current plan: cl 30 of the Regulations. We request therefore that Santos provides an undertaking that it will not carry out any regulated activity on my client's Pastoral Lease pending the outcome of the judicial review challenge.

Furthermore, cl 4 & 5 of the Pastoral Land Access and Compensation Agreement executed by Santos and our client permit Santos to carry out the Agreed Petroleum Activities on the Pastoral Lease only when Santos has obtained all necessary approvals, including an approved EMP. In circumstances where our client intends to bring proceedings impugning the EMP and have it declared invalid, there will be no valid approval in place. We request therefore that Santos provides an undertaking that it will not undertake any Agreed Petroleum Activities (as defined by Item 1 of Schedule 2 of the LACA and item 3 of the LACA as varied on 25 November 2020) on the Pastoral Lease pending the determination of the Supreme Court of the judicial review proceedings.

In the event that Santos does not provide the necessary undertakings, we are likely to be instructed to seek interlocutory relief in the Summons seeking judicial review restraining Santos from undertaking any activity on the Pastoral Lease pending the outcome of the judicial review proceedings.

We again request that Santos stop work on Tanumbirini station. We further request that you confirm in writing by 4.00pm Sydney time 9 April 2021 that Santos has stopped work on Tanumbirini and removed any equipment mobilised onto Tanumbirini.

We look forward to your urgent response. If we do not hear from you as requested, we will rely on this correspondence in any interlocutory relief sought in the proceedings in relation to the question of costs.

We reserve the right to commence proceedings in the Supreme Court without further notice to yourselves.

Yours sincerely,

Marylou Potts



MARYLOU POTTS PTY LTD
ACN 074 696 263

26 April 2021

CONFIDENTIAL

Amy Dennison
DENR NT

Dear Amy

84.6.2 Ralen: Tanumbirini: Santos: Access to documents

I refer to our telephone discussion last Wednesday and your proposal that I write to you with the very specific details of the documents which we would like to see.

1 Documentation requested

We request copies of the following:

- (a) documents referred to in Santos' Annual Performance Report 2020 for Hydraulic fracturing 2020 in relation to the approved EMP Hydraulic Fracturing dated 22 October 2019 (**Fracking Annual Report 2020**).
 - (i) The five condition 2(i) Quarterly reports, and, the seven Condition 2(ii) trigger reports (p.7)
 - (ii) Spills of hazardous substances: 90L of diesel spilled on 20 April 2020. Please provide the spill report related to this incident and the baseline data for soils.
 - (iii) Code cl B.4.13.2(c) Hydraulic fracturing post job reports listed in Table 4 row 5 on p22.
 - (iv) Please explain in Table 4 row 6 on p22. *"On 9 December 2020 DITT approved suspension and extension of EP161 term two permit year one. Permit year one now ends on 20 December 2021"*?
 - (v) Code cl.B.4.13.2(k)iv re flaring and venting: Please provide the air quality monitoring data and reports for the period the well was flared and vented (15 - 28 December 2019).
 - (vi) the four incident reports set out in row 23 Table 4 re EMP Section 8.6 Incident Reporting Reg 65 dated 10 February 2020, 5 May 2020, 3 August 2020 21 October 2020.

- (vii) the flow back report submitted on 29 May 2020 concerning the flowback from Tanumbirini #1 well which commenced on 25 November 2019.
- (b) documents referred to in Santos' Annual Environmental Performance Report 2020 Drilling program (**Drilling Annual Report 2020**):
 - (i) Reports related to exceedances (p.7) monitored on:
 - 9 July 2020,
 - 30 March 2020,
 - 10 March 2020,
 - 13 February 2020,
 - 24 January 2020, and
 - 17 January 2020.
 - (ii) WOMP dated 15 August 2019 approved by DPIR 30 October 2019 (p.13).
 - (iii) Reports on the reportable incidents (p.20) which were provided on:
 - 11 November 2019,
 - 31 January 2020,
 - 30 April 2020, and
 - 27 July 2020.
 - (iv) Annual Weed monitoring report sent to DENR's weed management officer on 23 July 2020 (p.21)
- (c) documents required to be provided to DENR by Santos:
 - (i) referred to in the DENR Approval Notice conditions dated 19 July 2019 for Santos' 2019 EMP drilling program, for the period from 23 March 2020 to 21 February 2021.

[We are a little confused as to how the revision of this EMP is read. Currently, it appears that 2 wells were approved in July 2019 and 2 more wells were approved in Feb 2021, however which wells were approved in 2019 which were approved in 2021? And is Inacumba 1 pilot a separate well from Inacumba 1H? From our perspective, it would be easier to understand if the later document included all that was approved in the former document, and if the approval was more specific.]
 - (ii) referred to in the DENR Approval Notice dated 21 February 2021 in clause 2 from condition 1 to 8 in Santos' 2021 EMP Drilling program, for the period from 21 February 2021 to date.
- (d) copies of water extraction licences GRF-10280 and U10335.
- (e) documents which state whether or not the groundwater extraction is for hydraulic fracturing and drilling and any documents which state that such extraction will not impact the pastoral lessee's bores.

- (f) documents related to air quality monitoring data and reports for the period January 2019 to date and the baseline data. We understand that Tanumbirini 1 was vented and flared during the production testing from 2019 to Q4 2020.

2 Questions

- (a) The Drilling Annual Report 2020 refers to 17 barrels of DFIT fluid pumped into the Tanumbirini well during the DFIT 27 August 2019. What happened to this fluid?
- (b) Santos is obliged to undertake air quality monitoring. However, there does not appear to be an obligation to report this monitoring? Why? Air quality is very important to the pastoral lessee's cattle breeding program. Air quality will change during venting and flaring.
- (c) Santos has 2 Groundwater extraction licences allowing the extraction of 388ML/annum water: GRF-10280 and U10335. We are not aware of whether either or both of these licences have been provided to take water for hydraulic fracturing. We note pastoral lessee consent is required before licences for take for hydraulic fracturing can be granted by the water controller unless no impact can be proven.
- (i) Please advise the Water Controller, Ms Jo Townsend, that the pastoral lessee does not consent to the take of water for hydraulic fracturing in relation to bores within 1km of the pastoral lessee's bores.
- (ii) Please advise whether these licences have been granted for the taking of water to be used in the hydraulic fracturing process.
- (iii) If yes, please advise the basis of granting these licences to take water to be used in the hydraulic fracturing process.
- (iv) Please advise from what bores water may be taken in relation to each licence.
- (d) Groundwater monitoring results 2020
- (i) The Tanumbirini #1 groundwater monitoring results during the period 1 Jan 2019 to 10 March 2020 for the Control Monitoring Bore (CMB) RN049036 and the impact monitoring bore (IMB) RN040930 appear odd. We would expect the CMB to remain constant and the IMB to be impacted, yet it is the opposite in the report (attached). Can you explain?
- (ii) Can you explain why the IMB and CMB have been drilled to different depths with a 60m difference and the slotting is at different depths?
- (iii) Can you explain why the IMB and CMB have been drilled in positions to the west and south west of Tanumbirini #1 well, where groundwater flow from Tanumbirini #1 would appear not to pass directly over the IMB. This would also appear to be the case for Tanumbirini #2H.
- (iv) Please advise Santos' make good obligations if Rallen's bores are impacted either in quantity or quality or both by Santos' activities on the pastoral lease, we assume this will include compensation for past and future loss which right runs with the pastoral lease.
- (v) We note an issue with the drilling of Inacumba bore RN 040931 in breach of the minimum standard requirements for drilling of bores resulting in the interconnection between the Inacumba and the Gum Ridge aquifers. Please advise what work has been done to rectify this interconnection and whether it has been subsequently checked.
- (e) Observations on Santos' 2021 approved EMP Drilling

We make the following observations on the 2021 Santos approved EMP for drilling:

- (i) ES-2 Stygofauna - We note the December 2020 GISERA baseline report found stygofauna across the Beetaloo basin, yet Santos states there are no stygofauna at Tanumbirini station. We query Santos' assertions. We have collected baseline water from 10 bores on Tanumbirini. We will let you know if there is stygofauna found in EDNA testing. We will also be testing flow between bores on Tanumbirini. If we find stygofauna, Santos' statements in this EMP will be misleading.
- (ii) ES-3 - We note no information has been provided on aquatic ecosystems. This is contrary to the GISERA study. If we find stygofauna, Santos' statements in this EMP will be misleading.
- (iii) Page 2 "Flowback and Appraisal" is stated to have not been completed. This is misleading. Flowback and appraisal was completed in late 2020 before the revised EMP was submitted 23 November 2020.
- (iv) Table 2-1 – We note there are no chemicals listed for the drilling muds. What are the chemicals used in the drilling muds?
- (v) Figure 3-2 – We note the infrastructure and ponds on the Tanumbirini #1 well pad are very different from that set out in this figure. We have concerns in relation to the open mud ponds on the Tanumbirini 1 well site. We have taken samples from these open mud ponds.
- (vi) Page 19. Rallen will not tolerate "open mud sumps/ponds". All muds and cuttings and any other chemicals must be containerised and once used removed from site.
- (vii) Page 30. We note a fault was identified in the GEMIS Tanumbirini #1 Well Completion report on p.102 at plug 55 at 1916m. The fault is not mentioned in this EMP. We query whether this is a misleading omission.
- (viii) Table 4-10 - We note this table contains no information on aquatic ecosystems That appears to us to be a misleading omission.
- (ix) Table 6-0 Rallen will not tolerate any onsite disposal of drilling cuttings or muds or any other introduced chemical.
- (x) Table 6-2 - Statement "lack of .. aquatic GDEs". Where is this information sourced? It appears contrary to the GISERA baseline report.

In anticipation, thank you for your assistance with these matters and look forward to your response.

Sincerely,

Marylou Potts



MARYLOU POTTS PTY LTD
ACN 074 696 263

11 May 2021

Jo Townsend
CEO DEPWS
NT Water Controller

Amy Dennison
DEPWS NT

Copy to Minister Lawler
Copy to Will Evans CEO NTCA

Dear Amy and Jo,

84.6.2 Ralen: Tanumbirini: Santos:

I refer to the telephone discussion of Wednesday week had with Amy Dennison. We will make an FOI application seeking documents which are required to be provided to DEPWS by Santos, however we continue request answers to the following questions.

We also wish that the Minister be aware that we are concerned that DEPWS has expressed to us that it does not have the time or adequate resources to respond to the questions which approved EMP applications raise for pastoral lessees.

We set out some of our specific questions below.

- (a) Santos has 2 Groundwater extraction licences allowing the extraction of 388ML/annum water: GRF-10280 and U10335. We are not aware of whether either or both of these licences have been provided to take water for hydraulic fracturing. We note pastoral lessee consent is required before licences for take for hydraulic fracturing can be granted by the Water Controller unless no impact can be proven.
 - (i) This letter is advise to the Water Controller, Ms Jo Townsend, that the pastoral lessee of Tanumbirini Pastoral Lease, Rallen Australia Pty Ltd, does not and has not consented to the taking of water from the pastoral lease for hydraulic fracturing in relation to bores within 1km of the pastoral lessee's bores.
 - (ii) Please advise whether these licences have been granted for the taking of water to be used in the hydraulic fracturing process.

- (iii) If yes, please advise the basis of granting these licences to take water to be used in the hydraulic fracturing process.
- (iv) Please advise those bores water from which water may be taken in relation to each licence.
- (v) Please note that we have been advised that there has been subsidence at the Tanumbirini 1 well site which apparently resulted in the digging up of between .5-1m of surface soil and re-ballasting of the Tanumbirini 1 well in April 2021. We are concerned that this subsidence is a consequence of the taking of significant amounts of water from the karst Gum Ridge aquifer for the fracturing which occurred in November 2019 and the aquifer subsequently collapsing. We request that this be immediately investigated and reported back to us.

(b) Santos Groundwater monitoring results 2020

- (i) The Tanumbirini #1 groundwater monitoring results during the period 1 January 2019 to 10 March 2020 for the Control Monitoring Bore (CMB) RN049036 and the impact monitoring bore (IMB) RN040930 appear odd.

The CMB showed variation and the IMB remained constant. Report attached.

We would expect the CMB to remain constant and the IMB to be impacted.

If the IMB remains constant and the CMB shows variation, does that indicate that the water flow is, in fact, different from that stated by Santos?

Does it also indicate that the locations of the IMB and the CMB should be independently verified?

We require a response.

- (ii) Can you explain why the IMB and CMB have been drilled to different depths with a 60m difference and the slotting at different depths?
- (iii) Can you explain why the IMB and CMB have been drilled in positions to the west and south west of Tanumbirini #1 well, where groundwater flow from Tanumbirini #1 would appear not to pass directly over the IMB. This also has implications for Tanumbirini #2H which we understand will start to be drilled in the next days.
- (iv) Please advise Santos' make good obligations to Rallen if:
 - (a) the integrity of the aquifer is damaged;
 - (b) Rallen's bores are impacted either in quantity or quality or both by Santos' activities,

we assume any make good will include a stop work order if irreparable damage is done to the aquifer including the integrity of the aquifer and compensation for past and future loss, in perpetuity.
- (v) We note an issue with the drilling of Inacumba bore RN 040931 in breach of the minimum standard requirements for drilling of bores, resulting in the interconnection between the Inacumba and the Gum Ridge aquifers. We note Rallen's bores are in the Gum Ridge Aquifer. Please advise what work has been done to rectify this interconnection and whether it has been subsequently checked.

(c) Observations on Santos' 2021 approved EMP for Drilling

We make the following observations on the 2021 Santos approved EMP for drilling:

- (i) ES-2 Stygofauna - We note the December 2020 GISERA baseline report found stygofauna across the Beetaloo basin, yet Santos states there are no stygofauna at Tanumbirini station.

We query Santos' assertions that there are no stygofauna in the groundwater at Tanumbirini.

We have collected baseline water from 10 bores on Tanumbirini. We will let you know if there is stygofauna found in EDNA testing. We will also be testing flow between bores on Tanumbirini. If we find stygofauna, Santos' statements in this EMP will be misleading.

If there is stygofauna across the Tanumbirini pastoral lease which indicates it is the same population and if we see flow rates at speeds similar to those located between Cutta Cutta Caves and Katherine, we will request that the Minister exercise her powers under s71 of the Petroleum Act to halt any further drilling and any further drilling operations and seek a revision of the Drilling EMP under Petroleum (Environment) Regulations 17 and a thorough risk assessment be undertaken as recommended in the Pepper Inquiry recommendations.

- (ii) ES-3 - We note no information has been provided on aquatic ecosystems. This is contrary to the GISERA study. If we find stygofauna, Santos' statements in this EMP will be misleading.
- (iii) Page 2 "Flowback and Appraisal" is stated to have not been completed. This is misleading. Flowback and appraisal was completed in late 2020 before the revised EMP was submitted 23 November 2020.
- (iv) Table 2-1 – We note there are no chemicals listed for the drilling muds. What are the chemicals and what are the quantities of each of those chemicals and their material data sheets, used in the drilling muds?
- (v) Figure 3-2 – We note the infrastructure and ponds on the Tanumbirini #1 well pad are very different from that set out in this figure.
- (vi) Page 19. Rallen will not tolerate "open mud sumps/ponds". We have concerns in relation to the open mud ponds on the Tanumbirini 1 well site. We have taken samples from these dried up open mud ponds. All muds and cuttings and any other chemicals used in the drilling process must be containerised and following use must be removed from site.
- (vii) Page 30. We note a fault was identified in the GEMIS Tanumbirini #1 Well Completion report on p.102 at plug 55 at 1916m. The fault is not mentioned in this EMP. We query whether this is a misleading omission.
- (viii) Table 4-10 - We note this table contains no information on aquatic ecosystems That appears to us to be a misleading omission.
- (ix) Table 6-0 Rallen will not tolerate any onsite disposal of drilling cuttings or muds or any other introduced chemical.
- (x) Table 6-2 - Statement "lack of .. aquatic GDEs". Where is this information sourced? It appears contrary to the GISERA baseline report.
- (xi) We request that the Approval notice be amended to require that all notices that are required to be supplied by Santos to DEPWS pursuant to the approval, also be required to be supplied to the pastoral lessee at the same time.

- (d) The Santos Drilling Annual Performance Report 2020 refers to 17 barrels of DFIT fluid pumped into the Tanumbirini well during the DFIT 27 August 2019. What happened to this fluid?

- (e) Santos is obliged to undertake air quality monitoring. However, there does not appear to be an obligation to report this monitoring? Why? Air quality is very important to the pastoral lessee's cattle and breeding program. Air quality will change during venting and flaring. Continuous monitoring should be required during these periods and that monitoring must be reported on at least a quarterly basis.

In anticipation, thank you for your assistance with these matters and look forward to your response.

Sincerely,

Marylou Potts



MARYLOU POTTS PTY LTD
ACN 074 696 263

The Hon. Keith Pitt MP
Minister for Resources, Water and Northern Australia
Parliament House,
Canberra, ACT

18 May 2021

Dear Minister,

84.6.2 Rallen: Tanumbirini Station: Unlocking the Beetaloo

We act for Rallen Australia Pty Ltd, owner of the perpetual pastoral leases for Tanumbirini Station, Kalala Station, Mt McMinn Station, Forrest Hill Station, Larrizona Station and Big River Station in the Northern Territory, primarily in the Beetaloo Basin and covering an area of 1.2 million hectares in the Northern Territory.

Our client has had the opportunity to read the “Unlocking the Beetaloo” publication.

We are instructed you have had meetings with and corresponded with executives from Tamboran Resources and we note your use of the Joel Riddle phrase “hottest play on the planet”, which refers to the results from the Tanumbirini #1 well on Tanumbirini Station, a perpetual pastoral lease which is owned by our client.

Our client is keen to meet with you to discuss the Commonwealth’s plans for the unlocking of the Beetaloo.

We would be grateful if you would agree to meet with our client and provide us with some dates and times and locations which are convenient to you.

We look forward to hearing from you.

Yours faithfully,

Marylou Potts





MARYLOU POTTS PTY LTD
ACN 074 696 263

29 September 2021

Richard Baldock
Senior Corporate Lawyer
Santos Ltd

Mr Mark Mayfield
Operator Responsible person
Santos Ltd

Minister Eva Lawler, Environment, Parks and Water Security
Copy to Amy Denison and Sally Strohmayer
DEPWS

Minister Manison, Industry Tourism and Trade
Copy to Shaun Drabsch CEO

Dear Mr Baldock, Mr Mayfield and Ministers,

84.6.1 Rallen Australia Pty Ltd: Santos breach of LACA

We refer to Mr Mayfield's correspondence dated 16 September 2021 at 5.25pm attaching a Notice of Entry for Hydraulic Fracturing and Well Testing Tanumbirini #2H and #3H – Tanumbirini Station to commence on 1 October 2021, attached (**Notice of Entry**).

No approval to fracture Tanumbirini 3H

The Notice of Entry is entitled

Tanumbirini 2H and 3H Hydraulic Fracturing, completion and Well testing – Tanumbirini Station

It is apparent from the face of the Notice of Entry that Santos intends to enter the the Station for the purposes of fracturing Tanumbirini 2H and Tanaumbirini 3H.

We have reviewed the Notice of Approval and Statement of Reasons for Hydraulic fracturing and appraisal of three wells approved by Minister Lawler on 22 October 2019 (**Approval**). The three wells approved for hydraulic fracturing are set out in the Environment Management Plan (**EMP**) attached to the approval. Those three wells are

*Tanumbirini 1
Inacumba 1H
Tanumbirini 2H*

At no point in the EMP is there any reference to the hydraulic fracturing of Tanumbirini 3H, which is on the same well pad as Tanumbirini 2H.

Santos has no approval to fracture stimulate Tanumbirini 3H.

We further refer to regulation 30 of the Petroleum (Environment) Regulations 2016 which states

(1) A person who carries out a regulated activity for which there is no current plan commits an offence."

Fracturing stimulating Tanumbirini 3H without approval will therefore constitute an offence. It is also an activity which would constitute a breach of the Land access and compensation agreement (**LACA**) (clause 4(c) of the LACA), whereby the Operator (your client) undertakes that it will comply with the Law and all Approvals. We require urgent confirmation from Santos by **4.00pm on 30 September 2021** that Santos will not commence operations for the fracture stimulating of Tanumbirini 3H without approval. If we do not obtain that written confirmation by the time stipulated, we have instructions to commence urgent interlocutory proceedings in the NT Supreme Court to seek an **injunction** to prevent commencement of operations without further notice to Santos. We will rely on this letter in relation to the question of costs.

We call on the Ministers to urgently exercise their powers under the Petroleum legislation to order Santos not to undertake regulated activities for which it has no approval.

In addition, for the reasons contained in this letter, we consider the Notice of Entry to be invalid and of no effect.

(i) Fracturing

The Approval Notice dated 22 October 2019 for hydraulic fracturing and appraisal of 3 wells (**Approval**) at Statement of Reasons 3.2.b.ii states

for the proposed horizontal wells (Tanumbirini and one at Inacumba) fracturing will be in a series of 15-25 stages for the duration of approximately 1 month per well.

We refer to the Notice of Entry which provides contrary information:

Utilise fracture stimulation spread to pump hydraulic fracture jobs into up to 32 stages for between 4-8 weeks.

The fracturing proposed in the Notice of Entry does not conform with the terms of the Approval.

The LACA requires at condition 4 (c)(ii) that Santos comply with all "Approvals" as defined. This includes the Approval. A breach of the Approval is a breach of the LACA.

Access will not be granted on the basis of the Notice of Entry on the grounds that there is no Approval for the scale of fracturing identified in the Notice of Entry and the works proposed thereby fall outside the terms of the Approval and, as a consequence, the LACA.

(ii) Use of Water

We refer to the Approval Statement of Reasons clause 3.2.b.iv which states

"This regulated activity will use an estimated total of 40+/- 5 megalitres (ML) of groundwater sourced from existing bores at each well site"

The Notice of Entry states that the water is not proposed to be sourced from existing bores at the well site (Tanumbirini well site) but instead states:

"Bore water will be transferred from large storage ponds to the well site for use during the fracture stimulation".

This is in breach of the Approval, which in turn, is a breach of the LACA. Drawing of water from bores other than bores on the Tanumbirini well site for fracturing on the Tanumbirini well site will impact Rallen's water bores.

We require a new notice of entry which complies with the Approval. No water may be taken from bores away from the Tanumbirini well site.

Access will not be granted for hydraulic fracturing until our client is served with a valid notice of entry which complies with the Approval.

(iii) Open tanks, sumps and large storage ponds – Apprehended breach of Approval and LACA

The Approval at 1.2 condition 4 states:

"The interest holder must store flowback wastewater from hydraulic fracturing only in enclosed tanks during the wet season."

The Wet season is defined in the *Code of Practice: Onshore Petroleum Activities in the Northern Territory* as:

"the months October to April inclusive."

The Notice of Entry states in 4 places

Bore water will be transferred from large storage ponds to the Wellsite for use during fracture stimulation

Flowback water will be transferred to large storage ponds for longer term storage

Flowback water to be transferred to large storage ponds for longer term storage

Rig down and demobilise 2 x separator packages, remove any flowback water from location, teardown and remove all flowback ponds

On 24 September 2021, our client undertook a fly-over of the Tanumbirini well pad. Several photos were taken. Those photos are attached. All tanks, sumps and large storage ponds were open and uncovered or not enclosed.

In accordance with the Approval, all tanks, sumps and large storage ponds must be enclosed before 1 October 2021. Our client requires photographic evidence prior to 1 October 2021 of enclosure of all tanks, sumps and large storage ponds. Our client will not tolerate open ponds on Tanumbirini station as suggested in your Notice of Entry particularly when there is forecast to be an early and good wet this year.

Access will not be granted for hydraulic fracturing until our client is satisfied that all tanks, sumps and large storage ponds are enclosed as required by the Approval.

(iv) Flowback water – Apprehended breach

We refer to the Approval and condition:

1.2 Condition 4:

“The interest holder must store flowback wastewater from hydraulic fracturing only in enclosed tanks during the wet season until otherwise advised in writing by DENR”

Santos’ Notice of Entry proposes storing flowback water in large storage ponds and not in enclosed tanks. This is contrary to clause 1.2 condition 4 of the Approval. A breach of the Approval is a breach of the LACA. A notice of entry in breach of the Approval is not a valid notice of entry.

Our client requires a new notice of entry which complies with the Approval.

Access for hydraulic fracturing will not be granted on the basis of the Notice of Entry until our client has clear evidence that the flowback water will be stored in enclosed tanks.

(v) Flowback water removed from site – Apprehended breach

We refer to the Approval and the following clause in the Statement of Reasons:

3.2.b.vi The total volume of flowback water from Hydraulic fracturing required for offsite disposal is approximately 3.6ML at each site.”

We note there is no clear reference in the Notice of Entry to the amount of flowback water which will be removed from the pastoral lease. The Notice of Entry states:

Rig down and demobilise 2 x separator packages, remove any flowback water from location, teardown and remove all flowback ponds

Our client requires that flowback water be removed from the pastoral lease as soon as possible after it is produced in the fracturing process, and, at least this amount 3.6ML / well be removed from the pastoral lease. We are unaware of any consent for the long term storage of flowback water in the Approval. A breach of the Approval is a breach of the LACA.

Our client requires that Santos provide an undertaking that it will remove the flowback water from the pastoral lease as soon as possible after it is produced, and not permit its long term storage at Tanumbirini station.

(vi) Traffic movements

We note the Approval allows in Table 3-4 for between 111-170 loads for the fracturing of 3 wells. We note only 2 wells are proposed to be fractured, Tanumbirini #2 and #3.

The traffic loads proposed in the Notice of Entry are between 100-170 for the fracturing of 2 wells. That is a 33% increase in the amount of traffic on the Pastoral lease and in breach of the Approval.

This is contrary to the Approval. A breach of the Approval is a breach of the LACA.

We require a new notice of entry which complies with the Approval.

Access will not be granted for hydraulic fracturing on the basis of the Notice of Entry dated 16 September 2021.

Previous Notice of Dispute

On 23 June 2021, MLPPL sent to you a Notice of Dispute which has not yet been resolved. In that Notice a number of breaches of the LACA were set out. We note that since that time all those breaches continue and remain unremedied breaches of the LACA. Those unremedied breaches are set out below.

(vii) Baseline Water Studies and monitoring

We refer to clause 20.1(e) of the LACA:

- (e) The Operator will provide to the Pastoral Lessee all data and reports provided to the Department of Environment and Natural Resources and provide a non-technical summary of these results.*

We note the Approval requires at:

Condition 1.2.i: Quarterly groundwater monitoring results, and

Condition 1.2.i I notification of any results above the inter-quartile range of all monitored parameters in groundwater that occur at Tanumbirini well site within 5 days of receipt of laboratory report analysis.

We are instructed that Santos, in breach of clause 20.1(e) of the LACA, has not provided to Rallen any water monitoring data since early 2021 or any notifications.

We require all water monitoring data and all notifications to be provided before the commencement of any hydraulic fracturing activities in compliance with cl 20.1(e).

(viii) Well Integrity Results

Pursuant to clause 19.2 of the LACA:

Within 5 business days after each Well integrity Test, the Operator will provide the following information to the pastoral Lessee:

- (a) a copy of the Well Operations Management Plan;*
- (b) a copy of the Well integrity Test results submitted to the Department of Environment and Natural Resources and or the Department of Primary Industry and Resources including a non-technical summary of these reports; and*
- (c) provide written advice to the Pastoral Lessee and at the time notify the pastoral Lessee if the Well integrity Test reveals any defects or lack of integrity in the well as soon as practicable after the Well integrity Test (that reveals a defect or lack of integrity) has been completed.*

We note Tanumbirini #2H was completed on 17 August 2021. We note your Notice of Entry for Hydraulic Fracturing stated that Hydraulic Fracturing will commence on 1 October 2021 of Tanumbirini #2H and #3H. We note hydraulic Fracturing may not commence until after the Well integrity Tests have been completed.

We require that Santos comply with clause 19.2 of the LACA and provide our client with the Well Integrity Test results before commencing any hydraulic fracturing.

(ix) Borrow pits

Breach of clause 4(c)(i) of the LACA Breach of the Law

We are instructed that Santos has been taking gravel from a borrow pit located on the road between the Tanumbirini well pad and the Tanumbirini homestead. This borrow pit is not within the access area as defined. Taking from this borrow pit is a trespass to goods and to land and has caused damage to the land.

We are instructed that Santos must rehabilitate that borrow pit immediately.

Until Santos has rehabilitated that borrow pit, Santos remains in breach of the law and clause 4(c)(i) of the LACA. That breach will continue until that borrow pit is fully rehabilitated, that is, it has vegetation equivalent in quantity, type and quality to the surrounding vegetation.

(x) **Approvals**

Breach of Clause 5(b) of the LACA which reads as follows:

“The Operator agrees it will not commence the Agreed Petroleum Activities until it has first provided the Pastoral Lessee with the Approvals referred to in clause 5(a).”

In breach of clause 5(b), Santos has not provided Rallen with the approvals for the Water bore licences for each of the bores Santos has on Tanumbirini Station or the approved Well Operations Management Plan for the fracturing proposed from 1 October 2021. We require these approvals before commencing the activities.

(xi) **Notifiable substances**

Breach of clause 10(c)(ii) and (iii) of the LACA which states

“Prior to commencement of the Agreed Petroleum Activities, the Operator must provide the pastoral Lessee: ...

(ii) written details about the handling, storage, use and disposal of the notifiable substances brought onto the Pastoral Lease; and

(iii) written details about the transportation and removal of the notifiable substances brought onto the Pastoral Lease.

We are instructed that our client has not been provided with any written details of the:

- actual chemicals proposed to be used in the Hydraulic fracturing.
- the volume of these chemicals.
- the date when these chemicals will arrive on Tanumbirini Station.
- in what vehicles the transportation of these chemicals will take place.
- when these chemicals will be removed from the pastoral lease.

Our client requires written details to be provided in accordance with the above clauses prior to commencement of the activities identified in your Notice of Entry.

(xii) **Use of roads**

Breach Clause 21(a) Code of Conduct:

The Operator will undertake Petroleum Activities in accordance with the Code of Conduct for Petroleum Activities annexed to this agreement”.

Breach of Code of Conduct clause 6 Use of Roads

“To avoid a conflict over the use of roads, the Operator will provide the Pastoral Lessee with not less than 10 Business Days notice when it proposes to move heavy transport to and from the Pastoral Lease, within the Pastoral Lease or any other property on the Carpentaria Highway.”

Santos' Notice of Entry is expressed in general terms and consequently does not tell our client when, or, for how long, or, what vehicles, or, how many vehicles to expect moving to, within and from the pastoral lease on a day to day basis.

This specific information is critical to ensure no interference with Rallen's own vehicles and mustering activities on the pastoral lease.

Further, the number of loads proposed in the Notice of Entry at between 16-28 loads per week ([100-170]/6 weeks) is in breach of the Approval which sets out in table 3-4 the number per week to be between 15-20. Hence the Notice of Entry is in breach of the Approval and in breach of the LACA clause 4(c)(ii).

Our client requires specific information to enable confirmation that Santos is complying with this code of conduct in relation to traffic. As clause 6 of the Code of Conduct states, we require 10 business day's notice for each heavy vehicle's arrival, movement within and departure.

From the date of this letter, no heavy vehicle will be allowed on Tanumbirini without 10 business days prior notice satisfying clause 6, that is we require plate numbers and vehicle descriptions at least 10 days prior to entry.

(xiii) **Signed decontamination and wash down forms**

Breach Clause 21(a) *Code of Conduct*:

The Operator will undertake Petroleum Activities in accordance with the Code of Conduct for Petroleum Activities annexed to this agreement”.

Breach Code of Conduct clause 12(c)

“Before entry on to the Pastoral Lease and at reasonable intervals between moving from one distinct part of the Property to another ... (iii) ..., provide the Pastoral Lessee with a statutory declaration signed by the most senior employee then present, declaring the above procedure has been complied with.”

Contrary to this clause no statutory declarations were provided to Mr Langenhoven and copied to this firm from at least 30 June 2021 and following, despite significant drilling works for Tanumbirini #2 moving onto property from 10 May 2021. Each and every vehicle entering Tanumbirini station without a signed decontamination and wash down form having been provided to Mr Langenhoven and copied to this firm and the station manager, is in breach of the LACA.

We again state no vehicle will be allowed on Tanumbirini without a signed decontamination and wash down form.

As a consequence of these breaches we will have gate keepers 24/7 at the 2 Tanumbirini entrances, paid by Santos pursuant to clause 17 of the LACA, who will check whether the terms of the LACA are being met insofar as 10 business days prior notice of the vehicle and signed wash down and weed declaration forms. Failure to meet the terms of the LACA will result in a denial of access.

(xiv) **Environmental insurance**

Breach 22.1(a)

The Operator must, ..., effect and maintain appropriate insurance to industry standard ..”.

Mr Baldock’s letter dated 11 June 2021 states that this obligation is satisfied by the environmental security bonds provided to the NT Government. Environmental security bonds given to the NT Government are of little utility to Rallen, as they cover compliance with the Petroleum Act and the conditions of the EP. Such bonds do not insure Rallen in relation to any breaches of clause 4 of the LACA, for example, by a contamination event which destroys Rallen’s business and the reputation of Rallen’s cattle in the cattle industry.

Further, we note, s79 of the Petroleum Act states the Minister will give a notice to the permit holder to lodge with the Minister the security. The LACA defines “Approval” to include “notices from any Government”. Pursuant to clause 5(b) of the LACA and in breach of the LACA, Santos has failed to provide this notice to Rallen before commencing the Agreed Petroleum Activities. Please provide the Minister’s notice and a copy of the security.

(xv) **Insureds**

Breach clause 22.1(b)

The Operator shall effect and keep current during the term of this Agreement, in the names of the Operator and the Pastoral Lessee for their respective rights and interests, a policy of public liability insurance”

Clause 22.1(b) requires that the policy be in the names of the Operator and the Pastoral Lessee. The AON Certificate of Currency provided on 11 June 2021 is not in the names of the Operator and the Pastoral Lessee. The AON certificate notes Rallen’s “rights and interests” in this Policy. However, without the terms of the Policy, this note does not make the policy in the names of Rallen and Santos. This certificate of currency fails to satisfy Santos’ obligation in the LACA.

Please provide the terms of the Policy which satisfy Santos’ obligation in the LACA that the public liability insurance policy is in the names of both the Operator and the Pastoral Lessee.

(xvi) **Indemnity**

Breach of clause 17(a) indemnity.

“The Operator indemnifies and hold harmless the pastoral Lessee from and against any ...cost or expense (including reasonable legal fees) (Liability) arising directly or as a consequence of:

- (i) the Agreed Petroleum Activities;*
- (ii) the Operator’s breach of this Agreement or the Law; or ... other than those for which Compensation has been, or will be paid under this Agreement.”*

Our position is that Santos is in breach of clause 17(a)(i) and (ii) of the LACA by failing to indemnify Rallen’s legal costs incurred as a consequence of the numerous and ongoing disregard for the obligations in the LACA to the Pastoral Lessee, and, consequent breaches of the LACA.

Santos’s failure to indemnify Rallen’s legal costs and expenses related to the Agreed Petroleum Activities and its breaches of the LACA by 21 June 2021, itself gives Rallen grounds to terminate the LACA.

On 30 May 2021, Rallen required that each of the then 14 breaches detailed in that letter be remedied by 21 June 2021 with time being of the essence. Nine of those breaches remain unremedied and 2 further breaches have occurred.

On 23 June 2021, our client instructed us to trigger the dispute resolution clause.

We note that there has been no resolution of the continuing breaches and Santos is proposing to undertake activities which will result in significant new breaches.

Our client requires Santos to comply with the terms of the Approval. No entry will be given to Santos to undertake activities which are in breach of the Approval.

We look forward to receipt of a new notice of entry which is compliant with the terms of the Approval and the LACA.

Until such time as a valid notice of entry has been received, Santos is not authorised to access Tanumbirini Station to undertake hydraulic fracturing activities. Any attempt to enter to undertake hydraulic fracturing activities or any related or preparatory activity will constitute a trespass and our client will take whatever urgent steps it considers necessary to prevent unauthorised access.

Our client requires written confirmation from Santos before **4.00pm on 30 September 2021** that it will not enter Tanumbirini Station on 1 October 2021 to commence hydraulic fracturing activities, and, that it will not commence hydraulic fracturing activities until it has given a valid notice of entry and the 10 business days' notice period set out in the LACA has expired.

Yours sincerely,

Marylou Potts

Attached photos taken 24 September 2021 of Tanumbirini well pad

5 November 2021
Johnson Winter & Slattery
Brisbane, QLD 4000

Att: Mr William Oxby

Copy to:
Minister for Environment Eva Lawler

Dear Mr Oxby

Rallen: Tanumbirini: Santos QNT and Santos Ltd: Environment Management Plan: McArthur Basin Hydraulic Fracturing Program NT Exploration Permit (EP) 161

As you know, we act for Rallen Australia Pty Ltd, the Pastoral Lessee of Perpetual Pastoral Lease 1060 known as 'Tanumbirini Station'.

We refer to an email of 5 November 2021 from the NT D&C Materials & Logistics Coordinator of Santos to the station manager of Tanumbirini station, which has been forwarded to us. Attached to that email is a document entitled "*Santos Twenty Day Forecast*" setting out the intended number of incoming trucks to the Tanumbirini 3H well, from 5 November 2021 until 24 November 2021. A copy of the Santos Twenty Day Forecast is attached for convenient reference.

We have counted the forecast number of trucks and note it is 507 loads/trailers over the 20 day period.

We refer to the approved Santos *Environment Management Plan: McArthur Basin Hydraulic Fracturing Program NT Exploration Permit 161* (**Santos Fracturing EMP**) and note on page 57 the maximum number of loads/trailers per wellsite is 65 - 110 (25-50 loads/trailers HSF equipment and associated services to the nominated well site and 40-60 loads logistics support / material deliveries). We note the Notice of Entry dated 7 October states the total loads to both the Tanumbirini 2H and Tanumbirini 3H wells as 100 - 170 loads/trailers.

Our client require your client's immediate confirmation that it will not exceed the 65 - 110 loads/trailers maximum to the Tanumbirini 3H well, and that it will not exceed the 100 - 170 trailers/loads total maximum to both the Tanumbirini 2H and Tanumbirini 3H wells. Our client also requires an updated twenty day forecast of truck movements to Tanumbirini 3H well (and Tanumbirini 2H if there are to be loads to Tanumbirini 2H over the same period), as a matter of priority.

Our client will be counting the number of trucks entering Tanumbirini from today. When that number reaches 110 loads/trailers for Tanumbirini 3H well, or a total of 170 trailers/loads to both the Tanumbirini 2H and Tanumbirini 3H wells, no more trucks will be allowed to enter Tanumbirini station.

We note "A person who carries out a regulated activity in a manner that contravenes the current plan is guilty of an offence" pursuant to Regulation 31(1) of the *Petroleum (Environment) Regulations*.

Should Santos insist on these truck numbers we will ask the Minister to exercise her powers to revoke the Approval under regulation 27(1)(a)(i) *Petroleum (Environment) Regulations*.

A breach of the Approval is also breach of the Pastoral Land Access and Compensation Agreement (**LACA**) between our client and Santos.

Unless and until Santos provides our client with the requested confirmations and updated forecast of truck movements that reflects compliance with the Santos Fracturing EMP and the LACA, our client reserves the right to apply to the Court for an injunction restraining breach of the LACA.

Yours faithfully

Kathy Merrick
Partner

encl:
20 Day Logistics Forecast Revised - Santos
T3H trailer numbers
page 57 Sept 2021 Santos Fracturing EMP EP 161



MARYLOU POTTS PTY LTD
ACN 074 696 263

31 January 2022

Ms Eva Lawler
NT Minister for Environment, Parks and Water Security
Darwin, NT

Dear Minister

**84.6.1 Rallen Australia Pty Ltd: Tanumbirini Pastoral Lease and Sweetpea Petroleum Pty Ltd (Sweetpea):
Draft Well Drilling, Hydraulic Fracture Stimulation and Well Testing Environment Management Plan
(Draft EMP) – no stakeholder engagement with Rallen**

We act for Rallen Australia Pty Ltd (**Rallen**), the owner of the perpetual pastoral lease for Tanumbirini Station. EP136 held by Sweetpea covers part of Tanumbirini Station south of the Carpentaria Highway, NT.

We refer to Sweetpea's Draft **EMP** uploaded on the NT website of EMPs under assessment on 20 January 2022.

Rallen is a person whose rights and activities will be directly affected by the environmental impacts and environmental risks of Sweetpea's proposed regulated activities. As such, in relation to the Draft EMP Rallen is a stakeholder referred to in the *Petroleum (Environment) Regulations*.

Pursuant to regulation 6(2) of the *Petroleum (Environment) Regulations* Sweetpea has a mandatory obligation to undertake stakeholder engagement as described in regulation 7 in relation to the regulated activities to which the Draft EMP relates prior to the plan being submitted to you as Minister.

We are instructed that Sweetpea undertook no stakeholder engagement with Rallen on the draft EMP. We have reviewed Appendix D of the draft EMP and we are instructed that none of the correspondence, communications or NTCAT proceedings referred in Appendix D gave any information to Rallen of the:

- I. anticipated environmental impacts and environmental risks of the activity;
- II. proposed environmental outcomes in relation to the activity; or
- III. the possible consequences of carrying out the activity to the stakeholder's rights or activities.

Further, not only was Rallen not given the required information, Rallen was not afforded a reasonable opportunity to respond to any such information.

We note that a plan may only be submitted for approval to you after stakeholder engagement has occurred [Regulation 6(2)]. As no stakeholder engagement has occurred, we are instructed to request that you reject the submission of the Draft EMP until you are properly satisfied that:

- 1) Sweetpea has undertaken the mandatory stakeholder engagement required by regulations 6 and 7;
and
- 2) Rallen has been given a reasonable opportunity to respond. That is a reasonable opportunity for Rallen to engage experts to review the draft EMP and comment upon it.

We submit at this point in time you could not be satisfied that these mandatory requirements of the Regulations have been satisfied.

We would be grateful for the Minister's response to our client's by **4.00pm 7 February 2022**.

Yours faithfully,

Marylou Potts



MARYLOU POTTS PTY LTD
ACN 074 696 263

2 February 2022

Ms Eva Lawler
NT Minister for Environment, Parks and Water Security
Darwin, NT

Dear Minister

84.6.1 Rallen Australia Pty Ltd: Tanumbirini Pastoral Lease and Sweetpea Petroleum Pty Ltd (Sweetpea): Approved Civil construction and water bore Environment Management Plan (EMP) – no stakeholder engagement with Rallen

We act for Rallen Australia Pty Ltd (**Rallen**), the owner of the perpetual pastoral lease for Tanumbirini Station. EP136 held by Sweetpea covers part of Tanumbirini Station south of the Carpentaria Highway, NT.

We refer to Sweetpea's approved **EMP** uploaded on the NT website of EMPs on 1 February 2022, 21 days after the approval notice dated 12 January 2022, which impacts on the judicial review rights of any person by reducing the preparation time by 21 days.

Rallen is a person whose rights and activities will be directly affected by the environmental impacts and environmental risks of Sweetpea's proposed regulated activities. As such, in relation to the EMP Rallen is a stakeholder referred to in the *Petroleum (Environment) Regulations*.

Pursuant to regulation 6(2) of the *Petroleum (Environment) Regulations* Sweetpea has a mandatory obligation to undertake stakeholder engagement as described in regulation 7 in relation to the regulated activities to which the EMP relates prior to the plan being submitted to you as Minister and certainly prior to the plan being approved.

We are instructed that Sweetpea undertook no stakeholder engagement with Rallen on the EMP. We have reviewed para 5.2.1 of the approved EMP and we are instructed that besides providing a link to the draft EMP on 2 February 2021 no further stakeholder engagement was had with Rallen on the EMP. We note the EMP went through 3 further revisions on 11 March 2021, 22 April 2021 and 16 December 2021. None of those revisions were provided to Rallen.

There was no communication to Rallen of any of those revisions of the:

- I. anticipated environmental impacts and environmental risks of the activity;



- II. proposed environmental outcomes in relation to the activity; or
- III. the possible consequences of carrying out the activity to the stakeholder's rights or activities.

Further, not only was Rallen not given the required information, Rallen was not afforded a reasonable opportunity to respond to any such information.

We note that a plan may only be submitted for approval to you after stakeholder engagement has occurred [Regulation 6(2)]. As no stakeholder engagement has occurred, we are instructed to request that you withdraw your approval of the EMP until you are properly satisfied that:

- 1) Sweetpea has undertaken the mandatory stakeholder engagement required by regulations 6 and 7; and
- 2) Rallen has been given a reasonable opportunity to respond. That is a reasonable opportunity for Rallen to engage experts to review the draft EMP and comment upon it.

We submit at this point in time you could not be satisfied that these mandatory requirements of the Regulations have been satisfied.

We would be grateful for the Minister's response to our client's by **4.00pm 8 February 2022**.

Yours faithfully,

Marylou Potts

