

239001

BASS BASIN
T/15P
ANNUAL REPORT
YEAR 2 OF TERM 2
26 MAY 1988 - 26 MAY 1989

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BRIDGE OIL LIMITED
REF: 521/65/RP/mmg
JN031431/JN031430
June 1989

TPR
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BASS BASIN

T/15P

ANNUAL REPORT

YEAR 2 of TERM 2

26 MAY, 1988 - 26 MAY, 1989

SUMMARY

During the second year of the second term of Exploration Permit T/15P Bridge Oil Limited as operator of the permit reports that:

1. The permit is in good standing with regard to permit obligations.
2. Weaver Oil & Gas has been forced to withdraw from the permit under the clauses covering failure to meet their proportionate share of joint venture obligations.
3. Interpretation of the data recorded during the Bridge Bass 1988 Seismic Survey was completed. Requisite reports have been duly presented and distributed.
4. The Bureau of Mineral Resources recorded a large (1087 km) regional seismic survey over the permit. The joint venture has approved a recommendation to process this data.
5. Owing to the lack of encouraging structural leads the joint venture agreed to farmout a negotiated share of the equity in this permit in order to meet the remaining permit obligations. Efforts to this end have been initiated.
6. All reports and requirements of state and federal authorities have been met.
7. Source rock evaluations relevant to the permit suggest that source rock volume is a potential risk in the area.

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ANNUAL REPORT
YEAR 2 of TERM 2
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I INTRODUCTION

This report incorporates a summation of the exploration work that was conducted in the permit during the previous four quarters of this permit year.

This report discusses the work done to meet permit obligations as well as any work that has been conducted in excess of the permit obligations.

A plat map showing the current permit outline is included as Figure 1.

II PERMIT STATUS

IIa Current Work Programme:

The joint venture participants were granted renewal of this permit on May 26, 1987 on the basis of the following work programme:

Term:	2
Term length:	5 years
Anniversary:	26.5.87

YEAR	CATEGORY	WORK	\$	
1	Geol/Geoph	studies	\$50,000	87/88
2	Seismic (km)	400	\$550,000	88/89
3	Seismic (km)	200	\$300,000	89/90
4	Drilling (wells)	1	\$5,000,000	90/91
5	Geol/Geoph	data review	\$100,000	91/92
Total:			\$6,000,000	

IIb Participants Ending Year 1:

Participants in the permit at the beginning of permit year 2 and their percentage interests are shown below:

BRIDGE OIL LIMITED (operator)	29.625%
UNION PACIFIC INT'L PETROLEUM PETROLEUM	24.397%
WEAVER OIL & GAS LTD	18.000%
PERTHSHIRE (WEAVER)	3.000%
PEKO OIL LTD	12.779%
KIMBERLEY OIL & GAS	5.809%
CLUFF RESOURCES PACIFIC LTD	3.195%
WINTON OIL NL	3.195%

	100.000%

IIC Participants Ending Year 2:

Participants in the permit at the close of permit year 2 and their percentage interests are shown below:

BRIDGE OIL LIMITED (operator)	43.985%
UNION PACIFIC INT'L PETROLEUM PETROLEUM	24.397%
PEKO OIL LTD	16.176%
MINORA RESOURCES NL	7.353%
CLUFF RESOURCES PACIFIC LTD	4.044%
WINTON OIL NL	4.045%

	100.000%

Under the terms and conditions of the current joint operating agreement covering failure to meet proportionate share of joint venture obligations; Weaver Oil and Gas has been forced to withdraw from the permit. In accordance all participants, with the exception of Union Pacific International Petroleum Company Limited, agreed to fund their proportionate share of the default. Bridge Oil has agreed to assume Union Pacific International Petroleum Company Limited's proportionate share of the default.

III WORK PERFORMED DURING YEAR 2

IIIa Administration

The Operating committee opted to farm the permit out as opposed to further exploration work. To this end a farmout philosophy was derived. Farmout documentation included a brief description of the permit and a single representative line of seismic data. This data was send to a number of select companies whom the operator visualised as being preferred participants. The letter solicited their interest in the permit. Interest generated by this approach was followed up by a farmin brochure that showed the permit in greater detail.

IIIb Geophysical:

Processing and interpretation of the Bridge Bass 1988 Seismic Survey was completed during this permit year. The results of this work were presented to the Joint Venture at a Joint Venture Technical Meeting on November 12, 1988. Recommendations pursuant to this presentation included follow-up programme on a minimum of two leads and sufficient regional programme to allow future exploration to proceed.

The Joint Venture was approached by the Bureau of Mineral Resources (BMR) regarding a possible deep crustal seismic project in the Bass and Gippsland Basins. Consultation with the BMR resulted in the inclusion of 3 lines of seismic data in the permit (see figure 3). As a result of equipment failure whilst recording the Gippsland Basin segments of the programme an expanded programme of approximately 1087 km of 48 fold were seismic data were

recorded in the southern Bass Basin. This data will potentially provide an open grid of modern seismic data over the entire permit (see figure 4). The Joint Venture has entered into an agreement with the BMR whereby the Joint Venture will process the data on behalf of the BMR.

IIIc Geological:

Preliminary source rock and geochemistry investigations included a report on the results of source rock evaluation through MATOIL (a computer modelling system).

In 1988 the Joint Venture was approached by Amoco International Production Company Ltd for access to the permit for the purpose of conducting a water bottom geochemical survey. This project has been completed and the data is currently being processed and interpreted.

IV LEGAL

- 1. In 1988, Weaver failed to pay the cash call due on May 1, 1988 within 90 days of that date and thus forfeited its 21% interest to the parties as follows on 31 May 1988:-

Bridge Oil Limited	Peko Oil Ltd	14.360%
Kimberley (Minora Resources)		3.397%
Cluff Resources Pacific		1.544%
Winton Oil NL		0.849%
		0.850%

		21.000%

so that the interests of the parties on and from 1 June, 1988 are as follows:-

BRIDGE OIL LIMITED (operator)	43.985%
UNION PACIFIC INT'L PETROLEUM	24.397%
PEKO OIL LTD	16.176%
MINORA RESOURCES NL (Kimberley)	7.353%
CLUFF RESOURCES PACIFIC LTD	4.044%
WINTON OIL NL	4.045%

	100.000%

- 2. Bridge, as operator, has prepared a draft Deed wherein:-
 - (a) the parties acknowledge the assignment of Belco's 11% interest to Bridge, Union Pacific International, Peko, Kimberley, Cluff and Winton;
 - (b) Union Pacific Australia assumes the obligations attaching to the 21% interest assigned to Union Pacific International by Weaver;
 - (c) Kimberley assigns a 5% interest to Bridge;

- (d) Winton assigns a 2.75% interest to Bridge;
- (e) Cluff assigns a 2.75% interest to Bridge;
- (f) the forfeiture of Weaver's interest is recorded;
- (g) the parties agree to vary the JOA.

The Deed has been approved by all parties except Weaver. Execution copies were sent to Weaver in November, 1988 for execution but Weaver declined to execute them.

3. Bridge, as operator, has prepared a Transfer wherein Weaver and Dorchester (the current registered holders of T15P) transfer their interests in T15/P to the following companies in the following shares:-

Bridge	43.985%
Union Pacific Australia	24.397%
Peko	16.176%
Kimberley	7.353%
Cluff	4.044%
Winton	4.045%

	100.000%

The Transfer has been approved by all parties except Weaver. Execution copies were sent to Weaver in November, 1988 for execution but Weaver declined to execute them.

4. Bridge is awaiting legal advice from Landerer & Co regarding the proposed proceedings to seek a declaration from the court enabling the Deed and Transfer to be registered notwithstanding that Weaver has refused to execute the documents. The advice will be sent to the parties as soon as it is received.

V MEETINGS

Va Technical/Operating Committee Meeting:

A Joint Venture Meeting was held on November 14, 1988. A copy of the agenda is presented as Figure 2.

Vb Tasmanian Department of Mines:

A requisite meeting with the Tasmanian Department of Mines (TDM) was held on March 12, 1989. Joint Venture representatives at the meeting were K Skipper (Exploration Manager) and R Pickering (Geophysical Advisor). Topics discussed at this meeting included current commitments, future planning and the Joint Venture decision to actively seek a farminee.

VI SUMMARY OF EXPENDITURES

239003

Following is a summary of the fourth quarter and full year expenditures associated with this permit:

Via Fourth Quarter Year 2 Expenditure Statement:

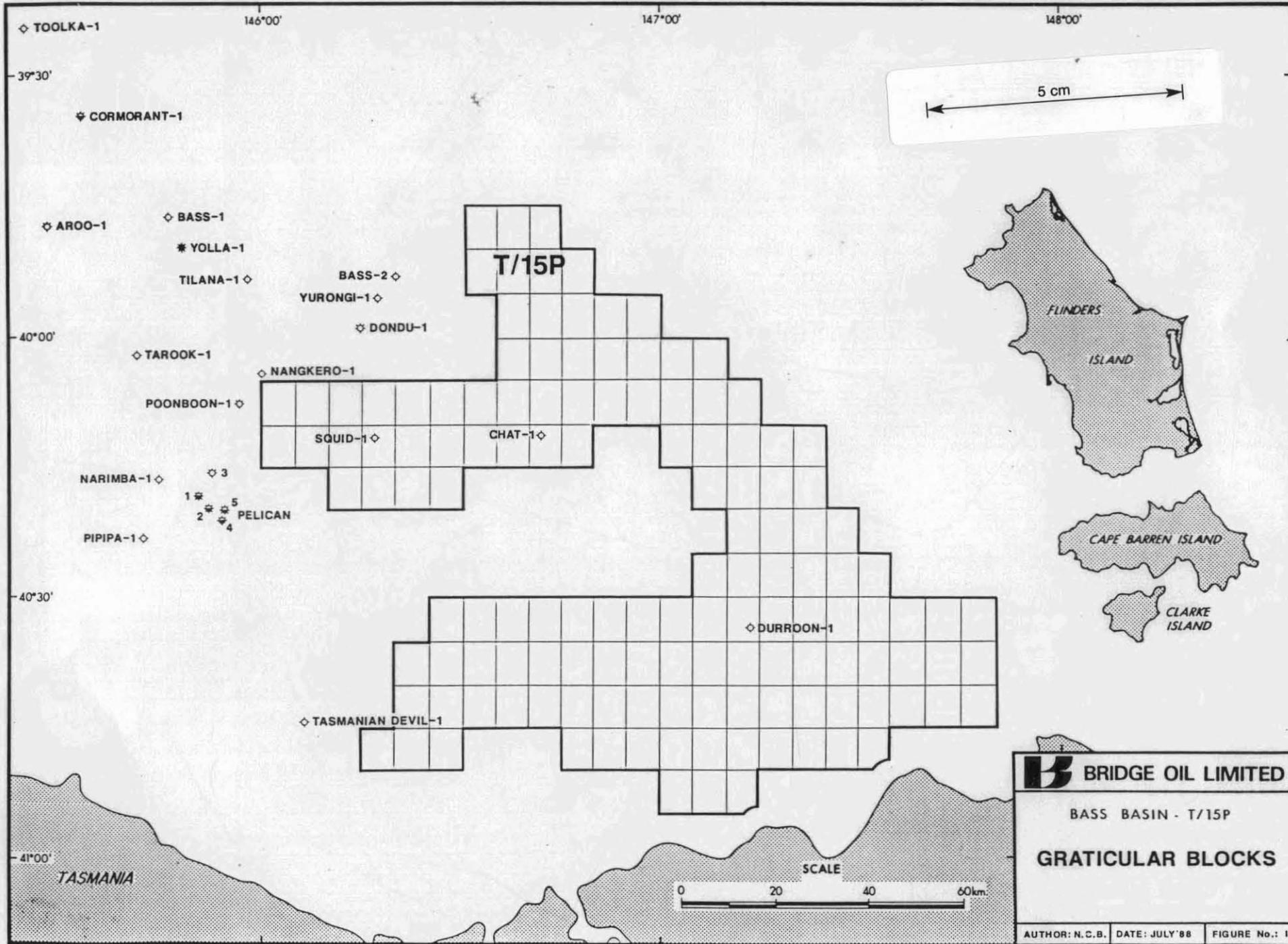
Expenditure incurred during the fourth quarter ending May 26, 1989 are as follows:

GEOPHYSICAL	\$ 3540
GEOLOGICAL	\$28965
ADMINISTRATION	\$13747
TOTAL	\$46252

Vib Year Two Expenditure Statement:

During this reporting period (May 27, 1988 to May 26, 1989) the joint venture incurred the following expenditures:

DRILLING	0
GEOPHYSICAL	\$133578
GEOLOGICAL	\$134746
ADMINISTRATION	\$ 45356
TOTAL	\$313680



B BRIDGE OIL LIMITED

BASS BASIN - T/15P

GRATICULAR BLOCKS

AUTHOR: N.C.B. DATE: JULY '88 FIGURE No.: 1

239009

J.V. MEETING, SYDNEY

TO BE ADVISED

AGENDA

1. Apologies
2. Minutes of Previous Meeting (July, 1986)
3. Matters arising from those Minutes
4. Permit Status and Participants
 - Obligations
 - Work Programme Status
 - Status of (Legal) Documentation
 - Participants and Interests
 - Accounting Matters
- 5a. Permit Geological Review.
- 5b. Maturity Simulations for Source Rocks in the Boobyalla Sub-basin (including MATOIL Simulations).
6. Results of Bridge Bass 1988 Seismic Survey
 - Leads and Prospects
7. Summary of Current Technical Evaluation
8. Recommended Future Strategy and Programme
9. Programme and Budget for Joint Operations, Calendar Year 1989
10. Provisional Programme and Budget for Joint Operations, Calendar Year 1990.
11. Other Business
 - BMR Activities
 - APEA 1989
 - 1989 Gazettal