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OFFGAR 7 - NOV 2002

Our ref: 023110027

7 November 2002

Mr Robert Pullella Office of Gas Access Regulation PO Box 8469 Perth Business Centre 6849

Dear Mr Pullella

## RE: PUBLIC SUBMISSION ON THE DBNGP ACCESS ARRANGEMENT -INLET GAS SPECIFICATION

Texaco Australia Pty Ltd (Texaco) is the Gas Sales Representative behalf of the Gorgon Joint Venturers (GJV), for Retention Leases WA-2-R, WA-3-R, WA-4-R and WA-5-R. The GJV comprises ChevronTexaco Australia Pty Ltd (4/7th), Shell Development (Australia) Pty Ltd (2/7th) and Mobil Australia Resources Company Pty Ltd (1/7th) within this Retention Lease area.

The GJV is working towards the commercialisation of the Gorgon Development and first production is currently scheduled for 2008. Subject to market capture on the mainland, the GJV may require the use of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) for transportation services. Discussions with potential Gorgon customers indicate a tolerance and in some cases, a preference for higher levels of carbon dioxide than that currently permitted or proposed for the DBNGP.

Gorgon gas in its natural form is known to contain a relatively high level of inerts, particularly carbon dioxide. Notwithstanding this, the benefits of commercialising the vast Gorgon gas reserves as an alternative supply source, is significant. These benefits include increased competition in the domestic gas market, increased security of supply and other economic and social benefits derived from the development of a world-class energy project.

We therefore consider it appropriate for the Office of Gas Access Regulation (OffGAR) to adopt a relaxed Inlet Gas Specification that maximises the opportunity for Gorgon gas to compete for domestic markets. We are continuing our work to develop a preferred Inlet Gas Specification

Texaco Australia Pty Ltd (ABN 18 081 647 047), acts exclusively as Domestic Gas Marketing Representative on behalf of itself, ChevronTexaco Australia Pty Ltd (ABN 29 086 197 757), Mobil Australia Resources Company Pty Ltd (ABN 38 000 113 217) and Shell Development (Australia) Proprietary Limited (ABN 14 009 663 576), and has no authority to bind the Sellers to any contract or otherwise commit the Sellers. Any type of agreement that is intended to bind the Parties, must be formally executed by all Parties.

and as discussed with OffGAR on 7 November 2002, we would appreciate further consultation with OffGAR to substantiate the merit of accommodating new entrants in future years.

May I nominate Geoff Hegney (9216 4114) as our contact point for arranging a more detailed briefing to OffGAR. We acknowledge that this submission will be made available for public review.

Yours sincerely

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Paul Oen General Manager Gorgon Area

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