Chapter 1 - Starter kit

Queensland gas industry primer

Chapter 02

In this chapter we cover:

• Queensland petroleum and gas overview
• Key gas facts
• Regulatory focus
• Queensland petroleum and gas policy

Current as of April 2019

In this chapter we cover:

• WHY RESOURCE COMPANIES ACCESS PRIVATE LAND
• FIRST STEPS
• THE ENTRY NOTICE
• RESTRICTED LAND PROTECTIONS
• MANDATORY CONDUCT CONDITIONS
• PRELIMINARY ACTIVITIES
• ADVANCED ACTIVITIES

THE GAS GUIDE

GasFields Commission
TO: The Rural Landholder
Queensland, Australia

With agriculture occupying more than 80% of Queensland’s 173 million hectares of land area, greater interaction between rural landholders and onshore petroleum and gas development is inevitable.

Queensland’s ‘conventional’ petroleum and gas reservoirs were first tapped at Roma in 1900. More than a century later the State’s first ‘unconventional’ gas reservoirs – black coal seams – were commercialised to create the world’s first coal seam gas export industry.

Supported by new technology, resource companies are now looking at more ‘unconventional’ petroleum and gas reservoirs in shale and tight geological formations.

Natural gas – primarily methane (CH₄) – plays an important role in Queensland as a fuel for electricity generation and feedstock for the manufacture of products including fertiliser, plastics and transport fuels.

With the benefit of vastly improved scientific knowledge (especially groundwater systems) and legal frameworks to promote productive co-existence between rural producers and resource companies, the Queensland Government is opening new areas for exploration and potential development, including gas marked for domestic use only.

The Gas Guide has been produced by the independent GasFields Commission Queensland to help landholders successfully navigate the processes and pathways for petroleum and gas development on private land.

Our experience has proved that best practice for negotiating mutually rewarding outcomes involves regular, clear and honest communication, respect and relationship building – simple human behaviour that cannot be legislated.

An approach from a resource company for land access deserves your earnest attention, as a commitment to best practice from day one can transform it into a successful business relationship.

The Gas Guide includes – a big picture Roadmap to help you become more familiar with the petroleum and gas industry, the regulations governing its operations and, most importantly, the conventions and legal obligations and protections available to maintain a level playing field.

Should a resource company make its presence known in your area, contact us for a complete copy of The Gas Guide. It’s free, available printed or online, and updatable to always keep you in the loop.

The Gas Guide will be updated as needed to reflect changes to regulation, processes and current research.

If you would like to be notified of updates to The Gas Guide, please add your contact details to our register online at www.gasfieldscommissionqld.org.au/subscribe or phone 07 3067 9400.
Why The Gas Guide?

There are thousands of pages devoted to the operation, monitoring, regulation and compliance of the petroleum and gas industry in Queensland.

Being one of the State’s most heavily regulated industries means it can become very confusing, very quickly.

The Gas Guide is designed to give landholders the information they need to negotiate fair and reasonable outcomes should a resource company request to operate on private land.

The Gas Guide is backed by more than a decade of experience developing best practice tools and tips to maximise the benefits and minimise the workload of managing a new business relationship.

You don’t have to do anything with The Gas Guide right now. Pin the Roadmap on a wall, put it in a drawer or use it as a bookmark – but whatever you do – keep it handy.

A SEQUENCE OF EVENTS

The enclosed Roadmap for The Gas Guide illustrates the standard chronology of events that occur when a resource company is operating on private land for the purposes of petroleum and gas exploration or production.

This could involve the construction and operation of wells, pipelines, water monitoring bores or other associated infrastructure.

Detailed advice and information on each of the steps on the Roadmap can be found in the full version of The Gas Guide.

LANDHOLDER TIP:
What should you do if you find out about resource company interest in your land?

1. Get in touch with us (GasFields Commission Queensland)
2. Order your copy of The Gas Guide (full version) delivered by post in a convenient (updatable) ring binder. You can also view The Gas Guide online at www.gasfieldscommissionqld.org.au
3. Feel free to get back to us (phone, email, mail or social media) with feedback and questions
4. Talk to neighbours and friends about their knowledge and experience
5. Carefully consider what professional assistance you may need in the event of future commercial negotiations with a resource company
6. Be clear about what you want from a business relationship that could last for decades
LANDHOLDER TIP: You should be prepared to discuss:
• Property map
• Property business plan (at least 5-10 year plan)
• Property biosecurity plan

Following initial discussions, the resource company will provide the landholder with a written entry notice at least 10 business days before it can carry out any activities on private land.

LANDHOLDER TIP: Surveying is more than a tyre-kicking exercise, despite its minimal impact on the land use or business activities. These physical inspections inform the company’s project plans so it’s important for the landholder to GET INVOLVED – participate, share information and ask questions. Don’t miss the boat – early changes are easy changes.

LANDHOLDER TIP: Keep talking. Maintain communication, even if negotiations hit roadblocks. This will help both sides better understand each other and find solutions to move forward. Add value to negotiations with the Compensation Estimator – a step-by-step guide to help you understand your entitlements. Available via our phone application GasApp. Visit www.gasfieldscommission.qld.gov.au/GasApp

Make good
Chapter06
Resource companies are required to take a number of steps to ensure water bore owners are not disadvantaged by their operations. If a make good agreement is required, the appropriate make good measures will be negotiated between the resource company and bore owner.

LANDHOLDER TIP: Provide alternative make good measures if you believe there is a better solution.

Land access agreements
Chapter05
If a resource company wishes to undertake advanced activities on private land, it must first negotiate a Conduct and Compensation Agreement (CCA) with the landholder.

LANDHOLDER TIP: You should be prepared to discuss:
• Property map
• Property business plan (at least 5-10 year plan)
• Property biosecurity plan

LANDHOLDER TIP: Maintain regular and effective communication with your assigned land access/liaison officer.

Construction phase
Chapter07
The construction phase is the source of the most disruptive activity associated with petroleum and gas development. As a general rule, it can take 5-7 months from the start of a well pad to operational handover. All the work you did building the relationship pays off again with open communication helping to reduce the “instant factor.”

LANDHOLDER TIP: Maintain regular and effective communication with your assigned land access/liaison officer.

LANDHOLDER TIP: Attend pre-construction meetings.

Operational phase
Chapter08
Trained field operators will need access to your property to monitor and maintain petroleum and gas infrastructure, including ongoing safety checks, well workovers, vegetation control and general repairs on and around well pads.

LANDHOLDER TIP: Maintain regular and effective communication with your assigned land access/liaison officer.

Dispute resolution
Chapter11
Options are available to help you reach agreement if negotiations or relationships with resource companies become challenging.

Conference
Alternative dispute resolution (ADR) Arbitration
Public hearing by the Land Court of Queensland Investigation of potential breaches to existing CCAs or make good agreements by the Land Access Ombudsman
**Gas Industry Tenure Stages**

<table>
<thead>
<tr>
<th>New tenure areas advertised</th>
<th>ATP granted</th>
<th>PL granted</th>
<th>ATP/PL rehabilitated &amp; relinquished</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland Government advertises new tenure areas</td>
<td>Queensland Government awards ATP to successful bidder to conduct exploration</td>
<td>ATP tenure holder applies for PL to start producing petroleum and gas</td>
<td>The gas produced in Queensland is largely used for electricity generation, aluminium production and fertiliser production.</td>
</tr>
<tr>
<td>(Duration: 6 months - 1 year)</td>
<td>(Duration: 12 - 27 years)</td>
<td>(Duration: 30+ years)</td>
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### Early engagement

**State government:**
Department of Natural Resources, Mines and Energy (DNRME) will:
- Contact landholders whose properties are within the tender area
- Deliver targeted information sessions to inform landholders about the tender process
- Notify landholders of the successful bidder and next steps on what to expect

**Resource company:**
Company will bring communities together to explain:
- How the company does business
- Project plans
- Expected impact on properties, local infrastructure, facilities and services

**Exploration:**
- Constructing access tracks for seismic survey
- Clearing of vegetation
- Constructing well pads and digging sumps
- Drilling exploration and appraisal wells

**Production:**
- Constructing access roads
- Constructing well pads and digging sumps
- Drilling production wells
- Installing gathering lines
- Constructing worker camps, sewage/water treatment facility or fuel storage areas
- Constructing major pipelines

### Knock knock - direct engagement with landholder

**Resource company:**
- Contact landholder directly regarding access to their land
- Explain their planned project and what they want to do on the landholder’s property
- Understand the landholder’s business, property plan including their biosecurity management plan
- Explain the difference between preliminary and advanced activities
- **Entry Notice** to carry out preliminary activities such as scouting or surveying, walking the area, taking soil samples etc.
- Discuss and agree on timeframe for negotiating a CCA to allow for the carrying out of the advanced activities

### Land access agreements

The resource company and landholder must enter into a CCA before carrying out advanced activities. A CCA is a legally binding document agreed to by both parties. A CCA specifies:
- The activities and behaviours of the company, its employees and contractors
- Obligations and protections for both parties
- How the landholder will be compensated for the impacts of the authorised advanced activities.

### Construction phase

**Exploration:**
- Seismic surveys
- Appraisal well testing
- Flaring

**Production:**
- Ongoing maintenance schedules vary depending on the type of infrastructure used. Generally, it could be:
  - Weekly routine inspections and maintenance
  - Monthly gas testing of surface facilities, weed trimming
  - Quarterly servicing of well site components
  - Bi-annually change engines/generators, fencing check
  - Annually pressure vessel inspections and safety checks, gas leak surveys, water and gas analysis
  - Workovers as required well maintenance that could require a rig being brought on site.

### Operational phase

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### Land rehabilitation and hand back

Rehabilitation of gas production sites and facilities must be in consultation with the landholder and in line with the current Queensland legislation.

At the end of each well’s operating life (usually 15 - 30 years):
- Aboveground infrastructure is removed
- Borehole is filled with cement or other suitable material and decommissioned
- A small dinner-plate sized cap or a stake with an identifier left behind to mark its location

At the end of the operating life of the ATP or PL (when all wells are at the end of their operating life), the final rehabilitation must meet the conditions specified in the Environmental Authority (EA). As a minimum, final rehabilitation must ensure that:
- Each well is plugged and decommissioned
- All gathering lines are drained and plugged
- All surface infrastructure is removed
- All soils are reinstated and stabilised
- Surface drainage lines are re-established
- Vegetation is regenerated

Resource companies provide upfront financial assurance to the Queensland Government when the tenures are awarded to cover the estimated costs of final land rehabilitation.

This is refunded after final inspection if all rehabilitation is satisfactorily completed.

*“When both industries are operating together, which they are, it makes for a very strong economy within a region.”*

- Peter Sharpe, Sharpe Engineering