



[Edition 10, March 2014]

WELCOME to the March edition of the AgForce Projects CSG newsletter.

In this edition we provide an update on the four major CSG companies including their latest news and activities. At the end of each update you will find an analysis by our CSG Project team highlighting how this information could impact landholders and any recommended actions.

We have also included a summary of the key findings of the annual review of the *Surat Basin Underground Water Impact Report (UWIR)* looking at both the model and the achievements of government and industry in meeting requirements set.

Remember if you have any issues or topics you would like us to cover in this newsletter please email them through to us at csg@agforceprojects.org.au.

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AGFORCE PROJECTS CSG SURVEY 2014

HAVE YOUR SAY
& WIN!

WANT to have a say in the kind of support, resources and information AgForce Projects' CSG team delivers?

AgForce established the AgForce Projects Landholder CSG Project to offer producers access to independent information and tools to ensure fair conduct and compensation agreements (CCA) are made with CSG companies.

To help AgForce continue to provide the most relevant and practical information to support landholders impacted by CSG, the AgForce Projects CSG team would like to find out exactly what information and support you need.

If you have been impacted by the CSG industry, have your say in our short survey and help us determine what support you need from AgForce and the government.

All landholders who complete the survey by 31 March will go into the draw to WIN A PHOENIX MAPPING PACKAGE VALUED AT \$585.

Upcoming AgForce Projects events

Negotiation Support Workshops:

Workshops cover the negotiation process, Land Access laws and water and Make Good information. Participants will find out about important conduct and compensation provisions that may be vital to the long-term security of their enterprise.

SPRINGSURE - 8 April, 9am - 1pm

MIDDLEMOUNT - 9 April, 9am - 1pm

DINGO - 10 April, 10am - 2pm

Computer Mapping Workshops:

Learn the basics of mapping and the skills to plan and develop a property computer map to help you demonstrate to a CSG company where and when it can conduct mining activities. Plus receive the latest government vegetation mapping, SPOTMaps 2012 satellite imagery and a demo licence of Phoenix Mapping.

MITCHELL - 1 April, 8.45am - 4pm

ROMA - 2 April 8.45am - 4pm

MILES - 3 April 8.45am - 4pm

RICHMOND - 13 May, 8.45am - 4pm

ALPHA - 16 May, 8.45am - 4pm

LONGREACH - 19 May, 8.45am - 4pm

Complete the survey at
www.surveymonkey.com/s/agforcecsg



Register at www.agforceprojects.org.au or call (07) 3238 6048

Company updates

The information below provides a brief overview of the key activities and projects currently being undertaken by CSG companies in Queensland. If you have any concerns or need further detail please contact the CSG Project Team on (07) 3238 6048 or [email](#).

Arrow update

- » State approval for Surat Gas Project received October 2013.
- » Granted approval for 6,500 - 7,500 wells, compressor stations and associated supporting infrastructure and LNG export facility at Curtis Island Gladstone.
- » Gained Federal approval of EIS for Surat Gas Project and LNG plant in December 2013.
- » Arrow now has all State and Federal Government approvals required for their Surat Gas Project.

New compensation scheme

LATE last year Arrow Energy announced that they has developed and introduced a new compensation scheme. According to Arrow, *"Under the new scheme, Arrow will calculate compensation payments based on land values and also account for loss of production, disturbance and payment of management time"*.

Arrow believes the model will allow for a more flexible approach to determine compensation including land they term high value and intensively farmed, which they consider a 'subset' of Strategic Cropping Land (SCL).

For more information [click here](#).

i Landholders dealing with Arrow need to ensure that their company representative takes the time to clearly explain and break down how compensation has been determined.

Landholders should then take this information and consult with their solicitor, accountant and land valuer to ensure the amount being claimed is truly reflective of the impacts to their property and business.

Contact the AgForce Projects CSG team for more information on (07) 3238 6048.

Arrow begins erosion trial: Darling Downs

ARROW announced in late 2013 they had begun a new research project on their property, 'Theten' near Dalby, to measure the effectiveness of different erosion control methods used by industry, councils and road authorities.

The study aims to guide best methods for erosion control on all CSG infrastructure and to share the results with broader industry and community.

Landholders are well aware of the issues that incorrect tillage, over clearing, incorrect riparian management and development in erosion prone/sodic soil areas can have and hopefully this information can be of use within the industry.

[Click here](#) for more information about the trials.

i Landholders who are dealing with a CSG company are reminded that during negotiations they should use their property map to highlight any erosion prone or unstable areas where companies should avoid development.

Landsat flood imagery and historical flood levels and contour data can also be used to identify high risk flood areas. Using your knowledge to select appropriate CSG development sites can help reduce impacts to your business from erosion run off and delays for the company.

AgForce Projects can assist with the development of a property map through our CSG Project mapping team and can supply 2012 SPOT imagery as well as Landsat imagery from 1988-2011 in CSG development areas.

QGC update

BG Group's Australian chairman, Catherine Tanna, recently delivered a presentation to industry about the future development of CSG in Queensland. [Click here](#) to read more.

According to Ms Tanna, QGC has drilled almost 2000 wells under the **QCLNG project** across the Surat Basin and plans to drill up to another 4000 wells over the life of the project. The industry estimates that there will be between **20,000-40,000 wells** across the four projects (QGC, Origin, Santos and Arrow). According to the State Government's IRTM Portal there are currently just over 7010 petroleum wells across Queensland, 4000 of these are production wells.

As companies continue their developments across CSG tenures and move into production and export the number of wells will continue to grow to fill demand for gas.

According to the 2012 UWIR, the peak impact to water bores as a result of CSG won't come until after 2015.

i This highlights why it is important for landholders to ensure they get legal, accounting, valuation and other specialist advice when developing a CCA including bore monitoring and ongoing assessments. It is important to remain informed, know your rights and understand how CSG may impact you.

Company updates

Origin APLNG update

ORIGIN Energy has released an update on their **APLNG project** indicating the progress of developments.

Key points included:

- » 108 development wells were drilled during the December 2013 quarter
- » 564 wells drilled under the project so far
- » APLNG has approval for up to 10,000 wells across their tenures
- » 58 per cent (pc) of the 'Upstream' component of the project is complete while 62pc of the 'Downstream' component (including development of Curtis Island LNG Facility) has been completed
- » 91pc of the pipeline from the Surat Basin to Gladstone has been completed

Click here for a full project update.

Santos update

SANTOS has reported that their GLNG Project is now 75pc complete and on track for the first shipment of LNG in 2015 from their export facility being built at Gladstone.

This phase of the project included the construction of 420km of 42inch pipeline from their gas fields in the Surat Basin to Gladstone. **Click here** for a full update.

Santos new drilling process

SANTOS GLNG has issued a statement about a new drilling process they have developed that has been designed to reduce the impact to the landholder.

The company has stated that on drilling sites which have a slope of less than 5pc they may not need to level the pad and remove the top soil layers. The process includes laying down some 'rig matting' around the well site which is removed once activities at the site are completed.

This means there is less initial impact from the drilling activities but also long term benefits in regards to sites being rehabilitated and brought back into agricultural production.

- i** Landholders that are being approached by Santos or any other company should raise in their negotiations which drilling technique will be used and if there is an opportunity to reduce impact to the surface by minimal disturbance drilling. Landholders should consider requesting the company to carry out a weed assessment of the well site and any other areas of disturbance and high vehicle access and discuss options for controlling weeds should anything arise, methods to establish a fast response plan and also discuss rehab requirements for the sites ensuring they meet your requirements.

Powerlink update

POWERLINK has released an update of their activities in the Surat Basin which support CSG infrastructure development. **Click here** to find out about the North West Surat Basin Project.

- i** Landholders that are being approached or are dealing with Powerlink are reminded that the legislation that Powerlink operates under is different to CSG and does not come under the provision of the Land Access Code nor the Land Access framework regarding negotiating agreements and access times. For more information about the rights of Powerlink please refer to our Powerlink Feature in the **March 2013 newsletter**.

- i** With the project only just passing the half way point it is important that landholders understand there is still a lot of development yet to be started or completed as part of this project.

Origin has indicated that its project will include drilling between 300-400 wells each year for the remainder of the project.

Therefore landholders need to keep abreast of industry developments, changes to legislation, water management, groundwater impacts and landholder rights.

The AgForce CSG project should be used as a source for landholders to do this. Call the team on (07) 3238 6048.

Santos remediating wells

SANTOS has released a statement confirming that they plan to decommission old conventional gas wells around their tenures in the Surat Basin.

Santos indicated that the project will include the remediation of over 420 wells as well as over 330km of flow lines and supporting infrastructure, such as evaporation ponds.

Recently a number of landholders have raised concerns about these old wells and the possible pathway they create for water and/or gas liberated by current CSG activities and impacts this may have on shallower water supplies.

Click here for more information.

- i** Any landholders that believe they are experiencing an increase of gas in their bore should first contact their CSG company representative and if unsatisfied contact the CSG Compliance Unit or the petroleum and gas inspectorate.

Please see the back page of this newsletter for a full list of relevant contacts.

Government Update

Conversion to water supply bores

IN November 2013, the State Government introduced new legislation that allows CSG wells and water monitoring bores to be converted to water supply bores without having to have a licensed water bore driller on site.

This is an option that might be available to some landholders that are negotiating with a CSG company. If interested you should raise the issue with your land access representative during negotiations to see if there is an option to have a viable water supply after CSG activities have been completed. Ensure discussions with the company include: time frame, depth water would be sourced, if any licence is required (allocations), hole size, where the casing is slotted and after drilling water quality indicators etc. For more information [click here](#).

Emissions from legacy boreholes

IN October 2013 the State Government finalised and introduced a policy for 'managing uncontrolled gas emissions from legacy boreholes'. This policy has been developed in response to a number of concerns raised by landholders about old coal or petroleum bore holes that were not sealed and now potentially create a pathway for water and/or gas to move vertically. Some groundwater experts raised concerns that once the Walloon Coal Measures (WCM) start to become depressurized (from CSG activities)

the gas may liberate and follow the easiest pathway to the surface, which may be through these old boreholes.

For any landholders that have an old bore hole on their property and are concerned about water or gas leaking you should contact the CSG Compliance Unit (07) 4529 1500.

Queensland shale policy

The State Government has developed an updated policy for shale oil exploration. The previous policy, developed in 2008, included a 20 year moratorium on the McFarlane oil shale deposit, which is located near Proserpine and the development of a 'demonstration' plant near Gladstone by Queensland Energy Resources (QER).

The new policy is to develop a well-managed shale industry in Queensland. The moratorium on the McFarlane deposit will not be lifted but the government will 'consider the development of shale oil deposits, subject to the merits of the proposal', in other cases across the state.

The government and industry say new technologies will need to be trialled during exploration phases. However, a comprehensive EIS will be required before moving into production or advanced exploration including environmental, social and economic studies and mandatory community consultation. For more information [click here](#).

Committee targets weed and biosecurity issues

AgForce is a part of a new weed management committee led by the GasFields Commission to look at the risks posed by the CSG industry interacting with agriculture across the Surat Basin. Other members include QFF, DNRM, QDAFF, Santos, Origin, QGC and Powerlink.

The group will work towards developing guidelines and improving policy and regulation regarding CSG and weeds and biosecurity issues.

Across CSG development, managing weeds is a critical element for landholders and AgForce is working hard to achieve more effective control of these risks.

i During CCA negotiations, AgForce suggests that landholders look to include wash-down procedures that meet property requirements, a baseline assessment of weeds along access roads and drill sites as well as asking the company to detail weed mitigation methods and if an outbreak occurs who is responsible and what happens. By clearly stating this in a CCA it helps to remove confusion.

For more information [email](#) or call (07) 3238 6048.

OGIA 2013 Annual Report

AS part of the approval of the 2012 Surat Basin Underground Water Impact Report (UWIR) an annual review is required to be undertaken on both the model and the achievements of government and industry in meeting the requirements set.

The Office of Groundwater Impact Assessment (OGIA) recently released the update for the 2013 period and key points included:

» Some impacts to bores will be delayed and are unlikely to occur before 2015 due to some CSG development not occurring as early as modelled in 2012. In total 28 of 85 bores in the immediately affected area (IAA) fall into this category.

- » Bore assessments were conducted on all bores (85) in the IAA to confirm the predictions of the model and data held in the DNRM groundwater database. The assessments found that 23 of these bores were not extracting water from the Walloon Coal Measures (WCM) as logged, but rather in the Springbok Sandstone, which sit above the WCM.
- » Four bores outside the modelled IAA are now expected to experience an impact before 2015; OGIA has directed bore assessments be undertaken on these and that DEHP has authority to require the responsible tenure holder develop make good agreements if impacts are confirmed.
- » Following investigations by the CSG

Compliance Unit, three bores were originally omitted from the IAA and will require make good agreements prior to any impact occurring, in line with legislation

- » In the area of CSG development south west of Chinchilla, the data records of less than a year suggest an annual decline of approximately two metres in the Hutton Sandstone - OGIA indicated that more monitoring and assessment is needed
- » OGIA stated that overall it is too early in the development of the industry to detect any clear water pressure impacts in aquifers near CSG developments

A copy of the report can be found on the [OGIA website](#).

i As a landholder if you believe your bore is being impacted by CSG, or has begun to show effects as a result of CSG activities, you should contact the CSG Compliance Unit's Groundwater Investigation and Assessment Team (GIAT) immediately. Regardless of whether your bore is modelled to be in the short or long term affected area, if the impact is a result of CSG you have the same right to have that water supply made good.

Government discussion papers: **restricted lands and mining objections**

THE State Government has released two discussion papers looking at a framework for restricted lands and the process for objecting to tenure and mining development applications.

The papers seek input from industry and community about these suggested changes, which aim to streamline industry approvals to provide more certainty for industry.

One looks to restrict who can object to a mining lease proposal to only those that are physically impacted by the mine.

Another key component is to provide a standardised restricted buffer zone around residences for all industries. Currently an exclusion exists for mining activities but not for CSG activities such as drilling a well, other than what is specific in noise restrictions in their EA. The proposal is for a 200m restriction from a residence for advanced exploration activities. This also includes any neighbouring houses within 200m that might be impacted by exploration work but that are off tenure.

Grazier wins landmark decision

RICHARD Golden, Yuleba, has been negotiating a CCA with Origin and QGC (both cover his property) for the development of 88 wells and supporting infrastructure on his property.

In a potentially game changing decision this month, a judge from the Queensland Supreme Court ruled that landholders can elect for arbitration if an agreement on a CCA can't be reached and this could be legally binding in the CCA negotiation process and not just mediation.

The difference is that mediation is a process that is structured under the Land Access framework introduced in 2010. Under this framework, if a landholder and CSG company proceed to mediation or ADR, the third party cannot make decisions or determine 'reasonable' impacts that are final, it is only what is agreed by both parties guided by the mediator.

Arbitration however is a process by which a body makes a determination and that it is binding to both parties unless a challenge is made by either party to the land or Supreme Court.

An appeal has been made by the CSG company disputing the Judge's ruling and is yet to be finalised.

QCA completes review into CSG regulation

THE Queensland Competition Authority (QCA) has completed a review into the regulation of the CSG industry in Queensland, at the request of the State Government.

The final report makes a number of recommendations about how to efficiently regulate and manage the CSG industry across Queensland while maintaining industry and environmental standards.

Some of the recommendations include:

- » Develop more standard conditions for CSG activities
- » Reduce duplication in regulation between government departments; namely DEHP, DNRM and DEWS
- » Improve effectiveness of regulations around the CSG industry

The full report can be found on the QCA website or a fact sheet summarising the recommendations can be **found here**.

i AgForce Projects encourages landholders to ask their CSG company representative to outline the noise, light and dust restrictions that they must comply with as per their Environmental Authority and demonstrate how they can comply with those conditions.

AgForce is in direct consultation with government about these changes and any updates will be communicated as they become available. Key issues include ensuring any changes do not erode landholder rights and protections and to ensure that as development of CSG and mineral/coal exploration and production continues across the state landholders are not negatively impacted.

If any AgForce members have any questions on these discussion papers they are encouraged to contact the AgForce office on (07) 3236 3100. **Click here** for more information. Submissions can be made to mqra@dnrm.qld.gov.au

New tenures and Environmental Authorities

- **January 2014:** A new EA was issued to **Bow Energy** for ATP 1025 - located in the Central Highlands and Isaac regional council. **Click here** for more information.
- **February 2014:** An EA was granted to **Origin Energy** for a Petroleum Pipeline License (PPL) 55. **Click here** for more information.
- **October - December, 2013:** The Department of Natural Resources and Mines (DNRM) progressed the following mineral and coal tenures to granted:
 - » Four mining leases for coal
 - » 31 mining leases for minerals
 - » Eight Mineral Development Licences for coal
 - » One Mineral Development Licence for minerals
 - » 43 Exploration Permits for coal
 - » 133 Exploration Permits for minerals

For a list of tenures that have been granted in 2014 **click here**. For a full list of tenures that have been granted since 2011 **click here**. Note: this list includes all tenure types including coal, mineral and CSG for exploration, development and production.

Property valuation update

ACCORDING to rural property valuer, John Compton (ABC Rural, 21/1/14), there is still not enough market data to confirm whether the CSG industry is having an impact on the value of land in the Surat Basin.

As the industry is still developing, valuers are reporting they cannot determine the impact, however valuers say they don't believe buyers are paying a premium for properties with CSG making a 'gas income' despite some claims in the QLC recently.

i This highlights why it is important during CSG negotiations to discuss with your company representative how your right to 'diminution of value', as a compensatable effect under legislation, is paid.

Valuation advice should be sought when developing a CCA as well as advice from accountants about structuring payments regarding tax implications. For the full article about land valuations [click here](#).

CSIRO update

CSIRO and the Gas Industry Social & Environmental Research Alliance (GISERA) are undertaking an agricultural land management study to identify landscape/development configurations that minimise disruption from CSG to farm businesses and development-based risks such as erosion and invasive pests. Some of the components of the research relevant to landholders include:

» 'Making Tracks Treading Carefully' is a project that looks at the impacts from building tracks and traffic on weed and erosion.

» 'Without a Trace' is about assessing how CSG developments and activities may damage agricultural soils. The project will look to develop methods to reduce/avoid this impact and rehabilitation methods

These projects will use a wide variety of data as well as engaging directly with farmers on their properties and carrying out on farm monitoring. For more information email gisera@gisera.org.au or call (07) 3833 5673.

UQ: Unlocking the secret to successful coexistence

Researchers at The University of Queensland (UQ) are seeking landholders with practical knowledge and experience of CSG development on their land to help identify successful coexistence strategies.

Extensive grazing, mixed farming and more intensive dryland cropping in southern Queensland would be the research focus said Project Leader Assoc. Professor Jim Cavaye from UQ's School of Agriculture and Food Sciences.

"The study is to identify practical measures of productivity and production on farms with CSG operations," said Assoc. Professor Jim Cavaye. The project is funded through UQ's Centre for Coal Seam Gas (CCSG). It will focus on the Maranoa and Western Downs, with specific interest in the more intensive dryland cropping and grazing areas in the Dalby area.

"We will get insights from landholders who are managing agricultural production alongside CSG operations. That will enable us to document strategies for long-term coexistence."

"Participants can learn more about current coexistence strategies. They can also have their practical knowledge documented to assist all project stakeholders achieve best practice in coexistence management", said Assoc. Professor Cavaye.

UQ Researchers will be in the field between April and June, 2014 to conduct confidential interviews with farmers.

Register your interest by contacting:

Lisa Kelly, Research Officer,
M: 0428 803 386.

GFCQ 'Ready Reckoner'

THE GasFields Commission Qld (GFCQ) has put together a land access 'Ready Reckoner' for landholders dealing with resource companies. This was developed using the knowledge shared by commissioner Don Stiller and his experience negotiating and dealing with resource companies on his properties.

The GFCQ has also put together a land access checklist to help landholders understand the process and stages.

[Click here](#) to view the documents.

Social & economic impacts of CSG

The Project

The UQ Cumulative Socio-economic Impacts Project is investigating the social and economic impacts of CSG in the Western Downs region of Queensland. The current focus is in and around Miles.

Who is doing the research?

A research team at The Centre for Social Responsibility in Mining (CSRSM) at UQ. The research is funded by the Centre for Coal Seam Gas.

Project website

Details on the project can be found [here](#).

Your involvement

- » Interviews with our project team; or,
- » Focus group sessions.

Please contact our team on 0418 619 341, [email](#) during business hours 8.30am to 5.30pm, Monday to Friday

What do you need to do?

Please provide your name, phone number (and best time to call).

Thank you for your interest.

AgForce Projects CSG team	(07) 3238 6048
CSG Compliance Unit	(07) 4529 1500
Advance Western Downs	www.advancewesterndowns.com.au/major-projects.html#IBK
AgForce member contacts	3236 3100
Beyond Blue/Lifeline	1300 22 4636 / 13 11 14
CSG Globe	www.dnrm.qld.gov.au/mapping-data/queensland-globe/using-coal-seam-gas-globe
DEHP Environmental Impact Statement (EIS) process	www.ehp.qld.gov.au/management/impact-assessment/eis-processes/index.html
DEHP Environmental Authority lists	www.ehp.qld.gov.au/management/env-authorities/index.php
DEHP fact sheets	www.ehp.qld.gov.au/management/coal-seam-gas/index.html
DEHP Make Good Guideline	www.ehp.qld.gov.au/management/pdf/good-obligations-guide.pdf
DEHP Permit and Licensing Management Unit – Mining Environmental Authorities (EA)	www.ehp.qld.gov.au/land/mining/chapter-5-notifications.html
GasFields Commission Qld	(07) 4688 1327
IRTM	www.mines.industry.qld.gov.au/geoscience/interactive-resource-tenure-maps.htm
Mining Registrar contacts	www.mines.industry.qld.gov.au/mining/contacts.htm
OGIA UWIR online bore database	www.dnrm.qld.gov.au/ogia/surat-underground-water-impact-report/bore-search
Petroleum and Gas Inspectorate	www.mines.industry.qld.gov.au/safety-and-health/contacts-petroleum-gas-inspectorate.htm
Pollution reporting hotline	1300 130 372
QLD Government mines and energy fact sheets	www.mines.industry.qld.gov.au/mining/landholder-information.htm
Industry	
Australian Petroleum Production & Exploration Association (APPEA)	www.appea.com.au
Arrow Energy	www.arrowenergy.com.au
Origin	www.originenergy.com.au/1143/Coal-seam-gas
QGC	www.qgc.com.au
Santos	www.santos.com/coal-seam-gas.aspx

For more information or to register or request a CSG workshop in your town visit:

www.agforceprojects.org.au

The CSG Project Team is dedicated to helping you safeguard the future prosperity of your farming enterprise.

Contact the team today with any enquiries.



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