

Narrabri Gas Project CCC Information Request Response

Reference:	18.1 - August 2016
Request:	The Community Benefits Fund states that for every \$2 paid by the company (that holds a petroleum title) into an authorised CBF, the NSW Government will give that company a \$1 rebate on its gas royalties, up to a maximum of 10% of the royalty due in each year. A maximum of \$500,000 is available per project. Is the max of \$500K per year or per project?
Response:	The rebate is to the company undertaking gas exploration/ production. The money in the Fund will be issued as grants to eligible projects. The \$500,000 maximum is for these projects and it is per project.

Reference:	18.2 - August 2016
Request:	Santos indicated they will be seeking a minor amendment to their approvals to allow the beneficial use of the gas that is currently being flared. Gas will be redirected to the current generator plant. Santos indicated that all the plumbing is in situ and that they only need to make a small alteration to connect the gas. Who do Santos need to secure this approval from and does it need to go to public exhibition?
Response:	<p>Section 28A of the Petroleum (Onshore) Act 1991 is the relevant provision. It commenced on 18 December 2015.</p> <p><i>28B Right to beneficial use of gas yielded through prospecting</i> <i>(1) In addition to the other rights conferred by the title, an exploration licence or assessment lease confers on its holder:</i> <i>(a) the right to carry out such operations as may be described by the regulations to enable the beneficial use of gas recovered from the land comprised in the licence or lease, but only if that gas would otherwise have been flared or released into the atmosphere as part of activities under the licence or lease, and</i> <i>(b) the right to use that gas subject to, and in accordance with, the regulations.</i> <i>(2) The regulations may make provision for or with respect to royalty payable under Part 7 in respect of gas used in accordance with this section.</i></p> <p>Clause 13A of the Petroleum (Onshore) Amendment (Beneficial Use of Gas) Regulation 2015 sets the limit i.e. 1000 days and the activity approval must specifically include the beneficial use of gas.</p> <p><i>13A Beneficial use of gas: section 28B</i> <i>(1) For the purposes of section 28B (1) (a) of the Act:</i> <i>(a) all assessable prospecting operations authorised by an exploration licence or assessment lease, and by an activity approval, may be carried out to enable the beneficial use of gas, and</i> <i>(b) all operations authorised by an exploration licence or assessment lease in relation to which a relevant development consent is in force authorising works that facilitate the beneficial use of gas may be carried out to enable the beneficial use of gas.</i> <i>(2) In relation only to an assessable prospecting operation authorised by an activity approval, for the purposes of section 28B (1) (b) of the Act:</i> <i>(a) the right to the beneficial use of gas conferred by section 28B of the Act is limited to a period of 1,000 days (whether or not consecutive), per well, in</i></p>

	<p><i>total, and</i></p> <p><i>(b) gas cannot be used beneficially unless the activity approval for the assessable prospecting operation involved specifically extends to include the beneficial use of the gas.</i></p> <p><i>(3) For the purposes of section 28B (2) of the Act, royalty is payable under and in accordance with Part 7 of the Act in respect of any petroleum recovered by the holder of the petroleum title and used beneficially, unless that recovery and use is authorised by a relevant development consent.</i></p> <p>In this clause, relevant development consent means development consent or approval granted under Part 3A, 4 or 5.1 of the Environmental Planning and Assessment Act 1979 before 18 December 2015.</p> <p>Santos will be required to apply to DRE to have the activity approval modified.</p> <p>This information is an excerpt of the Regulation and any interpretation of this should be given by a legal expert.</p>
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Reference:	18.3 - August 2016
Request:	Can the Committee be provided with a general update on the progress of the Water Monitoring Strategy for Coal Basins in NSW?
Response:	<ul style="list-style-type: none"> • Four new monitoring bores have been drilled in the Narrabri area: <ul style="list-style-type: none"> – one into the Jurassic Pilliga Sandstone (SS) close to Narrabri; the bore is instrumented and providing data online. – a second into the Pilliga SS east of the Narrabri coal mine; this is monitored periodically but so far is dry – a further two bores into the Permian coal seams are being reviewed to ensure they meet environmental and safety standard requirements. • NSW Treasury awarded NSW Department of Industry \$22.8 million to install further new groundwater monitoring bores in coal basins across NSW • The project will run for five years from 2015/16 to 2019/20 • DPI Water is close to awarding the contract to install 3 monitoring bores at a site in the Pilliga Forest known as Plumb Road. • Further wells may be constructed in the Gunnedah Basin later in the project. • Data gathered during the project will help the Government: <ul style="list-style-type: none"> – understand baseline groundwater conditions – monitor changes in groundwater (levels and quality) – monitor natural seasonal fluctuations – monitor long term trends, and – gain a better understanding of the local geology
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