



Roundtable for Unconventional Gas Projects in South Australia

Exhibition Hall, National Wine Centre

Thursday, 14 March 2013

Minutes

Attendees: See attached attendee register

Apologies: See attached apologies listing

Minutes: Allison Harris (DMITRE); Sonia Callisto (DMITRE)

Breakout Session 1: Environment – *Paper #4*

Discussion commenced: 10.45am

Discussion Leaders: Michael Malavazos (DMITRE), Michael Jarosz (DMITRE) and Dale Wenham (DMITRE)

4. Reduction of GHG Emissions

Tim K: Conservation Council SA (TK) – In relation to greenhouse gas emissions and environmental impacts more generally it appears that there is a minimum reporting requirement for industry, but high community expectations. Industry needs to make effort to be transparent in terms of reporting, data and commitments. As a solution, an opportunity exists for NGOs to develop guidelines (to sit alongside the DMITRE guidelines) ‘earning a social licence to operate’ which will give insight into what is expected by NGOs – the guidelines would not be mandatory or agreed; but it would be an opportunity for engagement.

Action item: **MM to distribute the Conservation Council’s draft guidelines for outcome based environmental commitments.**

AF: Sought clarification of the issue - is it that the reports are not being done to an adequate level of detail or that the reports are not visible (i.e. because of confidentiality)? AF suspects that the reporting is done, but there is a confidentiality issue which means it’s not visible to the community. Need to be mindful that the reporting regime is not changed to get around a confidentiality issue. AF added he would not be keen to add more levels of reporting.

DD: DL Dare & Associates (DD)– it should be remembered that the greenhouse gas emissions from unconventional gas in the Cooper Basin, in order of magnitude, is: CO₂ that is associated with the natural gas produced; fuel emissions used to get the gas out of the ground (drilling rigs, compressors, treatment); and fugitive emissions. Looking at fugitive emissions first is like starting from the wrong end.

Tim K: Confirmed he would like to see reports presented in forms more interpretable by the community, NGER data is not easily interpretable.

MM: In cases where it can be demonstrated that NGER is not capturing what it needs to, argument should be presented to change NGER. Furthermore, emission reporting can be addressed at the state level and local level as well.

Action Item: Discussions needed to justify why industry should go one step further than just the national reporting obligations.

1. Sustainable access to water & 2. Prevention of contamination

BW: Strike Energy (BW) – Industry, particularly smaller operators, are already using gathering systems for co-produced water (used for mixing cement, drill water, cleaning). Co-produced water needs to be more freely accessible.

BG: Should we set up an out of session group to deal with operations - how to manage the logistics of water?

MM: Co-produced water is monitored and reported in DMITRE's Annual Compliance Report.

AD: The concern in relation to co-produced water is the brine/contaminates left behind in evaporation ponds.

MM: Studies show this is not the case – before rehabilitation occurs a detailed risk assessment (DRA), endorsed by the EPA, is conducted to establish appropriate level of rehabilitation required based on surrounding state of environment and land use and risks to that land use and environment. This is to ensure the area is restored to the same safe level as the surrounding environment prior to abandonment. There is a process in place to manage this recognised risk. This process may need to be communicated better to the community.

Tim K: The story of how water/brines/sludge is managed needs to be communicated better to the public.

DD: Are ponds rehabilitated? MM – Yes, the level of rehabilitation depending on the adjacent land use.

DB: Halliburton (DB) – Halliburton have been using above ground water storage containers; lowers the risk for contamination of land/groundwater.

DW: Advised that under the SEO process there are obligations to monitor ponds and to ensure they meet the standards.

Tavis K: The EPA also has a Waste Management Hierarchy that must be followed - recycling/reusing water as the higher goal, disposal as the final option.

John M: Docklands Science Park (JM) suggested using an ion exchange method to treat water; this process treats the water so that it can be reused and it can be applied to large volumes of water. This process is becoming more economically sound.

MM: Water monitoring is outlined under the SEOs; base line monitoring is conducted on a risk based prescribed frequency basis.

Tim K: Raised concern in relation to the spread of Buffel Grass; it is a significant risk, both in terms of spreading and creating a fire risk. Operators must be proactive in identifying, containing and managing the risk.

MM: Advised that weed control is managed under the SEO process and Native Vegetation Legislation. Incidents in relation to declared weeds are treated as a Serious Incident.

JB: Added that weed control is one of the key issues dealt with by NRM Boards through SEO and EIR processes.

MM: Well Integrity has been identified as a big issue under the Golden Rules. Licensees are required to report to DMITRE quarterly well integrity monitoring. Where barriers are identified as compromised remedial work must be undertaken immediately. This is an ongoing process.

BG: A bigger effort needs to be made to demonstrate that we are doing this work safely. Policy should not be based on perception; it should be based on evidence.

Action item: BAG to raise greenhouse gas emission reporting issue at a national level; to breakdown NGER data so that it can be communicated more effectively.

Closed: 12.10pm



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Breakout Session 2: Environment – Paper #4

Discussion commenced: 13.05pm

Discussion Leaders: Michael Malavazos (DMITRE), Michael Jarosz (DMITRE) and Dale Wenham (DMITRE)

MS: What is the intention of Recommendation XIV – *Multiple Joint Ventures cooperate in basin-wide monitoring for environmental impacts (to reap economies of scale)?*

MM: There are many Basin-wide impacts that are better dealt with across the Basin as one, rather than individual companies doing their own monitoring.

Tim K: Supports this idea, as it is important to get the regional scale of information together to obtain baseline data.

MM: DMITRE is just about to put out a contract to tender to engage a consultant to look at the impact of burrow pits, it would be beneficial to do something similar in relation to flora and fauna. Licensees will be impacted because their areas will be scrutinised.

Tavis K: How will Recommendation XVIII – *Set a program for basin-wide, base-line, water resource characterisation* – be progressed?

MM: At this stage we do not have a collective agreement on how to best do it.

Action item: Scope how Basin-wide, base-line water resource characterisation will be progressed.

?: Is it worth trying to connect the dots with the shallower aquifers by doing a regional born EM?

?: Recommendation XXXIII – *Post activity audits can attest to the efficacy (or otherwise) of environmental protection plans.* There is no clarity in that statement about a continuous improvement process.

BG: The SEOs are the environmental protection plan. They are reviewed on 5 year cycles, which is an operator responsibility. Efficacy audits must be undertaken. It may be beneficial to redescribe the SEOs into something more fit for public consumption.

- MM: The SEO is a list of objectives and assessment criteria. Operators need to make assessments against the SEO to see what they are achieving. Assessments against the SEO also prove whether the SEO is still relevant for new impacts. There is a need to improve on the assessment criteria, and objectives themselves, to ensure that the essence of the SEO has been captured. There is scope for improvement.
- Tim K: It is important to encourage different viewpoints on SEOs, including NGOs and other 3rd parties, to ensure it is useful and relevant.
- JB: There is a need to clarify land access and to look for ways to streamline it. Must seek a normalised, efficient, fair and transparent process for agreeing the terms for land access for all landowners, not just for the Right to negotiate and Indigenous Land Use Agreement processes.
- BG: SA is the only jurisdiction that publishes the data on our website. It would be useful to create templates with the basic terms that could become part of the negotiation process, this would reduce red tape and legal fees and provide better transparency. This would require the willingness/ agreement from licensees and landowner.
- Jason M: WA Government (JM)– There is a role for farming groups to collaborate to come up with their own framework; it' is essentially a commercial negotiation, so the Government should not be involved.
- AT: In WA, APPEA is working with farmers/landowners to develop a framework of how operators work with pastoralists. It has been found that the process has been more complex when dealing with traditional landowners due to complexities and specifics each group has.
- ??: XXII – *Use of co-produced water for drilling and fracture stimulation fluids*. Required cooperation with all of the Joint Ventures that are producing the water to co-fund the transport facilities to get the water where it's needed.
- Tim K: XLIII – *Fund targeted environmental research in ways that build public trust in outputs* – would like to see a strategy developed around that. It is important that industry does not lead the science too much; the science should be providing guidance and helping all parties. It should involve more than industry funded research, independent research is required.
- MM: Agreed, the scope of these research projects needs to be developed broadly, more than just between DMITRE and Licensees.
- AD: As a landholder it is important that consultation is flagged with interested parties. It needs to be effective and engaged at the local level.
- AF: XXVII – *Pad drilling to minimise footprint, capex and opex* – is this closely related to maximising resource recovery?
- BG: Pad drilling is driven by economics as well as footprint. In terms of transparency, it may be useful to see this described in the SEO to demystify the issue.
- AT: Who would you look to for independent science to validate research?
- BG: DMITRE would look to DEWNR and other State Government colleagues with a particular expertise to advise.

Tim K: Federal Government has a role in working out how to get independently funded science. Scientific questions need to be able to be solved.

BG: Supports user pays research; industry should be funding the science, as it is not up to the Government to pay for.

BG: We should get hold of all inventory of all future mines; their power and water demands (which already exists) and make sure it's something we look at when looking at options for the supply of water and power to ensure opportunities don't get overlooked.

Action item: DMITRE to put this information up on the website.

Closed: 14.05pm



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Day One Final Discussion and Close

Discussion Leader: Barry Goldstein (DMITRE)

BAG thanked for everyone who attended.

Key Issues identified:

Establishing joint ventures of joint ventures to look at water transport and inform regulation in terms of shifting equipment and other regulated activities within the field.

How to demonstrate to the public what we say is what we do relative to fugitive emissions and other matters of public interest.

BW: Collecting water in central places; will need minimum of two depots on either side of the Cooper Creek; probably another one to the north.

PC: There are 125 Recommendations how will they be addressed?

BG: The current ranking system will be gazumped by what we can actually do. Trying to get Premier and Minister to host a dinner at APPEA and invite the Managing Directors of key operators and try and get commitment to actions. Recommendations need to get moving within 12-18 months.

AD: Whatever the actions are that do come out of this meeting, consultation must to be open and transparent especially with landowners.

Closed: