



## Tenure Matters

Issue 3 - May 2014



*A column by Sue Slater, Senior Advisor Petroleum, RLMS*

Welcome back to the third issue of Tenure Matters. Thanks to those of you who have provided some feedback and suggestions, I will try to cover the topics suggested over the coming months.

This month, it seems timely to talk about the land release gazetted on 4 April 2014 by the Queensland Department of Natural Resources and Mines. The closing date for tenders is 4.30pm on Monday 29 September 2014. Six areas have been released: one in the Carpentaria Basin (PLR2014-1-1); two in the Georgina Basin (PLR-2014-1-2 and PLR-2014-1-3); and three in the Cooper/Eromanga basins (PLR-2014-1-4; PLR-2014-1-5 and PLR-2014-1-6).

Applications must include a completed application form (GEN-01 Version 6, available at [http://mines.industry.qld.gov.au/assets/land-tenure-forms/GEN-01\\_explorationapp.pdf](http://mines.industry.qld.gov.au/assets/land-tenure-forms/GEN-01_explorationapp.pdf) ) with all required supporting documents and a cheque for the application fee or receipt showing it has been paid. One original hard copy, and four additional hard copies (so 5 in total) plus an electronic copy on CD or USB stick must be lodged.

The initial work program must be included, and forms part of the assessment criteria. Unlike some recent years, there is no specified point allocation for work (1 point per 1km of seismic for example). The activities must be specified on a yearly basis and may include:

- number and meterage of wells to be drilled, identifying the target strata to test the geological model,
- line kilometres of new 2D seismic acquisition, or square kilometres of new 3D seismic acquisition,
- type and amount (either linear or area coverage as appropriate) and estimated cost of any other on-ground scientific or technical surveys,
- summary of activities proposed for testing of natural underground reservoirs for storage.

The timing of the work program needs to be clear, and earlier completion of activities will be looked upon favourably. A note of caution however, unless you already have a presence in the area under application, expecting to complete new work on-the-ground in the first year has been proven time and again to be an ambitious undertaking not likely to be achieved.

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A guideline on preparing work programs is available at:

<http://mines.industry.qld.gov.au/assets/legislation-pdf/later-work-prog-pg-pa11.pdf> .

The other part of the assessment criteria is the capability criteria, comprising financial resources, technical resources and the ability to manage petroleum exploration. An applicant must meet the criteria in each category to be considered as a preferred tenderer. Unlike other years, the tender document does not provide a breakdown of the relative weight of the work program criteria and the capability criteria.

Within 20 business days of being advised that an applicant is the preferred tenderer, they must notify the Department of the native title process they propose to undertake, either a right to negotiate (RTN) or indigenous land use agreement (ILUA). Each of the areas will require a native title process in order to proceed to grant.

The preferred applicant will also have to apply for and have granted an Environmental Authority. For exploration areas, it is most likely that an applicant can get a Standard Approval under the *Environmental Protection Act 1994*. These are granted much more quickly and easily than has sometimes been the case in the past.

The tender document provides a good summary of the areas and the data already available. It can be downloaded from the QTenders Website at:

<https://secure.publicworks.qld.gov.au/etender/tender/display/tender-details.do?id=11894&action=display-tender-details> .

The table below summarises some salient points on each area.

Tender area	Basin	Sub-blocks	Excluded areas	Existing petroleum exploration	Native title?
PLR-2014-1-1	Carpentaria Basin	2475	YES	303 line km seismic COM Silverleaf 1 in 1988	YES
PLR-2014-1-2	Georgina Basin	800	NO	No seismic, No drilling	YES
PLR-2014-1-3	Georgina Basin	875	NO	No seismic APN Morstone 1 in 1963	YES
PLR-2014-1-4	Eromanga Basin Cooper Basin Warrabin Trough Warburton Basin	340	NO	2163 line km seismic AOD Cumroo 1 in 1968 OCA Womilla 1 1997	YES
PLR-2014-1-5	Eromanga Basin Cooper Basin Warrabin Trough	524	NO	2569 line km seismic BPD Bodall 1 in 1967 OCA Bunginderry 1 in 1999 HOA Eromanga 1 in 1981 NMX Bargo 1 in 1988	YES
PLR-2014-1-6	Eromanga Basin Warrabin Trough Warburton Basin	146	NO	1608 line km of seismic HEP Minedella 1 in 1985 SSL Ipundu 4A in 1998 SSL Loganberry 1 in 2006 SSL Currawinya 1 in 2006 SSL Enoggara 1 in 2007 SSL Inspector 1 in 2007 SSL Olive Oyl 1 in 2012	YES

The areas in the Carpentaria and Georgina Basins are true greenfields exploration areas. Work program commitments should be commensurate with this. A **minimum** work program should aim to include new work on-the-ground in Year 2 (probably seismic), and at least one well by the end of Year 4. In light of the probable logistic constraints associated with these areas, due to their remote location and probable wet season timing, and high cost of mobilisation and de-mobilisation, it would be prudent to carefully consider the timing commitments made in the application document. Remember that if you are the preferred tenderer and the ATP proceeds to grant, there is extremely limited ability to amend work programs, and strict compliance criteria will apply.

The other three areas are all adjacent to existing Petroleum Leases including the Kenmore, Utopia, Bodalla South, Black Stump, Mulberry, Gimboola and Ipundu oil fields and others. Despite not having successful wells previously drilled within their boundaries, each has a level of exploration maturity well beyond the Carpentaria and Georgina basin areas, including good seismic coverage and several wells drilled on or around the areas. The department has highlighted understanding structure and regional distribution of porosity and permeability in reservoir units as key factors in exploration success for these areas.

Also remember, in the future, there could be additional post-grant processes associated with the *Regional Planning Interests Act 2014*. PLR-2014-1-1 to PLR-2014-1-3 are within the area currently covered by the non-statutory Gulf Regional Development Plan; and PLR-2014-1-4 to PLR-214-1-6 are within the area covered by the current South West Regional Plan (2009). It is not yet known when these areas may be included in one of the new generation statutory regional plans.

I hope this summary is helpful, and remember that at RLMS we are happy to assist you in putting together your tender applications.

I am happy to hear suggestions about topics you would like covered. Feel free to email me at [sue.slater@rlms.com.au](mailto:sue.slater@rlms.com.au) with the subject heading Tenure Matters.

In the meantime, remember “Tenures make the Project; the Project doesn’t make the Tenures”.

*RLMS covers the project spectrum from planning through to State and Federal government approvals, including land access, compensation, environmental impact statements and work schedules for clients ranging from entrepreneurs to major corporations, from start-ups to government agencies, and state significant projects such as Queensland’s LNG giants. Contact RLMS at:*

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