



Department of
Natural Resources,
Mines and Energy

Date 2020

BNG (Surat) Pty . Ltd.
Tyson Croll
GPO Box 3107
BRISBANE QLD 4001

Email sch4p4(6) Per@shell.com

Dear Tyson,

I refer to the application for Potential Commercial Areas (PCA) Numbers 305 and 309 lodged over the area of Authority to Prospect (ATP) Number 645 by BNG (Surat) Pty. Ltd. (BNG) (ACN: 090 629 913) on 29 November 2019. I also refer to the renewal application and the accompanying proposed later work program (LWP) for ATP 645, lodged on the same date.

On **Date** 2020, pursuant to section 90 of the *Petroleum and Gas (Production and Safety Act) 2004* (P&G Act), the Minister’s delegate declared PCA 305 and 309 for a term of 15 years ending on **Date**. Please note that BNG, before the end of term of PCAs 305 and 309, will have the option to progress to a Petroleum Lease ~~or seek a further PCA declaration over the area.~~ I note that **On date** PCAs 306, 307 and 308 have been ~~were~~ withdrawn as per your request dated 27 July 2020 by BNG.

On **Date** 2020, pursuant to section 57(1) of the P&G Act, the Minister’s delegate approved the LWP for ATP 645 for the period ending 31 December 2023 and pursuant to section 84(1) of the P&G Act, ~~approved~~ granted the renewal of ATP 645 for the period 1 January 2020 to 31 December 2031.

The relevant LWP that needs to be completed within this period and the evaluation program commitments that are taken to be an additional part of the existing work program are detailed in the attached hard copy PCAs and LWP documents and are summarised below:

ATP 645 Later work program summary

Year	Minimum Authorised Activities	Estimated Expenditure \$
------	-------------------------------	-----------------------------

sch4p4(7)(1)(c) Business/commercial/professional/financial affairs

Year	Minimum Authorised Activities	Estimated Expenditure
		\$
sch4p4(7)(1)(c) Business/commercial/professional/financial affairs		

PCAs 305 and 309 Evaluation program summary

Year	Activities
Year 1	Review and update of geological model, reservoir characterisation and in-place gas resources.
Year 2	Review of existing and future potential technological options, including drilling, completion, stimulation and production optimisation for input into well design and program planning.
Year 3	Review of well and seismic results and planning for future appraisal.
Year 4	Review of well and seismic results and planning for future appraisal.
Year 5	Studies in support of further appraisal and front-end loading development planning.
Year 6	Studies in support of further appraisal and front-end loading development planning.
Year 7	Studies in support of further appraisal and front-end loading development planning.
Year 8	Studies in support of further appraisal and front-end loading development planning.
Year 9	Studies in support of further appraisal and front-end loading development planning.
Year 10	Studies in support of further appraisal and front-end loading development planning.
Year 11	Selection of development concept.
Year 12	Define development concept and update project economic evaluation.
Year 13	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 14	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 15	Pre-FEED engineering studies. Reserve certification to underpin gas sales agreement and investment decision.

~~On date PCAs 306, 307 and 308 have been withdrawn as per your request dated 27 July 2020.~~

Please note that if BNG proposes, or becomes aware of, a change to the committed expenditure and activities in the period of the approved work program, an amendment in accordance with either section 60 or section 107A of the P&G Act should be lodged with the Department of Natural Resources, Mines and Energy ([the department](#)). Non-compliance with the approved work program may impact future ATP-related applications.

Should you have further enquiries, please contact Kate Byrne, Petroleum Registrar, Petroleum Assessment Hub of the department on telephone number (07) 3199 8064 or email david.ralph@dnrme.qld.gov.au PetroleumHub@dnrme.qld.gov.au.

Yours sincerely

Phillip Wilkinson
**Manager, Assessment
Petroleum Assessment Hub**

Att/Enc: Endorsement

Published by Resources
RTI Act 2009

Operational policy

Special amendment of an authority to prospect work program

MIN/2015/1509
28 October 2020
Version 3.02

Purpose

This policy clarifies the limited circumstances in which a special amendment of an authority to prospect (ATP) may be approved and provides guidance to industry on how the department will assess applications for a special amendment.

This policy should be read in conjunction with Operational Policy MIN/2015/1313, Exceptional circumstances and exceptional events.

The information in this policy reflects current departmental practice and does not override legislative requirements or the exercise of discretion. These practices may change from time to time with changes to be published through a revised version of this policy.

The department is committed to respecting, protecting and promoting human rights. Under the *Human Rights Act 2019*, the department has an obligation to act and make decisions in a way that is compatible with human rights and, when making a decision, to give proper consideration to human rights. To the extent an act or decision under this document may engage human rights under the *Human Rights Act 2019*, regard will be had to that Act in undertaking the act or making the decision.

Background

The special amendment provisions under ss. 107A – 107D of the P&G Act allow for approval to amend an ATP work program or relinquishment requirements for either an individual ATP or for an ATP-related project, **only** when a special amendment is necessary in the following extraordinary circumstances:

- because of an exceptional event affecting the ATP - described more fully in Operational policy MIN/2015/1313, Exceptional circumstances and exceptional events; or
- where the ATP is part of an exploration project.

The existing work program and relinquishment obligations set at the grant of an ATP, or that are otherwise approved and amended under the P&G Act, are considered to optimise the use and development of knowledge of the State's petroleum resources. Therefore, a special amendment application will be considered favourably where the proposed special amendment provides for at least the equivalent level of use and development of knowledge of the State's petroleum resources.

An application for a special amendment of an ATP can be made using the prescribed form [MMOL-25](#) in accordance with the application and assessment requirements under ss.107A – 107D of the P&G Act. It is departmental policy that a holder apply for project status using the special amendment provisions.

If there is more than one holder, then all holders must collectively apply or a holder must have consent to apply on behalf of the other holders.

Holders should apply for special amendment of an ATP **as soon as they become aware** of the need for the amendment. However, an application cannot be made in relation to a special amendment where the period of the approved work program has expired.

To avoid the potential scenario of non-compliance with a work program and to allow a full and proper assessment of those applications, applications should be submitted **at least three months** before the end of the approved work program period. This time period does not apply to a special amendment required due to an exceptional event. Applications lodged less than three months from the end of the approved work program will be considered less favourably.

An approval of a special amendment to an ATP work program takes effect from the day the notice is given. A change of conditions of an ATP takes effect on the day the approval takes effect.

Policy determination

Special amendment

An application for special amendment must state:

- the exceptional event affecting an ATP; or
- circumstances arising from the ATP forming part of an exploration project,¹

that justify the special amendment.

Where an application for special amendment has been received in the initial work program period of an ATP granted following a competitive 'call for tenders', the Minister may have regard to work programs proposed by other tenderers. For example, the Minister may consider whether the proposed amendment maintains an appropriate level of competition in the carrying out of petroleum activities.

If an ATP holder provides insufficient information to enable assessment of an application, this may result in delays in assessment and decision making while further information is sought. It may also result in refusal of the application.

Legislative changes from 25 May 2020

ATP holders should be aware that from 25 May 2020 applications for a special amendment can only be made if the amendment is required due to an exceptional event or due to circumstances arising from the existing ATP being part of an exploration project.

Any undecided applications as at 25 May 2020 must be decided by law under section 107D of the P&G Act as amended by the *Natural Resources and Other Legislation Amendment Act 2019*.

Alternatively, amendments to ATPs under section 60 of the P&G Act will still be available in some circumstances.

Project-related special amendment

An exploration project-related ATP is considered by the department to be an ATP that forms part of a group of ATPs (usually located within the same basin or geographical area with

¹ *Petroleum and Gas (Production and Safety) Act 2004*, ss 107A(1A) and 107A(2).

similar petroleum or gas targets) that have a unifying exploration or proposed development concept.

The holder of an ATP with a project-related status may apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project.

Project-related status under this policy **only relates to making an application for a special amendment**, i.e. to justify the circumstances requiring the amendment.

A special amendment of a work program or relinquishment condition of an ATP that forms part of an exploration project, may result in a reduced or delayed work program or relinquishment condition. However, any reduction in the work program for one ATP in a project must result in an increase in the work program for another one or more ATPs in the same exploration project. Similarly, a delay in a relinquishment condition for one ATP in an exploration project, must result in an equal reduction in the area of another ATP in the same exploration project.

To use the special amendment provisions, holders should provide a description and details about the exploration project and why the special amendment is being applied for. Details to be provided include, but are not limited to:

- the exploration project name;
- a list of all ATPs comprising the exploration project;
- how activities on the ATPs comprising the exploration project are operationally interrelated (for example the ATP is one of a group of ATPs in the same basin or geographical area that is being explored by common holders or under the one joint venture arrangement);
- the overall exploration strategy of the exploration project, including existing and proposed project wide work program and relinquishment requirements;
- the role and exploration status of each ATP in the exploration project; and
- the special amendment that is being proposed.

Although ATPs comprising an exploration project will generally have common holders, holder commonality is not a prerequisite to exploration project recognition. A special amendment that affects the work program or relinquishment of multiple holders in the exploration project should be made jointly by the affected holders in the project or with consent.

Example – relinquishment reallocation to other ATPs in an exploration project

If an ATP in an exploration project is required to be reduced by 100 sub-blocks by 30 June 2021 but the ATP holder wants to hold that land for longer, then the ATP holder may apply under section 107A to relinquish the area of another ATP in the same exploration project instead. If the special amendment is granted, the relinquishment requirement for the first ATP will be amended to zero as at 30 June 2021, but the relinquishment requirements of one or more other ATPs nominated by the applicant will be increased accordingly. This means that 100 sub-blocks are still relinquished from the exploration project by 30 June 2020, in addition to the sub-blocks the other ATPs in the exploration project would have otherwise relinquished.

Example – relinquishment – direct substitute

ATP 111 and ATP 222 are ATPs that form an exploration project. ATP 111 has a relinquishment condition to reduce the area by 50 sub-blocks prior to 30 June 2021. The holder of ATP 111 has applied for a special amendment to postpone the requirement to the end of the year 12 term of this ATP. The special amendment may only be approved if the relinquishment condition for ATP 222 is also amended to increase the relinquishment requirement for it by 50 sub-blocks, to be relinquished prior to 30 June 2021.

Example – work program

ATP 111 and ATP 222 are ATPs that form part of a project. ATP 111 has an approved work program requiring the drilling of five wells in the program period ending 30 June 2021. The holder of ATP 111 has applied for a special amendment to reduce the requirement to drill five wells to three wells. The special amendment may only be approved if the work program for ATP 222 is also amended to increase its approved work program by two wells, required to be drilled prior to 30 June 2021.

Example - ATP that is part of a project being transferred

As for single ATPs, the work program for an ATP moves with the transfer of the ATP to the transferee. The transferee of an ATP that is part of an exploration project, may either commit to carrying out the existing work program or apply for approval of a special amendment to change the work program after the transfer is approved. As part of the transfer process, the transferee may contact the department for an indication as to whether the proposed updated work program would be approved for the remainder of the work program period.

ATP holders considering a special amendment of an ATP based on exploration project considerations are encouraged to contact the department pre-lodgement to discuss and agree an exploration project is sufficient for the purposes of the special amendment provisions of the P&G Act.

Conditioning of authority to prospect

In approving a special amendment pursuant to ss.107B and 107C, the Minister may also approve a change of conditions of the ATP with respect to the amendment of the work program or relinquishment. For example, the Minister may condition exploration project-related amendments as only having effect while the ATP is managed as a part of the project.

Any change to the conditions of an ATP to be imposed under these sections will be made in consultation with the holder/s of the ATP.

When project-related special amendment will not be approved

An ATP that is still in its initial work program period (the initial ATP), can form part of an exploration project. However, it can only form part of an exploration project if another ATP in the same project is reducing its later work program and increasing the initial work program of the initial ATP that is in the same project.

The initial ATP cannot form part of an exploration project if the initial ATP is proposing to reduce its initial work program and increase the later work program of another ATP that is in the same project. Any application for a project related special amendment, proposing such an amendment, will be refused.

Similarly, a delay in a relinquishment condition for an ATP in an exploration project, can result in an equal reduction in the area of an initial ATP in the same exploration project.

The initial ATP cannot delay its relinquishment condition to result in an equal reduction in the area of another ATP that is in the same project. Any application for a project related special amendment, proposing such an amendment, will be refused.

Amendments due to COVID-19

The department recognises the COVID-19 pandemic and related restrictions as an exceptional event that may necessitate ATP holders applying to vary their work program and/or relinquishment conditions.

An application to amend the conditions of the ATP can be made for impacts due to COVID-19 and related restrictions. The existing MMOL-25 application form can be accessed [here](#) for applications under s107A. The usual fee has been waived for applications made within 1 April 2020 and 31 March 2021.

This aspect of this policy will apply to activities in approved work programs for **years 2020 and 2021 only**. Work program activities that should have been completed prior to 2020 will not be able to demonstrate that the inability to complete the activities was due to COVID-19 or related restrictions. However, the department acknowledges that if the 2020 or 2021 work program activities are changed, this may require adjustments to work programs for later years, for example where future drilling work is contingent on the results of exploration that has been deferred.

All ATPs are eligible to apply, including those granted as a result of a competitive application process. If an ATP includes a condition that limits the ability to apply to amend an initial work program, please contact the Petroleum Assessment Hub to discuss before applying.

Examples of impacts ATP holders may face include the inability to source staff for exploration due to border movement restrictions, inability to move specialised exploration equipment onto site, the inability to safely undertake field work due to social distancing requirements, and as a direct consequence of the economic impacts associated with COVID-19 (e.g. cash flow, low cash reserves, access to capital).

ATP holders will need to advise why their work program has been impacted by COVID-19 and related restrictions.

For example, an ATP work program includes drilling one well in 2020, however due to COVID-19 restrictions the ATP holder requests a deferral of these on ground activities until 2021.

An ATP with a work program ending on 30 June 2020 will be unlikely to be able to show that the inability to comply with the work program was due to COVID-19 related restrictions as the majority of work program activities should already have been well underway prior to COVID-19 related disruptions taking place from March 2020.

Similarly, an amendment to activities in an approved work program proposed in 2022 will need to demonstrate how COVID -19 impacts in the years 2020 and 2021 have affected their ability to carry out the proposed 2022 activities.

Once the work program is amended, a holder will only be required to comply with the new work program and associated expenditure.

If the relinquishment condition is varied, it will defer relinquishment to the next relinquishment date.

The ATP holder remains subject to the requirements of the P&G Act, this policy and associated policies.

Document information

Availability and location: External, Business Industry Portal

Owner and approver: Deputy Director-General, Georesources Division

Review date: October 2022

Related documents: This policy should be read in conjunction with the Operational Policy, MIN/2015/1313, Exceptional circumstances and exceptional events.

Contact: For help and information contact the Petroleum Assessment Hub on (07) 3199 8118 or email petroleumhub@dnrme.qld.gov.au.

Disclaimer

The purpose of this policy is to provide a framework for consistent application and interpretation of the legislation administered by the department. Policies may be applied flexibly where individual circumstances require an alternative application of policy. Where this policy, or part of this policy, is inconsistent with relevant legislation, the legislation will prevail to the extent of the inconsistency.

While this document has been prepared with care it contains general information and does not profess to offer legal, professional or commercial advice. The Queensland Government accepts no liability for any external decisions or actions taken on the basis of this document. Persons external to the Queensland Government should satisfy themselves independently and by consulting their own professional advisors before embarking on any proposed course of action.

Published by Resources
RTI Act 2009

The Queensland Government supports and encourages the dissemination and exchange of its information. The copyright in this publication is licensed under a Creative Commons Attribution 3.0 Australia (CC BY) licence.



Under this licence you are free, without having to seek our permission, to use this publication in accordance with the licence terms.

You must keep intact the copyright notice and attribute the State of Queensland as the source of the publication.

For more information on this licence, visit www.creativecommons.org/licenses/by/3.0/au/deed.en While every care is taken to ensure the accuracy of this product, the Queensland Government makes no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages (including indirect or consequential damage) and costs which you might incur as a result of the product being inaccurate or incomplete in any way and for any reason.



Table of Contents

Table of Contents	2
Permit details	3
Holders	3
Area	4
Environmental Authority and Financial Provision	5
Term history	5
Native title	5
Purpose and minerals	5
Related permits	5
Financial	6
Activities	6
Actions	6

Published by Resources
RTI Act 2009



Permit details

Permit ID:	PCA 305
Type:	Potential Commercial Area - Petroleum
Permit name:	Bowen TGS: PCA 1
Status:	Application
Lodged date:	29/11/2019
Grant date:	
Commencement date:	
Expiry date:	
Term sought:	15 years
Work program type:	
Conditions:	
Locality:	East of Surat
Public remarks:	
Departmental remarks:	
Act permit granted under:	
Act now administered under:	

Holders

Authorised holder representative (AHR)

QGC Pty Limited
 GPO Box 3107 Brisbane QLD 4001
 Phone: 30247806
 Email: QGC-Tenures@shell.com

Holders

Holder name	Change reason	Share %	Status	Held from	Held to	Authorised holder
BNG (SURAT) PTY. LTD. (ACN: 090629913) * GPO Box 3107 Brisbane QLD 4001 +61730247806 QGC-Tenures@shell.com		100.000000000000	Current	29/11/2019		Yes

Tenancy type: Sole Holder

Authorised Holder Group

Name	Email	Phone	Address
LEWIS Ben	benjamin.lewis@bg-group.com		



- Area

Location:	View Map
Mining district:	Dalby
Local authority:	Maranoa Regional Council, Western Downs Regional Council
Area:	275 Sub-blocks
Exclusions:	
Marked out date:	

Sub-blocks

BIM	Block	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2657	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2658	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2659	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2660	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2729	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2730	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2731	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2732	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2802	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2803	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Charleville	2875	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Background land

No data available

Survey plans

No data available

Relinquishment details

No data available

Sub-blocks retained

No data available

Published by Resources
RTI Act 2009



Environmental Authority and Financial Provision

Environmental Authority (EA) No data currently available from external service. Last updated date: 05/11/2020 03:52 PM

EA Number:	
EA Version:	
EA Permit Status:	
EA Application No:	
EA Application Type:	
EA Grant Date:	
EA Effective Date:	
Other Permits on Same EA:	

Estimated Rehabilitation Cost (ERC)

ERC Number:	
ERC Amount:	
ERC Decision Date:	
ERC Reason Name:	

Financial Provision (FP) No data currently available from external service. Last updated date: 05/11/2020 03:52 PM

FP Status:	
FP Decision Date:	
FP Payment Due Date:	
FP Payment Receipt Date:	

Term history

Term	Date notice issued	Date lodged	Date approved	Date commenced	Date term ends	Term	Act granted under
		29/11/2019					

Native title

No data available

Purpose and minerals

Prescribed minerals
Petroleum

Related permits

Controlling permit: ATP 645



Financial

Rent details

Area units:	275
Rate/unit area:	

Rent schedule

No data available

Security

Refer to MERLIN for details of security held against this permit.

Financial assurance

Financial assurance for Petroleum & Gas, Geothermal and Greenhouse Gas permits is held by EHP. Contact EHP to request current assessable and held amounts of financial assurance for this permit. Also ask EHP to provide the environmental authority number so that it can be recorded in MyMinesOnline.

Activities

Activity name	Activity / Dealing No	Status	Date received	Expected completion	Date completed	Remarks
Maintain sub-blocks	322936	Approved	10/08/2020	10/08/2020	10/08/2020	
Maintain sub-blocks	322841	Approved	07/08/2020	07/08/2020	07/08/2020	
Maintain sub-blocks	322436	Approved	06/08/2020	05/08/2020	06/08/2020	
Amendment to application	317447	Approved	23/06/2020		22/07/2020	
Amendment assessment	317598	Closed(Accepted)	23/06/2020	27/07/2020	22/07/2020	Amendment approved.
Change Principal Holder Address		Closed	22/04/2020	22/04/2020	22/04/2020	Change from GPO Box 3107 Brisbane QLD 4001 to GPO Box 3107 Brisbane QLD 4001
Change Authorised holder representative address		Closed	22/04/2020	22/04/2020	22/04/2020	Change from GPO Box 3107 Brisbane QLD 4001 to GPO Box 3107 Brisbane QLD 4001
Change Authorised holder representative address		Closed	22/04/2020	22/04/2020	22/04/2020	Change from GPO Box 3107 Brisbane QLD 4001 to GPO Box 3107 Brisbane QLD 4001
Change Authorised holder representative address		Closed	22/04/2020	22/04/2020	22/04/2020	Change from GPO Box 3107 Brisbane QLD 4001 to GPO Box 3107 Brisbane QLD 4001
Change Authorised holder representative address		Closed	22/04/2020	22/04/2020	22/04/2020	Change from GPO Box 3107 Brisbane QLD 4001 to GPO Box 3107 Brisbane QLD 4001
Application assessment	296573	In progress	29/11/2019	19/10/2020		No comment.

Actions

Current actions

Action	Context	Status	Date started	Due date	Last updated by	Remarks	Documents
Assess permit area for Native Title	Application - Native title assessment	Completed	10/12/2019	10/12/2019	Julieanne Butteriss	10.12.2019 - The declaration of a Potential Commercial Area is not the creation of a right to mine. The declaration has no impact on native title and no assessment has been undertaken. Should any further mining tenement applications be made over the declared area, a native title assessment will be required.	

Historical actions

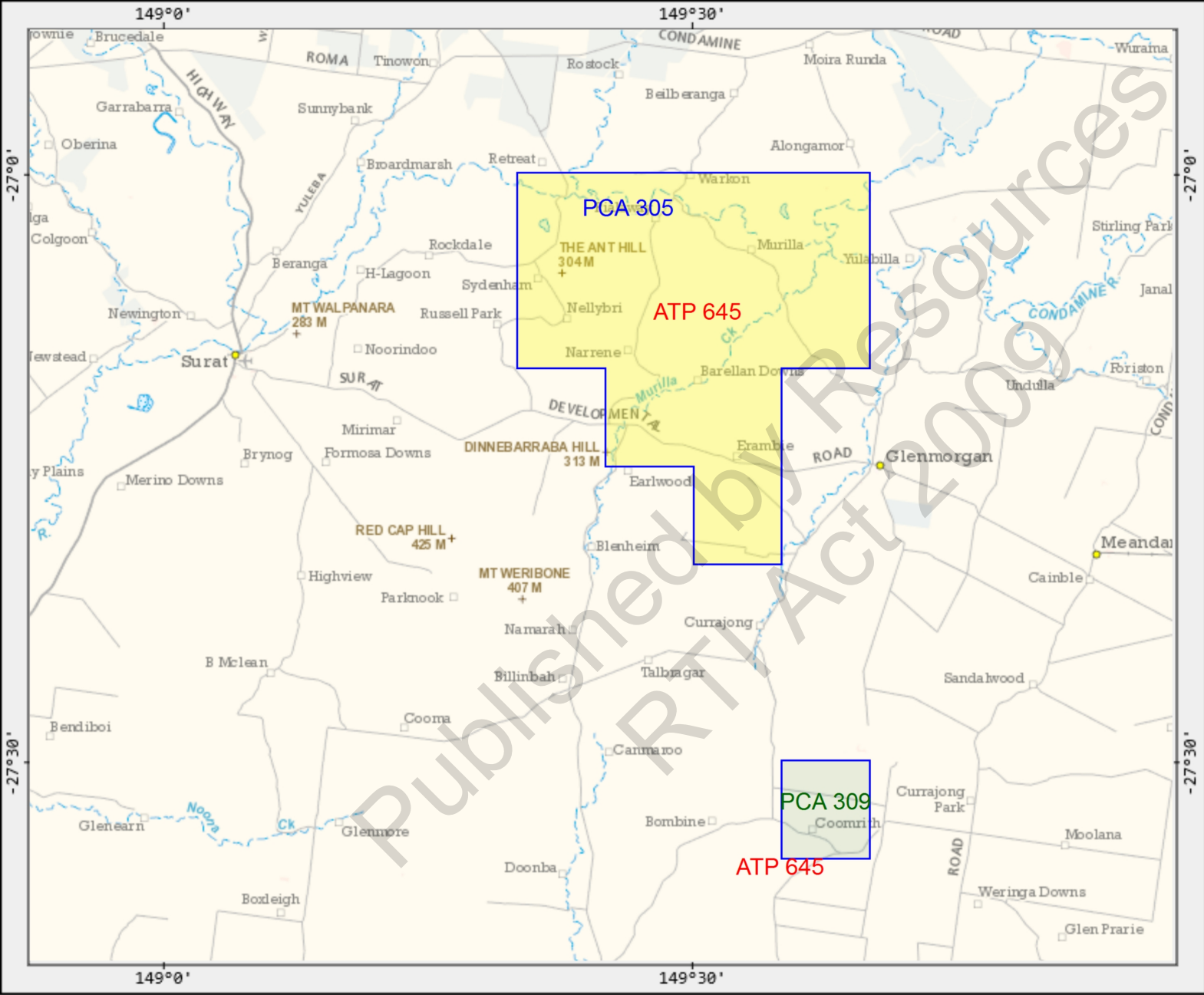
Action	Context	Date started	Due date	Date completed	Last updated by	Remarks	Documents
File Note – External Correspondence	PCA306, PCA307, PCA308	04/12/2019	29/12/2019	04/12/2019	Kate Byrne	Advice from QGC regarding PCA. Further information in email attached.	Email f...
Additional information request	PCA309	23/09/2020	09/10/2020	21/10/2020	Kate Byrne	Additional information request sent to QGC on 22/9/2020. Given until 9/10/2020 to provide information. See attachment for further information. QGC provided a response to the information request on 9/10/2020.	Letter t... ED ema... Email ro... Respon...

Archived actions

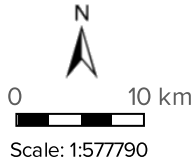
No data available

Location Map ATP645, PCA305, PCA309

A product of
GeoResGlobe



Legend located on next page



Printed at: A4
 Print date: 11/8/2020
 Projection: Web Mercator EPSG 102100
 For more information, visit
<https://georesglobe.information.qld.gov.au/help-info/Contact-us.html>

Includes material © State of Queensland 2020. You are responsible for ensuring that the map is suitable for your purposes. The State of Queensland makes no representation or warranties in relation to the map contents and disclaims all liability.

Imagery includes material © CNES reproduced under licensed from Airbus DS, all rights reserved © 21AT © Earth-i, all rights reserved, 2020



Department of Natural Resources, Mines and Energy

Location Map ATP645, PCA305, PCA309

 Legend

 Attribution



































Esri, CGIAR
QPWS, Esri, HERE, Garmin, FAO, METI/NASA, USGS
© State of Queensland (Department of Natural Resources, Mines and Energy) 2020

Published by Resources
RTI Act 2009

Overlapping Map ATP645, PCA305, PCA309

Legend

Attribution

- | | |
|---|--|
|  EPC application |  Petroleum PCA granted |
|  EPC granted |  MC permit application |
|  EPM application |  MC access application |
|  EPM granted |  MC permit granted |
|  EPM special application |  MC access granted |
|  EPM special granted |  ML permit application |
|  MDL permit application |  ML surface area application |
|  MDL access application |  ML access application |
|  MDL permit granted |  ML permit granted |
|  MDL access granted |  ML surface area granted |
|  EPG application |  ML surface restricted land granted |
|  EPG granted |  ML access granted |
|  EPQ application |  PL application |
|  EPQ granted |  PL granted |
|  ATP application |  GL application |
|  ATP granted |  GL granted |
|  Petroleum PCA application |  QL application |

Esri, Geoscience Australia, NASA, NGA, USGS

QPWS, Esri, HERE, Garmin, METI/NASA, USGS

© State of Queensland (Department of Natural Resources, Mines and Energy) 2020

© State of Queensland (Department of Natural Resources, Mines and Energy), 2020

Overlapping Map ATP645, PCA305, PCA309

 Legend

QL granted

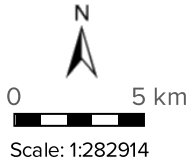
Published by Resources
RTI Act 2009

Satellite Map ATP 645 & PCA 305

A product of
GeoResGlobe



Legend located on next page



Printed at: A4
Print date: 10/11/2020
Projection: Web Mercator EPSG 102100
For more information, visit
<https://georesglobe.information.qld.gov.au/help-info/Contact-us.html>

Includes material © State of Queensland 2020. You are responsible for ensuring that the map is suitable for your purposes. The State of Queensland makes no representation or warranties in relation to the map contents and disclaims all liability.

Imagery includes material © CNES reproduced under licensed from Airbus DS, all rights reserved © 21AT © Earth-i, all rights reserved, 2020



Department of Natural Resources, Mines and Energy

Satellite Map ATP 645 & PCA 305

 Legend

 Attribution

Esri, Geoscience Australia, NASA, NGA, USGS

QPWS, Esri, HERE, Garmin, METI/NASA, USGS

© State of Queensland (Department of Natural Resources, Mines and Energy) 2020

Includes material © State of Queensland (Department of Natural Resources, Mines and Energy); © Commonwealth of Australia (Geoscience Australia); © 21AT, © Earth-i, all rights reserved, 2020.

Published by Resources
RTI Act 2009

Operational policy

Application for declaration of a potential commercial area

MIN/2015/1318
25 May 2020
Version 2.02

Purpose

Pursuant to section 3 of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act), the main purpose of the P&G Act is to facilitate and regulate the carrying out of responsible petroleum activities and the development of a safe, efficient and viable petroleum and fuel gas industry in various ways, including to:

- manage the State's petroleum resources for the benefit of all Queenslanders;
- enhance knowledge of the State's petroleum resources;
- encourage and maintain an appropriate level of competition in the carrying out of petroleum activities; and
- optimise coal seam gas production and coal or oil shale mining in a safe and efficient way.

The purpose of this policy is to inform industry of certain matters that will be considered by the Minister (or authorised delegate) when deciding whether to declare a potential commercial area (PCA) under section 90 of the P&G Act.

The department is committed to respecting, protecting and promoting human rights. Under the *Human Rights Act 2019*, the department has an obligation to act and make decisions in a way that is compatible with human rights and, when making a decision, to give proper consideration to human rights. To the extent an act or decision under this document may engage human rights under the *Human Rights Act 2019*, regard will be had to that Act in undertaking the act or making the decision.

The holder of an authority to prospect (ATP) can apply, under section 89 of the P&G Act, for a declaration of a PCA over all or a part of the area of the ATP. In that regard, applicants are referred to the [Potential Commercial Area Application Guideline](#).

Policy determination

The purpose of a PCA is to enable an ATP holder (the holder) who discovers petroleum or a natural underground reservoir suitable for the storage of petroleum that is not currently commercially viable, to retain an interest in and later develop that discovery. A PCA is not intended to be used as a means of retaining an interest in an ATP if such a discovery has not been made.

A PCA is a statutory declaration over an existing ATP area, which can affect the relinquishment requirements for the ATP. In particular, sub-blocks covered by a PCA are not required to be relinquished by an ATP holder (although, they can be). A PCA declaration can therefore operate to preserve areas of an ATP which would otherwise need to be relinquished. The purpose of this is to allow for appraisal and other activities to prove up the commerciality of the petroleum discovery.

When declaring a PCA, the Minister (or authorised delegate) must be satisfied the decision criteria in section 90 of the P&G Act have been met. While this operational policy focuses on



the decision criteria in section 90(1) of the P&G Act, it should be noted that other requirements also apply.¹

Each PCA application is to be assessed on a case-by-case basis and on the basis of the legislation in force at the relevant time.

Decision criteria in section 90(1) of the P&G Act

1. The area of the PCA is no more than is needed

The Minister (or authorised delegate) may declare an area of an ATP to be a PCA only if satisfied that the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report accompanying the application for the PCA declaration.²

When declaring a PCA, the Minister (or authorised delegate) will therefore consider what area is reasonable for the resource type being targeted, taking into account the extent of the relevant natural underground reservoir.

The applicant must have identified in the report accompanying the PCA declaration application, each relevant natural underground reservoir. If the area being applied for is greater than the relevant reservoir, the applicant will need to demonstrate why the greater area is appropriate.

2. Petroleum production or storage in the proposed PCA is not, and will not soon be, commercially viable, but is likely to become viable within 15 years

The Minister (or authorised delegate) may declare an area to be a PCA only if satisfied that petroleum production or storage in the area to be declared is not, and will not soon be, commercially viable, but is likely to become viable within 15 years.³

The applicant must have lodged a report with its PCA declaration application which, among other things:

- states whether, in the applicant's opinion, it is commercially viable to produce or store petroleum in the proposed area;
- if the applicant's opinion is that it is **not** commercially viable to produce or store petroleum in the proposed area, states whether, in the applicant's opinion, it will, within the next 15 years, be commercially viable to produce or store petroleum in the proposed area; and
- gives data, and an analysis of the data, that supports each opinion.

The supporting data and analysis provided must cover relevant:

- technical and geological issues; and
- market and financial issues.

A PCA declaration application must also have been accompanied by an evaluation program relating to the potential petroleum production or storage in the proposed PCA and associated market opportunities.

Although not mandatory, the department recommends the data and analysis contained in the report accompanying the PCA application is independently prepared and certified. The report

¹ See, for example, *Petroleum and Gas (Production and Safety) Act 2004*, sections 89, 90(2) and (3).

² *Petroleum and Gas (Production and Safety) Act 2004*, s90(1)(a).

³ *Ibid* s90(1)(b).

should detail the factors affecting the commerciality of the proposed PCA and, in appropriate cases, assess the commerciality of alternative development scenarios or pathways to market.

The department recommends petroleum discoveries within a proposed PCA area be evidenced and classified in accordance with the [Society of Petroleum Engineers - Petroleum Resources Management System](#) (PRMS) as approved by the Society of Petroleum Engineers (SPE) in June 2018. The potential resource classifications, and their likely treatment by the Minister (or authorised delegate) are summarised in the table below.

Resource Classification	Commerciality status	Definition	Recommended Resource Authority
Prospective Resource (1U; 2U; 3U)	<u>Not commercial</u>	<p>“Prospective resources” –</p> <ul style="list-style-type: none"> are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects; have both an associated chance of geologic discovery and a chance of development; are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity. 	<p>Any “prospective resources” should be further evaluated by carrying out authorised activities under the ATP.</p> <p>Prospective resources do not represent a petroleum discovery and are unlikely to support a PCA application.</p>
Contingent Resource (1C; 2C; 3C)	<u>Potentially commercial</u>	<p>“Contingent resources” -</p> <ul style="list-style-type: none"> are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies; have an associated chance of development; may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality; are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status. 	<p>Contingent resources can only be booked where a petroleum discovery has been made.</p> <p>If “contingent resources” are identified, they may be suitable for a PCA application.</p> <p>The report supporting the PCA application will need to identify the “contingent resource” and demonstrate that the proposed PCA is not now, and will not soon be, commercially viable, but it is likely to become viable within 15 years.</p>

Resource Classification	Commerciality status	Definition	Recommended Resource Authority
Reserves (1P; 2P; 3P)	<u>Commercial</u>	<p>“Reserves” -</p> <ul style="list-style-type: none"> are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions; reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of a given date) based on the development project(s) applied. 	<p>If estimates indicate that the area of the ATP contains 2P reserves of petroleum, a PCA is unlikely to be considered appropriate.</p> <p>A PL application is likely to be considered more appropriate for the area.</p>

Determining the term of a declared PCA

A PCA may be declared for a period of up to 15 years. The Minister may declare a PCA for a shorter term, if the timing and circumstances around a petroleum discovery and the content of the commercial viability report warrant a shorter term. Applicants should consider only applying for a term that is required to commercialise the resource.

Other matters

PCA and PL applications over the same area

The department notes it is possible for an application for a PCA and an application for a PL to be lodged over the same area by the same ATP holder.

Before lodging both a PCA application and a PL application over the same area, the department recommends the applicant consider whether the information provided in support of those applications could conflict in any way, noting a PCA is intended to support activities which relate to a currently uncommercial discovery and a PL will generally support activities associated with petroleum production.

If conflicts exist, they may need to be considered and resolved:

- before a particular application is accepted for consideration; or
- before a particular application is decided.

On the acceptance of the later PCA or PL application, the department will expect the ATP holder to withdraw the application that does not comply with the requirements for grant under either section 90 (for PCA applications) or section 121 (for PL applications) of the P&G Act.

Important Note: The department’s policy position is that a holder of an ATP cannot make an application for a PL or PCA after the 12 year term of the ATP. This is despite the ATP continuing past the 12 year term because of previously lodged PL or ATP renewal applications that have yet to be decided. An ATP holder is encouraged to engage with the department prior to the end of the 12 year term of the ATP, to discuss any concerns they may have in regards to the development of a discovery within the ATP area.

Document information

Availability: External

Location: Business Industry Portal

Owner and approver: Deputy Director-General, Georesources Division

Review date: 25 May 2022

Related documents: This policy should be read in conjunction with the Potential commercial area application guideline and the Society of Petroleum Engineers – Guidelines for Application of the Petroleum Resources Management System 2018.

Contact: For help and information contact the Petroleum Assessment Hub on (07) 3199 8118 or email petroleumhub@dnrme.qld.gov.au.

Disclaimer

The purpose of this policy is to provide a framework for consistent application and interpretation of the legislation administered by the department. Policies may be applied flexibly where individual circumstances require an alternative application of policy. Where this policy, or part of this policy, is inconsistent with relevant legislation, the legislation will prevail to the extent of the inconsistency. While this document has been prepared with care it contains general information and does not profess to offer legal, professional or commercial advice. The Queensland Government accepts no liability for any external decisions or actions taken on the basis of this document. Persons external to the Queensland Government should satisfy themselves independently and by consulting their own professional advisors before embarking on any proposed course of action.

Operational policy

Special amendment of an authority to prospect work program

MIN/2015/1509

01 April 2021

Version 3.04

1. Purpose

This policy clarifies the limited circumstances in which a special amendment of an authority to prospect (ATP) may be approved and to provide guidance to industry on how the department will assess applications for a special amendment.

The policy should be read in conjunction with Operational policy, MIN/2015/1313, Exceptional circumstances and exceptional events.

The information in this policy reflects current practices within the department and does not override legislative requirements or the exercise of discretion. These practices may change from time to time with changes to be published through a revised version of this policy.

The department is committed to respecting, protecting and promoting human rights. Under the *Human Rights Act 2019*, the department has an obligation to act and make decisions in a way that is compatible with human rights and, when making a decision, to give proper consideration to human rights. To the extent an act or decision under this document may engage human rights under the *Human Rights Act 2019*, regard will be had to that Act in undertaking the act or making the decision.

2. Background

The special amendment provisions under ss. 107A – 107D of the P&G Act allow for approval to amend an ATP work program or relinquishment requirements for either an individual ATP or for an ATP-related project, **only** when a special amendment is necessary in the following extraordinary circumstances:

- because of an exceptional event affecting the ATP - described more fully in Operational policy, MIN/2015/1313, Exceptional circumstances and exceptional events; or
- where the ATP is part of an exploration project.

The existing work program and relinquishment obligations set at the grant of an ATP, or that are otherwise approved and amended under the P&G Act, are considered to optimise the use and development of knowledge of the State's petroleum resources. Therefore, a special amendment application will be considered favourably where the proposed special amendment provides for at least the equivalent level of use and development of knowledge of the State's petroleum resources.

An application for a special amendment of an ATP can be made using [the prescribed form MMOL-25](#) in accordance with the application and assessment requirements under ss.107A – 107D of the P&G Act.

If there is more than one holder, then all holders must collectively apply or a holder must have consent to apply on behalf of the other holders.

Holders should make an application for special amendment of an ATP **as soon as they become aware** of the need for the amendment. However, an application cannot be made in relation to a special amendment where the period of the approved work program has expired.

To avoid the potential scenario of non-compliance with a work program and to allow a full and proper assessment of those applications, applications should be submitted **at least three months** before the end of the approved work program period. This time period does not apply to a special amendment required due to an exceptional event. Applications lodged less than three months from the end of the approved work program will be considered less favourably.

An approval of a special amendment to an ATP work program takes effect from the day the notice is given. A change of conditions of an ATP takes effect on the day the approval takes effect.

3. Policy determination

3.1 Special amendment

An application for special amendment must state:

- the exceptional event affecting an ATP; or
- circumstances arising from the ATP forming part of an exploration project,¹ that justify the special amendment.

If an application is made citing COVID-19 as an 'exceptional event', the onus is on the applicant to provide evidence that COVID has disrupted the work program.

If an ATP holder provides insufficient information to enable assessment of an application, this may result in delays in assessment and decision making while further information is sought. It may also result in refusal of the application.

3.2 Project-related special amendment

An exploration project-related ATP is considered by the department to be an ATP that forms part of a group of ATPs (usually located within the same basin or geographical area with similar petroleum or gas targets) that have a unifying exploration or proposed development concept.

The holder of an ATP with a project-related status may apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project.

Project-related status under this policy **only relates to making an application for a special amendment** i.e. to justify the circumstances requiring the amendment.

A special amendment of a work program or relinquishment condition of an ATP that forms part of an exploration project, may result in a reduced or delayed work program or relinquishment condition. However, any reduction in the work program for one ATP in a project must result in an increase in the work program for another one or more ATPs in the same exploration project. Similarly, a delay in a relinquishment condition for one ATP in an exploration project, must result in an equal reduction in the area of another ATP in the same exploration project.

¹ *Petroleum and Gas (Production and Safety) Act 2004*, ss 107A(1A) and 107A(2).

To use the special amendment provisions, holders should provide a description and details about the exploration project and why the special amendment is being applied for. Details to be provided include, but are not limited to:

- an exploration project name;
- a list of all ATPs comprising the exploration project;
- how activities on the ATPs comprising the exploration project are operationally interrelated (for example the ATP is one of a group of ATPs in the same basin or geographical area that is being explored by common holders or under the one joint venture arrangement);
- the overall exploration strategy of the exploration project, including existing and proposed project wide work program and relinquishment requirements;
- the role and exploration status of each ATP in the exploration project; and
- the special amendment that is being proposed.

Although ATPs comprising an exploration project will generally have common holders, holder commonality is not a prerequisite to exploration project recognition. A special amendment that affects the work program or relinquishment of multiple holders in the exploration project should be made jointly by the affected holders in the project or with consent.

Example – relinquishment reallocation to other ATPs in an exploration project

If an ATP in an exploration project is required to be reduced by 100 sub-blocks by 30 June 2021 but the ATP holder wants to hold that land for longer, then the ATP holder may apply under section 107A to relinquish the area of another ATP in the same exploration project instead. If the special amendment is granted, the relinquishment requirement for the first ATP will be amended to zero as at 30 June 2021, but the relinquishment requirements of one or more other ATPs nominated by the applicant will be increased accordingly. This means that 100 sub-blocks are still relinquished from the exploration project by 30 June 2020, in addition to the sub-blocks the other ATPs in the exploration project would have otherwise relinquished.

Example – relinquishment – direct substitute

ATP 111 and ATP 222 are ATPs that form an exploration project. ATP 111 has a relinquishment condition to reduce the area by 50 sub-blocks prior to 30 June 2021. The holder of ATP 111 has applied for a special amendment to postpone the requirement to the end of the year 12 term of this ATP. The special amendment may only be approved if the relinquishment condition for ATP 222 is also amended to increase the relinquishment requirement for it by 50 sub-blocks, to be relinquished prior to 30 June 2021.

Example – work program

ATP 111 and ATP 222 are ATPs that form part of a project. ATP 111 has an approved work program requiring the drilling of five wells in the program period ending 30 June 2021. The holder of ATP 111 has applied for a special amendment to reduce the requirement to drill five wells to three wells. The special amendment may only be approved if the work program for ATP 222 is also amended to increase its approved work program by two wells, required to be drilled prior to 30 June 2021.

Example - ATP that is part of a project being transferred

As for single ATPs, the work program for an ATP moves with the transfer of the ATP to the transferee. The transferee of an ATP that is part of an exploration project, may either commit to carrying out the existing work program or apply for approval of a special amendment to change the work program after the transfer is approved. As part of the transfer process, the transferee may contact the department for an indication as to whether the proposed updated work program would be approved for the remainder of the work program period.

ATP holders considering a special amendment of an ATP based on exploration project considerations are encouraged to contact the department pre-lodgement to discuss and agree an exploration project is sufficient for the purposes of the special amendment provisions of the P&G Act.

3.3 Conditioning of authority to prospect

In approving a special amendment, pursuant to ss.107B and 107C, the Minister may also approve a change of conditions of the ATP with respect to the amendment of the work program or relinquishment. For example, the Minister may condition exploration project-related amendments as only having effect while the ATP is managed as a part of the project.

Any change to the conditions of an ATP to be imposed under these sections will be made in consultation with the holder/s of the ATP.

3.4 When project-related special amendment will not be approved

An ATP that is still in its initial work program period (the initial work program period), can form part of an exploration project. However, it can only form part of an exploration project if another ATP in the same project is reducing its later work program and increasing the initial work program of the initial ATP that is in the same project.

The initial ATP cannot form part of an exploration project if the initial ATP is proposing to reduce its initial work program and increase the later work program of another ATP that is in the same project. Any application for a project related special amendment, proposing such an amendment, will be refused.

Similarly, a delay in a relinquishment condition for an ATP in an exploration project, can result in an equal reduction in the area of an initial ATP in the same exploration project.

The initial ATP cannot delay its relinquishment condition to result in an equal reduction in the area of another ATP that is in the same project. Any application for a project related special amendment, proposing such an amendment, will be refused.

Document information

Availability: External

Location: Business Industry Portal

Owner and approver: Deputy Director-General, Georesources Division

Review date: April 2023

Related documents: This policy should be read in conjunction with the Operational policy, MIN/2015/1313, Exceptional circumstances and exceptional events.

Contact: For help and information contact the Petroleum Assessment Hub on (07) 3199 8118 or email petroleumhub@resources.qld.gov.au

Disclaimer

The purpose of this policy is to provide a framework for consistent application and interpretation of the legislation administered by the department. Policies may be applied flexibly where individual circumstances require an alternative application of policy. Where this policy, or part of this policy, is inconsistent with relevant legislation, the legislation will prevail to the extent of the inconsistency. While this document has been prepared with care it contains general information and does not profess to offer legal, professional or commercial advice. The Queensland Government accepts no liability for any external decisions or actions taken on the basis of this document. Persons external to the Queensland Government should satisfy themselves independently and by consulting their own professional advisors before embarking on any proposed course of action.

Keywords

MIN/2015/1509; Resources; Department of Resources; special amendment; exceptional circumstances; project; relinquishment; work program



November 2020

Mr Ben Lewis
BNG (Surat) Pty. Ltd.
C/- QGC Pty Limited
GPO Box 3107
BRISBANE QLD 4001

E-mail: QGC-Tenures@shell.com

Dear Mr Lewis,

I refer to the application for Potential Commercial Area (PCA) number 305 lodged over the area of Authority to Prospect (ATP) number 645 by BNG (Surat) Pty. Ltd. (BNG (Surat)) (ACN: 090 629 913) on 29 November 2019 and to the amendment to application lodged on 23 June 2020.

On **November 2020**, pursuant to section 90 of the *Petroleum and Gas (Production and Safety) 2004 Act* (P&G Act), the Minister's delegate declared PCA 305 for a period of 15 years, with a term ending on **November 2035**. Please note that BNG (Surat), before the end of term of PCA 305 will have the option to progress to a higher form of tenure or seek a further PCA declaration over the area.

The evaluation program commitments that are taken to be an additional part of the existing work program are detailed in the attached hard copy endorsements and are summarised below:

PCA 305 Evaluation program

Year	Activities
Year 1	Review and update of geological model, reservoir characterisation and in-place gas resources.
Year 2	Review of existing and future potential technological options, including drilling, completion, stimulation and production optimisation for input into well design and program planning.
Year 3	Review of well and seismic results and planning for future appraisal.
Year 4	Review of well and seismic results and planning for future appraisal.
Year 5	Studies in support of further appraisal and front-end loading development planning.
Year 6	Studies in support of further appraisal and front-end loading development planning.
Year 7	Studies in support of further appraisal and front-end loading development planning.
Year 8	Studies in support of further appraisal and front-end loading development planning.
Year 9	Studies in support of further appraisal and front-end loading development planning.
Year 10	Studies in support of further appraisal and front-end loading development planning.
Year 11	Selection of development concept.
Year 12	Define development concept and update project economic evaluation.

Year 13	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 14	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 15	Pre-FEED engineering studies. Reserve certification to underpin gas sales agreement and investment decision.

Should you have further enquiries, please contact Phillip Wilkinson, Manager Assessment, Petroleum Assessment Hub of the Department of Natural Resources, Mines and Energy on telephone number (07) 3087 8384 or email Phillip.Wilkinson@dnrme.qld.gov.au.

Yours sincerely

Lana Bartholomew
Executive Director
Petroleum and Gas

Att/Enc: Endorsement

Published by Resources
RTI Act 2009

Our Ref: ATP 645 & PCA 305



Department of
Natural Resources,
Mines and Energy

November 2020

Mr Ben Lewis
BNG (Surat) Pty. Ltd.
C/- QGC Pty Limited
GPO Box 3107
BRISBANE QLD 4001

E-mail: QGC-Tenures@shell.com

Dear Mr Lewis,

I refer to the application for Potential Commercial Area (PCA) number 305 lodged over the area of Authority to Prospect (ATP) number 645 by BNG (Surat) Pty. Ltd. (BNG (Surat)) (ACN: 090 629 913) on 29 November 2019 and to the amendment to application lodged on 23 June 2020.

On **November 2020**, pursuant to section 90 of the *Petroleum and Gas (Production and Safety) 2004 Act* (P&G Act), the Minister's delegate declared PCA 305 for a period of 15 years, with a term ending on **November 2035**. Please note that BNG (Surat), before the end of term of PCA 305 will have the option to progress to a higher form of tenure or seek a further PCA declaration over the area.

The evaluation program commitments that are taken to be an additional part of the existing work program are detailed in the attached hard copy endorsements and are summarised below:

PCA 305 Evaluation program

Year	Activities
Year 1	Review and update of geological model, reservoir characterisation and in-place gas resources.
Year 2	Review of existing and future potential technological options, including drilling, completion, stimulation and production optimisation for input into well design and program planning.
Year 3	Review of well and seismic results and planning for future appraisal.
Year 4	Review of well and seismic results and planning for future appraisal.
Year 5	Studies in support of further appraisal and front-end loading development planning.
Year 6	Studies in support of further appraisal and front-end loading development planning.
Year 7	Studies in support of further appraisal and front-end loading development planning.
Year 8	Studies in support of further appraisal and front-end loading development planning.
Year 9	Studies in support of further appraisal and front-end loading development planning.
Year 10	Studies in support of further appraisal and front-end loading development planning.
Year 11	Selection of development concept.
Year 12	Define development concept and update project economic evaluation.

Commented [WP1]: Please change to Tyson Croll

Commented [WP2]: This one isn't shown in MMOL. Could you please add something, even if it is a note in the actions section with the signed amendment brief attached?

Year 13	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 14	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 15	Pre-FEED engineering studies. Reserve certification to underpin gas sales agreement and investment decision.

Should you have further enquiries, please contact Vijaya kodali, Petroleum Deputy Registrar, Petroleum Assessment Hub of the Department of Natural Resources, Mines and Energy on telephone number (07) 3199 8119 or email Vijaya.kodali@dnrme.qld.gov.au

Yours sincerely

Phillip Wilkinson
**Manager, Assessment
Petroleum and Gas**

Att/Enc: Endorsement

Published by Resources
RTI Act 2009

Our Ref: ATP 645 & PCA 305



Department of
Natural Resources,
Mines and Energy

November 2020

Mr Tyson Croll
BNG (Surat) Pty. Ltd.
C/- QGC Pty Limited
GPO Box 3107
BRISBANE QLD 4001

E-mail: QGC-Tenures@shell.com

Dear Mr Croll,

I refer to the application for Potential Commercial Area (PCA) number 305 lodged over the area of Authority to Prospect (ATP) number 645 by BNG (Surat) Pty. Ltd. (BNG (Surat)) (ACN: 090 629 913) on 29 November 2019 and to the amendment to application lodged on 23 June 2020.

On **November 2020**, pursuant to section 90 of the *Petroleum and Gas (Production and Safety) 2004 Act* (P&G Act), the Minister's delegate declared PCA 305 for a period of 15 years, with a term ending on **November 2035**. Please note that BNG (Surat), before the end of term of PCA 305 will have the option to progress to a higher form of tenure or seek a further PCA declaration over the area.

The evaluation program commitments that are taken to be an additional part of the existing work program are detailed in the attached hard copy endorsements and are summarised below:

PCA 305 Evaluation program

Year	Activities
Year 1	Review and update of geological model, reservoir characterisation and in-place gas resources.
Year 2	Review of existing and future potential technological options, including drilling, completion, stimulation and production optimisation for input into well design and program planning.
Year 3	Review of well and seismic results and planning for future appraisal.
Year 4	Review of well and seismic results and planning for future appraisal.
Year 5	Studies in support of further appraisal and front-end loading development planning.
Year 6	Studies in support of further appraisal and front-end loading development planning.
Year 7	Studies in support of further appraisal and front-end loading development planning.
Year 8	Studies in support of further appraisal and front-end loading development planning.
Year 9	Studies in support of further appraisal and front-end loading development planning.
Year 10	Studies in support of further appraisal and front-end loading development planning.
Year 11	Selection of development concept.
Year 12	Define development concept and update project economic evaluation.

Commented [WP1]: This one isn't shown in MMOL. Could you please add something, even if it is a note in the actions section with the signed amendment brief attached?

Commented [KV2R1]: The amendment is in MMOL. Activity No. 317447.

Year 13	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 14	Pre-FEED engineering studies. Negotiate gas sales agreement(s).
Year 15	Pre-FEED engineering studies. Reserve certification to underpin gas sales agreement and investment decision.

Should you have further enquiries, please contact Vijaya kodali, Petroleum Deputy Registrar, Petroleum Assessment Hub of the Department of Natural Resources, Mines and Energy on telephone number (07) 3199 8119 or email Vijaya.kodali@dnrme.qld.gov.au

Yours sincerely

Phillip Wilkinson
**Manager, Assessment
Petroleum and Gas**

Att/Enc: Endorsement

Published by Resources
RTI Act 2009

**Department of Natural Resources, Mines and Energy
DEPARTMENT BRIEFING NOTE**

SUBJECT: Declaration of a Potential Commercial Area
Number 305 over Authority to Prospect
Number 645
Applicant: BNG (Surat) Pty. Ltd.

TIMING: Routine

Approved / Not approved / Noted

Name: Lana Bartholomew
Position: Executive Director, Petroleum and Gas.
As a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial - DNRME) Delegation (No 3) 2020

EXECUTIVE SUMMARY:

BNG (Surat) Pty. Ltd. (BNG) (a wholly owned subsidiary of QGC Pty Limited) as authorised holder of, Authority to Prospect (ATP) Number 645, is seeking the declaration of Potential Commercial Area (PCA) Number 305 over an area of 275 sub-blocks. ATP 645 is a non-contiguous permit located about 60 kilometres south east of Surat in the Surat and Bowen Basins. It is part of QGC’s main unconventional tight gas project in Queensland known as Bowen Tight Gas Sands (TGS). The principal petroleum target is tight gas from the Tinowan Formation and the secondary target is from the Lorelle Sandstone. QGC has invested over \$

sch4p4(7)(1)(c) Business/commercial/professional/finan

RECOMMENDATION:

It is recommended that you, as a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial – DNRME) Delegation (No 3) 2020:

- a. **consider** the matters set out in **Attachment 1** in deciding whether to declare PCA 305 in accordance with your obligations under section 58 of the *Human Rights Act 2019* (HR Act); and
- b. **declare** PCA 305 over an area of 275 sub-blocks, for a term of 15 years, pursuant to sections 90(1) and 92(1)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) (**Attachment 2**).

KEY ISSUES:

1. In regard to **recommendation a**, in considering whether to declare PCA 305, you are a public entity for the purposes of the HR Act. Under section 58(1) of the HR Act, it is unlawful for a public entity:
 - to act or make a decision in a way that is not compatible with human rights; or
 - in making a decision, to fail to give proper consideration to a human right relevant to the decision.
2. To assist you in complying with your obligations under section 58(1) of the HR Act, **Attachment 1** considers whether each of the human rights, identified in part 2, divisions 2 and 3 of the HR Act, is relevant to the decision to declare or refuse the application for PCA 305. For any rights identified as relevant, **Attachment 1** considers whether the decision would limit the right and, if so, whether the limitation is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
3. If the Minister’s delegate agrees with the preliminary assessment undertaken by the Department of Natural Resources, Mines and Energy (the department), the department considers that it is open to the delegate of the Minister to be satisfied that a decision to declare PCA 305 will be compatible with human rights. Specifically, those human rights engaged by the decision will be limited only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
4. In regards to **recommendation b**, BNG lodged the applications for PCAs 305, 306, 307, 308 and 309 on 29 November 2019 over the total area of ATP 645 seeking a term of 15 years for each application.
5. On 23 June 2020, BNG lodged an amendment to application for PCA 305 to increase the area from 75 to 275 sub-blocks. The additional sub-blocks include the application areas of PCAs 306, 307 and 308. The amendment was agreed on 22 July 2020 by the delegate of the Chief Executive. The 200 sub-blocks cover.
6. The applications for PCAs 306, 307 and 308 were withdrawn on 8 September 2020.
7. Section 90 of the P&G Act provides that the Minister (or his delegate) may declare an area the subject of the application to be a potential commercial area only if satisfied—
 - the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report; and
 - petroleum production or storage in the area to be declared, is not, and will not soon be,

Author	Recommended:	Endorsed:
Name: Vijaya Kodali Title: Deputy Registrar Group: PAH Telephone: 3199 8119 Date:5/11/2020	Name: Phillip Wilkinson Title: Manager Group: PAH Telephone: 3087 8384 Date:	Name: Wendy Chan Title: Acting Director Group: PAH Telephone: 3199 7379 Date:

- commercially viable, but is likely to become viable within 15 years;
8. Section 90 of the P&G Act further provides that the area declared must form a single parcel of land and in deciding the application, regard must be had to whether the conditions of the relevant ATP have been substantially complied with.
 9. The department is satisfied that the area applied for in PCA 305 is no more than the maximum extent of the identified natural underground reservoirs (**Attachment 3**).
 10. The department is satisfied that petroleum production in the area applied for in PCA 305 is not, and will not soon be, commercially viable, but is likely to become viable within the next 15 years (**Attachment 3**).
 11. The department is satisfied that PCA 305 forms a single parcel of land and that the holder has substantially complied with the conditions of the relevant ATP 645 (**Attachments 3**).
 12. Should PCA 305 be declared, a letter will be sent to BNG confirming the PCA commitments for the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act.

BACKGROUND:

13. ATP 645 was granted to BNG Pty. Ltd. (100 per cent) under the *Petroleum Act 1923* and commenced on 1 January 2000 over an area of 775 sub-blocks (**Attachment 4**).
14. ATP 645 became a converted ATP at its last renewal on 16 July 2010, and is now administered under the P&G Act.
15. ATP 645 is located about 60 kilometres south east of Surat in the Surat and Bowen Basins, the main target is defining the prospectivity of Permian and Triassic tight gas sands reservoirs within the Taroom Trough of the Bowen Basin (**Attachment 5**).
16. On 29 November 2019, BNG made applications for the declaration of PCAs 305 over 75 sub-blocks, 306 over 75 sub-blocks, 307 over 75 sub-blocks, 308 over 50 sub-blocks and 309 over 25 sub-blocks, each for a period of 15 years.
17. On 24 May 2020, particular amendments to the P&G Act contained within the *Natural Resources Other Legislative Amendment Act 2019* commenced which removed the size limit (75 sub-blocks) on PCAs.
18. On 23 June 2020, BNG lodged an amendment to the application for PCA 305, pursuant to section 844 of the P&G Act, to increase the area applied for from 75 sub-blocks to 275 sub-blocks.
19. BNG also sought to update the evaluation program to align with the increase in the area. The increase of the sub-blocks now encompasses the area applied for in the applications for PCA 306, 307 and 308. The Chief Executive's delegate agreed to the amendment on 22 July 2020.
20. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declarations of PCAs 305 and 309.
21. The policy used by the department for PCA declarations is provided as **Attachment 6**.

ATTACHMENTS:

Attachment 1: Human Rights Assessment

Attachment 2: PCA 305 document

Attachment 3: Technical Assessment

Attachment 4: Resource Authority Departmental Report for PCA 305

Attachment 5: Location, Overlapping and Satellite Maps for ATP 759 and PCA 305

Attachment 6: PCA Operational Policy

**Department of Natural Resources, Mines and Energy
DEPARTMENT BRIEFING NOTE**

SUBJECT: Declaration of a Potential Commercial Area
Number 305 over Authority to Prospect
Number 645
Applicant: BNG (Surat) Pty. Ltd.

TIMING: Routine

Approved / Not approved / Noted

Name: Lana Bartholomew
Position: Executive Director, Petroleum and Gas.
As a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial - DNRME) Delegation (No 3) 2020

.....

EXECUTIVE SUMMARY:

BNG (Surat) Pty. Ltd. (BNG) (a wholly owned subsidiary of QGC Pty Limited) as authorised holder of, Authority to Prospect (ATP) Number 645, is seeking the declaration of Potential Commercial Area (PCA) Number 305 over an area of 275 sub-blocks. ATP 645 is a non-contiguous permit located about 60 kilometres south east of Surat in the Surat and Bowen Basins. It is part of QGC's ~~main~~ unconventional tight gas project in Queensland known as Bowen Tight Gas Sands (TGS). The principal petroleum target is tight gas from the Tinowan Formation and the secondary target is **tight gas** from the Lorelle Sandstone. -QGC has invested over \$ ~~sch4p4(7)(1)(c) Business/commercial/professional/financial affairs~~ ~~sch4p4(7)(1)(c) Business/commercial/professi~~

Commented [WP1]: QGC is a wholly owned subsidiary of shell, so think we ought to start referring to Shell.

Commented [WP2]: The TAS says its <3000 PJ of recoverable (prospective) gas which I think puts it as 3000 PJ 2U prospective resources

RECOMMENDATION:

It is recommended that you, as a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial – DNRME) Delegation (No 3) 2020:

- a. **consider** the matters set out in **Attachment 1** in deciding whether to declare PCA 305 in accordance with your obligations under section 58 of the *Human Rights Act 2019* (HR Act); and
- b. **declare** PCA 305 over an area of 275 sub-blocks, for a term of 15 years, pursuant to sections 90(1) and 92(1)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) (**Attachment 2**).

KEY ISSUES:

1. In regard to **recommendation a**, in considering whether to declare PCA 305, you are a public entity for the purposes of the HR Act. Under section 58(1) of the HR Act, it is unlawful for a public entity:
 - to act or make a decision in a way that is not compatible with human rights; or
 - in making a decision, to fail to give proper consideration to a human right relevant to the decision.
2. To assist you in complying with your obligations under section 58(1) of the HR Act, **Attachment 1** considers whether each of the human rights, identified in part 2, divisions 2 and 3 of the HR Act, is relevant to the decision to declare or refuse the application for PCA 305. For any rights identified as relevant, **Attachment 1** considers whether the decision would limit the right and, if so, whether the limitation is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
3. If the Minister's delegate agrees with the preliminary assessment undertaken by the Department of Natural Resources, Mines and Energy (the department), the department considers that it is open to the delegate of the Minister to be satisfied that a decision to declare PCA 305 will be compatible with human rights. Specifically, those human rights engaged by the decision will be limited only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
4. In regards to **recommendation b**, BNG lodged ~~the~~ applications for PCAs 305, 306, 307, 308 and 309 on 29 November 2019 over the total area of ATP 645 seeking a term of 15 years for each application.
5. On 23 June 2020, -BNG lodged an amendment to application for PCA 305 to increase the area from 75 to 275 sub-blocks. The additional sub-blocks include the application areas of PCAs 306, 307 and 308. The amendment was agreed on 22 July 2020 by the delegate of the Chief Executive. ~~The 200 sub-blocks cover.~~
6. ~~Subsequently,~~ ~~T~~he applications for PCAs 306, 307 and 308 were withdrawn on 8 September 2020.
7. Section 90 of the P&G Act provides that the Minister (or his delegate) may declare an area the subject of the application to be a potential commercial area only if satisfied—
 - the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report; and
 - petroleum production or storage in the area to be declared, is not, and will not soon be,

Author	Recommended:	Endorsed:
Name: Vijaya Kodali Title: Deputy Registrar Group: PAH Telephone: 3199 8119 Date: 5/11/2020	Name: Phillip Wilkinson Title: Manager Group: PAH Telephone: 3087 8384 Date:	Name: Wendy Chan Title: Acting Director Group: PAH Telephone: 3199 7379 Date:

- commercially viable, but is likely to become viable within 15 years;
8. Section 90 of the P&G Act further provides that the area declared must form a single parcel of land and in deciding the application, regard must be had to whether the conditions of the relevant ATP have been substantially complied with.
 9. The department is satisfied that the area applied for in PCA 305 is no more than the maximum extent of the identified natural underground reservoirs (**Attachment 3**).
 10. The department is satisfied that petroleum production in the area applied for in PCA 305 is not, and will not soon be, commercially viable, but is likely to become viable within the next 15 years (**Attachment 3**).
 11. The department is satisfied that PCA 305 forms a single parcel of land and that the holder has substantially complied with the conditions of the relevant ATP 645 (**Attachments 3**).
 12. Should PCA 305 be declared, a letter will be sent to BNG confirming the PCA commitments for the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act.

Commented [WP3]: Can you add in a line about this being able to occur as ATP 645 is part of a project.

BACKGROUND:

13. ATP 645 was granted to BNG Pty. Ltd. (100 per cent) under the *Petroleum Act 1923* on 21 December 1999 and commenced on 1 January 2000 over an area of 775 sub-blocks (**Attachment 4**).
14. ATP 645 became a converted ATP at its last renewal on 16 July 2010, and is now administered under the P&G Act.
15. ATP 645 is located about 60 kilometres south east of Surat in the Surat and Bowen Basins, the main target is defining the prospectivity of Permian and Triassic tight gas sands reservoirs within the Taroom Trough of the Bowen Basin (**Attachment 5**).
16. On 29 November 2019, BNG made applications for the declaration of PCAs 305 over 75 sub-blocks, 306 over 75 sub-blocks, 307 over 75 sub-blocks, 308 over 50 sub-blocks and 309 over 25 sub-blocks, each for a period of 15 years.
17. On 24 May 2020, particular amendments to the P&G Act contained within the *Natural Resources Other Legislative Amendment Act 2019* commenced which removed the size limit (75 sub-blocks) on PCAs.
18. On 23 June 2020, BNG lodged an amendment to the application for PCA 305, pursuant to section 844 of the P&G Act, to increase the area applied for from 75 sub-blocks to 275 sub-blocks.
19. BNG also sought to update the evaluation program to align with the increase in the area. The increase of the sub-blocks now encompasses the area applied for in the applications for PCA 306, 307 and 308. The Chief Executive's delegate agreed to the amendment on 22 July 2020.
20. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declarations of PCAs 305 and 309.
21. The policy used by the department for PCA declarations is provided as **Attachment 6**.

Commented [WP4]: Please use these in key issues and delete from background.

ATTACHMENTS:

- Attachment 1:** Human Rights Assessment
- Attachment 2:** PCA 305 document
- Attachment 3:** Technical Assessment
- Attachment 4:** Resource Authority Departmental Report for PCA 305
- Attachment 5:** Location, Overlapping and Satellite Maps for ATP 759 and PCA 305
- Attachment 6:** PCA Operational Policy

Formatted: Highlight

Department of Natural Resources, Mines and Energy
DEPARTMENT BRIEFING NOTE

Approved / Not approved / Noted

Name: Lana Bartholomew
Position: Executive Director, Petroleum and Gas.
As a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial - DOR) Delegation (No 4) 2020

SUBJECT: Declaration of a Potential Commercial Area Number 305 over Authority to Prospect Number 645
 Applicant: BNG (Surat) Pty. Ltd.

TIMING: Routine

EXECUTIVE SUMMARY:

BNG (Surat) Pty. Ltd. (BNG) (part of the Shell Group (Shell)) as authorised holder of Authority to Prospect (ATP) Number 645, is seeking the declaration of Potential Commercial Area (PCA) Number 305 over an area of 275 sub-blocks. ATP 645 is a non-contiguous permit located about 60 kilometres south east of Surat in the Surat and Bowen Basins. It is part of Shell’s unconventional tight gas project in Queensland known as Bowen Tight Gas Sands (TGS). The principal petroleum target is tight gas from the Tinowan Formation and the secondary target is tight gas from the Lorelle Sandstone. Shell has invested over \$

sch4p4(7)(1)(c) Business/commercial/professional/financial affairs

sch4p4(7)(1)(c) Business/commercial/professional/fi

RECOMMENDATION:

It is recommended that you, as a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial – DOR) Delegation (No 4) 2020:

- a. **consider** the matters set out in **Attachment 1** in deciding whether to declare PCA 305 in accordance with your obligations under section 58 of the *Human Rights Act 2019* (HR Act); and
- b. **declare** PCA 305 over an area of 275 sub-blocks, for a term of 15 years, pursuant to sections 90(1) and 92(1)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) (**Attachment 2**).

KEY ISSUES:

1. In regard to **recommendation a**, in considering whether to declare PCA 305, you are a public entity for the purposes of the HR Act. Under section 58(1) of the HR Act, it is unlawful for a public entity:
 - to act or make a decision in a way that is not compatible with human rights; or
 - in making a decision, to fail to give proper consideration to a human right relevant to the decision.
2. To assist you in complying with your obligations under section 58(1) of the HR Act, **Attachment 1** considers whether each of the human rights, identified in part 2, divisions 2 and 3 of the HR Act, is relevant to the decision to declare or refuse the application for PCA 305. For any rights identified as relevant, **Attachment 1** considers whether the decision would limit the right and, if so, whether the limitation is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
3. If the Minister’s delegate agrees with the assessment undertaken by the Department of Resources (the department), it is open to the delegate of the Minister to be satisfied that a decision to declare PCA 305 will be compatible with human rights. Specifically, those human rights engaged by the decision will be limited only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
4. In regards to **recommendation b**, BNG lodged applications for PCAs 305, 306, 307, 308 and 309 on 29 November 2019 over the total area of ATP 645 seeking a term of 15 years for each application.
5. On 24 May 2020, particular amendments to the P&G Act contained within the *Natural Resources Other Legislative Amendment Act 2019* commenced which removed the size limit (75 sub-blocks) on PCAs.
6. On 23 June 2020, BNG lodged an amendment to the application for PCA 305, pursuant to section 844 of the P&G Act, to increase the area applied for from 75 sub-blocks to 275 sub-blocks. The increase of the sub-blocks now encompasses the area applied for in the applications for PCA 306, 307 and 308.
7. BNG also sought to update the evaluation program to align with the increase in the area. The Chief Executive’s delegate agreed to the amendment on 22 July 2020.
8. Subsequently, the applications for PCAs 306, 307 and 308 were withdrawn on 8 September 2020.
9. Section 90 of the P&G Act provides that the Minister (or his delegate) may declare an area the subject of the application to be a potential commercial area only if satisfied—

Author	Recommended:	Endorsed:
Name: Vijaya Kodali Title: Deputy Registrar Group: PAH Telephone: 3199 8119 Date:3/9/2021	Name: Kate Byrne Title: A/Manager Group: PAH Telephone: sch4p4(6) P Date: 10/11/2020	Name: Wendy Chan Title: Director Group: PAH Telephone: 3199 7379 Date:

- the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report; and
 - petroleum production or storage in the area to be declared, is not, and will not soon be, commercially viable, but is likely to become viable within 15 years.
10. The department is satisfied that the area applied for in PCA 305 is no more than the maximum extent of the identified natural underground reservoirs (**Attachment 3**).
 11. The department is satisfied that petroleum production in the area applied for in PCA 305 is not, and will not soon be, commercially viable, but is likely to become viable within the next 15 years (**Attachment 3**).
 12. Section 90 of the P&G Act further provides that the area declared must form a single parcel of land and in deciding the application, regard must be had to whether the conditions of the relevant ATP have been substantially complied with.
 13. The department is satisfied that PCA 305 forms a single parcel of land and that the holder has substantially complied with the conditions of the relevant ATP 645 (**Attachments 3**).
 14. The operational policy relating to “special amendment of an authority to prospect work program” allows an ATP holder with a project-related status to apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project (**Attachment 4**). The holder of PCA 305 may apply for a special amendment as the underlying tenure, ATP 645 is part of a project.
 15. Should PCA 305 be declared, a letter will be sent to BNG confirming the PCA commitments for the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act.

BACKGROUND:

16. ATP 645 was granted to BNG Pty. Ltd. (100 per cent) under the *Petroleum Act 1923* on 21 December 1999 and commenced on 1 January 2000 over an area of 775 sub-blocks (**Attachment 5**).
17. ATP 645 became a converted ATP at its last renewal on 16 July 2010, and is now administered under the P&G Act.
18. ATP 645 is located about 60 kilometres south east of Surat in the Surat and Bowen Basins, the main target is defining the prospectivity of Permian and Triassic tight gas sands reservoirs within the Taroom Trough of the Bowen Basin (**Attachment 6**).
19. On 29 November 2019, BNG made applications for the declaration of PCAs 305 over 75 sub-blocks, 306 over 75 sub-blocks, 307 over 75 sub-blocks, 308 over 50 sub-blocks and 309 over 25 sub-blocks, each for a period of 15 years.
20. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declarations of PCAs 305 and 309.
21. The Operational Policy – Application for declaration of a potential commercial are used by the department for PCA declarations is provided as **Attachment 7**.

ATTACHMENTS:

Attachment 1: Human Rights Assessment

Attachment 2: PCA 305 document

Attachment 3: Technical Assessment

Attachment 4: Special Amendment Operational Policy

Attachment 5: Resource Authority Departmental Report for PCA 305

Attachment 6: Location, Overlapping and Satellite Maps for PCA 305

Attachment 7: PCA Operational Policy

**Department of Resources
DEPARTMENT BRIEFING NOTE**

SUBJECT: Declaration of a Potential Commercial Area Number 305 over an area of Authority to Prospect Number 645
Applicant: BNG (Surat) Pty. Ltd.

TIMING: Routine

Approved / Not approved / Noted

Name: Lana Bartholomew
Position: Executive Director, Petroleum and Gas.
As a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial - DOR) Delegation (No 4) 2020

.....

EXECUTIVE SUMMARY:

BNG (Surat) Pty. Ltd. (BNG) (part of the Shell Group (Shell)) as authorised holder of Authority to Prospect (ATP) Number 645, is seeking the declaration of Potential Commercial Area (PCA) Number 305 over an area of 275 sub-blocks. ATP 645 is a non-contiguous permit located about 60 kilometres south east of Surat in the Surat and Bowen Basins. It is part of Shell’s unconventional tight gas project in Queensland known as Bowen Tight Gas Sands. The principal petroleum target is tight gas from the Tinowan Formation and the secondary target is tight gas from the Lorelle Sandstone.

RECOMMENDATION:

It is recommended that you, as a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial – DOR) Delegation (No 4) 2020:

- a. **consider** the matters set out in **Attachment 1** in deciding whether to declare PCA 305 in accordance with your obligations under section 58 of the *Human Rights Act 2019* (HR Act); and
- b. **declare** PCA 305 over an area of 275 sub-blocks, for a term of 15 years, pursuant to sections 90(1) and 92(1)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) (**Attachment 2**).

KEY ISSUES:

- 1. In regard to **recommendation a**, in considering whether to declare PCA 305, you are a public entity for the purposes of the HR Act. Under section 58(1) of the HR Act, it is unlawful for a public entity:
 - to act or make a decision in a way that is not compatible with human rights; or
 - in making a decision, to fail to give proper consideration to a human right relevant to the decision.
- 2. To assist you in complying with your obligations under section 58(1) of the HR Act, **Attachment 1** considers whether each of the human rights, identified in part 2, divisions 2 and 3 of the HR Act, is relevant to the decision to declare or refuse the application for PCA 305. For any rights identified as relevant, **Attachment 1** considers whether the decision would limit the right and, if so, whether the limitation is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
- 3. If the Minister’s delegate agrees with the assessment undertaken by the Department of Resources (the department), it is open to the delegate of the Minister to be satisfied that a decision to declare PCA 305 will be compatible with human rights. Specifically, those human rights engaged by the decision will be limited only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
- 4. In regards to **recommendation b**, BNG lodged applications for PCAs 305, 306, 307, 308 and 309 on 29 November 2019 over the total area of ATP 645 seeking a term of 15 years for each application.
- 5. On 24 May 2020, particular amendments to the P&G Act contained within the *Natural Resources Other Legislative Amendment Act 2019* commenced which removed the size limit (75 sub-blocks) on PCAs.
- 6. On 23 June 2020, BNG lodged an amendment to the application for PCA 305, pursuant to section 844 of the P&G Act, to increase the area applied for from 75 sub-blocks to 275 sub-blocks. The increase of the sub-blocks now encompasses the area applied for in the applications for PCA 306, 307 and 308.
- 7. BNG also sought to update the evaluation program to align with the increase in the area. The Chief Executive’s delegate agreed to the amendment on 22 July 2020.
- 8. Subsequently, the applications for PCAs 306, 307 and 308 were withdrawn on 8 September 2020.
- 9. Section 90 of the P&G Act provides that the Minister (or his delegate) may declare an area the subject of the application to be a potential commercial area only if satisfied—
 - the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report; and

Author	Recommended:	Endorsed:
Name: Vijaya Kodali Title: Deputy Registrar Group: PAH Telephone: 3199 8119 Date: 3/9/2021	Name: Kate Byrne Title: A/Manager Group: PAH Telephone: [sch4p4(6) B] Date: 10/09/2021	Name: Wendy Chan Title: Director Group: PAH Telephone: [sch4p4(6) B] Date:

- petroleum production or storage in the area to be declared, is not, and will not soon be, commercially viable, but is likely to become viable within 15 years.
10. The department is satisfied that the area applied for in PCA 305 is no more than the maximum extent of the identified natural underground reservoirs (**Attachment 3**).
 11. The department is satisfied that petroleum production in the area applied for in PCA 305 is not, and will not soon be, commercially viable, but is likely to become viable within the next 15 years (**Attachment 3**).
 12. Section 90 of the P&G Act further provides that the area declared must form a single parcel of land and in deciding the application, regard must be had to whether the conditions of the relevant ATP have been substantially complied with.
 13. The department is satisfied that PCA 305 forms a single parcel of land and that the holder has substantially complied with the conditions of the relevant ATP 645 (**Attachments 3**).
 14. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declaration of PCA 305.
 15. Subject to the approval of **recommendation b**, a departmental letter will be sent to BNG confirming the declaration of PCA 305 and its committed activities within the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act (**Attachment 4**) .

BACKGROUND:

16. ATP 645 was granted to BNG Pty. Ltd. (100 per cent) under the *Petroleum Act 1923* on 21 December 1999 and commenced on 1 January 2000 over an area of 775 sub-blocks (**Attachment 5**).
17. ATP 645 became a converted ATP at its last renewal on 16 July 2010, and is now administered under the P&G Act.
18. ATP 645 is located about 60 kilometres south east of Surat in the Surat and Bowen Basins, the main target is defining the prospectivity of Permian and Triassic tight gas sands reservoirs within the Taroom Trough of the Bowen Basin (**Attachment 6**).
19. The Operational Policy – Application for declaration of a potential commercial are used by the department for PCA declarations is provided as **Attachment 7**.

ATTACHMENTS:

Attachment 1: Human Rights Assessment

Attachment 2: PCA 305 document

Attachment 3: Technical Assessment

Attachment 4: Declaration letter to BNG

Attachment 5: Resource Authority Departmental Report for PCA 305

Attachment 6: Location, Overlapping and Satellite Maps for PCA 305

Attachment 7: PCA Operational Policy

Department of **Resources**~~Natural Resources, Mines and Energy~~

DEPARTMENT BRIEFING NOTE

SUBJECT: Declaration of a Potential Commercial Area Number 305 over an area of Authority to Prospect Number 645
Applicant: BNG (Surat) Pty. Ltd.

TIMING: Routine

Approved / Not approved / Noted

Name: Lana Bartholomew
Position: Executive Director, Petroleum and Gas.
As a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial - DOR) Delegation (No 4) 2020

.....

EXECUTIVE SUMMARY:

BNG (Surat) Pty. Ltd. (BNG) (part of the Shell Group (Shell)) as authorised holder of Authority to Prospect (ATP) Number 645, is seeking the declaration of Potential Commercial Area (PCA) Number 305 over an area of 275 sub-blocks. ATP 645 is a non-contiguous permit located about 60 kilometres south east of Surat in the Surat and Bowen Basins. It is part of Shell's unconventional tight gas project in Queensland known as Bowen Tight Gas Sands ~~(TGS)~~. The principal petroleum target is tight gas from the Tinowan Formation and the secondary target is tight gas from the Lorelle Sandstone. Shell has invested over \$sch4p4(7)(1)sch4p4(7)(1)(c) Business/commercial/professional/financial affairs sch4p4(7)(1)(c) Business/commercial/

RECOMMENDATION:

It is recommended that you, as a delegate of the Minister under the Petroleum and Gas (Production and Safety) (Ministerial – DOR) Delegation (No 4) 2020:

- a. **consider** the matters set out in **Attachment 1** in deciding whether to declare PCA 305 in accordance with your obligations under section 58 of the *Human Rights Act 2019* (HR Act); and
- b. **declare** PCA 305 over an area of 275 sub-blocks, for a term of 15 years, pursuant to sections 90(1) and 92(1)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) (**Attachment 2**).

KEY ISSUES:

- 1. In regard to **recommendation a**, in considering whether to declare PCA 305, you are a public entity for the purposes of the HR Act. Under section 58(1) of the HR Act, it is unlawful for a public entity:
 - to act or make a decision in a way that is not compatible with human rights; or
 - in making a decision, to fail to give proper consideration to a human right relevant to the decision.
- 2. To assist you in complying with your obligations under section 58(1) of the HR Act, **Attachment 1** considers whether each of the human rights, identified in part 2, divisions 2 and 3 of the HR Act, is relevant to the decision to declare or refuse the application for PCA 305. For any rights identified as relevant, **Attachment 1** considers whether the decision would limit the right and, if so, whether the limitation is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
- 3. If the Minister's delegate agrees with the assessment undertaken by the Department of Resources (the department), it is open to the delegate of the Minister to be satisfied that a decision to declare PCA 305 will be compatible with human rights. Specifically, those human rights engaged by the decision will be limited only to the extent that is reasonable and demonstrably justifiable in accordance with section 13 of the HR Act.
- 4. In regards to **recommendation b**, BNG lodged applications for PCAs 305, 306, 307, 308 and 309 on 29 November 2019 over the total area of ATP 645 seeking a term of 15 years for each application.
- 5. On 24 May 2020, particular amendments to the P&G Act contained within the *Natural Resources Other Legislative Amendment Act 2019* commenced which removed the size limit (75 sub-blocks) on PCAs.
- 6. On 23 June 2020, BNG lodged an amendment to the application for PCA 305, pursuant to section 844 of the P&G Act, to increase the area applied for from 75 sub-blocks to 275 sub-blocks. The increase of the sub-blocks now encompasses the area applied for in the applications for PCA 306, 307 and 308.
- 7. BNG also sought to update the evaluation program to align with the increase in the area. The Chief Executive's delegate agreed to the amendment on 22 July 2020.
- 8. Subsequently, the applications for PCAs 306, 307 and 308 were withdrawn on 8 September 2020.

Author	Recommended:	Endorsed:
Name: Vijaya Kodali Title: Deputy Registrar Group: PAH Telephone: 3199 8119 Date: 3/9/2021	Name: Kate Byrne Title: A/Manager Group: PAH Telephone: sch4p4(6) Persd Date: 10/09/2021	Name: Wendy Chan Title: Director Group: PAH Telephone: 3199 7379 Date: sch4p4(1)

9. Section 90 of the P&G Act provides that the Minister (or his delegate) may declare an area the subject of the application to be a potential commercial area only if satisfied—
 - the area is no more than is needed to cover the maximum extent of a natural underground reservoir identified in the report; and
 - petroleum production or storage in the area to be declared, is not, and will not soon be, commercially viable, but is likely to become viable within 15 years.
10. The department is satisfied that the area applied for in PCA 305 is no more than the maximum extent of the identified natural underground reservoirs (**Attachment 3**).
11. The department is satisfied that petroleum production in the area applied for in PCA 305 is not, and will not soon be, commercially viable, but is likely to become viable within the next 15 years (**Attachment 3**).
12. Section 90 of the P&G Act further provides that the area declared must form a single parcel of land and in deciding the application, regard must be had to whether the conditions of the relevant ATP have been substantially complied with.
13. The department is satisfied that PCA 305 forms a single parcel of land and that the holder has substantially complied with the conditions of the relevant ATP 645 (**Attachments 3**).
14. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declaration of PCA 305.
15. 14-15. The operational policy relating to “special amendment of an authority to prospect work program” allows an ATP holder with a project-related status to apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project (**Attachment 4**). The holder of PCA 305 may apply for a special amendment as the underlying tenure, ATP 645 is part of a project.
16. Should PCA 305 be declared, a letter will be sent to BNG confirming the PCA commitments for the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act. Subject to the approval of **recommendation b**, a departmental letter will be sent to BNG confirming the declaration of PCA 305 and its commitments within the proposed 15 year evaluation program. This letter will also advise BNG that if it proposes (or becomes aware of) a change to the committed activities in the evaluation program, consideration should be given to lodging a special amendment pursuant to section 107A of the P&G Act (**Attachment 4**).
- 15.

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Font: (Default) Arial

Formatted: Normal, No bullets or numbering

BACKGROUND:

17. ATP 645 was granted to BNG Pty. Ltd. (100 per cent) under the *Petroleum Act 1923* on 21 December 1999 and commenced on 1 January 2000 over an area of 775 sub-blocks (**Attachment 5**).
18. ATP 645 became a converted ATP at its last renewal on 16 July 2010, and is now administered under the P&G Act.
19. ATP 645 is located about 60 kilometres south east of Surat in the Surat and Bowen Basins, the main target is defining the prospectivity of Permian and Triassic tight gas sands reservoirs within the Taroom Trough of the Bowen Basin (**Attachment 6**).
20. On 29 November 2010, BNG made applications for the declaration of PCAs 305 over 75 sub-blocks, 306 over 75 sub-blocks, 307 over 75 sub-blocks, 308 over 50 sub-blocks and 309 over 25 sub-blocks, each for a period of 15 years.
20. The declaration of a PCA is not the creation of a right to mine. The declaration has no impact on Native Title. Therefore no Native Title process is required for the declaration of PCA 305 and 309.
21. The Operational Policy – Application for declaration of a potential commercial are used by the department for PCA declarations is provided as **Attachment 7**.

Formatted: Highlight

ATTACHMENTS:

- Attachment 1:** Human Rights Assessment
- Attachment 2:** PCA 305 document
- Attachment 3:** Technical Assessment
- Attachment 4:** Special Amendment Operational Policy Declaration letter to BNG
- Attachment 5:** Resource Authority Departmental Report for PCA 305
- Attachment 6:** Location, Overlapping and Satellite Maps for PCA 305
- Attachment 7:** PCA Operational Policy

Date : 3/09/2021 10:15:22 AM

From : [sch4p4(6) F]@shell.com

To : "BYRNE Kate"

Cc : "KODALI Vijaya" , [sch4p4(6) Person]@shell.com" , [sch4p4(6) Pet]@shell.com"

Subject : Request Declaration of PCA 305 (ATP 645)

Attachment : image001.png;

Hi Kate & Vijaya

Further to our discussions on the application for PCA 305 on ATP 645, QGC Pty Limited, as Operator for the Titleholder and applicant, BNG (Surat) Pty Ltd (100%), are pleased to request the Department to proceed with the declaration of PCA 305 on ATP 645 at your earliest opportunity, as you have informed us your assessment process has been completed and it supports the PCA declaration.

We appreciate your assistance throughout in this matter and look forward to notice of the PCA 305 declaration.

Regards

Victor Suchocki
Tenures and Permits Advisor

Shell Australia Pty Ltd
C/- QGC Pty Limited
275 George St,
Brisbane, QLD 4000
Tel: +61 7 3364 2557

From: BYRNE Kate <Kate.Byrne@resources.qld.gov.au>

Sent: Tuesday, 24 August 2021 2:45 PM

To: Croll, Tyson QGC-IGA/S/E <[sch4p4(6)]@shell.com>

Cc: Suchocki, Victor QGC-IGA/S/E <[sch4p4(6)]@shell.com>; KODALI Vijaya <Vijaya.Kodali@resources.qld.gov.au>

Subject: PCA 305 - Update

Think Secure. This email is from an external source.

Hey Tyson,

I was just waiting to get an update on whether QGC want PCA 305 progressed?

Regards,



Kate Byrne
A/Manager Assessment
Petroleum Assessment Hub | Georesources
Department of Resources

P: 07) 3199 8064 **M:** [sch4p4(6) P]

E: Kate.Byrne@resources.qld.gov.au

A: Level 4, 1 William Street, BRISBANE QLD 4000 | PO Box 15216, CITY EAST QLD 4002

W: www.resources.qld.gov.au

The information in this email together with any attachments is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. There is no waiver of any confidentiality/privilege by your inadvertent receipt of this material. Any form of review, disclosure, modification, distribution and/or publication of this email message is prohibited, unless as a necessary part of Departmental business.

If you have received this message in error, you are asked to inform the sender as quickly as possible and delete this message and any copies of this message from your computer and/or your computer system network.
