

Arrow Energy's Commitments to Surat Basin Landholders

A message from the CEO

August 2021

Balancing the impacts of our presence

In the Surat Basin, Arrow Energy's tenure uniquely overlies black soil farmland that includes irrigated, laser-levelled, intensively farmed land (IFL). For a decade, we have worked with landholders, and agricultural and irrigator groups to co-develop coexistence solutions.

We recognise that landholders may have concerns. We also recognise that the multi-well pad and deviated wells model that Arrow developed in conjunction with our landholder forums is overwhelmingly positive for coexistence, by minimising surface impacts on land, particularly high value agricultural land. We made mistakes in the early implementation of that model, and we need to do better. We acknowledge that the better view is that Entry Notices should have been given *prior to drilling* to landholders of properties where deviated wells traverse below the surface, and that early and ongoing engagement with adjoining landholders about potential deviated wells is vital.

We are deeply committed to genuine coexistence, where both agriculture and gas businesses thrive, and we know that coexistence depends not just on *what* we do but *how* we do it.

Arrow commits to meeting all our regulatory compliance requirements, including those relating to any future compensatable effects. Over and above those regulatory requirements, we are also making additional commitments to landholders about how we will engage, about the *transparent information* we will provide, and about our willingness to support *independent reviews and/or dispute resolutions*.

We commit that Arrow will always:

- act in good faith and treat you with respect, even where we may have different perspectives
- comply with legislative requirements including the Land Access Code, as well as Arrow's 12 Land Access Rules, and our 12 Coexistence Commitments
- share information, address concerns and seek to find mutually beneficial, agreed solutions wherever possible, in preference to pursuing legislative pathways
- engage in early and ongoing transparent discussions with you about development plans on, or adjacent, to your land. We will seek to:
 - discuss our proposed plans with you prior to sending you any formal Agreement, Entry Notice or other formal notification
 - engage with, and listen to, you in order to better understand your current operations and future plans for your property, so that we can work with you to minimise or eliminate any impacts on your land or business as a result of our operations, which may include adjusting the location of our gas infrastructure and continue that dialogue with you as our plans mature
 - provide you with a baseline ground surface data pack (Baseline Pack) specific to your property before any drilling commences if Arrow has, or is proposing, gas infrastructure on or under your land – and provide transparent access to the updated LiDAR data for your property that we will acquire bi-annually going forward
- provide you with the industry-agreed indemnity before our activities commence to protect you against public liability associated with any gas infrastructure on, or under, your land – either by Deed Poll Indemnity or as a clause included in any voluntary agreement with you

- following well construction:
 - provide a detailed map showing the location of gas infrastructure (depth and well trajectory) under your property
 - enter all wells into the Dial before You Dig system. If more information is required, we will use best endeavours to provide that information
- over the life of our operations, we will listen to any concerns that you may have about any impacts from our operations and conduct a thorough and timely investigation of those concerns, providing you with a detailed report
- provide compensation if, at any stage, you suffer compensatable effects as a result of our operations, *regardless of whether or not you have a CCA* with us
- if we ever fall short of meeting any of these commitments, we will be open and honest with landholders and the regulator, including on how we will do better.

Compensation liability for future Compensatable Effects

Under the *Mineral and Energy Resources (Common Provisions) Act 2014 (MERCPC Act)*, Arrow will be liable to compensate any future compensatable effects experienced by a landholder as a result of our operations or activities regardless of whether:

- the original activity was a preliminary activity
- there is an upfront CCA in place between Arrow and the landholder or occupier, or
- there is any gas infrastructure on, or under, that landholder's property.

Arrow commits to standing fully behind these obligations and to meeting all our regulatory requirements. Further, we commit to engaging with any landholders who believe that they have experienced compensatable effects as a result of our activities. In good faith, we will seek to understand, investigate and resolve their concerns, including through making restitution or paying compensation where required. We have committed to conduct a thorough and timely investigation of any such concerns and to provide the relevant landholder with a detailed report on the investigation.

Arrow will also support an independent review of any investigation report by suitably qualified and mutually agreed third-party experts or relevant regulatory agency, as well as participating in mediation or alternative dispute resolution following that review, if we have not already reached a mutually acceptable resolution with the relevant landholder. Finally, while our preference is always to reach mutually acceptable negotiated outcomes, landholders will always have recourse to the Land Court if they are not satisfied with the outcome in respect of any future compensatable effects.

Proposed Voluntary Deviated Wells Agreement

Arrow is proposing the development of a template form of Voluntary Deviated Wells Agreement in consultation with the GasFields Commission, agricultural peak bodies, APPEA and with relevant Government Departments. On the basis that a simple, balanced template agreement can be developed and agreed, it is Arrow's intention that the Voluntary Deviated Wells Agreement will be offered to landholders where we intend to drill deviated wells beneath their properties in circumstances where a conventional CCA is not required under the legislation. In addition to a standardised up-front payment, Arrow will formalise its commitments in relation to potential future compensatable effects. We will also offer this Agreement retrospectively to Landholders who already have deviated wells under their property.

Concerns about subsidence

Arrow acknowledges that some landholders are concerned about potential future subsidence as a result of our activities and, in particular, the extraction of water from coals and/or groundwater. While any potential future subsidence would be covered by the compensatable effects regime under the *MERCP Act* as described earlier, it will also be governed by the *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)*.

Arrow manages potential subsidence impacts as described in our Surat Gas Project CSG Water Monitoring and Management Plan (WMMP), under the *EPBC Act*, approved by the Federal Government. A copy of our current approved WMMP can be found on our website.

Arrow will:

- monitor and assess potential impacts by collecting water and surface data (including bi-annual LiDAR – aerial ground surface imagery), which will be shared with landholders and regulators
- provide a property-specific baseline ground surface data (Baseline Pack) if Arrow has, or is proposing, gas infrastructure on, or under, your land
- continue to apply emerging best-practice in collaboration with scientific bodies (eg. OGIA and UQ Centre for Natural Gas) and update our WMMP, in consultation with the Federal regulator, in relation to CSG water and subsidence monitoring and management
- conduct a thorough and timely investigation and share a comprehensive report with you, if you believe that subsidence from Arrow's activities has altered the drainage of your property causing you loss
- honour our obligation to address any loss as a result of the CSG-related impact, as detailed in our WMMP. This process applies equally to all landholders, whether they hold an agreement with Arrow (such as a CCA) or not, and indeed whether

or not they have any Arrow gas infrastructure on, or under, their land

- if you do not agree with Arrow's assessment – of either the cause or quantum of ground movement, or any claimed loss to your business resulting from Arrow's operations – then Arrow will support an independent review by a suitably qualified mutually agreed, third-party expert or relevant regulatory agency
- participate, if requested by the relevant landholder, in mediation or alternative dispute resolution following that review, if we have not already reached a mutually acceptable resolution with the relevant landholder.

Summary of regulatory framework

Arrow operates within a comprehensive state and federal regulatory framework, which dictates how authorised resource activities are to be carried out. This framework, including our environmental impact statement and the conditions in our environmental authorities, is designed to protect all landholders.

Landholders can raise concerns direct with Arrow, or the regulators below.

Phone **1800 038 856** (toll free) or email info@arrowenergy.com.au

Cecile Wake
Chief Executive Officer

Contacts

Queensland Department of Resources Georesources Engagement and Compliance Unit (first Government-related point of contact for CSG-related concerns)
Ph: 13 71 07
Online: resources.info@resources.qld.gov.au

Federal Department of Agriculture, Water and Environment
Ph: 1800 803 772
Online: www.environment.gov.au

Queensland Department of Environment and Science
Ph: 13 74 68
Pollution Hotline: 1300 130 372
Online: www.des.qld.gov.au/contactus; pollutionhotline@des.qld.gov.au

GasFields Commission of Queensland
Ph: 07 3067 9400
Online: enquiries@gfcq.org.au

Land Access Ombudsman
Ph: 1800 717 550
Online: enquiries@lao.org.au

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