

# MEETING MINUTES



MINUTES OF: Arrow Surat Community Reference Group  
 HELD AT: BMO Business Centre Dalby  
 DATE: 2 March 2017 – 8.30am  
 COMMENCEMENT TIME: 9.00am

<b>Present:</b>	<p><b>Leisa Elder</b> – Vice President, External Relations and Tenure Management  <b>Simon Gossmann</b> – Groundwater Manager  <b>Peta Tucker</b> – Community Relations Manager  <b>Carey Bradford</b> – Arrow Energy ATP Compliance Manager  <b>John Hughes</b> – Project Officer CSG Compliance Unit; DNRM  <b>Graham Clapham</b> – Central Downs Irrigators Ltd</p> <p>Proxies:  <b>Emma Rackley</b> – WDRC Community Development Manager as proxy for Cr Paul McVeigh  <b>Jody Monaghan</b> – Dalby Chamber of Commerce and Industry Board Member as proxy for Trudi Bartlett</p> <p>Presenters:  <b>Chris Wicks</b> – Development Planner IFL (Member of Arrow Intensively Farmed Land Committee (AIFL))  <b>Brydie Hedges</b> – Community Engagement Lead (Member of Arrow Intensively Farmed Land Committee)</p>
<b>Apologies:</b>	<p>Minutes: <b>Tania Marshall</b> – Secretariat</p> <p><b>Cr Nancy Somerfield</b> – Councillor, Toowoomba Regional Council  <b>Matt Paull</b> – Policy Director, APPEA  <b>Lee McNicholl</b> – Basin Sustainability Alliance  <b>Mary O'Brien</b> – Regional Manager, Cotton Australia  <b>Pat Weir MP</b> – Member for Condamine  <b>Sarah Due</b> – Regional Manager, Agforce  <b>Ian Hayllor</b> – Landholder  <b>Cr Paul McVeigh</b> – Mayor Western Downs Regional Council – Proxy attended  <b>Trudi Bartlett</b> – Member Services Manager, Dalby Chamber of Commerce – Proxy attended  <b>Scott Braund</b> – Australian Lot Feeders Association, Mort &amp; Co</p>
<b>Chair:</b>	<b>Leisa Elder</b> – Vice President External Relations and Tenure Management
<b>Disclosures:</b>	None recorded

	<b>Joint Meeting – ASCRG &amp; AIFL Committee</b>	<b>ACTION/ SUGGESTIONS</b>
<b>ITEM 1</b>	<p><b>Welcome – Leisa Elder</b></p> <ul style="list-style-type: none"> <li>Leisa Elder welcomed attendees, introduced new members and proxies.</li> </ul>	
<b>ITEM 2</b>	<b>Safety moment – Proper Load Restraint &amp; Non-Secured Load Fatality</b>	
<b>ITEM 3</b>	<p><b>Arrow Update – Leisa Elder</b></p> <ul style="list-style-type: none"> <li>\$100M Produce the Limit (PtL) project is currently underway.</li> <li>Tipton expansion is a \$500M project which is currently with the board for approval to proceed into detailed engineering and design. Collaboration discussions regarding the majority of Arrow's Surat Basin gas have been ongoing for 12 months and are continuing.</li> </ul>	
<b>ITEM 4</b>	<p><b>Operations Update – Carey Bradford</b>  <b>Completed and current activities</b></p> <ul style="list-style-type: none"> <li>CGPF Vibration works to support increased output. These works are ongoing.</li> <li>PtL (Produce the Limit) in currently being executed.                         <ul style="list-style-type: none"> <li>Tipton will have an upgrade to the fuel system in June</li> <li>Daandine will have a screw compressor installed in September</li> </ul> </li> <li>Daandine Water Treatment Plant                         <ul style="list-style-type: none"> <li>Has been shutdown since January to review control logic of the plant. Scheduled to restart in April</li> <li>Brine concentrator plant under construction, trial to increase recovery of water and reduce brine.</li> </ul> </li> <li>Tipton Water Treatment Plant                         <ul style="list-style-type: none"> <li>Shutdown since January due to lower water production and to review control logic. Scheduled to restart at end of April.</li> </ul> </li> </ul> <p><b>Planned activities</b></p> <ul style="list-style-type: none"> <li>Additional wells to feed into Tipton CGPF:                         <ul style="list-style-type: none"> <li>Longswamp (PL260)</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>➤ 2 single well pads and gas and water gathering               <ul style="list-style-type: none"> <li>○ Plainview (PL238)                   <ul style="list-style-type: none"> <li>➤ 2 single well pads and gas and water gathering</li> </ul> </li> </ul> </li> </ul> <p>John Hughes asked if these works were on landholder's properties. Chris Wicks advised that they are on landholder's properties that have existing infrastructure.</p> <p>Stuart Armitage (AIFL Committee) asked if gas was going to be used for domestic supply. Chris Wicks advised that the gas would go to Tipton CGPF which is used to power Braemar 2 power station.</p>	
<p><b>ITEM 5</b></p>	<p><b>Arrow Project Update – Chris Wicks</b>  <b>Proposed Tipton Expansion</b></p> <ul style="list-style-type: none"> <li>• Technical and commercial work is under way on a proposed significant expansion project at Tipton (Tipton Expansion), for later consideration by Shareholders.</li> <li>• Landholder's discussions and Area Wide Planning would commence post shareholder approval.</li> </ul> <p>Graham Clapham asked if it is on an existing PL. Chris Wicks advised it was. Graham also asked if a new Environmental Authority (EA) would be required. Chris advised that over the full life cycle of the project a new EA would be required.</p> <p>Neville Wirth (AIFL Committee) asked if Arrow would be using existing pipeline. Chris advised that Arrow's base case is to use the existing pipeline however further engineering work is yet to be done.</p> <p><b>Arrow's Plainview Pilot</b></p> <ul style="list-style-type: none"> <li>• Arrow has commenced planning for a coal seam gas pilot well program adjacent to its existing Tipton field, about 30km west of Dalby.</li> <li>• The pilot is proposed for completion by the end of 2017, the proposed life of the infrastructure may be more than 25 years.</li> <li>• The pilot program will include a number of wells, gas monitoring holes, a weather station, groundwater monitoring bore and gathering infrastructure.</li> <li>• Proposed infrastructure placement will minimise impact to the landholder's property.</li> <li>• Engagement will include Area Wide Planning, Community Information Session and notifications prior to construction.</li> </ul> <p>Graham Clapham asked if the gas could be used from the pilot. Chris Wicks advised that it is in a petroleum lease and would be processed by the Tipton CGPF for on-sale.</p> <p><b>Surat Seismic program</b></p> <ul style="list-style-type: none"> <li>• Arrow plans to undertake a seismic survey later in 2017 in the Hopeland, Kogan and Warra areas.</li> <li>• Landholder engagement and a Community Information Session will be held in Chinchilla in mid-2017.</li> </ul> <p>John Hughes requested details on the plans for engagement. Brydie Hedges (AIFL Committee) advised that landholders would be engaged by Land Access over the next few months, with a community information session for the broader community to be held mid-year in Chinchilla. Mail outs would be undertaken as well as media advertising would be used to notify the community of the session. Residents would be advised of activities passing their property approximately 2 weeks prior.</p> <p>John Hughes asked for a time frame for the surveys. Brydie Hedges advised that the community information session is anticipated to occur mid-year, with data acquisition tentatively planned for September to October.</p>	
<p><b>ITEM 6</b></p>	<p><b>Water Resources Reform – Simon Gossman</b>          The Water Act 2000 regulates the use and control of water in Queensland through:</p> <ul style="list-style-type: none"> <li>• Catchment level water planning by developing Water Plans (Water Resources Plans and Resource Operations Plans; note GABORA Water Plan replaces both of these for GAB).</li> <li>• Regulating impoundments (eg dams).</li> <li>• Authorising the extraction of water (surface water, groundwater and overland flow) for industries such as irrigation, and</li> <li>• Managing the impacts of groundwater take from the Petroleum &amp; Gas Industry.</li> </ul> <p><b>Key Chapter for Arrow</b></p> <ul style="list-style-type: none"> <li>• There are two chapters particularly relevant to Arrow:</li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Chapter 2 – which is concerned with the sustainable management and efficient use of water (administered by DNRM); and</li> <li>○ Chapter 3 – which is concerned with managing the impacts on underground water caused by the exercise of underground water rights by petroleum tenure holders (administered by DEHP).</li> </ul> <p>Chapter 2 – Managing Long Term Water Use</p> <ul style="list-style-type: none"> <li>• Chapter 2 promotes the 'sustainable' or 'responsible' management of water through the following mechanisms: <ul style="list-style-type: none"> <li>○ Catchment level 'water plans' which define the water resource and allocate it for social, environmental, and consumptive use.</li> <li>○ Regulating the take or interference with water through grant of 'authorities' (i.e. a right to take or interfere)</li> </ul> </li> </ul> <p>Why is Chapter 2 Relevant to CSG?</p> <ul style="list-style-type: none"> <li>• Previously, CSG companies could take unlimited volumes if necessary for, or incidental to, an authorised petroleum activity (e.g. water used to construct, pipelines, dams, WTF's, CGPF's, roads, camps, etc.)</li> <li>• Changes in the <i>Water Reform and Other Legislative Amendment Act 2014</i> and <i>Water Legislation Amendment Act 2016</i> altered underground water rights in the <i>Petroleum and Gas Act 2004</i> (P&amp;G Act).</li> </ul> <p>What does the s.185 change mean?</p> <ul style="list-style-type: none"> <li>• The amendments were intended to require a petroleum tenure holder to obtain an authority to access water under the Water Act to undertake authorised petroleum activities which require non- associated water (e.g. build a dam).</li> <li>• Albeit these activities are generally of limited duration, the bulk of water required to construct a project occurs before associated water is available for use.</li> </ul> <p>Transitional Provisions</p> <ul style="list-style-type: none"> <li>• Transitional provisions allow current water rights to continue for 5 years (Surat CMA) and 2 years (Bowen/everywhere else in Qld).</li> <li>• On expiry of the transitional provisions, an authority will be required for non-associated take: <ul style="list-style-type: none"> <li>○ Under the Water Act, Relevant Water Resource Plan, a Water Allocation, Licence, or permit.</li> </ul> </li> <li>• During transitional period there is a requirement to monitor take of non-associated water to inform resource management decisions post transitional period (e.g. grant of authorities to take).</li> </ul> <p>GABORA</p> <ul style="list-style-type: none"> <li>• Specifies volumes available in General and State Reserve.</li> <li>• Water in state reserve is predominantly available in far north Queensland and the Eromanga Basin.</li> <li>• Arrow believes government must provide a clear framework to ensure legitimate Make Good claims can be efficiently addressed. Plan allows: <ul style="list-style-type: none"> <li>○ Existing licences to be moved to facilitate compliance with a make good obligation, and</li> <li>○ Restricts movement of other existing licences into an area where CSG impact is predicted to occur.</li> </ul> </li> </ul> <p>Graham Clapham asked what Arrow's view was. Simon Gossmann advised that Arrow's view was that GABORA permitted allocations to be moved from the Walloons to the Hutton as part of make good.</p> <p>Graham, on behalf of Lee McNicholl, expressed concerns about the reduced availability of water in GABORA due to CSG water take. Graham was also concerned by the unsustainability of CSG water take and that this may impact on agricultural industries. Graham noted that CSG water production would vastly reduce the availability for future use.</p> <p>Simon acknowledged that water taken as part of CSG production was authorised by the P&amp;G Act and was therefore not assessed for sustainability. However, all takes need to be considered when evaluating long-term water availability from the GAB, which appeared to be what Graham had identified as having occurred during development of GABORA.</p> <p>Graham felt that Arrow needed to take on board the impact of new take from the GAB; Arrow should be off setting current allocations with water it produces. Graham also stated there is never an excuse for unsustainable take of ground water and CSG companies take should replace an existing take, not be a new take. Simon also noted that make good goes towards achieving this in that not all existing bore</p>	

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	<p>owners will drill new bores. Further, Arrow has consistently committed to offsetting its impact on the Condamine Alluvium by providing treated CSG water to existing groundwater users i.e. is substitution. Graham acknowledged this previous commitment.</p> <p><b>GABORA and Make Good</b></p> <ul style="list-style-type: none"> <li>• Arrow believes that aquifer sustainability may be negatively impacted if there is an overall increase in actual take from the basin because: <ul style="list-style-type: none"> <li>○ Non-working bores are required to be replaced (under make good) with new bores in a different aquifer, or</li> <li>○ Bores are replaced (under make good) with new bores with capacity equal to their paper authorisations rather than their actual, measured capacity.</li> </ul> </li> <li>• Furthermore, some landholders may be disadvantaged if spacing rules for water supply bores prevent installation of new bores into deeper aquifers (as make good measures).</li> <li>• Arrow believes these positions need to be aligned with the collective interests of landholders in the GAB and will be raising this issue with Government.</li> </ul> <p>Graham Clapham noted that some people with non-working bores would just take compensation. Graham also supported Arrow's position that make good should be about 'like for like' in all cases.</p> <p>Stuart Armitage stated that he wouldn't like to see a new industry benefiting from current produced water.</p> <p>John Hughes advised that he could arrange for someone from DNRM's water team to present.</p>	
<b>Item 7</b>	<p><b>Pest Animal Collaring program update – Brydie Hedges</b></p> <p>Through Arrows 2016 Sustainable Development Research Program, a Pest Animal Monitoring and Research program was funded. The program includes the installation of infra-red cameras, trapping, fitting of GPS collars and tagging of feral pigs.</p> <ul style="list-style-type: none"> <li>• In July 2017, two information sessions were held at Arrow's Theten Farm to provide an overview of the program and inform neighbouring landholders on how they could participate in the monitoring program.</li> <li>• In August 2016, the monitoring program commenced and two pigs were collared.</li> <li>• April 2017 will see Arrow participate in a community aerial shooting program. Collaring will continue with liaison between the Arrow contractor and the aerial shooting program representative.</li> <li>• In mid-2017 the research contractor will present findings to the committee and to neighbouring landholders.</li> <li>• In March 2017 Arrow will extend the research project to its Girraween property, near Miles. A community information session held in Miles will provide an overview of the program to neighbours and hunters in the area.</li> <li>• In April 2017 the research contractor will commence the monitoring program.</li> <li>• In late 2017 the findings from this program will be shared with the community.</li> </ul> <p>Neville Wirth advised that there were two pigs collared and they were killed within 2 weeks. The helicopter shoot commenced on Monday and he was pleased to see that Arrow was involved in this shoot. Brydie Hedges advised that the pest management researcher had spoken to the aerial shoot organiser and that she was supportive of the ongoing research.</p>	
	<b>ASCRG Committee only</b>	
<b>ITEM 8</b>	<p><b>Minutes of previous meetings</b></p> <ul style="list-style-type: none"> <li>• Minutes of the September meeting were reviewed. John Hughes requested a change to Item 11. Moved by Tania Marshall that they be accepted with that change, seconded by John Hughes. Committee endorsed.</li> </ul> <p><b>Actions from previous meeting</b></p> <p><b>Royalties on Flaring</b></p> <ul style="list-style-type: none"> <li>• A producer is required to pay royalties for the petroleum that it disposes of during a return period.</li> <li>• A producer disposes of petroleum if it flares or vents the petroleum (amongst other things).</li> <li>• Exemptions under the legislation include: <ul style="list-style-type: none"> <li>○ Petroleum that was flared or vented as part of testing for the presence of petroleum during the drilling of a well; and</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>○ The first 3,000,000m<sup>3</sup> of petroleum that was flared or vented in the course of production testing in relation to a particular well within a specific period.</li> <li>• In the absence of these specific exemptions applying to the petroleum that is flared or vented, the petroleum is liable for petroleum royalty.</li> <li>• Arrow ensures that it is compliant with its obligations under the petroleum legislation.</li> </ul>	
<b>ITEM 9</b>	<p><b>Membership</b> Graham Clapham raised the issue that he attended as a representative of the Central Downs Irrigators in a volunteer capacity. Graham requested that Arrow consider paying a fee to the organisation for sending a representative.</p> <p>Leisa Elder advised that the discussion would be considered. Leisa stated that there had been different views from different representatives over time. Some attendees are via paid employment and not volunteers.</p>	Arrow to consider compensation for volunteers who attend as representatives for organisations.
<b>ITEM 10</b>	<p><b>Ground water monitoring – Simon Gossmann</b> <b>Surat UWIR 2016 Monitoring Installation Process</b></p> <ul style="list-style-type: none"> <li>• 2012 and 2016 UWIR Water Monitoring Strategy obligations for Arrow:             <ul style="list-style-type: none"> <li>○ Monitoring multiple formations at 36 monitoring sites.</li> </ul> </li> <li>• For 2016 obligations, monitoring has commenced at 8 sites with an extension granted on the 9<sup>th</sup> site:</li> </ul> <p><b>Pampas Monitoring Site Demonstration</b></p> <ul style="list-style-type: none"> <li>• Monitoring bore with telemetry for 'real time view' of monitoring data.</li> <li>• Data is provided to OGIA every 6 months and uploaded to the Queensland Globe on Google Earth, where it is available for download.</li> </ul>	
<b>ITEM 11</b>	Any other business - Nil	.
<b>ITEM 12</b>	<p><b>Agreed outcomes, actions and deliverables –</b> <b>Actions to be undertaken from this meeting</b></p> <ul style="list-style-type: none"> <li>• Arrow to consider compensation for volunteers who attend as representatives for organisations.</li> </ul>	
<b>ITEM 13</b>	<p><b>Next meeting</b></p> <ul style="list-style-type: none"> <li>• 29 June 2017 – 9am to be held in Toowoomba</li> </ul>	

There being no further business, the meeting was closed at 10.45am.