

## Gas Well Trials Initiative

### FEDERATION FUNDING AGREEMENT - AFFORDABLE HOUSING, COMMUNITY SERVICES AND OTHER

Table 1: Formalities and operation of schedule													
Parties	Commonwealth Queensland												
Duration	This Schedule is expected to expire on 30 June 2023.												
Purpose	<p>This Schedule will support the delivery of a Gas Well Trials initiative in Queensland, covering the North Bowen and Galilee Basins (NBG). The initiative aims to provide a greater understanding of the basins' geotechnical properties by trialing innovative drilling techniques and sharing intellectual property relating to past and new drilling. A greater understanding of the basins' geology and successful demonstration of commercial gas flows will work to increase industry interest, investment in infrastructure and project development in the NBG. The initiative consists of:</p> <ul style="list-style-type: none"> <li>• four separate grants to eligible gas operators in the NBG under a new Gas Well Trials Grant Program; and</li> <li>• technical advice agreement between the Queensland Government and the University of Queensland (UQ) Centre for Natural Gas.</li> </ul>												
Estimated financial contribution	<p>The Commonwealth will provide a total financial contribution to Queensland of \$15.631m in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2021-22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Estimated total budget</b></td> <td><b>15.631</b></td> <td><b>15.631</b></td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>15.631</td> <td>15.631</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Table 1 (\$ million)	2021-22	Total	<b>Estimated total budget</b>	<b>15.631</b>	<b>15.631</b>	Less estimated National Partnership Payments	15.631	15.631	Balance of non-Commonwealth contributions	0.0	0.0
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Additional terms	<p>The extent of UQ's involvement in this initiative will be prescribed and governed under a formal agreement between UQ and Queensland.</p> <p>Upon receiving payment from the Commonwealth, Queensland will deliver payments to UQ in line with the agreement between Queensland and UQ.</p> <p>Queensland will establish and administer a competitive grant program to determine gas operator recipients of the four grants under the Gas Well</p>												

Trials Program and the Queensland Minister for Resources will approve successful recipients.

Queensland will consult the Commonwealth when establishing eligibility and assessment criteria for the grant program.

The Commonwealth will be involved in assessing applications for grants under the Gas Well Trials Program with the Queensland Minister for Resources to approve successful recipients.

The Commonwealth will have free and full access to all data and reports developed under this agreement. The publication of data and reports generated under this agreement will be subject to the consent of both parties.

No media releases or announcements are to be made without the prior agreement of both parties.

**Table 2: Queensland Government and University of Queensland (UQ) Centre for Natural Gas Partnership for technical advice - Performance requirements, reporting and payment summary**

Output	Performance milestones	Report due	Payment \$(000)
Development and Implementation of Gas Well Trials Grant Program	<p>The Commonwealth is providing an upfront payment to Queensland to facilitate an agreement between Queensland and UQ. This agreement will specify that UQ will provide expert advice to facilitate the development and implementation of the Gas Well Trials Grant Program, by:</p> <ul style="list-style-type: none"> <li>• contributing to key frameworks for the administration for the competitive Gas Well Trials Grant Program, including eligibility criteria, application assessment criteria, and governance arrangements.</li> <li>• participating in the assessment of program applications, and participating in the selection of successful applicants</li> <li>• conducting a comprehensive literature review on existing well design and well tests performed to date across the North Bowen and Galilee regions, identifying the lessons learnt from past initiatives, options for potential technology for field trials and life-cycle costs and suggested trial design and concepts.</li> <li>• collaborating with successful applicants to develop detailed engineering designs for the gas well trials, which include cost estimates, implementation plans and risk management plans, and oversee site and trial preparation including the physical preparation, permits, approvals contracts and overlapping-tenures for the projects.</li> </ul>	Payment to be made following the execution of this Schedule.	1304.8
Data Collation and Final Report	Under the Queensland-UQ agreement, UQ will collect all data across supported gas trials and analyse this information, incorporating it into various predictive models to assess the impact of the data on flow rates and costs. After seeking agreement from Queensland and the Commonwealth, UQ can publish key findings, insights, datasets, and provide recommendations on the next steps to progress the North Bowen and Galilee basin development. The Commonwealth will provide payment to Queensland upon UQ's successful publication of final report and data.	1/6/22	326.2

**Table 3: Proposed Performance Requirements: Gas Well Trials Grant Program - Performance requirements, reporting and payment summary**

<b>Output</b>	<b>Performance milestones</b>	<b>Report due</b>	<b>Payment \$(000)</b>
Galilee CSG Site	Milestone 1 - Grant agreement between Queensland and grantee for Galilee CSG Site commences.	1/3/22	1200
	Milestone 2 – Grantee for Galilee CSG Site drills well for trial.	1/4/22	400
	Milestone 3 – Grantee for Galilee CSG Site provides data from all completed trials to UQ.	1/6/22	400
Galilee Conventional Site	Milestone 1 - Grant agreement between Queensland and grantee for Galilee Conventional Site commences.	1/3/22	2400
	Milestone 2 – Grantee for Galilee Conventional Site drills well for trial.	1/4/22	800
	Milestone 3 – Grantee for Galilee Conventional Site provides data from all completed trials to UQ.	1/6/22	800
North Bowen Site 1	Milestone 1 - Grant agreement between Queensland and grantee for North Bowen Site 1 commences.	1/3/22	2400
	Milestone 2 – Grantee for North Bowen Site 1 drills well for trial.	1/4/22	800
	Milestone 3 – Grantee for North Bowen Site 1 provides data from all completed trials to UQ.	1/6/22	800
North Bowen Site 2	Milestone 1 - Grant agreement between Queensland and grantee for North Bowen Site 2 commences.	1/3/22	2400
	Milestone 2 – Grantee for North Bowen Site 2 drills well for trial.	1/4/22	800
	Milestone 3 – Grantee for North Bowen Site 2 provides data from all completed trials to UQ.	1/6/22	800

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth  
of Australia by



**The Honourable Keith Pitt MP**  
Minister for Resources and Water

[Day] [Month] 2022

10/2/22

Signed for and on behalf of the  
State of Queensland by



**The Honourable Scott Stewart MP**  
Minister for Resources

[Day] [Month] 2022

31/3/22