

Initial and later development plan guideline

A guide about preparing and lodging a proposed initial or later development plan for a petroleum lease under the *Petroleum and Gas (Production and Safety) Act 2004*.

July 2023

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Table of contents

About this guideline	4
General information	4
Lodgement	4
Principal objectives	4
Scope of development plan	5
Project-based development plan	5
Overlapping development plan	5
CSG Requirements	6
Request for additional information	6
End of life of PL.....	6
Initial development plan requirements	6
Later development plan requirements	11
Initial and later development plan requirements	13
Other requirements	14
General map requirements	14
When PL area overlaps with a coal or oil shale mining tenement	14
Appendix 1	16
The rate and amount of production from each reservoir – proposed initial development plan.....	16
Appendix 2	17
The rate and amount of production proposed from each reservoir – proposed later development plan	17
Background.....	17
Example 1	17
Example 2	18
Document information	20

Table of tables

Table 1 - Guide to content for proposed initial development plans lodged under the P&G Act

Table 2 - Guide to content of proposed later development plans under the P&G Act

Table 3 - Additional CSG requirements

About this guideline

This guideline provides information about preparing and lodging a proposed initial or later development plan (collectively referred to as 'development plan') for a petroleum lease (PL) administered under the *Petroleum and Gas (Production and Safety) Act 2004* (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.

General information

Lodgement

Every PL under the P&G Act must have an approved development plan. An application, for the initial grant of a PL, must be accompanied by a proposed initial development plan. A later development plan is then required on a five yearly basis for the term of the lease.

A proposed later development plan must be lodged:

- With an application to renew a PL;
- at least 40, but no more than 100, business days before the end of the plan period for the PL's current approved development plan (the current plan period);¹ or
- as soon as practicable after the holder proposes, or becomes aware of, a significant change to the nature and extent of an authorised activity that is not already dealt with under the current approved development plan for the PL.

A proposed later development plan for a PL must address a number of factors relating to changes and compliance with the current approved development plan for the PL.

Proposed development plans should be lodged online via the [MyMinesOnline](#) electronic lodgement system.

Principal objectives

The principal objectives of a development plan, are to:

- provide a better understanding of the nature and extent of the proposed or continuing development and production of the petroleum reserves from the PL;
- provide a better understanding of the nature and extent of the proposed or continuing storage of petroleum or prescribed storage gas;
- allow an assessment of the proposed development, or continuing development and whether it is appropriate with respect to the area, resource and the public interest; and
- allow appropriate resource management decisions to be made, particularly in the case of overlapping areas of PLs, and coal or oil shale mining tenements under the *Mineral Resources Act 1989*.

¹ Section 159(6)(b) of the P&G Act states if the proposed later development plan is lodged after the required timeframe, the fee payable is an amount that is 10 times the fee.

Scope of development plan

The extent of a proposed development plan will vary depending on the size and complexity of the proposed or existing development. The plan for a smaller, single-well operation for instance would require less detail than a multi-well operation that also includes compressor stations, processing facilities and other incidental infrastructure.

Project-based development plan

A proposed development plan may also relate to another PL or proposed PL. If approved, such development plans are administratively referred to as 'project-based development plans'.

To determine whether a proposed development plan may be considered a project based development plan, PL applicants or holders should refer to the '[Operational policy project-based development plans](#)'. This operational policy provides guidance and set out the principles to be followed with respect to the approval of project-based development plans.

In any case, this guideline must still be followed to ensure the contents and requirements of a proposed development plan are met.

A proposed initial development plan (that is also a proposed project-based development plan) should describe the relationship of the PL application it accompanies, to the whole project.

Overlapping development plan

Where the area of a PL application or granted PL overlaps the area of a coal or oil shale mining tenement, and the applicant or holder for the PL proposes to, or is producing coal seam gas (CSG), the proposed initial or later development plan must address the inter-relationship between the petroleum and the coal or oil shale resources development.

These types of proposed development plans should identify:

- the possibility of future or continuing coordinated production of petroleum and mining of coal or oil shale resources within the overlapping area,
- the impact of producing petroleum or mining of coal or oil shale on the other,
- the relative value of each resource, and
- the benefits of the development of each resource for the State.

The PL applicant or holder should provide a summary and the current status of all engagements and any agreements made with the overlapping coal or oil shale mining tenement holders. Copies of any current authorisations from the overlying coal or oil shale mining tenement holders should be included.

A PL application may be subject to a 'relevant arrangement'.² A relevant arrangement may provide that if the PL is granted, its holder need not comply with the statutory requirement to produce from the PL within two years from its date of effect.

Where production is not planned to start within the proposed development plan period, the development plan will still need to address the relevant development plan requirements. However, the level of detail may not need to be as comprehensive.

² See section 121(2)(b) of the P&G Act.

CSG Requirements

For overlapping PL applications and granted PLs, subject to the overlapping provisions under chapter 3, part 6, division 1 of the P&G Act, additional CSG requirements must be detailed in the proposed initial or later development plan. Guides for the additional CSG requirements are set out in [Table 3](#).

Request for additional information

Additional information may be required from a PL holder to decide whether to approve a proposed later development plan. In this situation, the department may issue a PL holder with a notice requiring the holder, within a reasonable stated period, to give information required to decide whether to approve a proposed later development plan.³

If the holder does not comply with the requirement, the proposed later development plan may be refused,⁴ and the Minister may take noncompliance action against the holder of the lease for failing to comply with the request.⁵

The types of noncompliance action that may be taken include, but are not limited to:

- directing the holder to lodge a proposed later development plan that complies with the later development plan requirements;
- the cancellation of the lease.

End of life of PL

The requirement to lodge a proposed later development plan may coincide with a period where production from a granted PL is finishing or has finished. Remaining authorised activities on the PL may be limited to:

- the decommissioning of wells, pipelines, facilities or other infrastructure, or
- removing equipment or infrastructure, or
- rehabilitation or environmental management required of the holder under any relevant environmental requirement under the *Environmental Protection Act 1994*.

In these situations the later development plan only needs to address the requirements that are relevant to such activities.

Initial development plan requirements

Guides for the preparation of proposed initial development plans are set out in [Table 1](#), below.

Table 1 - Guide to content for proposed initial development plans lodged under the P&G Act

A proposed initial development plan (including one that also needs to contain the additional CSG requirements) should include a table of contents that references where each of the statutory requirements is addressed.	
Legislative requirement – relevant to proposed initial development plan	Information to be provided

³ See section 147(5) of the P&G Act

⁴ See section 147(6) of the P&G Act

⁵ See section 791(2)(b) of the P&G Act.

<p>Section 138(1)(a) - an overview of the activities proposed to be carried out under the proposed PL during all of its term.</p>	<ul style="list-style-type: none"> • A written summary covering the proposed term of the PL, detailing: <ul style="list-style-type: none"> — the timing and amount of petroleum to be extracted and the area from which it is to be extracted, — related infrastructure such as water disposal infrastructure and central compressor stations. Include a detailed map at an appropriate scale showing all of the above in relation to PL boundaries, — key milestones (for example production from a different reservoir). • Any proposed partial recovery of petroleum resources is to be described.
<p>Section 138(1)(b) - for each year of the plan period: The plan period for a proposed initial development plan is defined by term of the PL. If the term is:</p> <ul style="list-style-type: none"> • Less than five years from the granting of the PL—the term of the PL, or • Five years or more from the start of the term—five years from the start of the term. 	
<p>Section 138(1)(b)(i) - the nature and extent of activities proposed to be carried out under the proposed PL during the year;</p>	<ul style="list-style-type: none"> • Identify the type of activities to be undertaken including, for example, estimated number and types of wells and their drilling method and depth, pipelines, processing plants, water production and management activities, reservoirs to be drilled, monitoring activities (especially the location of water observation bores). • This information can be provided on a yearly basis in a table.
<p>Section 138(1)(b)(ii) - where the activities are proposed to be carried out;</p>	<ul style="list-style-type: none"> • Identify where all authorised activities are proposed to occur on the PL. This should include proposed locations of wells, pipelines, other transport facilities, storage facilities, access roads, and infrastructure. • The level of detail should be general where appropriate. A general statement could be made about the extent of the proposed drilling activities, an indication of the number, type and spacing of wells or bores, and geophysical surveys. • A map, or series of maps if more than one natural underground reservoirs are to be involved, must be provided.
<p>Section 138(1)(b)(iii) - the estimated cost of the activities.</p>	<ul style="list-style-type: none"> • A summary of estimated costs. For example, \$5 million for compressors, \$10 million for production wells.
<p>Section 138(1)(c) - for each natural underground reservoir in the area of the PL, of which the applicant is aware, each of the following:</p>	
<p>Section 138(1)(c)(i) - the location and a verifiable estimate of the amount of petroleum in the reservoir;</p>	<ul style="list-style-type: none"> • A map showing the reserve and resource limiting parameters (for example, lowest closing contour, oil-water contact, area of influence of a well) for each natural underground reservoir. • Where production methods vary, the reserve/resource information should be provided for each distinct area. • An estimate of the volume of petroleum by confidence category (proved, probable, possible) in each natural underground reservoir.

<p>Section 138(1)(c)(ii) - the standards and procedures used to make the estimate;</p>	<ul style="list-style-type: none"> • Resources and reserves estimates by confidence category (for example proved, probable and possible). This may have already been provided in response to the requirement section 138(1)(c)(i). • Reference could also be made to petroleum in place as well as recoverable petroleum. • Procedures used to make the estimate. • Sufficient information to validate the estimate. This could be a summary of key parameters (for example, porosity, permeability, reservoir pressure). • Tabulated information with corresponding maps will suffice in most cases. Again, this may have already been provided in response to the requirement at section 138(1)(c)(i).
<p>Section 138(1)(c)(iii) - the rate and amount of production proposed from the reservoir;</p> <p>and</p> <p>Section 138(1)(c)(v) - a schedule for the proposed production during the plan period;</p>	<ul style="list-style-type: none"> • The volume of petroleum and water to be produced from each reservoir for each year of the plan. This must be detailed on a 'financial year' basis (See Appendix 1, Table 5 for an example of this Production Table). • The volumes must be stated in compliance with section 41 of the Petroleum and Gas (General Provisions) Regulation 2017. That is: <ul style="list-style-type: none"> — for water - megalitres ; or — for gas – million cubic metres (Mm3); or — for LPG-kilotonnes; or — for crude oil or condensate-million barrels (also known as MMbbl). • The measurement of energy must be stated in – <ul style="list-style-type: none"> — for petroleum, prescribed storage gas or a substance prescribed under the 2004 Act, section 402(1) that is a sales quantity of gas, including coal seam gas-petajoules; or — for crude oil or condensate-energy of oil in million barrels of oil equivalent (also known as MMBOE). • The measurement of a depth, length or other distance must be stated in metres. • Volume should include produced and sales gas. • Comments should be provided in relation to resource extraction efficiency and best practice. • Tabulated information will suffice in most cases. (For an example, see Appendix 1, Table 5).
<p>Section 138(1)(c)(iv) - approximately when the proposed production is to start.</p>	<p>Date⁶ and rationale (brief explanation if any extended delay owing to a relevant arrangement⁷)</p>

⁶ Section 154(1) of the P&G Act states that a PL holder must start production within 2 years after the lease takes effect.

⁷ See section 123 of the P&G Act

<p>Section 138(1)(e) - any other information relevant to the criteria mentioned in section 141 of the P&G Act (and section 383B of the P&G Act if chapter 3 of the P&G Act applies to the PL application). This includes whether petroleum production sought under the PL will be optimised in the best interests of the State, having regard to the public interest.</p>	<ul style="list-style-type: none"> • Matters only need to be addressed if applicable. • The amount of detail required will depend on the nature of any overlap and the extent of identified coal or oil shale resources. • The possibility of any coordination arrangement for the production of petroleum should be mentioned. • Consideration of the public interest may include having regard to: <ul style="list-style-type: none"> — government policy, — value of commodity production (including time value), — employment creation, — total return to the State and to Australia (including royalty and rent), assessed on both a direct and indirect basis, so that, for example, downstream value adding is included, — social impacts, — the overall economic benefit for the State, or a part of the State, in the short and long term, — impacts on aesthetic, amenity, cultural or environmental values. • In summary, most of the requirements of this section, including the CSG assessment criteria, are intended to identify: <ul style="list-style-type: none"> — the possibility for coordinated development of the petroleum and coal or oil shale resources, — the impact of development of one resource on the other, — the relative value of each resource, and the benefit of development of each resource for the State.
<p>Section 138(1)(f) - reasons why the plan is considered appropriate.</p>	<p>The reasons are to include (but not limited to):</p> <ul style="list-style-type: none"> • Why petroleum is recovered in the most efficient and economically viable way. • Information in support of the proposed production commencement day. • The development is not adversely impacting on the future development of the State’s coal and oil shale resources.
<p>Section 138(1)(g) - another matter prescribed under a regulation.</p>	<ul style="list-style-type: none"> • At the time of approving this guideline, section 9 of the Petroleum and Gas (General Provisions) Regulation 2017 prescribed other matters that must be contained in a proposed initial development plan. These are detailed in the next two rows. • Refer to the Office of the Queensland Parliamentary Counsel website (https://www.legislation.qld.gov.au) for the latest version of the Petroleum and Gas (General Provisions) Regulation 2017 for confirmation.
<p>Section 9 of the Petroleum and Gas (General Provisions) Regulation 2017: Provide for the area limit of the natural underground reservoir.</p>	<ul style="list-style-type: none"> • A map for each reservoir showing the reserve and resource limiting parameters (for example, lowest closing contour, oil-water contact, area of influence of a well) for each natural underground reservoir. This may have already been provided in response to the requirement at section 138(1)(c)(i). • If the estimate is determined in a way other than in complying with the requirements of ‘Petroleum Resources Management System v1.01’ (the SPE Code) published in June 2018 and revised in November 2018 by the Society of Petroleum Engineers, the details of the other way must be provided. The Chief Executive must approve the other way of working out the reserves.

<p>Section 9 of the Petroleum and Gas (General Provisions) Regulation 2017: Details, including the location, type and size, of any planned infrastructure intended to be located within the area of the proposed PL.</p>	<ul style="list-style-type: none"> • Details to include a list of the infrastructure and a map showing the proposed location. This may have already been provided in response to the requirement at section 138(1)(b)(ii).
<p>Section 140 If natural underground reservoir storage is proposed, the proposed plan must include the following:</p>	
<p>Section 140(a) - A program for evaluating, developing and using the reservoir;</p>	<ul style="list-style-type: none"> • Quantity of buffer gas necessary to maintain the reservoir for future storage of petroleum or prescribed storage gas. • The proposed monitoring program associated with injection and withdrawal to monitor the ongoing status of the storage gas in the reservoir with respect to pressure and any escape of storage gas. • Installed equipment and operating procedures. • Proposed injection and withdrawal rates.
<p>Section 140(b) - A verifiable estimate of its storage capacity;</p>	<ul style="list-style-type: none"> • Thickness of the natural underground reservoir. • Porosity. • Permeability. • Volume.
<p>Section 140(c) - The standards and procedures used to make the estimate;</p>	<p>As appropriate.</p>
<p>Section 140(d) - A schedule for the storage injection and withdrawal;</p>	<p>If known, include injection and withdrawal rates as part of the schedule. If not known, it is sufficient to state 'on demand'.</p>
<p>Section 140(e) - Another matter prescribed under a regulation.</p>	<p>No other matter is prescribed under the regulation at the time of approving this guideline. Refer to the Office of the Queensland Parliamentary Counsel website (https://www.legislation.qld.gov.au) for the latest version of the Petroleum and Gas (General Provisions) Regulation 2017 for confirmation.</p>

Later development plan requirements

Guides for the preparation of a proposed later development plan, for a coal or oil shale ML, are set out in Table 2, below.

Table 2 - Guide to content of proposed later development plans under the P&G Act

A proposed later development plan (including one that also needs to contain the additional CSG requirements) should include a table of contents that references where each of the statutory requirements is addressed.	
Section 143(1)(a) - comply with the initial development plan requirements	
The proposed initial development requirements are detailed in Table 1 . The information to be provided in a proposed initial development plan must also be provided in a proposed later development plan, with necessary changes. To address the requirements in sections 138(1)(c)(iii) and 138(1)(c)(v) of the P&G Act, for a proposed later development plan, see the examples at Appendix 2 .	
Additional legislative requirements relevant to proposed later development plan	Information to be provided
Section 143(1)(b) - highlight any significant changes from the current development plan for the PL.	<p>Examples of significant change:</p> <ul style="list-style-type: none"> • Extra infrastructure to be constructed within the plan period (for example, new compressor or pumping station), • Production or storage from a different area or natural underground reservoir, • Significant changes in rates of proposed production or storage, • Changes in production or storage technique, • Proposed production of oil/gas as well as gas/oil, • Pipelines no longer being buried but laid on the surface, • Additional wells being drilled, • Deliverability enhancement (for example, hydraulic stimulation).
Section 143(1)(c) - if the current development plan has not been complied with—state the details of, and the reasons for, each noncompliance.	State where the current development plan has not been followed and reasons for departure from the plan. An example for a departure from the plan may be not drilling proposed development wells owing to changes in the understanding of the geology of the natural underground reservoir.
Section 143(2) - if the effect of the proposed development plan is to significantly change an activity provided for under the current development plan for the PL, the proposed plan must also state reasons for the change.	A response is required here where a later development plan is to be lodged before the end of the plan period for the current approved development plan because a significant change has been made.
Section 143(3) For a significant change that is a cessation or reduction of petroleum production, the proposed plan must include an evaluation of:	

<p>(a) - Petroleum production potential in the area of the PL;</p>	<ul style="list-style-type: none"> • Estimate of the proposed rate of petroleum production based on current infrastructure on the PL. • An assessment of the potential of the area of the PL to contain additional reserves and resources. • Statement of the additional activities necessary to produce the remaining petroleum or to confirm the presence of the additional reserves and resources.
<p>(b) - Market opportunities for petroleum production in the area of the PL.</p>	<ul style="list-style-type: none"> • Review of the market opportunity for the sale of the petroleum – local markets or major industrial customers. • Estimate of the rate of petroleum production necessary for commercial production based on differing prices for the petroleum. • An assessment of the likelihood of these prices being achieved.
<p>Section 140 - If natural underground reservoir storage is being carried out, or is proposed to be carried out, the proposed later development plan must include the following:</p>	
<p>(a) - A program for evaluating, developing and using the reservoir.</p>	<ul style="list-style-type: none"> • Quantity of buffer gas necessary to maintain the reservoir for future storage of petroleum or prescribed storage gas. • The proposed monitoring program associated with injection and withdrawal to monitor the ongoing status of the storage gas in the reservoir with respect to pressure and any escape of storage gas. • Installed equipment and operating procedures. • Proposed injection and withdrawal rates.
<p>(b) - A verifiable estimate of its storage capacity or remaining storage capacity.</p>	<ul style="list-style-type: none"> • Thickness of the natural underground reservoir. • Porosity. • Permeability. • Volume.
<p>(c) - The standards and procedures used to make the estimate.</p>	<p>As appropriate.</p>
<p>(d) - A schedule for the storage injection and withdrawal.</p>	<p>If known, include injection and withdrawal rates as part of the schedule. If not known, it is sufficient to state 'on demand'.</p>
<p>(e) - Another matter prescribed under a regulation.</p>	<p>No other matter is prescribed under the regulation at the time of approving this guideline. Refer to the Office of the Queensland Parliamentary Counsel website (https://www.legislation.qld.gov.au) for the latest version of the Petroleum and Gas (General Provisions) Regulation 2017 for confirmation.</p>

Initial and later development plan requirements

Table 3 - Additional CSG requirements

Legislative requirement	Information to be provided
<p>Section 381</p> <ul style="list-style-type: none"> The proposed development plan must include a statement of how the effects on, and the interests of, any relevant overlapping or adjacent coal or oil shale mining tenement holder have, or have not, been considered, having regard to the CSG assessment criteria (provided for in section 305 of the P&G Act). 	<ul style="list-style-type: none"> Identify any coal or oil shale mining tenements, overlapping or adjacent to the proposed PL area or granted PL area, and the holders of these tenements. Give details and results of any negotiations or proposals to show how the overlapping or adjacent coal or oil shale mining tenement holder's interests will be considered. If the interests have not been considered the reasons for this will need to be properly justified. Detail the likely interaction with, and impact on, coal seams by petroleum production activities. For example: <ul style="list-style-type: none"> seams to be intersected, effect on these seams caused by recoverability enhancement and proposed completion techniques (for example, fracturing, under-reaming, casing, pumping), how any impact is going to be minimised (for example, operational procedures including well abandonment). If future coal development is considered unlikely this can be stated along with the reasons for coming to this conclusion. <p>The statement must be developed with regard to the CSG assessment criteria. For details on the type of information that relates to the CSG assessment criteria refer to the 'Guideline for preparing CSG statements and addressing CSG assessment criteria'.</p> <p>Note that section 384 of the P&G Act provides that in deciding whether to approve a proposed later development plan, the following matters will be considered:</p> <ul style="list-style-type: none"> the CSG assessment criteria; and the effect of any approval of the proposed plan on any relinquishment condition for the PL. <p>An example of a relinquishment condition may be a requirement for a PL holder to have extracted all the coal seam gas from a particular area by year 10 of the PL.</p>
<p>Section 382</p> <p>(1) - The activities provided for under the proposed plan must seek to optimise petroleum production in a safe and efficient way.</p> <p>(2) - However, the activities must not adversely affect the future safe and efficient mining of coal where it is commercially and technically feasible not to do so.</p>	<ul style="list-style-type: none"> Describe how petroleum production will be optimised and produced in a safe and efficient way. Reference may be made to the proposed or existing safety management system and how the PL applicant or holder proposes to comply with relevant safety regulations. Describe how the effects of the production of any coal seam gas on future coal or oil shale mining have been fully considered and incorporated into the production program. Detail what the effects on coal mining are likely to be and how these will be minimised or controlled. This may have been addressed in the response to the requirements for

Legislative requirement	Information to be provided
	<p>section 138 in Table 1; otherwise an example will be needed.</p> <ul style="list-style-type: none"> Justification that petroleum production is optimised, including recovery factor or fraction. Note: this may have already been addressed in the requirements for section 138(1)(c)(iii) or section 138(1)(e) in Table 1.
Section 383	
<p>If all or part of the area of the proposed or granted PL is in the area of a coal or oil shale mining lease (the relevant land), the proposed plan must, to the extent it applies to the relevant land, be consistent with—</p> <p>(a) the development plan for the mining lease; and</p> <p>(b) any coordination arrangement relating to the relevant land.</p>	<ul style="list-style-type: none"> State how the drafting of the proposed development plan took into consideration the development plan for the coal or oil shale mining lease. State how the proposed development plan optimises the extraction of the petroleum resource.

Other requirements

General map requirements

Where a map is to form part of the information to be provided the following are the map's general requirements:

- A scale, scale bar and either AMG or geographic coordinates graticule must be included on each map.
- Maps should be provided at a common scale within the proposed work program to allow for comparison.
- The legend on all maps is to clearly identify all colours, symbols, front/line styles used.
- At least one of the maps must show background topographic information (for example, creeks, rivers) and other significant cultural features (for example, dwellings, town extents, roads).
- All relevant petroleum authorities or mining tenements are to be shown on all maps.

When PL area overlaps with a coal or oil shale mining tenement

The area proposed in a PL application, or the area of a granted PL, may overlap all or part of the area of a coal or oil shale mining tenement and have additional requirements.

If an overlapping PL application was lodged prior to 27 September 2016, the grant of such a PL was subject to the additional overlapping provisions detailed in chapter 3 'Provisions for coal seam gas' of the P&G Act.

If an overlapping PL application was lodged on, or after 27 September 2016, the grant of such a PL would be subject to the additional overlapping provisions detailed in chapter 4 'Overlapping coal and petroleum resource authorities' of the *Mineral and Energy Resources (Common Provisions) Act 2014* (MERC Act).

Important note: some overlapping provisions detailed in chapter 3 of the P&G Act apply to a PL application despite the application of the overlapping framework under chapter 4 of the MERC Act.

If the overlapping framework in chapter 4 of the MERCPC Act applies to a PL, parts 1-5 of the chapter 3 of the P&G Act overlapping provisions are excluded.⁸ However, parts 5-6 of the chapter 3 P&G Act overlapping provisions will apply and some of the requirements such as a CSG Statement are still required to be lodged with a PL application.

The overlapping provisions detailed in the MERCPC Act apply only where the proposed area in the overlapping PL application covers all or part of the area of a coal resource authority. If any of the proposed area in the overlapping PL application covers all or part of the area of an oil shale mining tenement, the overlapping provisions of the P&G Act apply.

A proposed development plan should be operationally consistent with any agreed joint development plan that applies to the PL.

At the time of lodgement of an application for an overlapping PL, an agreed joint development plan may not have been finalised. If so, an application may need to be made at a later date to amend the proposed development plan, to reflect the finalised joint development plan.

Under chapter 7, part 4, division 4, of the MERCPC Act, the following transitional arrangements apply for overlapping PLs:

- under section 238(2) of the MERCPC Act, if an undecided PL application overlaps a coal exploration authority, then the MERCPC Act applies;
- under section 240(2) of the MERCPC Act, if an undecided PL application overlaps a granted ML, then the unamended P&G Act applies;
- under section 241A(3) of the MERCPC Act, unless the applicants are parties to a coordination arrangement then MERCPA applies; and
- section 231A of the MERCPC Act sets out how the provisions of the MERCPC Act are to be applied (in relevant overlapping tenure situations) where the resource authority holders had entered into an agreement prior to the commencement of the MERCPC Act.

⁸ See *Petroleum and Gas (Production and Safety) Act 2004* s 303A.

Appendix 1

The rate and amount of production from each reservoir – proposed initial development plan

The table that details the rate and amount of petroleum or produced water, to be produced from each reservoir the subject of a PL application (the 'production table'), must be provided in Australian financial year periods. Australian financial year periods mean 1 July to 30 June of each year.

This is different to how the production table, as detailed in proposed initial development plans, has previously been drafted. An example of this type of production table follows:

Table 4 – Previous draft of production table

Year	Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1	0	3
2	2000	2
3	2200	2
4	2500	1
5	3000	1

Table 5 provides an example of a production table based on financial year periods. The layout example provided in Table 5 shows how this detail must now be provided in a proposed initial development plan that accompanies a PL application, is as follows:

Table 5 – Production table

Year		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1	1 July to 30 June	0	3
2	1 July to 30 June	2000	2
3	1 July to 30 June	2200	2
4	1 July to 30 June	2500	1
5	1 July to 30 June	3000	1

While the commencement of the financial year is unlikely to correspond with the day of effect or grant date for a PL, later residual periods are addressed in later development plan requirements for production tables.

Appendix 2

The rate and amount of production proposed from each reservoir – proposed later development plan

Background

A proposed later development plan requires PL applicants to provide details of the volume of petroleum and water to be produced from each reservoir for each year of the proposed initial development plan period ([production table](#)).

PL applicants are required to provide the production table in 'Australian financial year periods'. Australian financial year periods mean 1 July to 30 June of each year.

This is different to how the production table, detailed in proposed later development plans, had previously been drafted. An example of this type of production table follows:

Table 6 – Previous draft of production table

Year	Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1	0	3
2	2000	2
3	2200	2
4	2500	1
5	3000	1

Table 7 provides an example of a production table based on financial year periods. The layout example provided in Table 7 shows how this detail must now be provided in a proposed later development plan, is as follows:

Table 7 – Production table

Year		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1	1 July to 30 June	0	3
2	1 July to 30 June	2000	2
3	1 July to 30 June	2200	2
4	1 July to 30 June	2500	1
5	1 July to 30 June	3000	1

While the commencement of the financial year is unlikely to correspond with the day of effect or grant date for a PL, earlier or later residual periods are to be addressed in production tables in proposed later development plans.

The following examples provide for how this will be achieved for a production table that is to be included in a proposed later development plan:

Example 1

A PL was initially granted with a day of effect of 1 February 2013 for 30 years.

A proposed later development plan, with a proposed plan period of five years, was lodged within the required timeframe. The proposed later development plan would ordinarily contain a proposed yearly production schedule for the period 1 February 2018 to 31 January 2023 covering the plan period of five years as follows:

Table 8 - Draft of production table that was previously included in proposed later development plan

Year		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1	1 February 2018 to 31 January 2019	54	1.6
2	1 February 2019 to 31 January 2020	1943	2.5
3	1 February 2020 to 31 January 2021	2846	2.3
4	1 February 2021 to 31 January 2022	2763	1.6
5	1 February 2022 to 31 January 2023	1694	1

Table 9 provides an example of a production table based on financial year periods. The layout example provided in Table 9 shows how this detail must now be provided in a proposed later development plan, is as follows:

Table 9 - Proposed draft of production table that must be included in proposed later development plan

Period		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1+	1 February 2018 to 30 June 2019	793	2.1
2	1 July 2019 to 30 June 2020	2350	2.5
3	1 July 2020 to 30 June 2021	2927	2.1
4	1 July 2021 to 30 June 2022	2519	1.4
5	1 July 2022 to 30 June 2023	1125	1

Note that **Table 9** covers the period 1 February 2018 to 30 June 2023 as opposed to **Table 8** that covers the period 1 February 2018 to 31 January 2023. This is so that any future proposed production tables, detailed in proposed later development plans, will align with financial year periods.

Recognising this, any production tables may cover periods of more than one year at the start or end of the period, to align these estimations with the financial years.

If approved, the proposed later development plan will still end on 31 January 2023, despite the production table ending on 30 June 2023.

Therefore, to comply with section 159(3)(a) of the P&G Act, the next proposed later development plan will be required to be lodged at least 40, but no more than 100, business days before 31 January 2024. The first period of the production table, that must be included in this proposed later development plan, will be for the period 1 July 2023 to 30 June 2024.

Example 2

A PL application was granted with a day of effect of 1 February 2013 for 30 years. The proposed initial development plan that accompanied the PL application was approved for five years. The production table included in the initial development plan, detailed in Table 10, was as follows:

Table 10 – Production table in approved initial development plan

Year		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1+	1 February 2013 to 30 June 2014	0	2.1
2	1 July 2014 to 30 June 2015	0	2.5
3	1 July 2015 to 30 June 2016	793	2.1
4	1 July 2016 to 30 June 2017	2350	1.4
5	1 July 2017 to 30 June 2018	2927	1

However, due to technical difficulties experienced with a production well, production of gas from the PL decreased significantly from 25 August 2015. To comply with section 159(3)(b) of the P&G Act, a proposed later development plan was required to be lodged as soon as was practicable after 25 August 2015

This proposed later development plan, with a proposed plan period of five years, was lodged as soon as practicable after this date. The proposed later development plan included a production table. This proposed later development plan was approved with the production table as detailed in Table 11.

Table 11 – Production table in proposed later development plan

Period		Gas (mm ³) or Liquids (megalitres)	Water (megalitres)
1+	25 August 2015 to 30 June 2016	290	0.5
2	1 July 2016 to 30 June 2017	1110	1.5
3	1 July 2018 to 30 June 2019	2350	2.1
4	1 July 2019 to 30 June 2020	2519	1.4
5	1 July 2020 to 30 June 2021	2927	1

Note that the approved later development plan will end on 24 August 2020, despite the production table ending on 30 June 2021.

Therefore, to comply with section 159(3)(a) of the P&G Act, the next proposed later development plan will be required to be lodged at least 40, but no more than 100, business days before 24 August 2020. The first period of the production table, that must be included in this proposed later development plan, will be for the period 1 July 2021 to 30 June 2022.

Document information

Availability and location: External - Business and Industry website

Owner: Deputy Director-General, Georesources Division

Review date: September 2024

Related documents:

Contacts: For help and information about this policy, please contact the relevant Assessment Hub –

Coal Assessment Hub on Ph: (07) 4936 0169 or email: coalhub@resources.qld.gov.au;

Mineral Assessment Hub on Ph: (07) 4447 9230 or email: MineralHub@resources.qld.gov.au;

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