

Project Order, Variations and Research Progress

Project Title: Review of dissolved hydrocarbons in groundwater in the Surat and Bowen Basins

This document contains three sections. Click on the relevant section for more information.

Section 1: Research Project Order as approved by the GISERA Research

Advisory Committee and GISERA Management Committee

before project commencement

Section 2: <u>Variations to Project Order</u>

Section 3: Progress against project milestones























1 Original Project Order























Project Order

Proforma 2013

| Hydrocarbons in groundwate | r, Surat and Bowen Basins | | | |
|---|--|--|--|--|
| Long Project Title GISERA Project Number | Review of dissolved hydrocarbons in groundwater in the Surat and Bowen Basins W5 | | | |
| | | | | |
| Proposed Start Date | Oct 2014 | | | |
| Proposed End Date | Sep 2015 | | | |
| Project Leader Grant Douglas / Richard Schinteie | | | | |
| 2. GISERA Research ProgramBiodiversity ResearchWater Research | Marine Research Land Research Social & Economic Research GHG Research | | | |
| 3. Research Leader, Title and (Include time commitment | d Organisation to project by the Research Leader) | | | |
| Grant Douglas CSIRO Land and Water Floreat, WA 0.38 FTE | | | | |

4. Summary

This research proposal relates to carrying out a review and evaluating existing open source and company held data on the presence of organic compounds in groundwater in the Surat and Bowen Basins, Queensland. The study will include assessments of the relationships of



the compounds with geological setting, coal characteristics, hydraulic fracturing and related drilling fluids, and where relevant any correlation with seeps or microbial processes. Equal emphasis will be placed on the volatile, partially water-soluble volatiles, semi-volatile and water soluble hydrocarbons (HCs) and organic compounds, found in sedimentary basins (i.e. aliphatic HCs, TPH (Total Petroleum Hydrocarbons), BTEX and PAHs (Benzene, Toluene, Ethyl benzene, Xylenes; Poly Aromatic Hydrocarbons) and phenols); particularly if they are a potential compound of concern and for which the companies will have relevant available data. Acquiring and interpreting comprehensive datasets on water compositions, and consequently increasing scientific understandings of the entire chemical/geological/ hydrogeological systems will inform public discussion of water quality and the complexities involved. The broad-based, integrated approach should allow insights to be made into the complex interactions involved in sedimentary basins, aguifers and coal seam gas (CSG) related water production. To meet these requirements, the research program involves chemistry, organic geochemistry, petrology, coal geology, physics/petrophysics, hydrology, hydrogeochemistry and hydrogeology to understand the interaction of sedimentary strata including organic rich strata, with water and gases at depth. The research objectives are:

- 1. To collate and provide a summary, of the available information on existing hydrocarbons in groundwater in the Surat and Bowen Basins, Queensland leading to,
 - a. A robust and scientifically defensible data set and interpretations to support the research conclusions.
 - b. Context and potential explanations for possible future detection and reporting of hydrocarbons during compliance monitoring programmes.
- 2. Outline strategies related to differentiation of naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation.
- 3. Interpretations on possible sources of the hydrocarbons encountered based on previous studies and new information gained in the proposed study.

The study will focus on the CSG production zones, as well as other Great Artesian Basin formations commonly utilised as aquifers and considered significant groundwater resources.

The study involves the Surat and Bowen Basins but will draw on knowledge gathered from other Australian and international basins where relevant.

All hydrocarbon compounds of concern (TPHs, BTEX and PAHs) will be considered as well as phenols, for which concerns also exist, subject to data availability.

Two phases of work and reporting are proposed:

- Phase 1: Review of existing literature and supplied data relating to the occurrence of dissolved hydrocarbons and other organic compounds in the Surat and Bowen Basins.
- Phase 2: Review of any additional sampling/monitoring data acquired by the sponsors, statistical analysis of the data, interpretation and final report. Through GISERA, a comprehensive communications plan supporting the public release of the report will be prepared and executed.



5. Budget Summary (From Excel Budget Pack worksheet "Project Plan Summary")

| Expenditure | 2011/12 | 2012/13 | 2013/14 | 2014/15 Year 1 | 2015/16 Year 2 | Total |
|---------------------------------|---------|---------|---------|--------------------|-------------------|--------------------|
| Labour | | | | 489,309 | 16,772 | 506,081 |
| Operating | | | | 65,700 | 0 | 65,700 |
| Total Costs | | | | 555,009 | 16,772 | 571,781 |
| CSIRO | | | | | | |
| Total Expenditure | | | | 555,009 | 16,772 | 571,781 |
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | |
| Expenditure per Task | 2011/12 | 2012/13 | 2013/14 | Year 1 | Year 2 | Total |
| Task 1 Task 2 | | | | 284,092 270,917 | 6,194 10,578 | 290,286 281,495 |
| Total Expenditure | | | | 555,009 | 16,772 | 571,781 |
| Total Expenditure | | | | 333,003 | 10,772 | 371,701 |
| Cash Funds to Project | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Total |
| Partners | | | | Year 1 | Year 2 | . Otta |
| CSIRO | | | | 388,507 | 11,740 | 400,247 |
| Sub Total | | | | | | |
| Total Cash to Partners | | | | 388,507 | 11,740 | 400,247 |
| Source of Cash Contributions | 2011/12 | 2012/13 | 2013/14 | 2014/15 Year 1 | 2015/16 Year 2 | Total |
| GISERA | | | | 388,507 | 11,740 | 400,247 |
| Total Cash Contributions | | | | 388,507 | 11,740 | 400,247 |
| In-Kind Contribution | | | | | | |
| from | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Total |
| Partners | | | | Year 1 | Year 2 | 171 524 |
| CSIRO Total In-Kind | | | | 166,502 | 5,032 | 171,534 |
| Contribution from Partners | | | | 166,502 | 5,032 | 171,534 |

| | Total funding over all years | Percentage of Total Budget |
|--------------------------|------------------------------|----------------------------|
| GISERA Investment | 400,247 | 70% |
| Total Partner Investment | 171,534 | 30% |
| Total Other Investment | | |
| TOTAL | 571,781 | 100% |



| Task | Milestone Number | Milestone Description | Funded by | Participant Recipient | Start Date (mm-yy) | Delivery Date (mm-yy) | Fiscal Year | Fisc al Qua rter | Paymen t \$ |
|--------|---------------------|--|--------------|--------------------------|--------------------------|-----------------------------|----------------|---------------------------|----------------|
| | | Literature review on interactions involved in sedimentary basins, aquifers and coal seam | | | | | | | |
| Task 1 | 1.1 | gas (CSG) related water production. | GISERA | CSIRO | Oct 14 | Mar 15 | 14/15 | 3 | - |
| | 1.2 | Summary of available information on existing hydrocarbons in groundwater in | CICEDA | CCIDO | Oat 14 | May 15 | 14/15 | 2 | |
| | 1.2 | the Surat and Bowen Basins, Queensland | GISERA | CSIRO | Oct 14 | Mar 15 | 14/15 | 3 | - |
| | 1.3 | Stage 1 Report | GISERA | CSIRO | Mar 15 | Mar 15 | 14/15 | 3 | 203,200 |
| Task 2 | 2.1 | Statistical analyses and interpretation of the data. | GISERA | CSIRO | Apr 15 | Sep 15 | 15/16 | 1 | - |
| | 2.2 | Provide strategies to differentiate naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation. | GISERA | CSIRO | Jul 15 | Sep 15 | 15/16 | 1 | - |
| | 2.3 | Provide interpretations on possible sources of the hydrocarbons encountered based on previous studies and new information gained in the proposed study. | GISERA | CSIRO | Jul 15 | Sep 15 | 15/16 | 1 | _ |
| | 2.4 | Final report | GISERA | CSIRO | Aug 15 | Sep 15 | 15/16 | 1 | 197,047 |

6. Other Researchers (include organisations)

| Researcher | Time Commitment (project as a whole) | Principle area of expertise | Years of experience | Organisation |
|-------------------|---|---|---------------------|---------------------------|
| Stephen Sestak | 0.18 | Organic and Isotope Geochemistry | 10 | CSIRO |
| Richard Schinteie | 0.28 | Geology and Organic Geochemistry | 10 | CSIRO |
| Kaydy Pinetown | 0.21 | CSG, Coal Geology, Organic Petrology, GIS | 12 | CSIRO |
| Christine Trefry | 0.23 | Data sets, Databases, GIS data | 12 | CSIRO |
| Colin Johnston | 0.05 | Pollutant Fate and Remediation | 30 | CSIRO |
| Trevor Bastow | 0.10 | Analytical chemist | 15 | CSIRO |
| Grant Douglas | 0.18 | Geochemist | 25 | CSIRO |
| Petra Kuhnert | 0.20 | Statistician | 11 | |
| Wendy McLean | | Consultant: Hydrogeologist, Hydrogeochemist | 10 | EMGA Mitchell McLennan |

7. GISERA Objectives Addressed

Carrying out of research and improving and extending knowledge of social and environmental impacts and opportunities of CSG-LNG projects for the benefit of the CSG-LNG industry, the relevant community and the broader public.

Informing government, regulators and policy-makers on key issues regarding policy and legislative framework for the CSG-LNG industry.

8. Program Outcomes Achieved

See section 13

9. Program Outputs Achieved

Details are provided in Section 15. Project Objectives and Outputs

10. What is the knowledge gap that these research outputs will address?

There are currently limited strategies to differentiate naturally occurring hydrocarbons and those potentially introduced during drilling, completion and hydraulic stimulation. This project will integrate complex interactions involved in sedimentary basins, aquifers and coal seam gas (CSG) related water production to provide information and strategies to assess possible sources of the hydrocarbons encountered.

11. How will these Research outputs and outcomes be used in State Government and other water managers to achieve Adaptive Management of Water Resources?

The research outputs and outcomes will help to inform government, regulators and policy-makers on key issues regarding policy and legislative framework for the CSG-LNG industry, particularly in the area of differentiating naturally occurring hydrocarbons and those potentially introduced during drilling, completion and hydraulic stimulation.

12. Project Development (1 page max.)

The project was developed in consultation between Australia Pacific LNG (Ned Hamer and Mohinudeen Faiz), QGC (BG Group) (Craig Noble, Alan Davie), Santos (Antony Volcich), Arrow Energy (St John Herbert) and CSIRO.

Naturally occurring dissolved organic compounds such as hydrocarbons and phenols have been detected in sedimentary basins in Australia and elsewhere. In some cases these hydrocarbons occur in volumes commercially viable for production, but in other areas they occur in only trace amounts in groundwater (e.g. below drinking water guidelines) or are not detectable at all. Potential exists for inadvertent introduction of hydrocarbons during drilling and completion of CSG production wells, water production wells, and groundwater monitoring bores or, in all cases, from leaking well casings. A need exists to collate all existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins, and gather additional data (including green-field baseline data) to ensure that a scientifically defensible explanation for the possibility of encountering hydrocarbons in groundwater during CSG exploration and production programs is readily available.

The majority of organic matter in coal is derived from lignin, but some originates from other material such as carbohydrates which have been highly modified; polymerised terpenes and other alkenes (Wilson, 1994) and lipids. The constituents of coal are essentially aromatic in structure and the water soluble components of coal are also aromatic compounds (Van Krevelen, 1994). BTEX and other aromatic hydrocarbons are components in many, but not all, coal deposits. In a range of coal and shale occurrences from across the USA, aromatic compounds have been detected at concentrations of >0.01% of the bulk material in 70% of

the samples (Li et al., 1997). Mono cyclic aromatic hydrocarbons are volatile and partially soluble in water; for example, the solubility of benzene in water is about 1700 mg/L. The other BTEX HCs have progressively lower water solubilities due to the more hydrophobic nature imparted by the aliphatic substituents on the core benzene ring nucleus. Similarly, polycyclic aromatic hydrocarbons progressively become insoluble in water as the number of fused benzene rings increase.

The organic hydrochemistry of groundwaters associated with coals can include a wide variety of oxygen-bearing aromatic hydrocarbons (e.g. phenols, aldehyes, ketones and various carboxy-, hydroxyl- and methoxy-bearing compounds), nitrogen-bearing compounds (pyridines and amines), mono- and polycyclic aromatic hydrocarbons and aliphatic compounds (Santamaria and Fisher, 2003). These water-soluble organics are produced by the cleavage of the aromatic structures within the coal matrix either by thermal stress accompanied by burial, igneous intrusions, chemical oxidation during burial, or as the consequence of the introduction of oxygenated water or air. Coals can also be solubilised to a limited extent by microorganisms (Klein et al., 2001).

In relation to produced hydrocarbons from CSG, most gas samples are dominated by methane with smaller amounts of carbon dioxide and nitrogen. In a small percentage of samples however, traces of longer chain hydrocarbons (e.g. ethane, propane, butane, oil shows or oil seeps) have been detected.

CSIRO previously completed a desk top literature review for AGL which focussed on Permian basins in NSW. A desktop study of the occurrence of Total Petroleum Hydrocarbon (TPH) and partially water-soluble organic compounds in Permian coals and associated coal seam groundwater. This document provides some terms of reference for a similar study for the Surat and Bowen Basins.

- Klein, J., Fakoussa, R.M., Holker, U., Hofrichter, M., Schmiers, H., Sinder, C. and Steinbuche, A. 2001. Biotechnology in coal. Biotechnology Vol.10, Rehm, H.J. (Ed.). VCH-Wiley, Frankfurt.
- Li, W, Lazar, I.M., Wan, Y.J., Butala, S.J., Shen, Y., Malik, A., Lee, M.L. 1997. Determination of volatile hydrocarbons in coals and shales using supercritical fluid extraction and chromatography. Energy and Fuels: 11, 945-950.
- Santamaria, A.B. and Fisher, J. 2003. Dissolved organic constituents in coal-associated waters, and implications for human and ecosystem health. Toxicological Sciences: 72, 396-397.
- Tissot, B.P., Welte, D.H., 1984. Petroleum formation and occurrence, 2nd edition, 699 pp, Springer, Berlin.

Wilson, M.A., 1994. The role of hydrogen in coal. Proceedings of the 6th Australian coal science conference: 17-19th of October 1994, Newcastle (Australia).

Van Krevelen, D. W. 1993. Coal: Typology, physics, chemistry, constitution 1993. Elsevier, Amsterdam.

13. Project Objectives and Outputs

The research objectives are:

- To collate and provide a summary, of the available information on existing hydrocarbons in groundwater in the Surat and Bowen Basins, Queensland leading to,
 - A robust and scientifically defensible data set and interpretations to support the research conclusions,
 - Context and potential explanations for possible future detection and reporting of hydrocarbons during compliance monitoring programmes.
- Outline strategies related to differentiation of naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation (e.g. stable isotopic fingerprinting of the hydrocarbons could assist with delineating coal derived hydrocarbons versus 'refined' petroleum derived hydrocarbons).
- Interpretations on possible sources of the hydrocarbons encountered based on previous studies and new information gained in the proposed study.

This project aims to develop a baseline composition of hydrocarbons in the Surat Basin, Queensland, that will form the basis of ongoing monitoring, reporting and compliance procedures thereby providing a sound basis for understanding natural and induced variations. In addition it will provide a rationale and recommendations for future hydrocarbon water quality sampling for inclusion in CSG companies' monitoring programmes and the findings will serve as a useful input to future production water treatment and 'beneficial use' studies.

Two phases of work and associated reporting are envisioned:

Phase 1 (Duration: 6 months from the receipt of all data from the 4 companies): transfer of water quality electronic data held by the participating companies and subsequent conversion to a central CSIRO database (Microsoft Access or Excel) to allow efficient storage and retrieval of the large sets of data. Access, Excel or CSV files will enable suitable compatibility with company databases and systems. With the likelihood of inconsistencies between databases, location maps, well completion reports and labelling, cross-matching of data will be required to achieve a consistent data set; this will most likely involve visits to the four companies to resolve mismatches in data. CSIRO will liaise with Dr Sue Vink (UQ) on the Water Atlas Research work to identify potential sharing opportunities subject to commercial-in-confidence requirements. Review of existing literature and supplied data and develop a sampling programme that could be

considered for the CSG companies' ongoing, collaborative monitoring programmes, as well as any specialised sampling of water, core or gas that could be carried out by CSIRO.

It is anticipated that the four sponsor companies will each contribute ~1000 water quality sample results to the proposed study. Each of the water quality results will consist of multiple fields of data embedded for each sample (e.g. BTEX, dissolved methane (where available), TPH, TOC, TSD, DIC, phenols, alkalinity, pH, pressure, depth of water production, coal seam information).

To achieve the goals for Phase 1 and 2of the project, the four companies will need to provide CSIRO access to their basin wide geological model, construction details for the water bores where data is provided (to determine coal seams and aquifers intersected). Data will have to be of sufficient completeness and quality to allow both Phases of the project to proceed.

Where hydraulic fracturing or well under-reaming has been conducted to stimulate well production, investigation of hydraulic fracturing fluids used and any monitoring data (where available) from flow back water will be examined to determine the potential to differentiate between naturally occurring hydrocarbons and any hydrocarbons inadvertently introduced.

Phase 2 (Duration: 6 months after the completion of Phase 1): review of any additional sampling/monitoring data acquired by the sponsors, statistical analysis of all data, interpretation and provision of final report. It is planned that Phase 2 will be completed no longer than 6 months after the Phase 1 report is submitted. Phase 2 will complete the work undertaken in Phase 1 regarding statistical analyses of the data, interpretation and final report production.

14. Project Plan

The research programme is structured to span 12 months from receiving company held data, including a draft Phase 1 report after 6 months and the Stage 2 final report completed after 12 months.

14.1 Project Schedule

| ID | Task Title | Task Leader | Scheduled Start | Scheduled Finish | Predecessor |
|--------|--|----------------------|--------------------|---------------------|-------------|
| Task 1 | Literature review on interactions involved in sedimentary basins, aquifers and coal seam gas (CSG) related water production. | Richard Schinteie | Oct 14 | March 15 | |
| | Summary of available information on existing hydrocarbons in groundwater in the Surat and Bowen Basins, Queensland | Richard Schinteie | Oct 14 | March 15 | |
| | Stage 1 Report | Richard Schinteie | Oct 14 | March 15 | |
| Task 2 | Statistical analyses and interpretation of the data. | Grant Douglas | April 15 | Sep 15 | Task 1 |
| | Provide strategies to differentiate naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation. | Grant Douglas | July 15 | Sep 15 | Task 1 |
| | Provide interpretations on possible sources of the hydrocarbons encountered based on previous studies and new information gained in the proposed study. | Grant Douglas | July 15 | Sep 15 | Task 1 |
| | Final report | Grant Douglas | Sep 15 | Sep 15 | Task 1 |

Task 1.

TASK NAME: Literature review and summary of available information on existing

hydrocarbons in groundwater

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: Duration: 6 months from the receipt of all data from the 4

companies

BACKGROUND: Naturally occurring dissolved organic compounds such as hydrocarbons and phenols have been detected in sedimentary basins in Australia and elsewhere. Also, potential exists for inadvertent introduction of hydrocarbons during drilling and completion of CSG production wells, water production wells, and groundwater monitoring bores or, in all cases, from leaking well casings. A need exists to collate all existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins.

TASK OBJECTIVES:

To collate and provide a summary, of the available information on existing hydrocarbons in groundwater in the Surat and Bowen Basins, Queensland leading to,

- A robust and scientifically defensible data set and interpretations to support the research conclusions.
- Context and potential explanations for possible future detection and reporting of hydrocarbons during compliance monitoring programmes.

TASK OUTPUT: Collation of all existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins.

SPECIFIC DELIVERABLE: Report

Task 2.

TASK NAME: Strategies to differentiate hydrocarbons sources.

TASK LEADER: Grant Douglas

OVERALL TIMEFRAME: Duration: 6 months after the completion of Phase 1

BACKGROUND: Once existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins has been collated, there is a need to interpret this data to allow insights to be made into the complex interactions involved in sedimentary basins, aquifers and coal seam gas (CSG) related water production.

TASK OBJECTIVES:

Outline strategies related to differentiation of naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation (e.g. stable isotopic fingerprinting of the hydrocarbons could assist with delineating coal derived hydrocarbons versus 'refined' petroleum derived hydrocarbons).

Interpretations on possible sources of the hydrocarbons encountered based on previous studies and new information gained in the proposed study. Explore changes in water quality due to CSG operations.

TASK OUTPUT: Scientifically defensible explanation for the possibility of encountering hydrocarbons in groundwater during CSG exploration and production programs is readily available. Provide recommended analytes that could be included for compliance monitoring to differentiate naturally occurring hydrocarbons and those inadvertently introduced during drilling, completion and hydraulic stimulation. Document water quality changes in CSG operations.

SPECIFIC DELIVERABLE: Report

15. Budget Justification

The budget for this project is to be agreed by the Research Advisory Committee and Management Committee.

16. Project Governance

Project management of tasks are specified in item 14. The research programme is structured to span 12 months from receiving company held data, with a draft Phase 1 report after 6 months and the Stage 2 final report completed after 12 months. An advisory committee will be established to review and provide advice during the project. Potential members of the advisory committee will include an industry representative, a regulator, an agricultural stakeholder, and a GISERA committee member. At the completion of the project, the final report will undergo external review by an appropriate Australian University academic expert in this field.

17. Communications Plan

GISERA will manage communications in accordance with GISERA's Alliance Agreement (available at: National GISERA Alliance Agreement.) and Communications Strategy.

18. Risks

Capacity to deliver this project will be managed by CSIRO. Risks in delivery will be mitigated using the breadth of skills across the organisation. Communication risks will be mitigated by adherence to the communications protocols outlined in the GISERA Communications Strategy and the GISERA Alliance Agreement. CSIRO will undertake all



2 Variations to Project Order

Changes to research Project Orders are approved by the GISERA Director, acting with authority provided by the GISERA National Research Management Committee, in accordance with the National GISERA Alliance Agreement.

The table below details variations to research Project Order.

Register of changes to Research Project Order

| Date | Issue | Action | Authorisation |
|----------|--|---|---------------|
| 25/06/15 | Due to delays in obtaining data, milestones 1.2, 1.3, 2.1, 2.2, 2.3 and 2.4 have been pushed back by 7 months. | Milestones 1.2, 1.3, 2.1, 2.2, 2.3 and 2.4 by 7 months | Bot |
| 14/10/15 | An additional task has been included to undertake a detailed analysis of data-rich subsets in regions of specific interest in the Surat and Bowen Basins with CCSG. | A new milestone 2.2 has been created. The original 2.2 milestone has been renamed to 2.3. 2.3 now renamed to 2.4 and 2.4 remained to 2.5. | Bot |
| 30/3/17 | Staff scheduling has resulted in delays for milestones 1.2, 2.1 and 3.1 have been pushed back by 2 months. | Milestone 1.2 pushed back to 15 May 2017, milestone 2.1 pushed back to 31 May 2017, milestone 3.1 pushed back 15 May 2017. | Bot |
| 15/6/17 | Staff scheduling has resulted in delays for milestones 1.2, 3.1 and 4.1. | Milestone 1.2 pushed back to Jul17, milestone 3.1 pushed back to Jul 17, milestone 4.1 pushed back to Aug 17. | Bot |
| 2/11/17 | Availability of project collaborators has resulted in delays for milestone 5.1 and has been pushed back by 2 months. Milestone 6.1 has had the construction of maps to show the distribution of hydrocarbons for | Milestone 5.1 pushed back to Dec- 17, milestone 6.1 task modified, milestone 7.1 | Bot |























| certain geologic horizons added to the task. The delays in completing milestones 5.1 and 6.1 has resulted in the final task being pushed back by 2 months. | pushed back to Feb- 18 | |
|--|---------------------------|--|
| | | |























Progress against project milestones

Progress against milestones are approved by the GISERA Director, acting with authority provided by the GISERA National Research Management Committee, in accordance with the <u>National GISERA Alliance Agreement</u>.

Progress against project milestones/tasks is indicated by two methods: Traffic Light Reports and descriptive Project Schedule Reports.

1. Traffic light reports in the Project Schedule Table below show progress using a simple colour code:

Green:

- Milestone fully met according to schedule.
- Project is expected to continue to deliver according to plan.
- o Milestone payment is approved.

Amber:

- o Milestone largely met according to schedule.
- Project has experienced delays or difficulties that will be overcome by next milestone, enabling project to return to delivery according to plan by next milestone.
- o Milestone payment approved for one amber light.
- Milestone payment withheld for second of two successive amber lights; project review initiated and undertaken by GISERA Director.

Red:

- Milestone not met according to schedule.
- o Problems in meeting milestone are likely to impact subsequent project delivery, such that revisions to project timing, scope or budget must be considered.
- o Milestone payment is withheld.
- Project review initiated and undertaken by GISERA Research Advisory Committee.
- 2. Progress Schedule Reports outline task objectives and outputs and describe, in the 'progress report' section, the means and extent to which progress towards tasks has been made.

Project Schedule Table























| ID | Task Title | Task Leader | Scheduled Start | Scheduled Finish |
|-----|---|----------------------|--------------------|---------------------|
| 1.1 | Literature review on interactions involved in sedimentary basins, aquifers and coal seam gas (CSG) related water production. | Richard Schinteie | Oct 14 | Jun-15 |
| 1.2 | Review existing chemistry literature to better define and understand chemical properties of the various organic compounds of interest | Richard Schinteie | Nov-16 | Jul-17 |
| 2.1 | Build a dataset derived from publically available borehole logs and CCSG's existing organic geochemistry dataset | Richard Schinteie | Nov-16 | Jun-1 <i>7</i> |
| 3.1 | Identify indicator compounds which could be used to identify natural pathways | Richard Schinteie | Nov-16 | Jul-17 |
| 4.1 | Constructing a conceptual model of natural pathways | Richard Schinteie | Apr-17 | Aug-17 |
| 5.1 | Ground truth the collected data from the literature and the indicator analysis. | Richard Schinteie | Jun-17 | Dec-17 |
| 6.1 | Undertake a validation step, construct maps to show the distribution of any hydrocarbons for certain geologic horizons. | Richard Schinteie | Sep-17 | Dec-17 |
| 7.1 | Delivery of final report | Richard Schinteie | Nov-17 | Feb-18 |























Project Schedule Report

Task 1.1

TASK NAME: Literature review and summary of available information on existing hydrocarbons in groundwater

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: Duration: 6 months from the receipt of all data from the 4 companies

BACKGROUND: Naturally occurring dissolved organic compounds such as hydrocarbons and phenols have been detected in sedimentary basins in Australia and elsewhere. Also, potential exists for inadvertent introduction of hydrocarbons during drilling and completion of CSG production wells, water production wells, and groundwater monitoring bores or, in all cases, from leaking well casings. A need exists to collate all existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins.

TASK OBJECTIVES:

To collate and provide a summary, of the available information on existing hydrocarbons in groundwater in the Surat and Bowen Basins, Queensland leading to,

- A robust and scientifically defensible data set and interpretations to support the research conclusions.
- Context and potential explanations for possible future detection and reporting of hydrocarbons during compliance monitoring programmes.

TASK OUTPUT: Collation of all existing information on hydrocarbon and organic compound presence in the Surat and Bowen Basins.

SPECIFIC DELIVERABLE: Literature review on interactions involved in sedimentary basins, aquifers and coal seam gas (CSG) related water production.

PROGRESS REPORT:

A literature review has been completed and has been reviewed in CSIRO's e-Publish. It is expected that the literature review will be made available to the public in November 2015.

TASK 1.2

TASK NAME: Review existing chemistry literature to better define and understand chemical properties of the various organic compounds of interest.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: November 2016 – July 2017 **SPECIFIC DELIVERABLE** A review of chemistry literature

PROGRESS REPORT:

This review is 100% completed. The review has three main components involving chemistry/geochemistry, geology and microbiology. Each section has been completed and integrated and will form the basis in developing the conceptual model of hydrocarbon pathways (see Task 4.1).























TASK 2.1

TASK NAME: Build a dataset derived from publically available borehole logs and CCSG's

existing organic geochemistry dataset

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: November 2016 - May 2017

SPECIFIC DELIVERABLE Construction of dataset

PROGRESS REPORT:

The construction of this dataset is 100% completed. We now have 4355 data points from dozens of wells in both the Surat and Bowen basins.

TASK 3.1

TASK NAME: Identify indicator compounds which could be used to identify natural pathways.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: November 2016 - July 2017

SPECIFIC DELIVERABLE Identification of indictor compounds

PROGRESS REPORT:

This report if 100% completed. Hydrocarbon compounds have been identified that have the potential to serve as indicators for natural migration pathways. It is evident that hydrocarbons degrade, volatilize, or are sequestered in the natural environment at different rates. Therefore, only few compounds have the capacity to remain in groundwater for a considerable period of time.

TASK 4.1

TASK NAME: Constructing a conceptual model of natural pathways.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: April 2017 - August 2017

SPECIFIC DELIVERABLE: Conceptual Model

PROGRESS REPORT:

The conceptual model is 100% completed. This milestone employed the data from Tasks 1.2 and 3.1 and discussed inputs from chemistry/geochemistry, geology, microbiology and hydrogeology. It is essentially a discussion of Task 3.1 and is to be integrated with that task into the final report.

TASK 5.1

TASK NAME: Ground truth the collected data from the literature and the indicator analysis.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: June 2017 - December 2017























SPECIFIC DELIVERABLE: Ground truth data

PROGRESS REPORT:

This task is to 100% completed. We have used a hydrocarbon dataset from a "Baseline Assessment Program". In this program, various companies submitted groundwater hydrocarbon data to the University of Queensland (Dr. Sue Vink). The hydrocarbon data was collected from groundwater in the Surat and Bowen Basins and spans a timeframe from 2009 to 2014. We have used the data collected for Task 4.1 (conceptual model) to test their applicability with the hydrocarbon data from the baseline assessment program.

TASK 6.1

TASK NAME: Undertake a validation step, construct maps to show the distribution of any hydrocarbons for certain geologic horizons.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: September 2017 - December 2017

SPECIFIC DELIVERABLE: Case study of two complementary cross sections

PROGRESS REPORT:

This task is 100% completed. We have mapped the distribution of hydrocarbons from the "Baseline Assessment Program" (Task 5.1) in ArcGIS to graphically show their distribution. However, the detected hydrocarbon occurrences are very sparse and no cross sections could be constructed for this study. We have tested a few other graphical representations to better portray this data.

TASK 7.1

TASK NAME: Delivery of final report.

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: November 2017 - Feb-18

SPECIFIC DELIVERABLE: Peer reviewed final report available for public viewing.

PROGRESS REPORT:

All work conducted by CSIRO and UQ staff has now been 100% completed. We also provided significant time for industry reviewers to provide feedback prior to publication. Only a minor comment was made by one of the industry reviewers in regards to incorporating a relevant reference. This has been completed. The report has now been formally submitted to GISERA for publication.

















