

Project Order, Variations and Research Progress

Project Title: Microbial degradation of chemical compounds used in onshore gas production in the SE of South Australia

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

- Section 1: <u>Research Project Order as approved by the GISERA Research</u> <u>Advisory Committee and GISERA Management Committee</u> <u>before project commencement</u>
- Section 2: Variations to Project Order
- Section 3: Progress against project milestones













1 Original Project Order



Project Order

Proforma 2018

1. Short Project Title

Microbial degradation of chemical compounds used in onshore gas production in the SE of South Australia

| Long Project Title | | | Chemical compounds used in onshore gas production in the SE of South Australia: microbial degradation, microbial community impact and indicator taxa. | | | | |
|--------------------|--|------|---|--|--|--|--|
| GISE | RA Project Number | | W.15 | | | | |
| Prop | osed Start Date | | 1 October 2018 | | | | |
| Prop | osed End Date | | 30 June 2019 | | | | |
| Project Leader | | | David Midgley | | | | |
| 2. | GISERA Region Queensland South Australia | | New South Wales Western Australia | | Northern Territory Victoria | | |
| 3. | GISERA Research Pro | grar | n | | | | |
| \square | Water Research | | GHG Research | | Social & Economic Research | | |
| | Biodiversity Research | | Agricultural Land Management Research | | Health Research | | |



4. Project Summary

Objective

Onshore gas activities, including exploration and production, uses a range of chemical products. The risks associated with these chemicals have been the focus of numerous reviews, which have identified potential environmental and human health impacts¹, ², ³. While the risks of these chemicals have been identified, less is known regarding the migration and degradation of these chemicals in relevant edaphic and subsurface environments. In broad terms, this study adds to the other GISERA South Australia study on potential groundwater contamination causes, pathways and vulnerability to better understand onshore gas water quality impacts. The aim is to better understand the impacts and residual risk of these chemical compounds to environmental contamination over time in natural environments.

Specifically, this project seeks to understand whether compounds used in the production of onshore gas are degraded by microbes in relevant southeast South Australian soils and subsurface aquifers, in both oxic and anoxic conditions. In addition, the project seeks to examine the impact of these compounds on microbial communities. This will provide additional information on (a) those microbes involved in degradation and (b) changes in microbial consortia. The latter data may be useful for environmental monitoring and is being used in ecosystem health assessments as indicators of disturbance and change.

Description

This project is part of a series of linked projects that seek to holistically characterize the migration and degradation of chemicals used in onshore gas activities that have been previously identified to pose an environmental or human health risk. The individual components of this series of projects are:

- 1. Movement (W.13) Onshore gas and water contamination: causes, pathways and risks
- 2. Breakdown (this project) Microbial degradation of chemicals used in onshore gas production
- 3. Toxicology (Pending the outcomes of the above projects).

On completion of this project the ultimate fate of onshore gas-related chemicals will be established. This will be combined with the results from project W.13 which inform the likelihood of contaminant migration. Taken together data from these two projects will establish residual risk for each chemical under specific South Australian conditions and those compounds that pose a potentially significant residual risk will be subject to further analysis using standard toxicological screening against a range of model organisms.

This project will examine the microbial degradation of approximately 20, previously identified hazardous chemical compounds associated with onshore gas activities^{1, 2, 3}. Degradation will be investigated under a mixed oxic and anoxic matrix (soil), as well as in an anoxic water matrix (subsurface aquifer). Both of these



experiments will be conducted in replicated microcosms (~500mL). Microcosms will be incubated under field-like conditions and temperatures. Statistical comparisons will be undertaken to confirm chemical degradation by microbial communities. The project will use 16S and ITS amplicon sequencing to describe effects on the microbial community.

The final report for this project will include data on the quantum of microbial degradation for individual chemicals used in onshore gas activities in South Australia, along with impacts on microbial communities and potential indicator taxa for contamination events.

Need & Scope

The community has raised concerns about potential risks of chemical contamination from onshore gas activities to water quality in South Australia⁴. These chemicals have multiple contaminant migration pathways for entry into the environment, both on the surface and in the subsurface^{5, 6}. These pathways are the subject of research in project W.13 (Onshore gas and water contamination: causes, pathways and risks). While the microbial degradation of some of the chemical compounds previously identified as hazardous to environmental and human health have been studied, this has typically been undertaken in only a handful of microbial species. Little is known about the potential fate of these compounds in likely and in South Australian conditions and locations (soil, holding ponds and in the subsurface). Soils and subsurface aquifers are host to an array of microbial taxa with considerable catabolic potential. Microbial degradation may thus constitute an important risk mitigant. That is, chemicals that are readily degraded by microorganisms are unlikely to pose significant long term impacts on environmental and human health.

This project will provide specific local information on microbial degradation of important compounds used in onshore gas activities, i.e. if a hazardous chemical compound is readily and rapidly biodegraded, this compound's residual risk to environmental contamination is low. This information is an important input for practical risk assessment and regulatory protocols of industry processes in South Australia, particularly as southeast South Australia is a South Australia EPA water protection area.

This study will focus on ~20 identified compounds and will examine biodegradation in two settings (soil and subsurface water) relevant to onshore gas activities. Additionally, the present study will ascertain the impacts on microbial community profiles in the presence of these compounds. This latter piece of work may provide important information to stakeholders on a) the specific microbes responsible for degradation, and b) microbes that may serve as environmental health indicators for organisms at higher trophic levels.



Method

This project will begin with a literature and policy review (Task 1) that will ascertain prior knowledge of the degradation of the compounds of interest and their breakdown mechanisms. A short review will help refine experimental design for this project, minimise time in the laboratory by identifying potential experimental issues and understand the pathways of compound breakdown. In addition, current regulatory and management policies for chemicals investigated in this study will be reviewed through consultation with the relevant government and industry stakeholders. Finally, taken together, information from literature, and consultations with government and industry stakeholders, will be used to inform industrially relevant starting concentrations for the chemicals to be studied.

Soil and subsurface water samples will be collected from a relevant South Australian site under oxic and anoxic conditions (Task 2). Replicated microcosms (both anoxic and oxic) will be used to measure soil or aquifer degradation of individual chemicals using either analytical techniques (Task 3) or microbial growth assays (Task 4; see Figure 1). Chemicals with existing analytical methods are shown in Table 1. Where no analytical method exists for a chemical compound, sole carbon source growth trials will be conducted on solid media and in anoxic water samples. Growth assays provide evidence that microbes are able to grow on the chemical compounds as a sole source of carbon, however the rates of degradation and the residual compounds of degradation cannot be ascertained from the growth assay.



Figure 1: Schematic of workflow for onshore gas production chemical compound testing



Table 1: Onshore gas production chemical compounds of interest

| Compound | Testing method | Use in onshore gas activities |
|--|---|----------------------------------|
| Bronopol | Sole carbon source growth assay | Biocide |
| Methylchloroisothiazolinone | Sole carbon source growth assay | Antimicrobial preservative |
| Polyacrylamide / polyacrylate copolymer | Sole carbon source growth assay and biodegradation assay followed by acrylamide testing | Friction reducer |
| Acrylamide | Commercial method | Friction reducer |
| Xanthan gum | Sole carbon source growth assay | Viscosity management |
| Polyoxypropylene diamine | Sole carbon source growth assay | Pipework/Epoxy resins |
| Hexahydro- 1,3,5-tris(2- hydroxyethyl)-sym-triazine | Sole carbon source growth assay | Biocide |
| Glyoxal | Sole carbon source growth assay | Drilling additive |
| 2-aminoethanol | Commercial method | Drilling additive |
| Limonene | Commercial method | Surfactant |
| 2-methylphenol (o-cresol) | Commercial method | Biocide |
| Naphthalene | Commercial method | Corrosion inhibitor |
| Acetic acid | Commercial method | Buffer, stabiliser, solvent |
| Alcohols, C6-12, ethoxylated | Sole carbon source growth assay | Surfactant |
| Alkanes, C12-26 branched and linear | Sole carbon source growth assay | Surfactant |
| Benzisothiazolinone | Sole carbon source growth assay | Biocide |
| 2-Butoxyethanol | Commercial method | Surfactant |
| Diethylene glycol ethyl ether | Sole carbon source growth assay | Solvent |
| Ethanol | Commercial method | Surfactant |
| Ethanolamine | Commercial method | Surfactant |
| Ethylene glycol | Commercial method | Viscosity management |
| Glutaraldehyde | Sole carbon source growth assay | Biocide |
| Isopropanol | Commercial method | Surfactant |
| Methanol | Commercial method | Surfactant |
| Methylisothiazolinone | Sole carbon source growth assay | Biocide |
| Pigment Red 5 | Sole carbon source growth assay | Viscosity management |



| Triethanolamine | Sole carbon source growth assay | Viscosity management |
|------------------|---------------------------------|----------------------|
| Propylene glycol | Commercial method | Viscosity management |
| 2-Ethylhexanol | Commercial method | Surfactant |

DNA ecogenomic profiling of microbial communities after exposure to individual chemicals will be carried out to ascertain impacts on microbial communities and identify putatively useful indicator taxa for monitoring environmental impacts (Task 5).

The final report for this project will collate data on microbial degradation, microbial community impact and useful indicator taxa for individual chemicals used in onshore gas activities in South Australia (Task 6). These data will be combined with results from project W.13 to inform requirements for future toxicological studies and will provide information for a range of stakeholders.



5. Project Inputs

Research

The list of chemical compounds used in onshore gas activities (Table 1) pose a potential risk of accidental release, spills or leaks resulting in residual concentrations contaminating the environment due to failure of storage ponds, spills or infrastructure failures. Biodegradation of many of these chemical compounds have been partially investigated in other settings, however, South Australia has unique edaphic conditions, and degradation of compounds under these conditions are unknown. This work will provide information about how these compounds are degraded under specific South Australian conditions. While other research will examine the complete process – from where chemicals originate and their transportation – the effort in this project will focus on quantities and risks that remain after appropriate accepted management and regulatory processes are put in place (i.e. residual risks).

This project has been developed in collaboration with Dan O'Sullivan and Sreekanth Janardhanan, along with contributions from the CSIRO GISERA team.

| Resources and collaborations | |
|------------------------------|--|
|------------------------------|--|

| Researcher | Time Commitment (project as a whole) | Principle area of expertise | Years of experience | Organisation |
|-------------------|---|--------------------------------|---------------------|--------------|
| David Midgley | 30 days | Microbial Ecology & Catabolism | >20 years | CSIRO |
| Tania Vergara | 30 days | Analytical chemistry | ~5 years | CSIRO |
| Nai Tran-Dinh | 23 days | Microbial Ecology | >20 years | CSIRO |
| Richard Schinteie | 36 days | Geology / Geochemistry | >15 years | CSIRO |



| Subcontractors (clause | Time Commitment (project as a | Principle area of | Vears of experience | Organization |
|------------------------|-------------------------------|-------------------|----------------------|----------------------------------|
| 9.5(a)(i)) | whole) | expertise | rears of experience | Organisation |
| ALS | 1-2 weeks turnaround on | Testing | Many. Commercial | ALS. NATA accredited laboratory. |
| | receipt of samples. | | laboratory. | |
| Sequencing service | 6-8 weeks turnaround on | DNA sequencing, | Many. Commercial DNA | MR DNA (Molecular Research LP) |
| provider | receipt of samples. | microbiomes. | sequencing facility. | |
| | | | | 503 Clovis Rd |
| | | | | Shallowater, TX 79363 |



Project Budget Summary

| Source of Cash Contributions | 2017/18 | 2018/19 | 2019/20 | % of Cash Contribution | Total |
|--------------------------------|---------|--------------|---------|---------------------------|--------------|
| GISERA | - | \$176,703.00 | - | 75% | \$180,453.00 |
| - SA Government | _ | \$88,351.50 | - | 37.5% | \$90,226.50 |
| - Federal Government | _ | \$88,351.50 | - | 37.5% | \$90,226.50 |
| Total Cash Contributions | - | \$176,703.00 | - | 75% | \$180,453.00 |
| | | | | | |
| Source of In-Kind Contribution | 2017/18 | 2018/19 | 2019/20 | % of In kind Contribution | Total |
| | 2017/10 | 2010/15 | 2015/20 | | Total |
| CSIRO | - | \$58,901 | - | 25% | \$60,151 |
| Total In-Kind Contribution | - | \$58,901 | - | 25% | \$60,151 |



6. Project Impact Pathway

| Activities | Outputs | Short term | Long term outcomes | Impact |
|-------------------------------|---|------------------------|--------------------------------|----------------------------|
| | | Outcomes | | |
| Literature and policy review | Short literature review outlining the published | Provide information on | The findings generated from | The research generated |
| | research into the biodegradation of chemicals of | the biodegradation of | this research will directly | will provide information |
| | interest. Identification of any research gaps. | chemicals involved in | inform Governments, | for the benefit of all |
| | Consultation with government and industry | onshore gas activities | regulators and policy-makers | Australian communities |
| | stakeholders to determine regulatory and | and the perturbation | on the chemicals used in | in onshore gas regions |
| | management policies for chemicals used in | caused by chemicals | onshore gas activities in | and industry. |
| | onshore gas activities. | involved in onshore | southeast South Australia, | |
| Determination of the risk | Technical report outlining the results from | gas activities. | and the gas industry as a | This research will help to |
| reductions due to microbial | projects tasks investigating biodegradation of | Additionally, the | whole. Provide additional | inform decision-making |
| degradation of chemicals used | chemicals involved in onshore gas activities, | project will provide | information on microbial | at the government |
| in onshore gas activities. | microbial growth on chemicals used in onshore | information on (a) the | species that may be indicators | policy-making level, in |
| | gas activities and changes in microbial | changes to microbial | of chemical exposure. | the area of surface and |
| | communities due to exposure to chemicals used | communities caused | | groundwater |
| | in onshore gas activities. | by chemical exposure | Improved industry practice | contamination. |
| Development of a set of | Technical report outlining the results from | and (b) provide | and decision making to | |
| chemical-specific indicator | projects tasks that identify microbial taxa that | information on | minimize the risk of | The onshore gas |
| microbial taxa for | are sensitive to individual chemicals that could | indicator taxa. | groundwater contamination | industry operates in a |
| environmental health. | be used as indicators for environmental health. | | due to leaks and spills of | socially, economically |
| Work synergistically with the | Coordination and integration of technical report | | chemicals related to onshore | and environmentally |
| "Onshore gas and water | from this study with project W.13. Together with | | gas activities. | sustainable way. |
| contamination: causes, | results from project W.13, identify chemicals | | | |
| pathways and risks" project | with high residual risk and provide direction for | | Improved community | |
| | future toxicological studies. | | awareness about the | |
| Develop fact sheets with key | Completed fact sheet(s) with key findings for | | environmental impacts of | |
| findings | distribution via the GISERA website and at | | onshore gas activities. | |
| | community engagement events. | | | |



| Prepare and submit scientific | Manuscript submission to peer-reviewed | | |
|--------------------------------|--|--|--|
| manuscripts for publication in | journals. | | |
| peer-reviewed journals | | | |
| | | | |
| | | | |

7. Project Plan

Project Schedule

| ID | Activities / Task Title (should match activities in impact pathway section) | Task Leader | Scheduled Start | Scheduled Finish | Predecessor |
|--------|---|-------------------|-----------------|------------------|------------------|
| Task 1 | Literature and policy review | Richard Schinteie | October 2018 | November 2018 | |
| Task 2 | Sample collection- soil and water | Nai Tran-Dinh | November 2018 | November 2018 | |
| Task 3 | Compounds with commercial methods of measurement | David Midgley | October 2018 | February 2019 | Task 2 |
| Task 4 | Compounds with no commercial methods of measurement | David Midgley | October 2018 | February 2019 | Task 2 |
| Task 5 | DNA ecogenomic profiling | Nai Tran-Dinh | March 2019 | May 2019 | Tasks 2, 3 & 4 |
| Task 6 | Final Report | David Midgley | May 2019 | June 2019 | All other tasks. |



Task description

Task 1

TASK NAME: Literature and policy review

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: October 2018 to November 2018

BACKGROUND: Knowledge of prior studies on the degradation of the compounds of interest is required to understand breakdown mechanisms. A review of this literature will help in focusing experiments for this project, minimise time in the laboratory by identifying potential experimental issues and understand the pathways of compound breakdown. In addition, current regulatory and management policies for chemicals investigated in this study will be reviewed through consultation with the relevant government and industry stakeholders. Taken together, information from literature, and consultations with government and industry stakeholders, will be used to inform industrially relevant starting concentrations for the chemicals to be studied.

TASK OBJECTIVES:

1) Scan literature on prior breakdown studies of the compounds of interest;

2) Describe the methods of these studies and list breakdown mechanisms and products;

3) Consult government and industry stakeholders for current regulatory and management policies around the chemicals investigated in this study; and

4) Determine concentrations of chemicals to be investigated in Tasks 3 and 4.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Short written report listing the findings as described above in 'Task Objectives'.

Task 2

TASK NAME: Sample collection- soil and water

TASK LEADER: Nai Tran-Dinh

OVERALL TIMEFRAME: November 2018

BACKGROUND: Anoxic water collection is required by CSIRO staff with appropriate sampling equipment.

TASK OBJECTIVES: To collect oxic and anoxic samples:

1) Soil from locations proximal to putative production locations. Sampling will be carried out from the top 50 cm of soil,

2) Subsurface water from drilled wells.

Two CSIRO staff will drive to the Otway Basin with appropriate sampling equipment (pumps, bailers, purge gas and other equipment) to collect the samples to ensure the survival of microbial communities. NB: Due to anoxic collections it is required that the samples not be shipped via air for both scientific and logistic reasons.



TASK OUTPUTS AND SPECIFIC DELIVERABLES: Collection of oxic and anoxic samples to establish

microcosms.

Task 3

TASK NAME: Compounds with commercial methods of measurement

TASK LEADER: David Midgley

OVERALL TIMEFRAME: October 2018 to February 2019

BACKGROUND: Using samples collected during Task 2, replicated soil or aquifer water microcosms will be established to quantify biodegradation of compounds of interest that be measured using a NATA accredited test.

TASK OBJECTIVES: The task will include the following objectives:

1) Establish replicated microcosms;

2) Spike microcosms with target compounds at realistic* concentrations;

3) Incubate at realistic conditions for 90 days. i.e. for soil microcosms, incubate at field relevant conditions (local temperatures and day/night cycle will be reproduced in the laboratory) for aquifer water microcosms relevant subsurface temperature will be used in the absence of light.

4) Harvest all treatments and prepare samples for commercial analysis.

5) Statistical analyses of the resultant data.

*spike concentrations will be determined considering both the limit of detection of the analytical method and the amount routinely used by the onshore gas industry.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Replicated Experimental data on the degradation of target compounds.

Task 4

TASK NAME: Compounds without commercial methods of measurement

TASK LEADER: David Midgley

OVERALL TIMEFRAME: October 2018 to February 2019

BACKGROUND: Growth experiments will be established using chemical compounds of interest as a sole carbon source, in both solid media and anoxic water. Where possible estimates of biodegradation will be measured by loss of mass of the chemical of interest, otherwise growth of microbes will be quantified and used as a proxy for biodegradation.

TASK OBJECTIVES: The task will include the following objectives:

1) Establish sole carbon source experiments;

- 2) Incubate at a relevant field conditions for 90 days (see Task 3 for conditions);
- 3) Determine the mass of chemical degraded by microbes;
- 4) Inspect cultures for visual signs of growth and where possible (in the aquifer cultures) measure biomass.



5) Statistical analyses of the resultant data.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Experimental data on the ability of microbes to grow on the chemicals of interest as a sole source of carbon, where applicable information on mass of degraded compound or a quantitation of biomass produced.

Task 5

TASK NAME: DNA ecogenomic profiling

TASK LEADER: Nai Tran-Dinh

OVERALL TIMEFRAME: March 2019 to May 2019

BACKGROUND: Microbial community profiling will be performed on soil and water aquifer samples collected in Task 2. Microbial community profile changes will be assessed for both biodegradation experiments (Task 3) and for sole carbon source growth experiments (Task 4).

TASK OBJECTIVES: The task will include the following objectives:

1) Extract DNA from soil and water samples collected in Task 2 to determine initial microbial community profiles;

2) Establish soil and aquifer microcosm storage controls without any chemical addition;

3) Incubate all treatments and controls at a relevant field conditions for 90 days (Tasks 3 and 4);

4) Extract DNA from all treatments and controls to determine microbial community changes;

5) Statistical and bioinformatics analyses of the resultant data.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Experimental data on the microbial community changes in response to exposure to onshore gas activity-related chemicals.

Task 6

TASK NAME: Final Report

TASK LEADER: David Midgley

OVERALL TIMEFRAME: May 2019 to June 2019

BACKGROUND: Critical evaluation of the results is needed to understand the experimental outcomes of this study.

TASK OBJECTIVES: The task will include the following objectives:

1) Reporting and updating the literature review in Task 1;

2) Reporting results and analyses from Tasks 3-5;

3) Critically discuss the results in light of prior studies (Task 1);

4) Integration of this studies results with those of project W.13; and

4) Provide recommendations of chemicals with potential high residual risk requiring toxicological studies.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Final written report encompassing all the tasks outlined above and integration with its sibling project (W.13).



Project Gantt Chart

| Task | Task Description | Task Leader | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|------|---|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Literature and policy review | Richard Schinteie | | | | | | | | | |
| 2 | Sample collection- soil and water | Nai Tran-Dinh | | | | | | | | | |
| 3 | Compounds with commercial methods of measurement | David Midgley | | | | | | | | | |
| 4 | Compounds with no commercial methods of measurement | David Midgley | | | | | | | | | |
| 5 | DNA ecogenomic profiling | Nai Tran-Dinh | - | | | | | | | | |
| 6 | Final Report | David Midgley | 1 | | | | | | | | |



8. Technical Reference Group

The project will establish a Technical Reference Group (TRG) aimed at seeking peer-to-peer technical advice on contextual matters and to discuss research needs as well as outputs as the project progresses. The TRG will include the project leader and a group of different stakeholders as appropriate.

9. Communications Plan

| Stakeholder | Objective | Channel | Timeframe |
|----------------------|-------------------------------------|-------------------------|---------------|
| | | | |
| Government and | To facilitate a deeper | Knowledge transfer | Towards |
| industry | understanding of research findings | session | completion |
| | and implications for policy, | | |
| | programs, planning, and other | | |
| | initiatives | | |
| Wider public | To communicate key findings from | GISERA-facilitated fact | Towards |
| | the research | sheets | completion |
| Scientific community | To publish results in international | Manuscript for | At completion |
| | peer-reviewed journals | submission to journals | |



10. Budget Summary

| Expenditure | 2017/18 | 2018/19 | 2019/20 | Total |
|-------------------|---------|-----------|---------|-----------|
| Labour | _ | \$151,104 | - | \$151,104 |
| Operating | _ | \$34,500 | - | \$34,500 |
| Subcontractors | - | \$55,000 | - | \$55,000 |
| Total Expenditure | - | \$240,604 | - | \$240,604 |

| Expenditure per Task | 2017/18 | 2018/19 | 2019/20 | Total |
|----------------------|---------|-------------------|---------|-------------------|
| Task 1 | - | \$28,999 | - | \$28,999 |
| Task 2 | - | \$17,073 | - | \$17,073 |
| Task 3 | - | \$92 <i>,</i> 488 | - | \$92 <i>,</i> 488 |
| Task 4 | - | \$34,200 | - | \$34,200 |
| Task 5 | - | \$26,054 | - | \$26,054 |
| Task 6 | - | \$41,790 | - | \$41,790 |
| Total Expenditure | - | \$240,604 | - | \$240,604 |

| Source of Cash | 2017/18 | 2018/19 | 2019/20 | Total |
|----------------------------|---------|-------------|---------|-------------|
| Contributions | | | | Total |
| SA Government (37.5%) | - | \$90,226.50 | - | \$90,226.50 |
| Federal Government (37.5%) | - | \$90,226.50 | - | \$90,226.50 |
| Total Cash Contributions | - | \$180,453 | - | \$180,453 |

| In-Kind Contribution from | 2017/18 | 2018/19 | 2019/20 | Total |
|----------------------------|---------|----------|---------|----------|
| Partners | | | | Total |
| CSIRO (25%) | - | \$60,151 | - | \$60,151 |
| Total In-Kind Contribution | | | | |
| from Partners | - | \$60,151 | - | \$60,151 |



| | Total funding over all years | Percentage of Total Budget |
|-------------------------------|------------------------------|----------------------------|
| SA Government Investment | \$90,226.50 | 37.5% |
| Federal Government Investment | \$90,226.50 | 37.5% |
| CSIRO Investment | \$60,151 | 25.0% |
| TOTAL | \$240,604 | |



| Task | Milestone Number | Milestone Description | Funded by | Start Date (mm-yy) | Delivery Date (mm-yy) | Fiscal Year Completed | Payment \$ (excluding CSIRO contribution) |
|--------|---------------------|---|-----------|-----------------------|-----------------------------|--------------------------|---|
| Task 1 | 1.1 | Literature review document | GISERA | Oct-18 | Nov-18 | 2018-19 | \$21,749.25 |
| Task 2 | 2 1 | Sample Collections- soil and water | GISERA | Nov-18 | Nov-18 | 2018-19 | \$12,804.75 |
| Task 3 | 3.1 | Compounds with commercial methods of measurement | GISERA | Oct-18 | Feb-19 | 2018-19 | \$69,366.00 |
| Task 4 | 4.1 | Compounds with no commercial methods of measurement | GISERA | Oct-18 | Feb-19 | 2018-19 | \$25,650.00 |
| Task 5 | 5.1 | DNA economic profiling | GISERA | Mar-19 | May-19 | 2018-19 | \$19,540.50 |
| Task 6 | 6.1 | Final report | GISERA | May-19 | Jun-19 | 2018-19 | \$31,342.50 |



11. Intellectual Property and Confidentiality

| Background IP | Party | Description of | Restrictions on use | Value |
|-----------------------|---------------------|---------------------|---------------------|---------|
| (clause 11.1, 11.2) | | Background IP | (if any) | |
| | | | | \$ |
| | | | | \$ |
| Ownership of Non- | CSIRO | | | |
| Derivative IP | | | | |
| (clause 12.3) | | | | |
| Confidentiality of | Project Results are | e not confidential. | | |
| Project Results | | | | |
| (clause 15.6) | | | | |
| Additional | Not Applicable | | | |
| Commercialisation | | | | |
| requirements | | | | |
| (clause 13.1) | | | | |
| Distribution of | Not Applicable | | | |
| Commercialisation | | | | |
| Income | | | | |
| (clause 13.4) | | | | |
| Commercialisation | Party | | Commercialisation I | nterest |
| Interest (clause 1.1) | CSIRO | | Not Applicable | |
| | Other | | Not Applicable | |



12.References

- Australian Government Department of the Environment and Energy (2017) National assessment of chemicals associated with coal seam gas extraction in Australia – Overview (<u>http://www.environment.gov.au/system/files/resources/03137f85-1bea-46a4-b9e7-67d985b4aeb5/files/national-assessment-chemicals-overview.pdf</u>)
- Australian Government Department of the Environment and Energy (2014) Hydraulic fracturing ('fraccing') techniques, including reporting requirements and governance arrangements (<u>http://www.environment.gov.au/system/files/resources/de709bdd-95a0-4459-a8ce-8ed3cb72d44a/files/background-review-hydraulic-fracturing_0.pdf</u>)
- 3. Australian Government Department of the Environment and Energy (2017) Risk assessment guidance manual: for chemicals associated with coal seam gas extraction (<u>http://www.environment.gov.au/system/files/consultations/81536a00-45ea-4aba-982c-5c52a100cc15/files/risk-assessment-guidance-manual-chemicals-associated-csg-extraction-australia-exposure-draft.pdf</u>)
- 4. SA EPA (2014) South East Regional Groundwater Quality Monitoring, Evaluation and Reporting Program, Environment Protection Authority, 21st Oct, 2014
- 5. Mallants D, Bekele E, Schmid W and Miotlinski K (2017) Human and environmental exposure conceptualisation: Soil to shallow groundwater pathways, Project report prepared by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) as part of the National Assessment of Chemicals Associated with Coal Seam Gas Extraction in Australia, Commonwealth of Australia, Canberra.
- 6. Mallants D, Apte S, Kear J, Turnadge C, Janardhanan S, Gonzalez D, Williams M, Chen Z, Kookana R, Taylor A, Raiber M, Adams M, Bruce J, Prommer H (2017) Deeper groundwater hazard screening research, prepared by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Canberra.



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 <u>National GISERA Alliance Agreement</u>.

The table below details variations to research Project Order.

Register of changes to Research Project Order

| Date | Issue | Action | Authorisation |
|------|-------|--------|---------------|
| | | | |



3 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 National GISERA Alliance Agreement.

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.
 - Milestone payment is approved.
 - Amber:
 - 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.
 - 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.
 - Problems in meeting milestone are likely to impact subsequent project delivery, such that revisions to project timing, scope or budget must be considered.
 - 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 | Activities / Task Title (should match activities in impact pathway section) | Task Leader | Scheduled Start | Scheduled Finish | Predecessor |
|-----------|---|----------------------|--------------------|---------------------|---------------------|
| Task 1 | Literature and policy review | Richard Schinteie | October 2018 | November 2018 | |
| Task 2 | Sample collection- soil and water | Nai Tran- Dinh | November 2018 | November 2018 | |
| Task 3 | Compounds with commercial methods of measurement | David Midgley | October 2018 | February 2019 | Task 2 |
| Task 4 | Compounds with no commercial methods of measurement | David Midgley | October 2018 | February 2019 | Task 2 |
| Task 5 | DNA ecogenomic profiling | Nai Tran- Dinh | March 2019 | May 2019 | Tasks 2, 3 & 4 |
| Task 6 | Final Report | David Midgley | May 2019 | June 2019 | All other tasks. |



Project Schedule Report

TASK 1

TASK NAME: Literature and policy review

TASK LEADER: Richard Schinteie

OVERALL TIMEFRAME: October 2018 to November 2018

BACKGROUND: Knowledge of prior studies on the degradation of the compounds of interest is required to understand breakdown mechanisms. A review of this literature will help in focusing experiments for this project, minimise time in the laboratory by identifying potential experimental issues and understand the pathways of compound breakdown. In addition, current regulatory and management policies for chemicals investigated in this study will be reviewed through consultation with the relevant government and industry stakeholders. Taken together, information from literature, and consultations with government and industry stakeholders, will be used to inform industrially relevant starting concentrations for the chemicals to be studied.

TASK OBJECTIVES:

1) Scan literature on prior breakdown studies of the compounds of interest;

2) Describe the methods of these studies and list breakdown mechanisms and products;

3) Consult government and industry stakeholders for current regulatory and management policies around the chemicals investigated in this study; and

4) Determine concentrations of chemicals to be investigated in Tasks 3 and 4.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Short written report listing the findings as described above in 'Task Objectives'.

PROGRESS REPORT:

The milestone is now complete.

TASK 2

TASK NAME: Sample collection- soil and water

TASK LEADER: Nai Tran-Dinh

OVERALL TIMEFRAME: November 2018

BACKGROUND: Anoxic water collection is required by CSIRO staff with appropriate sampling equipment.

TASK OBJECTIVES: To collect oxic and anoxic samples:



1) Soil from locations proximal to putative production locations. Sampling will be carried out from the top 50 cm of soil,

2) Subsurface water from drilled wells.

Two CSIRO staff will drive to the Otway Basin with appropriate sampling equipment (pumps, bailers, purge gas and other equipment) to collect the samples to ensure the survival of microbial communities. NB: Due to anoxic collections it is required that the samples not be shipped via air for both scientific and logistic reasons.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Collection of oxic and anoxic samples to establish microcosms.

PROGRESS REPORT:

100% complete. Two CSIRO staff collected soil and water samples from Penola, South Australia with the assistance of staff from Beach Energy. Subsurface water samples were collected from monitoring holes near well sites.

TASK 3

TASK NAME: Compounds with commercial methods of measurement

TASK LEADER: David Midgley

OVERALL TIMEFRAME: October 2018 to February 2019

BACKGROUND: Using samples collected during Task 2, replicated soil or aquifer water microcosms will be established to quantify biodegradation of compounds of interest that be measured using a NATA accredited test.

TASK OBJECTIVES: The task will include the following objectives:

1) Establish replicated microcosms;

2) Spike microcosms with target compounds at realistic* concentrations;

3) Incubate at realistic conditions for 90 days. i.e. for soil microcosms, incubate at field relevant conditions (local temperatures and day/night cycle will be reproduced in the laboratory) for aquifer water microcosms relevant subsurface temperature will be used in the absence of light.

4) Harvest all treatments and prepare samples for commercial analysis.

5) Statistical analyses of the resultant data.

*spike concentrations will be determined considering both the limit of detection of the analytical method and the amount routinely used by the onshore gas industry.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Replicated Experimental data on the degradation of target compounds.



PROGRESS REPORT:

All microcosms were harvested and sent for testing in NATA accredited laboratories. Data indicates most chemicals are significantly, and rapidly degraded or lost in soil microcosms. Similar, statistically significant losses of most chemicals were also observed in anoxic water (the aquifer-like microcosms), though more slowly than for soils.

TASK 4

TASK NAME: Compounds without commercial methods of measurement

TASK LEADER: David Midgley

OVERALL TIMEFRAME: October 2018 to February 2019

BACKGROUND: Growth experiments will be established using chemical compounds of interest as a sole carbon source, in both solid media and anoxic water. Where possible estimates of biodegradation will be measured by loss of mass of the chemical of interest, otherwise growth of microbes will be quantified and used as a proxy for biodegradation.

TASK OBJECTIVES: The task will include the following objectives:

1) Establish sole carbon source experiments;

2) Incubate at a relevant field conditions for 90 days (see Task 3 for conditions);

3) Determine the mass of chemical degraded by microbes;

4) Inspect cultures for visual signs of growth and where possible (in the aquifer cultures) measure biomass.

5) Statistical analyses of the resultant data.

TASK OUTPUTS AND SPECIFIC DELIVERABLES: Experimental data on the ability of microbes to grow on the chemicals of interest as a sole source of carbon, where applicable information on mass of degraded compound or a quantitation of biomass produced.

PROGRESS REPORTS:

Observations indicate readily microbial growth on most chemicals as a sole source of carbon. Numerous bacterial and fungal colonies were observed on our soil mimicking agar medium. Similarly, distinct turbidity was observed for most chemicals in our aquifer-like microcosms indicating compounds were readily used as a sole source of carbon.