

Guideline for Applicants

Frontier Gas Exploration Grants Program

Version history

Version	Effective Date	Comments
1.0	19/10/2023	New guideline

Approval

Position	Name	Date
Deputy Director-General	Shaun Ferris	October 19, 2023

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1. Introduction & Objectives

The Queensland Government “Frontier Gas Exploration Grants Program” (Program) is a two-year, \$21.045 million initiative to provide funding support for on-ground activities with short-term objective to increase identified gas resources and reserves in the Bowen and Galilee Basins (Figure 1). The longer-term objective is to help bolster future gas supply to the East Coast Australia market.

The Program will support exploration and appraisal activities beyond the current footprint of established gas reserves and production areas, to expand the frontier of gas resource delineation in either geographic, geologic or new technology terms. The Program will commence with release of this guideline and conclude end June 2025, with no possibility for extension.

The Program seeks to support activities in both the Galilee and Bowen Basins but does not assign a mandatory proportional allocation to either basin.

This guideline provides information to, and the basis of requirements for, applications to seek funding support under the Program. The grants Program, involving distribution of public funds, will be subject to strict processes to ensure probity, compliance and governance. Both internal and independent external subject matter experts (Assessment Panel) will be engaged to assess, determine merit order and provide recommendations for grant decision.

The Program is operated by the Department of Resources (Department), with practical management by the Geological Survey of Queensland (GSQ).

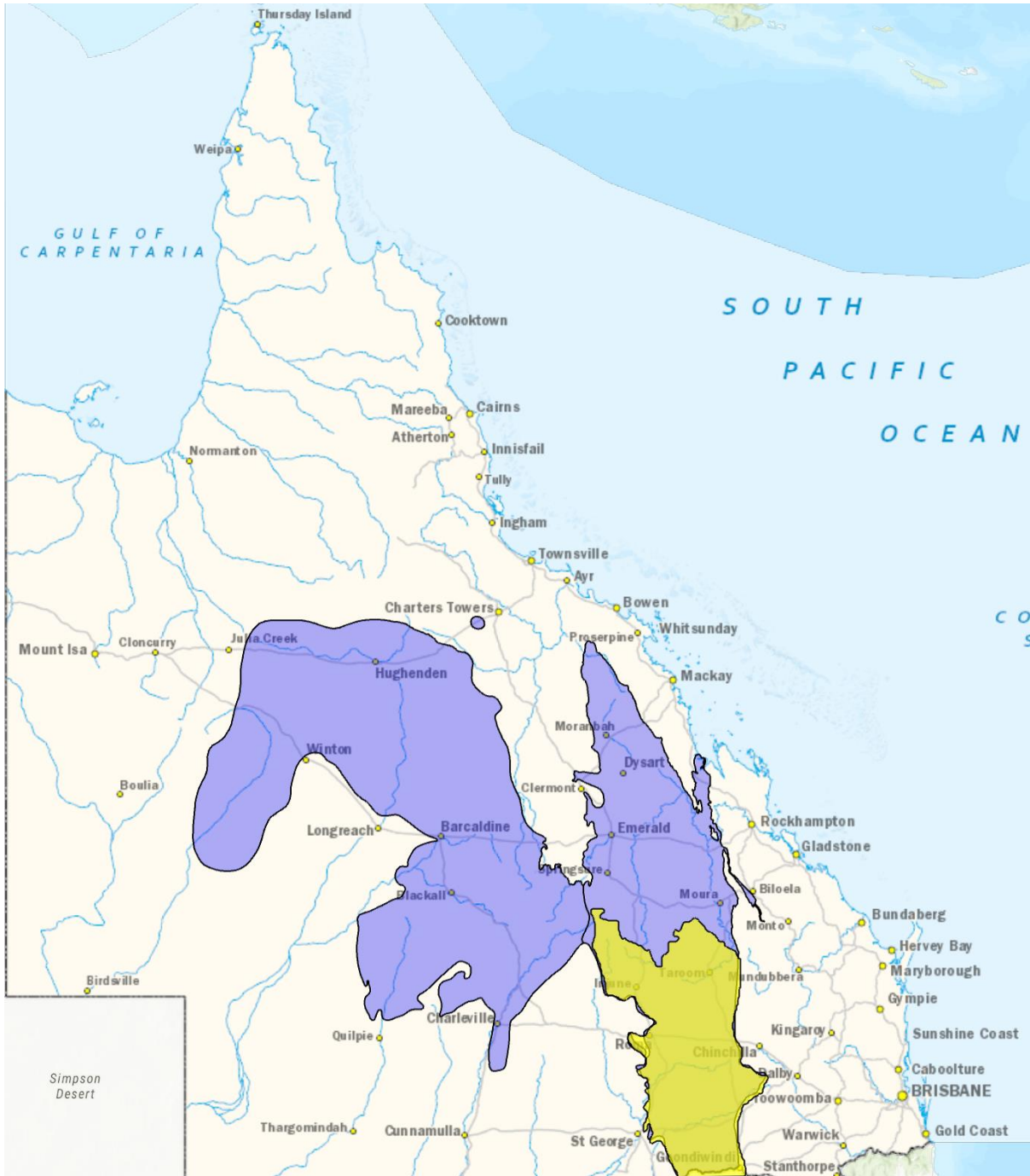
The Department reserves the right to change the guideline without notice, seek clarification of any aspect of an application, or extend the assessment period.

Program parameters and scope limits

- To provide funding support to undertake on-ground activities directly relating to exploration and or appraisal of gas-bearing formations in the Bowen and Galilee Basins (but excluding the portion of the Bowen Basin that stratigraphically underlies the Surat Basin).
- To support novel operational approaches to optimise likelihood of technical success and program viability of exploration and appraisal works including for example:
 - Consortia style approaches to secure and share key equipment and or services, such as drilling rigs or well completion services.
- Make available from the Program information to benefit forecasting, planning and future decision making by both government and broader industry.
- The Program will only support funding for future, and not retrospective costs incurred in association with agreed activities as set out in the grant Funding Deed.
- For the purposes of the Program, the Bowen Basin is limited to only the portion of the basin that is not stratigraphically underlying the Surat Basin.

Program administration

GSQ on behalf of the Department is responsible for administering the Program. All milestone deliveries must be completed, assessed and approved for submission of invoices by the Department **no later than 30 May 2025, to allow for receipt of invoicing and payment by end June 2025**. Failure to meet this date may result in the termination of a Funding Deed by the Department.



- Figure 1. Tenure must be held in the eligible location (purple) of the Bowen and Galilee Basins. The section in yellow (approximate boundary only) where the Surat Basin stratigraphically overlies the Bowen Basin is excluded from the Program.

2. Eligibility Requirements

Only applicants that meet the below eligibility requirements can apply for funding under the Program.

- The applicant must be the holder of a granted Authority to Prospect (ATP) or Petroleum Lease (PL) within the boundaries of the Bowen and/or Galilee Basins, Queensland (Figure 1).

NOTE – the Program is not open to holders of coal or mineral permits including:

- Exploration Permit for Coal
 - Exploration Permit for Minerals
 - Mineral Development Licence
 - Mining Lease, including those with mineral hydrocarbon rights.
- All relevant legislative approvals and requirements as they apply to petroleum activities must be in place for the relevant ATP or PL at the time of application and duration of project term.
 - The applicant must be in full compliance with all relevant legislation and approvals with all tenure in Queensland that it holds or has interest in and must remain in compliance for the duration of the project term.
 - The applicant must have sufficient financial capacity and technical capability to conduct their agreed work program throughout the project term. This must be evidenced by a letter from either the CEO or CFO confirming both. Applicants (Entities and their CEO/CFO) may be subject to a financial probity check as part of the assessment process.
 - The applicant must have an Australian Business or Company Number (ABN or ACN), an Australian bank account, and be registered for GST.
 - Public liability insurance must be held for a minimum of \$20 million dollars for the duration of the project term, with evidence of renewal provided to the Department should it lapse during the project term. This level of insurance must be held by the applicant, and all entities undertaking the activity (such as tenement operators and drilling companies).

3. Application Submission and Notification

Only eligible applicants may submit applications. Submissions close on 31 January 2024 at 13:00 (1 pm) QLD time. Applicants must email GSQ@Resources.qld.gov.au to request a secure submission link for each application.

All applicants will be notified of the outcome by email to the primary contact for each application. Successful applicants will be offered a Funding Deed at this time. Please note, activities associated with milestone payments may not be undertaken until the Funding Deed has been executed by both parties. Information on successful applicants and proposals may be announced by the Minister on or after applicants have been notified.

Application Form Requirements

The attached form must be submitted as part of an application. Below lists the information needed to complete the form.

- **Applicant details:**
 - Confirm if this application is from a single applicant or forms part of a consortium of aligned applicants for a Program grant.

- Contact Name (this should be the person who will be primary contact for dealings or questions relating to the application. If the application is part of a consortium, this should be the leading contact person related to the application and proposal.)
 - Contact Email Address
 - Contact Phone Number
 - Business Name
 - Business ABN/ACN
 - Confirm GST registration
 - If this application forms part of a consortium, please list all consortium business names
- **Project Details:**
- Project Title
 - Funding amount requested (exclusive of GST)
 - Estimated total amount of expected expenditure for project (exclusive of GST)
 - List all granted tenure where the proposal will take place
- **Attachments:**
- Proposal documents at a minimum should:
 - a short company introduction
 - address all assessment criteria (refer to Table 1)
 - provide a short summary on the location, geology/formation reservoir details, target description and depth including a discussion on previous work either undertaken by the company or previous tenure holders
 - outline details of the activity being proposed and any modelling
 - Provide a copy of the public liability insurance for a minimum of \$20 million in the name of the business
 - A letter from the CEO/CFO confirming:
 - sufficient funds and
 - technical capacity to carry out the project
 - provide an event driven milestone table detailing project deliverables (see Table 2 for an example) and noting the relationship between milestones and progressive payment that:
 - applicants are required to customise milestone deliverables for each application;
 - not more than 40% and not less than 20% can be assigned to a single milestone; and

- a final report must be included as a milestone.
- Proposed timeline for the project

4. Application Assessment

All submitted applications that meet the eligibility requirements will be assessed in a competitive, merit-based process and will be evaluated by an Assessment Panel of technical subject matter experts. Where there is a potential, actual or perceived conflict of interest between a panel member and an applicant, the panel members are excluded from decision making on that specific application.

Proposals will be ranked on technical merit and alignment with the Program’s assessment criteria (Table 1). The Department reserves the right to not permit the right of appeal on any decision made under the Program.

Table 1. Proposals will be assessed according to these specific criteria.

Assessment criteria	Scores
The extent to which the proposal increases geological and reservoir knowledge of the Bowen and/or Galilee Basins, including information on production characteristics with the aim to bolster gas resources available for the East Coast Australian market.	30 points
The extent to which on-ground activities may develop new resources in frontier regions of the Bowen and/or Galilee Basins with an integrated strategy to bring gas to market in a timely manner.	30 points
The extent to which new techniques, formation and operational approaches are undertaken.	20 points
The extent to which new information is gathered that may benefit forecasting, planning and future decision making by both government and industry.	10 points
The extent to which the project forms part of a realistic, integrated strategy to bring gas supply to market.	10 points

5. Acceptance Requirements

Successful applicants are required to enter into a Funding Deed with the State of Queensland, acting through the Department.

The following conditions are outlined in the Deed:

- The applicant is responsible for the management of the approved proposal, and all liabilities associated with undertaking the approved proposal remain with the applicant.
- The applicant is responsible for delivering the approved proposal, appended to the Funding Deed. Any variations to the approved proposal are subject to prior written approval from the Department.

Significant modifications will require a Deed of Variation to be signed by the applicant and the Department. Variations must be pursued proactively and not retrospectively.

- The Department will maintain regular contact with applicants to follow activity progress.
- The Department may periodically make public announcements regarding successful applicants.

6. Funding and Milestones

Program support and funding provisions to successful applications will be based on the merit of the application.

The Program does not have a defined maximum or minimum of grant funding amount within the overall envelope of \$21 million. Allocation of funds, in part or in full support of successful application milestones, will be determined based on the final number of successful applications. Example outcomes could include those shown below:

- four successful applications supported to ~\$5 million each or,
- ten successful applications supported to ~\$2 million each or,
- other variants to allocate available funds dependent upon number of supported applications

The Department reserves full right to determine the allocation per successful application and may choose to fund milestones in part or in whole, or not at all, based on recommendation from the Assessment Panel.

Milestone payments are event driven (i.e., not a date but an event such as mobilisation of a drill rig to site and rig up ready to drill) and will be made after verified milestone deliverables are completed and approved by the Department. Retrospective payments for activities completed prior to the commencement of the Funding Deed will not be accepted. Applicants are expected to customise milestone events in their proposal, as guided by examples in Table 2.

In the event of an application that proposes to utilise an equipment sharing consortium, the Department would offer an initial milestone partial payment upon mobilisation of consortium drilling or services equipment to either the Bowen or Galilee basin. This will be followed by a second partial milestone payment of mobilisation of that consortium equipment to a member's individual site.

All amounts referred to in this guideline (unless specified) are GST exclusive. GST will be applied on top of the agreed grant value when payment is made.

Note that the Department incurs some Program administrative costs, for example payment of services to independent members of the Assessment Panel, so the full scope of funds available will be \$21.045 million less those administrative costs.

Table 2. Example of event driven project milestone deliverables.

Milestone Number	EXAMPLE Milestone Event Descriptions Each dot point may represent one milestone.	EXAMPLE Submission Requirements	EXAMPLE Milestone Payment Amount as Percentage of Total Grant
1	<ul style="list-style-type: none"> • Drill rig on site and ready to commence drilling. • For consortia – once drill rig is in basin locality 50% of the milestone payment will be made to the consortium members. When drill rig moves to individual sites the remaining 50% payment will be made to the relevant individual consortium members. 	Evidenced by submission of daily drilling report or daily activity report from drilling or services company that drill rig is set up and ready to spud.	40
2	<ul style="list-style-type: none"> • Well drilled to total depth (depth as described to be within 10% of depth in approved project). • Well has undergone completion. • All statutory notices have been submitted as per the legislation. 	Evidenced by submission of daily drilling report or daily activity report from drilling or services company that target depth has been reached/completion has occurred/notification that all statutory notices have been submitted.	20
3	<ul style="list-style-type: none"> • Completion of production testing of target as defined project. 	Evidenced by submission of daily activity report from drilling or services company confirming production testing has been completed.	20
4	<ul style="list-style-type: none"> • End of well report – must be submitted no later than 31 May 2025 	Evidence by submission of an end of well report. This does not have to be statutory notice as described in Petroleum and Gas (General Provisions) Regulation 2017, although it is preferred.	20

7. Compliments and Complaints

If an applicant has a compliment or complaint in relation to the application or assessment process, this can be made to the department through the below weblink. The process is completely confidential, and personal information collected as part of the process will not be released publicly.

[Compliments and complaints | Department of Resources:](#)

<https://www.resources.qld.gov.au/about-us/compliments-comments-complaints>



Frontier Gas Exploration Grants Program Applicant Form

Purpose of the form

This form is used to collect information associated with applying for the Frontier Gas Exploration Grants Program. This form must be submitted as part of an application.

Please email GSQ@Resouces.qld.gov.au to obtain a secure link to submit both this form and attachments.

Part A Applicant details

This section should contain the details of the **primary contact** with regards to this application. If the application is part of a consortium, Part B allows for the collection of remaining consortia details.

Contact name:

Contact email address:

Contact phone number:

Business name:

Business ABN/ACN:

Registered for GST:

Privacy statement: The contact details provided will be used by the department for the purpose of communications, compliance and financial probity checks under the Guideline for Applicants: Frontier Gas Exploration Grants Program. The department may be required or authorised by legislation to disclose your information to other third parties.

Part B Secondary Consortia details

This section should contain the details of all remaining consortia associated with the proposal. If more space is required, please attach a separate page.

Consortia Contact name:

Consortia Contact email address:

Consortia Contact phone number:

Consortia Business name:

Consortia Business ABN/ACN:

Consortia Registered for GST:

Privacy statement: The contact details provided will be used by the department for the purpose of communications, compliance and financial probity checks under the Guideline for Applicants: Frontier Gas Exploration Grants Program. The department may be required or authorised by legislation to disclose your information to other third parties.

Consortia Contact name:

Consortia Contact email address:

Consortia Contact phone number:
Consortia Business name:
Consortia Business ABN/ACN:
Consortia Registered for GST:
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Consortia Contact email address:
Consortia Contact phone number:
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Part C Project details

This section should contain details regarding the proposed project.

Project title:

Funding amount requested (exclusive of GST):

Estimated total amount of expected expenditure for proposal (exclusive of GST):

List all granted tenure where the proposal will take place:

Part D Attachments

The following items must be included with your application:

- proposal document
- copy of current public liability insurance
- letter from CEO/CFO
- event driven milestone table
- timeline