

THE LONGREACH LEADER

The Voice of Central West Queensland since 1923

Ph: (07) 4658 3855

www.longreachleader.com.au

Fax: (07) 4658 2396

Friday March 7, 2014

VOL. 91 - No. 4652

RRP: \$1.60

7/03/2014 00008
IRVINES
www.irvines.com.au
MENSWEAR LADIES WEAR WESTERN WEAR WORKWEAR
WE DRESS THE WEST IN THE BEST!
IRVINES
Summer Season
SALE
50-75% OFF
No returns, No laybys, No refunds



Scouts and cubs were out in force to do their bit for Clean Up Australia Day in Longreach on Sunday. The group collected rubbish along the Landsborough Highway through town. A group from the Pastoral College cleaned up the river banks, Landcare did the truck stop at Leander and Desert Channels the road to the dump. While many of the 90 registered volunteers said the areas were cleaner than usual, DCQ volunteers collected 27 bags of rubbish alone on the Jundah Road to the tip turnoff. Longreach joined residents from communities across the region on Clean up day with many noting a reduction in rubbish since last year.

Royalties for Regions delivers \$7.642m to Outback councils

BARCALDINE, Blackall-Tambo and Barcoo councils have received \$7.642m from the second round of the State government's Royalties for the Regions program.

Barcardine Regional Council will receive \$850,000 for stage one of a kindergarten and child care centre to be constructed on the grounds of the Barcardine State School.

"It's a great start," mayor Rob Chandler said.

Inadequate child care was a major problem when trying to attract professional couples to work in the town.

"With a long day care facility attached to the kindergarten and child care centre, will mean we have many more people to draw on for our workforce," he said.

Blackall-Tambo Regional Council will receive \$1.2m to begin work sealing the Alpha to Tambo Road and \$342,000 towards its childcare centre.

The road funding only equated to about 2.5kms of sealed road, but it was a great start, mayor Barry Muir said.

"We have nominated that road as a Regional Road of Importance because it links with Barcardine's road from Alpha to Clermont," he said.

"But it's not only for its importance in mining.

Continued p.3

Galilee Energy proposes CSG extraction without fraccing

GALILEE Energy, which has been developing production test wells in partnership with AGL for coal seam gas extraction at Glenaras Station north of Ilfracombe, has proposed a new way to extract gas which does not rely on fracture stimulation of the coal seams (fraccing).

In a report to the Australian Stock Exchange, the company said a detailed review of the five pilot wells it has been running on its mining lease, had concluded that the thickness of the coal beds in late Permian Betts Creek coal beds, along with their permeability and gas content, show they have "the potential to support commercial gas production".

However the presence of large sand deposits both in the coal and surrounding it make it unsuitable for fraccing, Peter Lansom, managing director of Galilee Energy said.

"One of the challenges in the Galilee

Basin coal seams - unlike most coals - is the presence of permeable sands in and around the coals and with fracture stimulation and it is difficult to draw down the gas without touching the sands," he said.

"The well completion design utilised for the current Glenaras Pilot and the previous Rodney Creek pilot, particularly the application of fracture stimulation, is not appropriate for this geological setting.

"The current design is unlikely to result in sufficient pressure drawdown of the coals in a timely manner, as a result of water influx from other zones within the Betts Creek coal section.

This lack of pressure drawdown in the coals is the reason for the minimal gas production seen in this area to date."

Galilee Energy is proposing a more simple method of extraction, tried by Comet Ridge, of

simply perforating the coals.

"It's going back a step," Mr Lansom said.

Perforating the seams uses an explosive charge to create an opening in the coal seam, and if gas doesn't flow in sufficient quantities then fraccing is used. Most companies use perforation and fraccing together but the company wanted to see if "perforation without stimulation would be enough to draw down the gas", he said.

"Our studies have shown that the coal has enough gas, and enough permeability that it should flow on its own."

The company has proposed to AGL that it had "an ideal opportunity to test that theory for only a limited expenditure of funds".

"There is an upper coal level, known as R1, which hasn't been touched in any testing so far, and we have suggested perforating that

coal to see if we get a draw down.

"We can use the existing well bores, pumps and the water storage dam at Glenaras, it is just a matter of moving the drill up the hole.

"Galilee believes this program has the best chance of delivering a significant drawdown of the coal utilising existing infrastructure and therefore provides a true test of the gas production potential of this project."

AGL has recognised that the pilot wells won't work in their present form and was presently assessing the potential of this alternative method, he said.

Exploration for coal seam gas on this exploration permit has been going on since 1992 when the original permit for ATP592P was issued to Enron Australia.

Enron undertook Enron conducted seismic surveys and drilling across

a very large area (much larger than the current ATP 592P), in partnership with Galilee Energy. On Enron's collapse the permit transferred to Galilee Energy Ltd, which undertook further drilling and conducted a pilot production test at Rodney Creek on Glenaras Station in 2004.

In late 2008, AGL drilled five pilot production wells on Glenaras Station. In 2009, AGL built a 359ML CSG water holding dam for the anticipated water production for the pilot. Production testing started in December 2009.

AGL has also acquired almost 540kms of seismic data and drilled 11 test wells across the tenement from 2009-11 to increase its understanding of the underlying geology. Eight of these wells have since been plugged and abandoned and three completed with steel casing and pressure cemented, for possible future use as test wells.