

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 61
Hearing: Additional Estimates
Outcome: Outcome 5
Programme: Environment Assessment and Compliance Division
Topic: CSG well failures
Hansard Page: N/A
Question Date: 07 March 2014
Question Type: Written

Senator Waters asked:

Referring to public comments by John Fenton published in the Sydney Morning Herald on 28 February 2014,

1. Are you aware of a 2003 Schlumberger oilfield review, 5 per cent of well bores fail immediately and, over a 30-year time frame, failure rates exceed 50 per cent?
2. Have you briefed the Minister on this report?
3. Has industry lobbied you about this report?
4. What is the Department's understanding of this issue in the Australian context?
5. Have there been any independent Australian reports that look at this issue of bore well failure? Please provide details, including citations.
6. Failure to seal CSG wells risks contaminating overlying aquifers and dropping the groundwater table. How else is the Govt trying to discern whether CSG well holes are properly sealed?

Answer:

1. The Department is aware of the autumn 2003 Schlumberger oilfield review. The review contains an article, *From Mud to Cement – Building Gas Wells*, that discusses bore integrity statistics of offshore wells in the Gulf of Mexico.
2. The Department has not briefed the Minister on this article.
3. The Department has not been contacted by industry in relation to this article.
4. The Department understands that this article does not assess or draw conclusions for the Australian oil and gas industry. Experiences in the US may not correlate to oil and gas drilling in Australia, onshore or offshore, due to differences in geology and hydrogeology.
5. The Australian Government has commissioned two bore integrity related projects on advice of the interim Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development. Once finalised, the results of this research will be made available to the public.
6. Regulation of bore integrity is primarily the responsibility of states and territories. However, the Australian Government also regulates these activities, under the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act), where impacts on matters of national environmental significance are likely.

As part of their EPBC Act project approvals, the four major coal seam gas projects in Queensland must implement plans that include: aquifer connectivity studies; installation of extensive early warning monitoring networks to detect changes to groundwater levels from coal seam gas activities; and, groundwater triggers and limits for the purpose of investigation, management and mitigation actions.