

THE LAND

SE EARLY GENERAL NEWS
HD CSG wells **stake** claim on Darling Downs
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FARMING communities pondering the potential of a **coal** seam gas (CSG) future won't find a better example than Origin **Energy's** Condabri gas field at Miles on the Darling Downs, Central Queensland.

Even before touchdown at Miles' newly refurbished airport (upgrades courtesy of Origin) it is plain to see the Darling Downs is bubbling with CSG activity.

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Central Queensland is ground zero for Australia's onshore gas boom, and the closest thing other States have to a CSG crystal ball.

However, as is often the case with NSW and Qld, it's worth pointing out some significant differences between the neighbouring States.

From the air, Miles' paddocks and bushland are dotted with gas well pads; access roads criss-cross between them, converging at production plants and holding ponds.

However, NSW's gas industry is notable only for its potential.

One relatively small gas field (see "NSW Trots Behind Queensland") is in operation and two are under exploration.

Across the Darling Downs, dozens of different gas fields are ramping up to production.

Four companies are busy drilling thousands of wells across hundreds of properties.

Landholders receive compensation for each well on their **property**, but to date, payments have not been disclosed by gas companies or landholders.

These payments have been sunk into farm enterprises, said Origin regional manager Rob Hart.

"We are seeing the next wave of investment on the back of the compensation payments," Mr Hart said.

Origin had made more than 500 access agreements and negotiated every outcome without resorting to legal proceedings, he said.

Miles has seen some big changes out in the paddocks and in the town.

A great grid of gas wells extends across Condabri about 500 in total, spaced roughly every 750 metres.

Each has an access road and is connected by underground gas and water pipes.

Salty water sucked up along with gas from one kilometre deep **coal** seams is piped through a reverse osmosis facility and pumped back to farmers for irrigation.

Osmosis removes salts and impurities from the groundwater, producing an impure mixture of salts and chemicals, for which no **commercial** use has been found.

Origin will bury the salt from its gas **operations** in landfills double-lined with PVC.

Miles' population swelled by more than 2000 people during Condabri's construction, but the workforce will shrink below 70 during the production phase.

During the construction influx, rental of a four-bedroom house hit \$1000 a week and the **purchase** price for the same sort of house reached \$550,000, Mr Hart said.

Rentals had levelled off at \$450 to \$500 a week now the workforce has fallen, but new construction rolled on as builders fulfilled contracts signed during the boom.

Nevertheless, local businesses have grown on gas.

Origin has 14 gas fields in development, spread from Roma to **Chinchilla**.

In Miles, McGuire's charter bus service grew from one local school run to a fleet of 35 buses transporting workers from Brisbane to Miles.

A range of other businesses have benefited such as service stations, machinery shops, cafes and accommodation.

Farmers' children have returned to the land.

Mr Hart grew up down the road on a farm in **Chinchilla**.

"There would be tumbleweeds rolling down the main street without gas," he said.

Origin has invested \$3.8 **million** in affordable housing for its boom-town communities across the Downs and delivered more than 38 scholarships for apprentices.

Santos, Arrow **Energy** and Queensland Gas **Company** are also developing gas on the Darling Downs to the same scale as Origin.

Combined, the three companies' investment will total \$70 **billion**.

A 500-kilometre pipeline will extend to Gladstone's Curtis **Island** export terminals.

Origin general manager strategic development Rebecca Pickering said there had only been "minor areas of small erosion" along the pipeline, which crosses many dozens of private landholdings.

Liquefied natural gas (LNG) will be produced and shipped to hungry Asian markets which will pay three times as much as gas currently sells for in Australia.

Condabri is expected to produce for up to 15 years.

Origin said its Darling Downs overall plans could last 20 years.

For the next two decades gas exports will run, royalties will roll, farmers will get paid and irrigation water will flow. What happens afterwards remains to be seen.

n Mike Foley travelled to Qld courtesy of Australian Petroleum Production and Exploration Association.

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