



# Fee and reporting requirements for holders of petroleum leases

## Overview

Section 155 of the Petroleum and Gas (Safety) Regulation 2018 (P&G Regulation) makes liable the holder of a petroleum lease under which petroleum was produced. This is Category 4 of the petroleum and gas safety and health fee (the fee).

Section 158 of the P&G Regulation requires the holder of a petroleum leases to report the number of petroleum wells (liable wells) within the petroleum lease area.

Under section 157 of the P&G Regulation holders of petroleum leases must lodge **a petroleum and gas safety and health fee return for each financial year by 31 July**.

The annual fee payable by authorised holders of petroleum leases helps fund the activities of the Petroleum & Gas Inspectorate, Resources Safety and Health Queensland in regulating and promoting safety for businesses and the community.

## When do you need to pay the fee as the authorised holder of a Petroleum Lease?

You will be required to pay the fee for each liable well within the area of the lease that has produced petroleum during the year. The fee is an annual invoice and will be issued to you on or before 10 November after the end of the financial year.

Payment terms are detailed on the invoice. Interest and late penalties apply for late payment of invoices.

## What is a liable well?

A 'liable well' is a petroleum well under the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act 2004) or under the *Petroleum Act 1923* that is located within the boundary of a petroleum lease and has produced in the reporting year.

## Reporting requirements

### *What is the reporting period?*

The reporting periods are broken up into financial years (1 July to 30 June). If you are the authorised holder of a petroleum lease at the point the return form is due you are liable to pay the fee.

### *When does a well have to be reported?*

When a well has produced petroleum at any point during the reporting year, it must be reported and the applicable fees paid.

The meaning of 'production' under the P&G Act 2004 is broader than what is often referred to by industry as 'commercial production'. Under section 15 of the P&G Act 2004, a well is 'producing' petroleum when petroleum is:

- (a) recovered to ground level from a natural underground reservoir in which it has been contained; or
- (b) released to ground level from a natural underground reservoir from which it is extracted

'Production' also applies to coal seam gas that is produced as part of a coal or oil shale mining lease under the *Mineral Resources Act 1989*.

### *What stages of the well lifecycle are considered 'production'?*

A liable well may produce petroleum at different stages throughout its life cycle.

This corresponds to the regulatory services undertaken by the Petroleum & Gas Inspectorate for each operational stage of a well. Therefore each well that 'produces' petroleum at any time during the reporting year, must be reported and the applicable safety and health fees paid.

'Production' occurs during the following operational stages:

- production
- suspension and abandonment (plugging)
- re-enter for well intervention
- workover
- testing and repair.

A well is managed, maintained and monitored by the operator during these operational stages until it is decommissioned (permanently abandoned, wellhead removed and well site remediated and restored).

There are corresponding safety management activities associated with wells during various operational stages including:

- testing of well to obtain or validate subsurface production data
- flaring of gas after the well completion is installed
- re-entering the well to function test and/or repair subsurface equipment (e.g. storm choke, downhole safety valve)
- workover the well to retrieve or alter downhole well barrier infrastructure
- carry out any well intervention to maintain/repair safety critical equipment to preserve well integrity or well control.

While the amount of gas produced will vary across the different stages of well operation, well safety and integrity hazards are present at all stages which requires safety management by operators. For this reason, the Petroleum & Gas Inspectorate's compliance program does not make any distinction in relation to the operational stages of a well.

### *More information*

For more information regarding the fee and reporting requirements, please email the Safety and Health Fee Unit via [safetyandhealthfee@rshq.qld.gov.au](mailto:safetyandhealthfee@rshq.qld.gov.au).

Phone: 07 3199 8014 or 07 3199 8019

Office Hours: 8:30am – 4:30pm

To make a technical enquiry, or to register your interest to receive regular safety updates, please contact the Petroleum and Gas Inspectorate via [gassafety@rshq.qld.gov.au](mailto:gassafety@rshq.qld.gov.au).

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