

## Fracking, its uses, benefits and politics

Fracking is a short term for state-of-the art oil and gas well completion and stimulation techniques. It facilitates flow and extraction of residual oil and gas in the reservoir. Unless used oil and gas reserves will only produce a small amount of what would be recoverable without the technique. It also covers re-working of oil and gas fields to extract more oil from conventionally depleted reservoirs thereby extending their. For example the Bass Strait reserve in Gippsland Victoria discovered in the 1960s still produces 50,000bbl/d oil, yet using the original techniques of the 1960s oil depletion was expected to be complete by the mid 1980s. This extension is due to advances in directional drilling and modern completion techniques (fracking). Currently the term is used to cover completion techniques for unconventional oil and gas reserves (shale oil and gas and tight oil sands). It is also used to develop coal seam gas reserves.

1. In today's politics,, if subsequently shown to be in error, any banning decision taken to-day will take about 10 years to reverse. Since the use of fracking concerns the development of gas (and oil) and the subsequent price of gas to NT customers, does the Territory have a vision of where it would like the price of gas in the NT to be in 2024? Will the NT be happy to be an importer (price taker) for gas in 2024 and if the NT wishes to be self-sufficient in gas at this time, will the commission take cognizance on any fracking regulations on this target?
2. In measures imposed to restrict fracking, how will the distinction be made between the development of conventional oil and gas reserves and unconventional oil and gas reserves since these are intimately mixed. Will any proposed fracking regulations in effect preclude the development of conventional oil and gas in the NT?
3. As well as fracking, state-of-the-art completion techniques involve directional drilling. Directional drilling is now capable of lateral extensions of tens of kilometres. Since these techniques are being used in SA and QLD will any proposed regulation seek to cover operations in these states which might undermine the NT?
4. Much opposition to fracking concerns water pollution and chemicals that are used. Water pollution issues should be covered by existing regulations and any new fracking regulations should take cognizance of existing regulations concerning the discharge of pollutants and its regulation in the NT. Surely it is not an objective to overlay one set of regulations on top of an existing set of regulations with multiple authorities involved?
5. Opposition to fracking also concerns the use of BETX as a component. This was used in the early days of fracking but not generally used to day. BETX is a major component of petrol in the NT and it was petrol that was used (BETX as chemicals are worth far more than petrol). Today kerosene and diesel are the preferred hydrocarbon additives. These materials also contain chemicals which are deleterious to the environment, would any proposals to regulate fracking also preclude the use of kerosene or diesel? Exclusion of hydrocarbon additives from the fracking fluids (they act as lubricants) would probably have the effect of banning fracking in the NT.
6. The NT is a centre for gas export by world-scale LNG facilities, Clearly major gas developments in the NT could enhance these exports. Anders Rasmussen, the secretary general of NATO, has stated that Russia is actively undermining Europe's efforts in shale development by secretly supporting groups opposed to fracking. This encourages Europe's reliance on Russian gas. This is a serious accusation from a respected source. The inhibition of NT gas export development would similarly assist Russian ambition to increase exports of LNG from Sakhalin Island to markets currently served by the NT LNG plant. What are the bona fides of the opposition groups to fracking in Australia - have they received overseas assistance and if so from whom?

[ See: <http://www.telegraph.co.uk/earth/energy/fracking/10911942/Russia-in-secret-plot-against-fracking-Nato-chief-says.html>]