

Guidelines for Submission of Applications for the Co-funded Energy Analysis Program – **Analysis and Reprocessing**

8 November 2023

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1. About the program

The Co-funded Energy Analysis Program (EAP) is an initiative to encourage exploration of petroleum and geothermal resources in the state of Western Australia. It is a component of the Exploration Incentive Scheme (EIS), funded by the Western Australian State Government and administered by the Department of Energy, Mines, Industry Regulation and Safety (Department).

The EAP will fund projects under two categories:

- EAP analysis and reprocessing
- EAP geophysics acquisition

The EAP – analysis and reprocessing category makes funding available for analysis of existing state resources (core, sidewall core, cuttings, and oil, condensate, water, and gas samples), to allow re-analysis of existing data (e.g., reprocessing or desktop studies). The guidelines for analysis and reprocessing studies are outlined in this document.

The **EAP – geophysics acquisition category** makes funding available for *acquisition* of greenfields geophysical data to achieve better resolution and understanding of petroleum and geothermal systems. The data from the co-funded projects will become open file to advance exploration activity, address knowledge gaps, and deliver regional information to the wider exploration community. A separate guideline document for geophysical co-funding is available on the website.

The EIS will allocate approximately \$1 million per year to the Co-funded Energy Analysis Program from May 2024. In the EAP – analysis and reprocessing category, the co-funding amount will be 50% of the actual costs (see section 5.4) up to a capped value of \$50,000 per project.

There will only be one application process/Series per year, with the funding term coinciding predominantly with a financial year.

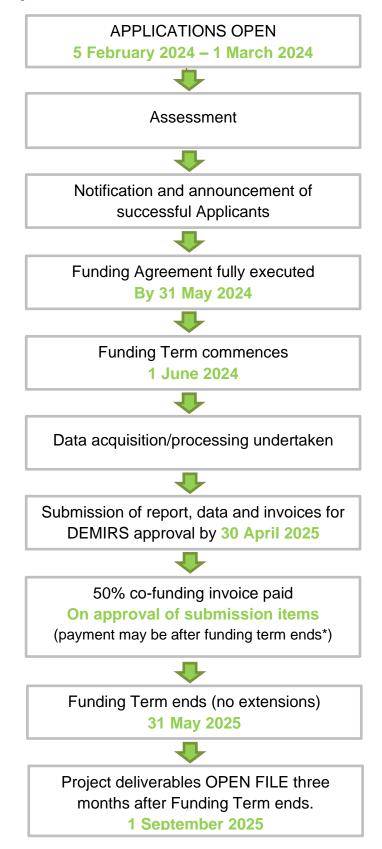
2. Important dates

IMPORTANT NOTE: The EAP will only open for applications ONCE a year.

Table 1. Important dates for Series 7 – analysis and reprocessing under the EAP.

| DATE | EVENT |
|---------------------------|--|
| 5 of February 2024 | Applications open (online) |
| 1 of March 2024 | Applications close (4 pm WST deadline) |
| Mid-April 2024 | Planned announcement of successful proposals |
| By 31 May 2024 | Agreements signed by Applicants and DEMIRS |
| 1 June 2024 – 31 May 2025 | Term of Funding Agreements for 2024–25 Co-funded Energy Analysis Program |
| By 30 April 2025 | Submission of report, data and invoices for review by DEMIRS – provides 1 month for correction/amendments to the report and data |
| 31 May 2025 | Last date for acceptance of final reports, data and invoices for 2024–25 projects (5 pm WST deadline). |

3. Funding sequence



NOTE: Projects must be completed and a final geological project report, data submission, company invoice and survey provider's tax invoice, delivered to the EIS Coordinator, Geological Survey of Western Australia, Department of Energy, Mines, Industry Regulation and Safety by **30 April 2025. No extension beyond this date is allowable.** * Provided the report, data and invoices are submitted before the funding term ends.

4. Definitions

- "Director General" means the Director General of the Department of Energy, Mines, Industry Regulation and Safety.
- "Minister" means the Minister for Mines and Petroleum.
- "**Applicant**" means the company, institution or individual submitting a proposal.
- "Funding Agreement" means the agreement of conditions of funding grant between the parties. These Guidelines form part of the Funding Agreement.
- "Funding Term" means the period from the Commencement Date until the Completion Date (inclusive of those dates).
- "Proposal" means the documentation prepared and submitted to the Director General in an application for Government Industry Co-funded Energy Analysis project.
- "Project" means the work undertaken by the successful Applicant in accordance with the Proposal.
- "Closing Date" means 4 pm WST on the 1 March 2024. This is the last day to submit a proposal. The online submission of the application must be completed at this time.
- "Commencement Date" means 1 June 2024.
- "Completion Date" means 31 May 2025.
- "Energy Co-funding" means monies/refund distributed to successful applicants on completion of projects.
- "Geothermal Title" means the area (or part thereof) outlined in the Proponent's licence,

- lease permit, reservation or authority granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA).
- "Petroleum Title" means the area (or part thereof) outlined in the Proponent's licence, lease, permit, reservation or authority granted under the Petroleum and Geothermal Energy Resources Act 1967 (WA) or the Petroleum (Submerged Lands) Act 1982.
- "Analysis of physical samples" means analysis conducted on existing rock material either core, sidewall core (SWC), or cuttings, or existing oil, condensate, water or gas samples.
- "Pre-existing digital data" means all digital data in any format, including raw data and processed, analysed or interpreted data used or referred to in connection with the project, and includes numerical data, graphic logs, photographs, imagery, photomicrographs and SEM images.
- "Greenfields" means exploration activity in unexplored or underexplored areas, away from known deposits or mines, where target architecture is poorly understood/defined.

5. Eligibility criteria

5.1 Applicant eligibility

The Applicant is a legal entity that can enter a legally binding Funding Agreement with the WA Government, has an active Australian Company Number, and is registered for GST.

The Applicant must hold a Petroleum Title, Geothermal Title or Reservation Title, including a petroleum or geothermal special prospecting authority SPA/GSPA, with or without acreage option (AO) in the State of Western Australia *Appendix 1*.

Funding is available for applicants that have applied for an exploration permit application STP-EPA, or a special prospecting authority application STP-SPA, (Petroleum or Geothermal).

Where required, as part of the assessment process the Department will take into consideration any of following criteria which may impact the eligibility of the proposal:

- History in meeting reporting/compliance commitments to the Department
- History in meeting reporting/completion commitments to previous EIS programs
- Financial and technical capacity of the Applicant to complete/undertake the proposed program.

5.2 Project eligibility

Project activities must comply with the *Petroleum and Geothermal Energy Resources Act 1967* (WA) or the *Petroleum (Submerged Lands) Act 1982*.

Wireline and sampling conducted during operational activities, defined as; any sampling undertaken on a drill site or during drilling activities (e.g., coring, side wall coring, borehole imaging surveys) are NOT eligible for funding.

Projects cannot be retrospective and can only begin when the successful applicants have been publicly announced, the Funding Agreement has been fully executed, and on or after the Commencement Date.

Projects proposed must be able to be completed within the 12 month period. If service providers for analytical work are national or international, due consideration must be given to the reliability of businesses to complete and return all data and samples within the 12 month period. Projects eligible for funding would be in one of the following three categories.

Examples of analysis included within each category is given in *Appendix 2*:

Analysis of physical samples

- Reprocessing
- Desktop or data studies

Analysis of physical samples is defined here as; analysis conducted on existing rock material either core, sidewall core (SWC), or cuttings, or existing oil, condensate, water or gas samples.

Projects with analysis types not specifically listed in *Appendix 2*, but that fall within one of the three categories listed above, are encouraged and would be equally considered for funding.

If the Applicant proposes to sample a new well, where the material to be analysed has not yet been recovered, the well must have been spudded by the date the application is submitted.

5.3 Service/analysis provider eligibility

The service/analysis provider cannot be the applicant. Work and costs claimed for the grant must be undertaken and invoiced by an independent third party (contractor/supplier) with a different company name, ACN, business address, and banking details to that of the applicant.

The service/analysis provider must provide an invoice to the applicant which shows the analytical costs incurred (see section 5.4 below for what is not allowable as a cost)

In the interest of future work, to either reproduce or replicate studies undertaken, it is favourable/preferred that the service/analysis provider be a commercial business whose services, or goods (as proposed to be undertaken in an application) can be readily procured by any other companies or individual.

The service/analysis provider can be an intrastate, interstate or international business.

5.4 Claimable costs

Co-funding is available for up to half (50%) of the direct program costs, capped at \$50,000. Where 50% of the direct program costs are more than the funding offer, the co-funding amount will be the funding offer. All eligible costs must be itemised on the contractors invoice(s).

Co-funding is for direct analysis costs only.

Direct costs

- Sample preparation costs
- Sample analysis costs
- Modelling and report writing by analysis provider

Costs not funded

- Project management or company personnel salaries
- Equipment development or repair
- Shipping costs/transportation
- Administration costs (e.g. heritage surveys and ground clearances

5.5 Multiple Applications

5.5.1 Multiple applications to only the EAP – Analysis and reprocessing co-funding in any one Series.

Where an applicant is only submitting applications to the EAP – Analysis and reprocessing category, the rule is:

All applications will be accepted, but second and subsequent applications will be subject to a 5 point handicapping (Rule 1AR).

The strongest application (that application which attains the most points in the assessment phase) will retain full marks, with the subsequent applications (those that attain lower scores) subject to handicapping of 5 marks.

Furthermore, for the purposes of applying a handicap, where it is identified that two or more applicants may have different names and ACNs, are in fact related parties, the five point deduction will be applied.

For the purposes of the co-funding programs, related parties are where:

- a) There is a parent company with the same name, business address and ACN, and/or
- b) The registered business address is the same on the applications, and/or
- c) Proposed projects in the applications are located on the same entity/parent home website.

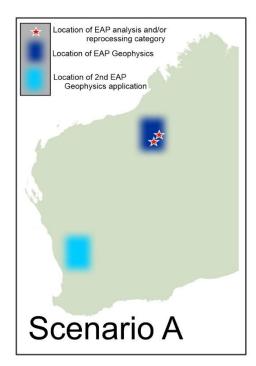
The same Petroleum or Geothermal Title, SPA/SPA (AO), or STP-SPA number may be cited for all applications submitted in a multiple application scenario.

The project scope must be clearly and significantly different for each application submitted in a multiple application scenario.

5.5.2 Applications to both EAP categories (Geophysics and Analysis and Reprocessing) in any one Series.

Applicants can submit applications from each of the two categories of the EAP cofunding in the same Series. However, Rule 1AR and Rule 1G will be applied.

| RULE | EAP CATEGORY | DESCRIPTION |
|----------|------------------------------|---|
| Rule 1AR | Analysis and Reprocessing | All applications will be accepted, but second and subsequent applications will be subject to a 5 point handicapping |
| Rule 1G | Geophysics | Maximum of two applications will be eligible, but there can only be one application per resource |



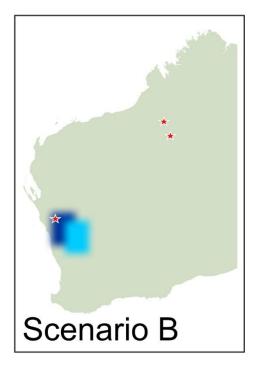


Figure 1. Mock examples where a single applicant has submitted applications from both EAP categories and the applied rules (see next page)

Scenario A = Both *geophysics* applications are eligible as they are on different resources. Both *analysis and reprocessing* applications are eligible, however, the one assessed to be the weaker project will have 5 points deducted (Rule 1AR)

Scenario B = Both *geophysics* applications address the same resource. One will become ineligible (Rule 1G; see section 5.5.2 of the EAP - geophysics acquisition guidelines). All *analysis* and *reprocessing* applications are eligible, but the second and third applications (assessed to be the weaker projects) will each have 5 points deducted (Rule 1AR).

5.5.3 Applications across different EIS co-funding programs in any one Series.

Applicants can apply to the Energy Analysis co-funding and the Drilling co-funding, at the same time, on the same project area. Applicants should refer to all guidelines, as they differ according to the co-funding type.

Applications across the different co-funding programs will be treated on individual merits of the applications, not co-jointly.

5.6 Projects with multiple analysis types

The Applicant may propose to undertake different types of analysis under the scope of one Project (e.g., biostratigraphic analysis and petrophysical analysis). However, the refund is still capped at \$50,000 (ex GST) for 50% of actual costs for a single application.

A proposed project may be a combination of the three categories listed above (e.g., include both analysis of physical samples, and a desktop or data study component).

6. Application process

6.1 Applying online

Complete the Application form online, accessible at the EIS Co-funded Geophysics Program homepage: www.DEMIRS.wa.gov.au/EISenergyanalysis

Each application will require:

- Administrative information about the applicant (Name, ACN, business address)
- Contact details for the primary company person with whom the Department will correspond with
- A project description which addresses the Technical Assessment Criteria within the online application. This should include figures, tables and maps to support the application. This will be scored out of 100 points, and marks will be allocated according to a marking guide. The number of points assigned to each question will be shown on the application form, but the marking guide will not be made available to the Applicant.
- A sampling or analysis program description. This will be series of questions about the proposed program and will not be scored.

6.1.1 Proposal specific information

The project proposal should be clear and concise, and images or maps included must be clear and legible.

A suitably detailed analysis plan appropriate for the type of analysis proposed must be provided.

- For analysis of physical samples this must include details of: well or wells to be sampled, type of analysis, type of samples (core, sidewall core, cuttings, oil, condensate, water or gas), target lithologies, approximate depth or depth range of samples to be taken, and details of existing samples and analysis that has been undertaken and are relevant to the project.
- For **reprocessing projects** this must include:
 - A map showing the distribution of all seismic lines and wells in the project area, including those to be reprocessed. Well-ties to be used should be indicated, as should the availability of well velocity data.
 - Example seismic line(s) showing the specific issues with the existing data (e.g., multiples, statics, vintage mis-ties, poor fault, fold or horizon imaging.) Brief summary of reprocessing method (if known) and how it will improve imaging.

- A table of all basic seismic information in the area including; date acquired, fold, last known reprocessing information is preferable.
- Details of the existing data to be reprocessed; is the original data/tapes available, readable, or is this not known?
- For desktop and data study projects this must include details of: well or wells and/or geophysical lines to be included in the study, type of data to be analysed and the source of those samples (e.g. core, sidewall core, cuttings, oil, condensate, water or gas), including number of samples and depth or depth range of samples.

Relevant supporting data (e.g. correlation panels, seismic images, well logs, data tables) that help define the necessity of the proposed project should be included.

6.2 Assessment process

All applications will be assessed by an expert panel of officers from the GSWA and independent industry specialists.

The panel will use the predefined assessment criteria specified in the online application.

The assessment will focus on the technical merits of the project and its capacity to broaden geological knowledge in greenfields areas of WA.

6.2.1 Minimum mark for possible award of co-funding offer

Where an application fails to attain more than 35 total marks, they will not be eligible for a grant. This will be applied even where the combined requested refund from all the applications to a Series (EAP – analysis and reprocessing, and EAP – geophysics acquisition) does not exhaust the \$1 M funding allocation. This rule has been applied following feedback from the external reviewers and the Co-Funding Advisory Panel (see below).

6.3 Endorsement of panel assessment pre-selection

Endorsement of the panel's assessments and pre-selection of successful applicants will be overseen by a co-funding Advisory Panel, consisting of members from industry bodies and DEMIRS. This will be the same panel that oversees the other co-funding projects. The panel currently has representatives from AMEC, CMEWA, academia and senior officers of DEMIRS (e.g., ED of the GSWA and a Deputy Director General of DEMIRS)

All decisions made by the panel will be final with no right of appeal.

6.4 Notification

On completion of the assessment process, all Applicants will be notified of the outcome of their application via email immediately after the Minister for Mines and Petroleum releases a media statement of the successful applicants. Successful Applicants will be formally notified in writing and of the date of the compulsory briefing. Any applicant may seek feedback on their application but must be the person who is listed as the primary contact on the application to ensure confidentiality. See contact details section 8.

7. Successful applicants

7.1 Funding Agreement

All successful Applicants will be required to enter into a Funding Agreement with the State of Western Australia acting through the Department of Energy, Mines, Industry Regulation and Safety.

The following principles will apply to management of funding for successful Applicants:

- a) Management of the successfully funded Projects will be undertaken by the Project Applicants. All liabilities associated with the Project remain with the Project Applicants.
- b) Where 50% of claimable costs for a completed Project are less than the Refund amount as stated in the Letter of Offer, the Department will provide funding in proportion to the ratio of the funding requested and the estimated total cost. A tax invoice from the Applicant, together with a concise summary of total costs (including copies of tax invoices from analysis contractors/providers) must be provided.
- c) Projects must be conducted according to land access, heritage, and environmental procedures for Western Australian permits.
- d) A single invoice payment will be made on submission and acceptance of the project deliverables as defined in section 7.4.
- e) Co-funding contributions from the Department cannot be included as part of company expenditure commitments for permits.
- f) Analysis must be undertaken by a third party, whereby submitted contractor invoices show a different company name, address and ACN from the successful applicant awarded the EIS co-funding.

7.2 Project modification

Any changes to the project must be submitted to the EIS coordinator in writing and granted approval before being undertaken. A change of project deliverables may invalidate the Funding Agreement.

If there is a delay in sample submission due to extenuating circumstances, the Applicant must contact the EIS coordinator prior to the submission deadline of 30 April 2024.

7.3 Withdrawal

Should the Applicant wish to withdraw from the Funding Agreement they must notify the EIS coordinator in writing before the submission date (30 April 2025).

If an applicant withdraws from two consecutive Co-funded Energy Analysis Program series, they will be ineligible to apply for the third consecutive series but may apply again in later series applications.

7.4 Submission items

The deliverables required for each project are:

- Final Report containing all technical information directly relevant to the Project, completed as per the template found online.
- Complete raw and processed data of all work undertaken
- Physical samples and analysis products (e.g. core plugs, thin sections, biostratigraphic slides and residues, radiometric dating mounts, leftover cuttings, plugged core).
- Invoices, from the applicant (for co-funding) and analysis provider/s (showing project costs) submitted by email to the EIS coordinator

All deliverables must be provided in the standard data formats for reporting results from mining tenements as required by the Department (these are available on the Department's website: www.DEMIRS.wa.gov.au).

The file format and requirements for data submission should conform to the RMAR 2015 guidelines https://www.dmp.wa.gov.au/Documents/Petroleum/PD-SBD-ADM-180D.pdf (see section 4.8 RMAR Part 8 – Data Management).

Seismic reprocessing projects: must include velocity data, processing reports, and newly processed SEG-Y files in the final data submission.

Biostratigraphic sampling: where undertaken, both slides and residues must be submitted.

Desktop or data studies: where undertaken, the data input (e.g. pre-existing digital data) should be provided as 'raw data' (i.e. a list of data points/samples and the results used for re-analysis or re-interpretation).

Physical samples: where collected or analysed, all sample products and remnant core, sidewall core, and cuttings material (e.g., petrographic slides and residues, core stubs, core plugs and plugged sections) must be returned to the Department.

Remnant samples (e.g., core plugs, core that has been plugged, remaining cuttings) should be delivered to the Perth Core Library:

Core Librarian
Perth Core Library
37 Harris St
CARLISLE, WA 6101
corelibrary.submissions@DEMIRS.wa.gov.au

Final reports, raw digital and/or processed data, invoices and a document/item manifest and portable hard drives, tape cartridges, and any analysed physical sample products such as thin sections, residues, and mounts should be emailed and delivered to:

Statutory Exploration and Information Group – Petroleum Department of Energy, Mines, Industry Regulation and Safety 1st Floor North, 100 Plain Street EAST PERTH WA 6004 petdata@DEMIRS.wa.gov.au

The submission email subject line should have the format:

EIS EAP (company name) Series (x) (unique EAP number) Permit Number (EPXXX)

e.g. for a submission in funding Series 6:

EIS EAP Australian Energy Company Pty Ltd Series 7 S07EAP000X2024 EP000

Submissions delivered to the Perth Core Library and the Statutory Exploration and Information Group – Petroleum should also contain a label in this format.

The unique EAP number will be generated at the time of application.

A copy of the emailed submission and attachments should also be sent to:

Ms Louisa Collins Louisa.COLLINS@DEMIRS.wa.gov.au

and cc'd to:

Dr Charlotte Hall Charlotte.HALL@DEMIRS.wa.gov.au

7.4.1 Invoices

The applicant invoice and third-party service provider invoices should be submitted by email to Ms Louisa Collins and cc'd to Dr. Charlotte Hall. Invoices from the applicant will need to include banking details (Account name, BSB, account number) and an email for a remittance notice.

7.5 Project completion

The final invoice will be paid upon submission and DEMIRS approval of all project deliverables as outlined in the Funding Agreement.

The applicant will be notified by email when the project requirements have been met, thereby completing the project and the invoice has been sent to DEMIRS finance for payment.

All reports and data will become open file three months after the conclusion of the Funding Term.

Projects submitted and finalised before the conclusion of the Funding Term will remain confidential until three months after the conclusion of the Funding Term.

The data will then be made publicly available through WAPIMS.

8. Contact details

Enquiries should be directed to:

Primary contact
Louisa Collins
Senior Geologist
Department of Energy, Mines, Industry
Regulation and Safety
100 Plain Street
EAST PERTH, WA 6004
Phone: +61 8 9222 3768

louisa.collins@DEMIRS.wa.gov.au

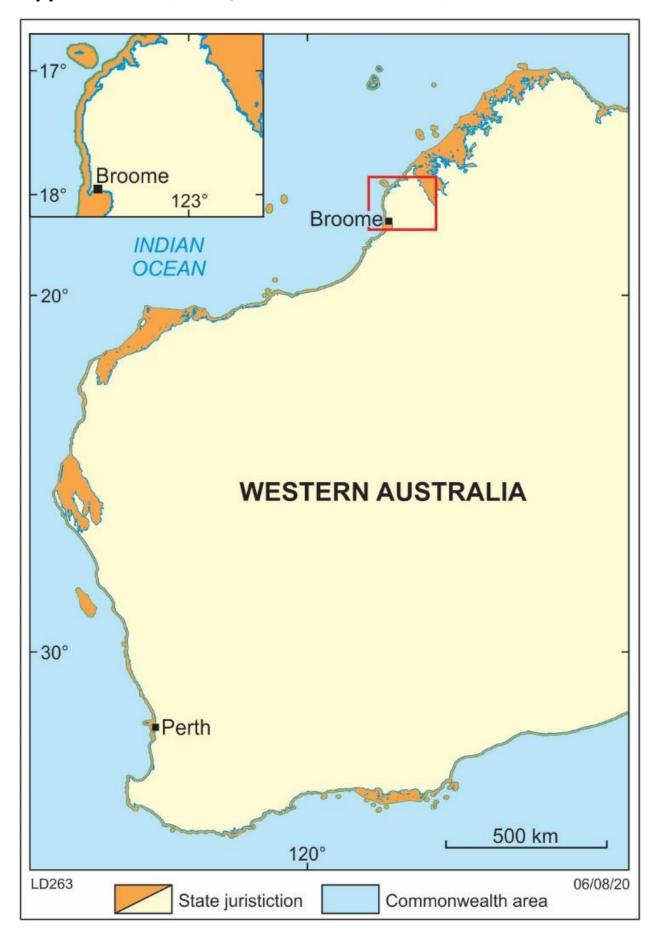
Secondary Contact
Dr Charlotte Hall

Coordinator Exploration Incentive Scheme Department of Energy, Mines, Industry Regulation and Safety 100 Plain Street

EAST PERTH, WA 6004 Phone: +61 8 9222 3410 Mob: +61 429 550 591

charlotte.hall@DEMIRS.wa.gov.au

Appendix 1. Map showing area of Western Australia state jurisdiction



Appendix 2. Examples of specific analysis types eligible for funding. Analysis types not specifically listed below, but that fall within one of the three categories are encouraged and will be equally considered for funding.

| ANALYSIS OF PHYSICAL SAMPLES | REPROCESSING | DESKTOP OR DATA STUDIES |
|---|------------------------|------------------------------------|
| BIOSTRATIGRAPHIC ANALYSIS | Seismic | Borehole image interpretation |
| Microfossil analysis (palynology, conodont, foram, dinocyst | Gravity | Depth to Basement e.g SEEBASE |
| etc.) | , | , |
| Macrofossil analysis | Magnetotelluric | Inferred basement heat flow |
| Ichnological analysis | Radiometric | Biostratigraphic reassessment from |
| | Airborne magnetics | old slides |
| RADIOMETRIC DATING | Ground-based magnetics | Petrophysical re-analysis |
| Zircon (detrital and crystallisation ages) | | |
| Apatite fission track (AFTA) | | Cyclostratigraphy |
| Xenotime | | |
| Re/Os shale dating | | |
| Techniques may include (TIMS including CA-IDTIMS, SIMS | | |
| including SHRIMP, LA-ICPMS and Nobel Gas Mass | | |
| Spectrometry) | | |
| INORGANIC GEOCHEMICAL ANALYSIS | | |
| Elemental analysis/mineral mapping (XRD, XRF, MEG, ICP- | | |
| MS) | | |
| Chemostratigraphy | | |
| Stable isotope analysis | | |
| Fourier Transform Infrared Spectroscopy (FTIR) | | |
| Spectral imaging and photography (e.g. HyLogger analysis) | | |
| Core gamma | | |
| ORGANIC GEOCHEMICAL ANALYSIS | | |
| TOC-RE | | |
| Gas Chromatography Mass-Spectrometry (GC-MS) | | |
| Gas analysis (headspace, desorption) | | |
| Extractable organic matter analysis | | |
| Fluid inclusion stratigraphy | | |
| Kerogen kinetics | | |
| Maturity analysis (VR, CAI, TAI) | | |
| PETROGRAPHIC ANALYSIS | | |
| Thin sections | | |
| Scanning electron microscopy (SEM, ArSEM) | | |
| Cathodoluminescence analysis | | |
| Acetate peels | | |
| Polished sections | | |
| PETROPHYSICAL ANALYSIS | | |
| Porosity and permeability (routine RCA, tight rock TRA, | | |
| mercury injection MICP, special SCAL) | | |
| Rock mechanics (ultrasonic velocity, triaxial compressive | | |
| test, brazilian tensile strength, Mohr-coulomb failure | | |
| analysis) | | |
| Adsorption isotherm | | |
| Desorption capacity | | |
| Computer tomography (CT) scans | | |