

**BULGA GAS EXPLORATION PROJECT
COMMUNITY CONSULTATIVE COMMITTEE**

MEETING NO. 12

Held at the Bulga Community Centre on 18 May 2009 at 3:00pm

MINUTES

Attendance

The Hon. Pam Allan (PA)	Chair
Mr Geoff Sharrock (GS)	Community Representative
Mr Hugh Upward (HU)	Community Representative
Mr Barry Smith (BS)	Community Representative
Mr Bob Kennedy (BK)	Community Representative
Ms Julie Moloney (JM)	NSW Department of Primary Industries
Mr Graeme Gibson	Replacing Stewart Ewen of Hunter Valley Protection Alliance (HVPA)
Councillor Alison Howlett (AH)	Singleton Council
Councillor Tony McNamara (TM)	Singleton Council
Ms Siobhan Barry (SB)	AGL Representative
Mr David Kelly (DK)	AGL Representative
Ms Hayley Moffitt (HM)	AGL Observer

Apologies

Mr Stewart Ewen (SE)	President – Hunter Valley Protection Alliance (HVPA)
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By Invitation

Mr Mike Moraza (MM)	AGL Observer
Mr John Ross (JR)	Parsons Brinckerhoff – Ground Water Group Manager
Ms Liz Web (LW)	Parsons Brinckerhoff – Senior Hydrogeologist
Mr John Dengate (JD)	Twyfords – Director

Minutes

Ms Pha Tran (PT)	AGL
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Meeting Opened at 3.00pm

ITEM	DISCUSSION	ACTION
12.1	Opening and Apologies	
12.1.1	Welcome by the Chair – PA	
12.1.2	Apologies as noted above.	
12.2	Declarations of Interests	
12.2.1	PA – No other declaration of interests.	
12.3	Minutes of the Previous Meeting	
12.3.1	PA – Noted that under Item 11.3.1, it was agreed that the Minutes of the last meeting will be uploaded on the Singleton Shire Council and AGL website. This has not happened. PA can provide soft copies if required.	Singleton Council and AGL to upload BCCC Minutes on to their websites
12.3.2	Motion: No changes. It was resolved that the minutes of the	

ITEM	DISCUSSION	ACTION
	<p>previous meeting be accepted. Moved: GS Seconded: AH</p> <p style="text-align: right;"><i>Motion Carried</i></p>	
12.3.3	<p>PA – indicated that the action items from the previous meeting be discussed later.</p> <p>AH – raised the issue of Singleton Council’s letter to AGL.</p> <p>SB – provided copies of AGL’s reply to Council to the BCCC members and will discuss later in her report.</p>	
12.4	Report of Meeting with Minister Macdonald on May 6	
12.4.1	<p>AH – had an excellent meeting with the Minister, BK spoke on behalf of the community. GG also attended and spoke on behalf of the community. The Minister is now aware of the issues that he may not have been aware and expressed some concerns.</p> <p>BK – the meeting is not dissimilar to the one they had with the Minister before.</p> <ul style="list-style-type: none"> - Requested the Minister meet with AGL to raise community issues. - Requested he excise the Broke Fordwich Winegrowing Subregion area from PEL 4. - There are a number of different conflicts and aspects that the Minister will need to weigh up. - Requested for AGL to do a full environmental assessment. - Concerns that the Petroleum Onshore Act does not identify CSM or landholders rights. <p>GG – Minister’s concern if he excised the area, he would sterilise the area and will be forced to look elsewhere for gas resources. The Minister will however look at the issue with the well so close to the village, and expressed an interest in coming to look at the site in July.</p> <p>PA – was also in attendance. Believed it was a very good meeting. General policy the Government had. The Minister encourages gas as a good type of energy resource. Minister expressed concern with the proximity of the well site to the school.</p> <p>AH - Is attending a follow up meeting with Cabinet, the Minister could come then.</p> <p>BK – The Minister has been quite pro-active.</p>	<p>AH to follow up with the date for the visit.</p>

ITEM	DISCUSSION	ACTION
12.5	Report from Parsons Brinckerhoff (PB)	
12.5.1	<p>SB – Brought PB here to present to the Committee. Brief introduction on JR and LW who are the groundwater team from PB. They are here to answer any queries and also explain the water monitoring.</p> <p>JR – Water and underground issues are the main issues that people want to resolve. Groundwater is often difficult for people to understand and hard to comprehend, especially in regards to the impacts of development. JR will go through the guidelines and methods on the work they have done with AGL to date.</p> <ul style="list-style-type: none"> - AGL have obtained Licences from Department of Water & Energy for Water Bore Testing. - Water Monitoring Program follows among others the Minimum Construction Requirements for Water Bores in Australia and can be found on the internet. - When testing the quality of the water PB follows ANZECC Guidelines. - PB follows the Australian Standards of pump testing water wells, and always follows best industry practice. <p>PB is not in the business of contaminating aquifers or disturbing groundwater. PB uses a sampling program which tests the natural flow of the groundwater systems, for deeper holes they now have new techniques such as the “Micro Purge” which means the water sample they need to take for a sample is very minimal.</p> <p>Samples are taken to obtain a water quality fingerprint and baseline data.</p> <p>PB are also testing for:</p> <ul style="list-style-type: none"> - Heavy Metals - Isotopes show how old the water is eg was it gathered in the last 50 years? Where has the water come from eg rain and rivers. - Carbon 14 identifies if the water has been there for more than 50,000 years. <p>There are enough low permeable layers that the upper aquifers should be totally isolated</p> <p>PB doesn’t believe that a major drop of water levels in the water monitoring bores will occur as a result of the pump test. Take some more water chemistry.</p> <p>BS – In relation to the pumping process, JR mentioned two stages in relation to 3 volumes – what is a volume?</p> <p>JR – only doing that with the shallow ones. Water tanked and taken away. Volume is measured based on the width and depth of the bore hole.</p>	Provide the web links

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	<p>GS – Test work – what they have done?</p> <p>JR – Drilling done in March to install the water monitoring bores.</p> <p>GS – What do you do in drilling – how do you not contaminate the water? How exactly do you avoid the water moving between the layers as you drill the holes down?</p> <p>SB – AGL’s Head of Gas Operations can answer that for the AGL drilling practices and is happy to arrange for MR to attend the next meeting to discuss and explain. John can respond for water monitoring bore drilling processes.</p> <p>JR – PB uses Bensonite Cement which expands as soon as it hits water, it does not shrink. This is standard practice, then the holes are backfilled so there is no contamination.</p> <p>BS – does it depend on the particular area? It would be fair to say that aquifers are all different, our area is different.</p> <p>JR – No, this area is fairly common.</p> <p>GG – Is there any connectivity between Broke? Can there be any slow leaks through the cracks? How long do you monitor for? If there is an ideal procedure we should seek that. Should you be monitoring these for a long period of time?</p> <p>JR – each water monitoring bore has a data log, we have incredibly accurate monitors that can measure down to the last millimetre. We are talking about days not months.</p> <p>BK – Listened to this and believes that this is not enough. He thought that Prof. Wilgoose would be involved in this process. Review and made available to the community. This was to be done prior.</p> <p>SB – noted that one of the actions from the previous meeting, she had provided a copy of Prof. Wilgoose’s Purchase Order (Item 11.4.2) to the BCCC. Does the committee want Prof. Wilgoose to be present at an upcoming meeting?</p> <p>BK – Before any extraction was to be done, there was to be a clear model.</p> <ul style="list-style-type: none"> - Track any water movement - Water study / baseline - They have access to the Xstrata water data. 	

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	<ul style="list-style-type: none"> - The community does not understand where PB is at present. - Point of defining – community can understand any changes or what it looks like. <p>JR – That is what’s happening this week.</p> <p>BK – Geology available?</p> <p>JR – That information will be in their report.</p> <p>BK – Where there has been long wall mining the ground gets fractured, that fracturing then makes paths that the water would not usually take.</p> <p>JR – That information will be in their report.</p> <p>PA – Indicated that she has not met Prof. Wilgoose and suggested that maybe Prof. Wilgoose attend the next meeting in June. An article in the AFR (18 May 2009) pg 16 Santos Welcomes rival’s LNG group. The article states that Santos is planting trees to deal with the huge amount of water they are extracting in QLD. If this process is to proceed in the Hunter we need to find similar solutions.</p> <p>JR – That situation is in QLD which is incredibly different to the Hunter geologically. The Hunter does not have such deep groundwater systems. We would not be extracting those amounts. NSW is very different geologically.</p> <p>BK – Although you know that, the problem is that “we don’t know”.</p> <p>JR – Noted BK’s comments and will figure a way to relay this.</p> <p>GS – Can’t just be here and say “there is no problem”. Most people do not understand geology and are not technical enough to identify the differences between areas.</p> <p>JR – Understands and will bring the geology back.</p> <p>BK – wants someone to explain the basics.</p> <p>BS – When will Prof. Wilgoose be connected to this?</p> <p>SB – next meeting.</p>	

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	<p>GG – Indicated that he was told that no licences had been issued.</p> <p>SB – Offered to provide the BCCC with the licence numbers of AGL’s water monitoring bore licences</p>	<p>SB to provide GG with Water Licence numbers.</p>
12.6	Presentation by Mr John Dengate, Twyford Consulting	
12.6.1	<p>PA – suggested that JD’s presentation be pushed back until after Agenda Item 7, Report from AGL.</p> <p>JD – Happy with this arrangement.</p>	
12.7	Report from AGL (SB)	
12.7.1	<p>SB – Went through action items from 8 April 2009 meeting.</p> <p>Action Item 11.4.2: Prof. Wilgoose Terms of Reference (TOR) Do have a copy of Prof. Wilgoose TOR however it was difficult to find a document to summarise it. Found the Purchase Order from Andy Lukas (AL) and read out the Scope of Works contained in AL’s letter dated 7 January 2009 (copy of letter handed out to committee).</p> <p><i>“To act as an Advisor to the Bulga community Consultative committee to review all reports and data collected from the water monitoring wells and pump tests that are to be carried out on the Sydney Gas Broke Pilot Project site at Broke. To make comment on how appropriate or otherwise this information might be for helping the local community to understand what impacts if any there might be on groundwater, aquifers etc as a result of the Broke Pilot Project”.</i></p> <p>BK – make available to SB what he has in relation to the TOR.</p> <ul style="list-style-type: none"> - Correspondence between Prof. Wilgoose and AL. - Steps established – will update at the next meeting. <p>Action Item 11.4.5: Emergency Response Plan (ERP) SB – we do have an ERP. There is also a map which will be placed on the website (copies of ERP and map provided to the Committee) when it has been approved by the DPI.</p> <p>GG – Garry Bourke – where AGL is at in relation to purchase of land?</p> <p>SB – if a land purchase is completed, SB will advise the Committee.</p> <p>HU – How many are we looking at in relation to property?</p> <p>BS – Believe AGL is making the same mistake in relation to property.</p>	<p>SB / BK to provide a full report in June.</p>

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	<p>GS – How many properties at the moment?</p> <p>SB – The only properties AGL owns are the ones purchased by SGL at Milbrodale and Broke. Emergency Response Plan was a SGL report and it has been updated to meet AGL requirements. If there are any comments or improvements, happy to get feedback. This report was put together by the AGL Field Environment and Safety Team. Signage has been updated and we are also updating the EHSMP. This was a SGL report and will be modified into an AGL report. AGL had received the Council’s motion and had responded (response to Council tabled).</p> <p>Action Item 11.5.2: Provide Committee Members’ details to JD so he can contact BCCC members to discuss the proposed Engagement Review before it starts. SB – this has been done.</p> <p>Action Item 11.5.3: Blow Out Preventers (BOP) SB – This is not a requirement from the Department of Water & Energy for the drilling of water monitoring bores. A BOP is required by Petroleum Exploration Licence 267 (PEL 267) in clause 19(c).</p> <p>Action Item 11.5.3: PB to attend May meeting SB – PB done. Will arrange for Professor Wilgoose to attend the next meeting.</p> <p>Action Item 11.5.4.2: Update if property purchase is completed SB – No land purchase has been completed at this stage.</p> <p>Action Item 11.7.2: AGL to respond to Council’s motion SB – Have received Council’s motion, thanks to Clr Howlett for arranging this. I have responded to Council and have copies available for the Committee’s information (copy of letter provided to the BCCC).</p> <p>AH – read out AGL’s response in relation to full Environment Assessment.</p> <p><i>“Environmental Impact Statement An environmental assessment was completed by Sydney Gas in February 2004, in accordance with the requirements of the NSW Government for the HBO1 and HBO2 test well at Broke. The Department of Primary Industries (DPI), formerly the Department of Mineral Resources, then approved the test wells on 20 September 2004. If an Environmental Impact Statement (EIS) is required by the NSW</i></p>	<p>SB to send info to those interested.</p>

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	<p><i>Government, then I confirm that AGL will complete an EIS, however, there is currently no requirement for a further environmental assessment in relation to these wells”.</i></p> <p>AH – Does that mean that AGL is not committed? Will she take that as “no commitment”?</p> <p>SB – AGL is not saying that we do not have to do an EIS for any future work, but those wells had one in 2005, and as they sit there today there is no requirement to complete a further one.</p> <p>PA – Noted and informed AH to go back to Council with a “no commitment at this stage”.</p> <p>SB – At this stage, that is correct.</p> <p>Action Item 11.7.4: “Force Access to Land”</p> <p>SB – AGL’s policy is that it would always seek access through an agreement with the landowner as it believes that is in the best interests of both AGL and the landowner. AGL can not guarantee it will never use this process as it too has rights.</p> <p>GG – So you are keeping your options open?</p> <p>SB – We will not be using that option as a first point of call. AGL would need to be in negotiations for years with an individual landowner before that would become an option.</p> <p>DK – In that situation the power would not be with the company (AGL), it would lie with the Minister, it would be his decision.</p> <p>BK – That process is flawed, just wants an undertaking.</p>	
12.7.2	MM joined meeting after the break at 4.30pm	
12.7.3	<p>PA – would like to try and finish the meeting at 5.15pm and suggested that the next meeting start at 2pm.</p> <p>Agreed by all.</p>	
12.7.4	<p>SB – asked MM to attend the BCCC and meet the members.</p> <p>MM – provided a brief summary of his background to the committee. He is Group General Manager for Upstream Gas and has been with AGL for 13 years.</p> <p>AGL has exploration projects in Galilee and Gloucester. Gloucester was acquired through A J Lucas and Molopo. Hunter is at a very early exploration stage, we do not really know what’s here yet.</p> <p>He is here to answer any corporate questions. Any questions that</p>	

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	<p>are project related, he will direct them to SB and her team to respond.</p> <p>TM – Has heard that in the last 24 hours AGL has purchased 400 gas burners for use in the Hunter Valley.</p> <p>MM – not aware of this. DK and SB also confirmed that they are not aware of this.</p>	
12.7.5	<p>BS – When will AGL stop buying land and let the BCCC get on with the work?</p> <p>MM – Indicated that AGL owns 3 or 4 parcels of land in the Gloucester and Hunter areas. These help and create sensible access and use. This is not a strategy to avoid consultation with the CCC. The properties are for exploration and operational use.</p> <p>GS – How many CSG exploration projects has AGL operated in NSW?</p> <p>MM – AGL operates the Gloucester, Camden and Hunter Projects, so that is 2 exploration projects in NSW. Gas exploration is fairly new (6-7 years) and the Petroleum industry is a fairly new activity in NSW.</p> <p>GS – disagree. Petroleum is not new. There are lots of petroleum activities. Will the Hunter exploration project be a learning curve for AGL?</p> <p>BK – AGL / SGL has known the concerns of this area for two years. When will AGL be transparent on what the prospectivity is and what the future is?</p> <p>MM – we have not purchased land, we have purchased a company which owns land. AGL’s involvement in the joint venture with SGL began in October 2005. The agreement made was that AGL would operate Camden and SGL’s focus was exploration in the Hunter. He would like the community to know that AGL will be an active participant in community consultation and will be here at BCCCs meetings.</p>	
12.7.6	<p>Action Item 11.8.1: HVPA letter</p> <p>GG – Haven’t received answers to the 13 questions raised.</p> <p>SB – a response has been provided, but some of these questions will be answered once our detailed operational planning for these activities is complete and this is expected to be done in June. SB had responded to what she could of the HVPA 13 questions,</p>	

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	<p>however can not give answers to questions when the information is not yet available (AGL response tabled).</p> <p>SB & JD's engagement interviews gave SB a broader understanding of the communities views and why people held these views.</p> <p>There have been a number of issues, water being the main issue which is why PB are here and why Professor Willgoose will attend the next meeting.</p> <p>People can talk to Mike Roy, AGL's Head of Gas Operations in more detail about operational activities at the next BCCC meeting.</p> <p>Assured members that no further work, other than the water monitoring would take place on the wells at Broke until monitoring is completed.</p> <p>AGL is happy to arrange for other experts to attend the BCCC to provide further information and an opportunity for members to ask questions, such as Risk and Safety information. Any suggestions are welcome.</p> <p>BK – What their current thinking regarding operations and how it will evolve, maybe geologist might have an idea, just after generic information and results. In the absence of information people will make up what suits them. First SGL and now AGL, there is a lack of sharing.</p> <p>SB – shares his view and will try and provide as much information as she can.</p> <p>GG – AGL's response to the 13 Questions?</p> <p>PA – advised GG that she will put on the Agenda at the next meeting.</p>	
12.7.7	<p>GG – In relation to the Application for Extension for PEL 4, will that extend the expiry date?</p> <p>JM – The company put in an Application for the suspension of Work Program. That was granted. This does not extend the expiry date.</p> <p>GG – Will the company have to relinquish 25% of the PEL?</p> <p>JM – Yes, unless the company can justify non-relinquishment.</p>	
12.6	Presentation by Mr John Dengate, Twyford Consulting	
12.6.1	<p>SB – Website will be operational and the information from the community engagement will be available there. SB and JD met with various people from the community to ascertain what they believe and feel the issues area.</p>	

ITEM	DISCUSSION	ACTION
	<p>JD – He is in the middle of the process (draft summary provided to committee). Gets a sense that the community’s values are deeply held. There is a lot of “we don’t know” and “we don’t understand” coming from people, for example on groundwater.</p> <p>This is a draft summary. Has not had the time to analyse as he only finished the last interviews an hour ago. People have given me a lot of data on the networks of communication used in the community.</p> <p>Moving forward, JD will work through the information and pull together a report for the next BCCC meeting.</p>	
12.6.2	<p>JD – suggests a workshop for AGL and BCCC to work through the issues and create a recommendation and a process together with the Group.</p> <p>PA – put this suggestion forward to the committee. Is this something that they are interested in?</p> <p>BK – In order to do a workshop there needs to be trust on either side. He needs to see more work from AGL in order to build trust.</p> <p>BK and GS will not be available at the next meeting and suggested this workshop be pushed back to a later date.</p> <p>GG – Still thinks that JD is a buffer between the community and AGL.</p> <p>HU – See that there are a lot of benefits in relation to gas. Unfortunately it is at the community’s expense and it appears that they have to support and pay for that. It is a small area. Happy to engage with JD.</p> <p>BS – “No community support – no project”</p> <p>TM – For JD and the BCCC to work, there has to be trust. It is deep in the community culture and if this is the way to deal with the mistrust then that’s the way to go.</p> <p>BS – Don’t screw it up by propaganda.</p> <p>AH – We’ve done this before – the ball’s in AGL’s court.</p> <p>JD – happy to provide report and agrees with BK in relation to evidencing that.</p> <p>SB – Wants to ease frustrations by working with the group, happy for you to judge us by our actions. Wants to move forward in a</p>	

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	positive way, by doing what we say we will do. Will be working on faster responses to questions and getting back to people, the team is setting up framework to stop delays in correspondence.	
12.6.3	<p>BS – suggests that JD’s report be tabled at the next meeting for the committee to review.</p> <p>PA – agreed.</p> <p>BK – JD’s report made available as per previous minutes (11.5.2)?</p> <p>SB – Yes, at the April meeting I told people that the report will be available.</p>	JD’s Report to be tabled at June meeting
12.6.4	<p>GS – Emergency Response Plan map is not that accurate.</p> <p>SB – happy to discuss with you separately and update.</p> <p>BK – there was an undertaking from SGL to complete a detailed map of the area.</p> <p>MM – this was never asked by SGL in relation to the maps.</p> <p>BK – detailed map on where we could or could not put the wells.</p> <p>SB – can provide a map but not sure what type of information is needed.</p> <p>PA – suggests that SB & BS correspond with each other in relation to the details required for the map/area.</p>	SB & BS to correspond on details required for the map
12.6.5	<p>AH – requested a copy of ASX announcement on prospectivity to be made available at the next meeting.</p> <p>MM – that information is commercially sensitive and AGL doesn’t support the information SGL provided as it is not technically accurate.</p> <p>AH – the information was from the presentation that SGL gave at their last AGM.</p> <p>PA – suggests that the information of that announcement be made available.</p>	Provide copy of SGL’s presentation at last year’s AGM to the committee
12.8	Report from Community	
	PA – anything further community members wanted to mention? Nothing further.	

ITEM	DISCUSSION	ACTION
12.9	General Business	
	No General Business.	
12.10	Next Meeting	
12.10.1	10 June 2009 at 2:00pm at Broke Community Centre. BK and GS will be an apology.	
12.10.2	Meeting closed at 5.21pm	

Note:

- Item numbering in column one shows the meeting number first then the section number to allow for the actions to be tracked for close out.
- Items in **BOLD** are the comments made to closed out an action raised in a previous meeting.