

**BULGA GAS EXPLORATION PROJECT
COMMUNITY CONSULTATIVE COMMITTEE**

MEETING No. 14

Held at the Bulga Community Centre on 11 August 2009 at 2:00pm

MINUTES

Attendance

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

Apologies

Councillor Tony McNamara (TM)	Singleton Council
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By Invitation

Dr Andrew Falkner (AF)	AGL – Head of Exploration
Mr Chris Holmes (CH)	AGL – Senior Geologist
Mr John Ross (JR)	Parsons Brinckerhoff – Ground Water Group Manager
Mr John Dengate (JD)	Twyfords – Director

Minutes

Ms Hayley Moffitt (HM)	AGL
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Meeting Opened at 2.15pm

ITEM	DISCUSSION	ACTION
14.1	Opening and Apologies	
14.1.1	Welcome by the Chair – PA	
14.1.2	Apologies as noted above.	
14.2	Minutes of the Previous Meeting	
14.2.1	Motion: No changes. It was resolved that the minutes of the previous meeting be accepted. Motion Carried	

ITEM	DISCUSSION	ACTION
14.3	John Dengate (Twyfords) – Community Engagement Workshop	
14.3.1	<p>BK – Wishes to defer the JD workshop. The community has fully participated already and there has been no improvement by AGL. Rather than participate in the workshop we should just get to business.</p> <p>PA – This is a difficult motion as this workshop has already been postponed before.</p> <p>AH – Seconded the motion to delay the workshop.</p> <p>GS – What is the aim of the workshop? There are bigger issues on the agenda; perhaps we could move it further down the agenda?</p> <p>PA – I think it is unlikely that we will get to it if we move it down the agenda.</p> <p>HU – I am unclear on what the workshop will achieve. We already know individual and community feelings.</p> <p>SE – AGL are just ticking boxes, this is not relevant. There are more pressing issues.</p> <p>JD – The intent of the workshop is to close the gap in the community on information and understanding, and to work with the BCCC on a strategy on how to better pass the information received in these meetings on to the community.</p> <p>SB – We would like to find better ways of working with the community going forward. We would like your advice on how you would prefer things were done. There are concerns that people are not being consulted.</p> <p>PA – Motion agreed to put off the workshop and see how things go.</p>	
14.4	Minister’s visit	
14.4.1	<p>SE – Followed up on the meeting at the Minister’s office. The Minister has not visited the area as promised, would like to reinforce the invitation to visit Broke.</p> <p>PA – The Minister offered to visit, he was not told to. He is understandably busy at the moment.</p> <p>BS – We have told the community he will visit. What are we meant to tell them now?</p>	PA to approach Minister’s office again
14.5	Report from AGL	
14.5.1	<p>SB – Tabled the Project Manager’s Report – I would like to do this at each meeting, also use it to provide more information to the wider community by putting it on the website, local noticeboards and in the Cockfighter. The report is based on what I would send to AGL management.</p> <p>Health, Safety and Environment (HSE) – there was a small incident during the controlled burn on the Milbrodale property which was conducted with the Bulga Rural Fire Service where some sparks meant the fire got into an adjoining paddock on AGL property. The outbreak was controlled very soon after, no-one was injured.</p> <p>We have completed site inductions on the Spring Mountain vineyard for the pruners and AGL has now settled on that property. It will continue to operate as a vineyard and we will use the property to demonstrate that exploration can co-exist on a vineyard.</p> <p>SE – This report so far is opening more questions than supplying information.</p>	

ITEM	DISCUSSION	ACTION
14.5.2	<p>SB – I would like to cover off on the pump test. We are aware that you would like more information on those activities. The test will take place in the existing fenced area at the HB02 test well site. There will be an enclosed horizontal flare on site, rather than a vertical flare to minimise potential visual issues. We will also be using ag tanks instead of the larger tanks used before to fit in with the feel of the local area.</p> <p>SE – In your report you indicate that the initial water monitoring tests were inconclusive. What does this mean?</p> <p>SB – The first shallow bores we tested were very saline which was not expected as we had been told by locals that the water should be much cleaner.</p> <p>SE – Is keen to hear more about this. Dr Gavin Mudd (GM) is the hydrologist hired by the HVPA and I would like him to liaise with AGL to get the information you have.</p> <p>SB – We are happy to provide that information. We now have the April results and we will provide the raw data to Professor Willgoose (PGW) and the committee as well. I assure you that we are happy to provide GM with that information.</p> <p>JR – The bores were right at the bottom of the alluvium. The water was very salty which was because we were not sampling the top two metres. We now have samples from the top and bottom part of the alluvium.</p> <p>BK – What role has PGW had to date? As far as I can tell it has been nothing. He was meant to be involved throughout the process so that we had an independent opinion. We went out of our way to get the water bore data from Xstrata. AGL has had people on landowners land without permission.</p> <p>GS – So the initial hole was higher in salinity but have you got the results for the shallower wells?</p> <p>JR – Yes, they were half the salinity.</p> <p>SB – The guys on site cannot get as accurate results as in the lab. They do some tests at the water bore site though because the samples cannot get to the lab before they deteriorate. That’s how we knew the first test results were more saline. There are varying timeframes for certain lab test results and we are still waiting for the full suite of results. We have the May results however, PGW will get those results and we will give you the same results.</p>	SB, JR to provide GM with raw data from the first set of tests of the water monitoring.
14.5.3	<p>SB – In regards to the Terms of Reference for the water monitoring program we still do not have a copy. We have several edited proposals from BK, PB, Andy Lukas (AL) and PGW but there is no final, definitive version. I have spoken to BK, AL, PGW and PA about this. From looking through the files and based on these discussions, I believe the broad terms of the water monitoring program are agreed. That is for 2 rounds of “wet” and “dry” period samples to be taken PGW will oversee and analyse the water monitoring program and will review the final PB report that will be presented to the BCCC. PGW will then prepare a document. This was agreed. We have the baseline water information from the May “wet” sample period.</p>	
14.5.4	<p>SE – GM is an advisor to the community and should meet and discuss the water monitoring program with PGW as he will be assisting the community in understanding it.</p>	

ITEM	DISCUSSION	ACTION
14.5.2 (cont'd)	<p>BK – PB's work has not been scrutinised by PGW, which is what was originally planned. That has not been done.</p> <p>SB – From our short discussion the other day, PGW is happy with the structure of the program and with the substantial chemical analysis of the water samples that PB has taken.</p>	
14.5.5	<p>SE – PGW probably feels quite out of touch as he is not being more involved in the program. He should be more involved.</p> <p>SB – He has not been totally involved as we did not wish to contact him until we had results. I know that you have contacted him, however, we think that should be avoided as we do not want to influence him or be seen to be influencing him. This is not ideal to me either, he should remain independent.</p> <p>PA – Shares her frustration that PGW has not been more of a part of this; he should be supervising the procedures. Could we give him your strategy?</p> <p>JR – I have prepared a work plan summarising the program for AGL, PGW can be provided a copy. He is aware of our strategy.</p> <p>PA – But for the process to move forwards you should involve GM.</p> <p>GS – Worries that there is no contact with PGW. We want to hear from him. Will he be attending the pump test?</p> <p>PA – PGW's schedule means he can probably attend the October BCCC meeting.</p> <p>SB – We will have to arrange this if PGW wants to be on site. Either way PGW will have oversight of the test.</p>	
14.5.6	<p>PA – Is GM allowed onsite for the pump test?</p> <p>SE – We don't need him onsite. What we would like is the ability to access the data.</p> <p>PA – AGL has already given that guarantee.</p>	
14.5.2 (cont'd)	<p>GS – Will the pump test be completed before the next CCC? What are the logistics of the test? Will there be a large amount of water?</p> <p>SB – All of the water will be taken out. It will be brackish water which will be contained in tanks and disposed of offsite. As our water bores are only licenced as monitoring bores it means we can not use any of the water. The tanks are approximately 45,000 litres. We will minimise truck movements to once a day and maybe less than that.</p> <p>HU – Will the trucks go through the village?</p> <p>SB – They will go along Nelson Street and out of town to Kurri Kurri waste treatment plant. People have raised the truck movement as an issue so we are planning activities to ensure this is minimised.</p>	
14.5.7	<p>BS – What are the findings on the water monitoring to date?</p> <p>JR – We will be in more of a position to present the full details at the next meeting when all the results of the May and some results from July are available, however I can give you a summary.</p> <p>The water in the alluvium is brackish and is recharged by rainfall. As you go deeper down there is bi-carbonate water which is typical of coal measures. The salinities double with depth to about 7000. There is nothing strange about the pH levels. There is dissolved oxygen; however there is none in the deeper rocks.</p> <p>Carbon 14 testing results show that the deeper levels are tens of thousands</p>	

ITEM	DISCUSSION	ACTION
	<p>of years old, while the alluvium is decades old. This shows that the groundwater systems are separated in types or layers and there is no interaction between layers.</p> <p>We have now taken a second set of samples for chemical analysis (in July). We will then do the pump test, and then take more samples to see if the waters have mixed. If they have the chemical analysis of the water in the different layers will show this. If there are no changes in the results, there is no interaction. We already have a picture of the natural variations of water levels with the baseline data which could be because of weather conditions or extraction for irrigation.</p> <p>BK – That was the whole reason for this. To get the baseline data and identify risks to the public, so those risks will either be confirmed or repudiated by the pump test.</p> <p>JR – PB prides itself on its work, we will not be doing a shoddy job, and it's our company's reputation on the line.</p> <p>BK – What is the process to share the baseline data with the community?</p> <p>JR – We weren't proposing to provide analysis. We are more than happy to share the raw data.</p> <p>BK – The test was not meant to go ahead until the baseline data was provided and understood.</p> <p>SB – The conceptual model diagram we gave members a few meetings ago is on the website. The results to date show a reconfirmation of what is in the diagram which is that water in the different layers does not mix in the natural system.</p> <p>BK – The idea of the study was to help the community understand.</p> <p>JR – Four months of testing is enough and a good comparison for the baseline data. We can not improve on that.</p> <p>BK – I have confidence that what you are doing is professional and correct. But we need to feed that information on to the community. We need to be able to ask, what will happen if something occurs? There are a number of questions to help us understand the risks. The pump test may confirm our wildest fears.</p> <p>JR – There is a presentation on the effects from long wall mining from the IAH Groundwater conference which is available if you would like it.</p> <p>BS – There should be no activities there until PGW has approved them.</p> <p>PA – No, that is not correct. The pump test will be completed and a report will be available by the next BCCC meeting.</p> <p>SB – Agrees. The conceptual model can be confirmed by the current data and a report completed by PGW. This can show that the layers are not naturally interconnected.</p>	
14.5.8	<p>BS – You will be using generators and flares, what can you tell me about the noise levels?</p> <p>SB – Heggies is the name of our noise consultant. The pump test is the same equipment we use elsewhere in other projects so we have the noise data for that. We will have the information for the generator and the flare. State government guidelines state that noise loggers must be placed at the nearest residence. They will be constantly operating and can be remotely downloaded at any time.</p> <p>BS – Can you please provide the data of the site and perimeters?</p>	

ITEM	DISCUSSION	ACTION
	<p>SB – 24 hours a day the noise level has to be at a background level plus 5 decibels at the nearest residence. The noise modelling of what we expect the noise to be and then we monitor it to ensure we meet all requirements.</p> <p>JM – There is nothing relating to this on the DPI website.</p> <p>SB – Yes, I can send you a one page document from the DECC site.</p> <p>BS – It sounds different to mining.</p> <p>SB – It is based on the same guidelines which are used for mining. There are conditions of consent and we have to comply.</p>	<p>SB to send DECC document to BS.</p>
<p>14.5.7 (cont'd)</p>	<p>JD – In regards to sharing the baseline data with the community, To what extent does the community need the baseline knowledge?</p> <p>BK – The community does not know anything at this stage. Meetings should be held explaining groundwater with a simple presentation.</p> <p>SE – That's why GM is here. He is independent. We give our time to come to these meetings and advise the community.</p>	
<p>14.5.9</p>	<p>PA – Have you retrieved the data logger stuck in HB02?</p> <p>JR – no, we have to do that before we can do the pump test.</p>	
<p>14.5.10</p>	<p>PA – There will be a responsibility to this group to get this information to the community.</p> <p>GS – Will we be contacting PGW?</p> <p>SB – Seems to be that there are a number of things coming out. I want to work with you. PGW can provide his report to the community on the baseline data at the next meeting. I would like to agree on the Terms of Reference by sending a letter with copy of PB's Project Plan outline of the program to the people who set up the process (BK, AL and PGW) Terms of Reference confirmation. GM can look at that once it is confirmed as well. The pump test can occur with people knowing that the right thing is being done through this reverse Terms of Reference approach. I would also like to propose that PGW is only contacted through the chair to keep him independent.</p> <p>BK – If you get PGW's opinion on the baseline data before the pump test I believe you have fulfilled your requirements.</p> <p>SB – I agree that the baseline data needs to be presented to the community as we get more results back, but the pump test needs to continue and I understand from discussions with AL that this was not originally agreed. It is a very good idea to send information on the data that has been collected and we can do that. Sending information out will allow people in the area who are concerned to get more information in the lead up to PB's final report.</p>	
<p>14.5.8 (cont'd)</p>	<p>HU – What is the baseline data for noise levels now? Can you please provide that?</p> <p>SB – Yes, we can provide that.</p>	<p>SB – provide baseline data of noise levels.</p>
<p>14.5.1 (cont'd)</p>	<p>SB – We are confirming the exact equipment for the pump test. We will be containing all equipment within the fenced area. Two blocks of land have been purchased by AGL to date, and we are yet to settle on the Bulga property. We are currently completing an environmental assessment on our land at the Spring Mountain Vineyard and the former sand quarry at Bulga. We will be sending notes on the proposal to all surrounding neighbours, Singleton Council, government agencies and the BCCC for</p>	

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	<p>comment. Our proposal is to drill 4 core and stratigraphic exploration holes on each property to gather coal samples, get pressure, permeability, gas content, gas composition and monitoring details. The holes will be drilled to approximately 800 metres in depth.</p> <p>BK – What is the Environmental Assessment? Part 3A?</p> <p>SB – No, Part 5 assessment. This covers everything in a Part 3A such as noise, air quality and heritage.</p> <p>BK – Why not just do a full assessment and be done with it?</p> <p>SB – These exploration core and stratigraphic holes are considered temporary under the PEL and they are not production. Production wells require a Part 3A. Both assessments cover the same environmental issues. We will produce the assessment for the DPI. We will consult with the community and the neighbouring landowners. We will utilise the noticeboard at the Broke store and book a page of the Cockfighter. The DPI is the consent authority. Tomorrow we will be doing site surveys with Ecologists, Heritage experts, and noise monitoring.</p> <p>AH – So you will have a member of Land Council there? I am unaware of that. Who are you speaking to?</p> <p>SB – I am unsure of the name, however I can get that for you. A representative of the Land Council will be on site tomorrow.</p> <p>AH – There are lots of aboriginal people in the area.</p> <p>SB – Yes, we have a list of local groups, we will be creating a process to involve them in the long term, take them to sites, and rotate through each group. Reports will be provided to them after this.</p> <p>AH – Will you be having a public meeting? The aboriginal people might like to ask questions.</p> <p>GS – You say you will be consulting with the neighbours, but what about wider contact as there may be cumulative impacts.</p> <p>JM – Impacts need to be assessed until there is no impact. Exploration holes are considered small to low impact which means there will be no cumulative impacts.</p> <p>SB – We plan to submit the assessment in the next few weeks. The DPI needs at least 2 months to assess it. We have a good understanding of issues of exploration holes and we can effectively manage this.</p> <p>BK – It is misleading to call it an environmental assessment. 3 weeks can not take into account the community’s comments.</p> <p>Break for afternoon tea – 3:46pm Meeting resumed – 4:04pm</p>	<p>SB –Advise LALC details</p>
14.6	Presentation by Dr Andrew Falkner - CSG Exploration in the Hunter Valley	
14.6.1	<p>SB – AF is here to follow up afters questions were raised at previous meetings to answer any of your questions on exploration. His presentation is on what we are doing in this area and the basics of gas exploration.</p> <p>AF – I will show you briefly why AGL is in this area. I have been a geologist for the past 30 years and working with coal seam gas for the past 20 years. The technical team’s work is all based on science; the exploration program is expensive so we need to rely on science. The presentation is not intended to confuse people, so please feel free to ask questions.</p> <p>Presentation</p> <p>GS – Will the presentation be available to the community? What do you</p>	

ITEM	DISCUSSION	ACTION
	<p>actually look for? If you don't meet the criteria you need do you then just move on?</p> <p>AF – The presentation will be made available on the AGL website. We have a conceptual model as to why this will work.</p> <p>GS – This must be one of the best areas then.</p> <p>AF – We have encouraging results based on SGL's testing.</p> <p>GS – Are you interested in other areas of the Hunter?</p> <p>AF – Yes we are, but it will all depend on permeability. Basically we do not really know if it will all work.</p> <p>CH – This area has a huge amount of data. There is a lot in this area and it is more viable information.</p> <p>GS – So we are not the only area of the Hunter?</p> <p>AF – No we are looking at other areas too. It is the coal that has bought all of these companies to the Hunter.</p> <p>SE – You mentioned SGL results, we were never given these. This is frustrating.</p> <p>AF – Those results are commercially confidential. That data under the Petroleum (Onshore) Act is kept confidential for 2 years.</p> <p>SE – What are your thoughts on the suitability of the Act in this particular area?</p> <p>AF – It is important to separate exploration from development. Exploration is short term and low impact and is covered by the Act.</p> <p>GS – I heard on ABC Radio that a senior executive of AGL will be presenting to the Hunter Business Chamber on gas exports from Newcastle. Is that correct?</p> <p>SB – Mike Moraza will be attending on 13 November and doing a presentation on our company strategy and activities in the Hunter area. We will not be exporting gas.</p> <p>CH – AGL's commercial job is to deliver gas to Australian households, not send its product overseas.</p> <p>BS – Permeability, is that an average for the Hunter?</p> <p>AF – Yes, our tests measure the permeability of a formation. Some wells have low numbers. It is low in this area.</p> <p>BS – What percentage of viability do you want? How far along are you?</p> <p>AF – In some areas we are at the pilot test stage.</p> <p>HU – Permeability, does that determine the number of wells?</p> <p>AF – Yes it does.</p> <p>BK – Are you aware that in this valley you are quite restricted? How do you stop extracting from other people's licence areas?</p> <p>AF – You determine that by not putting a well right on the boundary. Nor can you book reserves on neighbour's tenure. We are constrained and we work within those constraints.</p> <p>BK – But such a small area does not seem viable.</p> <p>AF – We do not see it that way. The reverse fault is a permeability barrier. We do not want to impact any vines, however not all the land is covered in vines.</p> <p>BK – But between Bulga and Broke you are confined on all sides. Have you</p>	<p>Presentation to be placed on AGL website</p>

ITEM	DISCUSSION	ACTION
	<p>done the maths in what you will need to make this area viable? AF – We are not that far ahead in the exploration process. We do not know the deliverability. That is why we do not have the economics.</p>	
14.5.1 (cont'd)	<p>BS – You say in the Project Manager’s Report that you have had positive discussions with community members. Can you please explain that? SB – I have spoken to people who are positive and supportive. There are also people that are still undecided. But there is positivity in some parts of the community towards our presence here. I have spoken to people in my day to day activities or been contacted to discuss the possibility of working with our properties etc. BS – You have neighbours who are openly hostile. Who are these positive supportive community members? SB – I am not going to be outing people. There are some people that are happy that we are starting to get information out there, BS – Have you signed any further Access and Compensation agreements? Are you looking at more properties? You said you weren’t purchasing more property then you did. SB – No agreements have been signed lately. We have not misled you. As I said at previous meetings, we are not purchasing any more properties at this stage. HU – What about the Windermere property? What has happened with the Access Agreements for the driveways? SB – We have not yet settled the purchase of that property and there is a confidentiality clause in the contract so I cannot answer that. AH – Is disappointed with the Minister’s lack of a visit. PA – The Minister will be writing to SE regarding the visit.</p>	
14.7	General Business	
14.7.1	<p>AH – Noted during the break that she was spoken to by a member of the AGL team. She felt that she was being offered an incentive and felt compromised. PA - indicated that she was of the belief that the conversation between the AGL representative and AH that occurred during afternoon tea did not represent an inducement by AGL to AH. Although the choice of words used by the AGL representative may have been ‘clumsy’. AH and the rest of the CCC should be assured that nothing sinister was intended by AGL.</p>	
14.7.2	<p>PA – GS Brief update on the IAH Groundwater Symposium. GS – Thank you for nominating me and the opportunity to attend. I would like to provide a more comprehensive report at the next meeting as the conference finished last week but I will give a quick update now. There were many international speakers. Some topics I attended were Conflicting groundwater issues in the Sydney Basin and Effects of long wall mining. It was very worthwhile. The facts were there, nothing was hidden, and it was from hydrologist’s point of view. One speaker talked about CSM exploration and the overlying aquifers. The paper explained that there were issues and to proceed with caution. There was a recommendation that NSW required more up to date legislation to include CSM and water production. NSW is a long way behind QLD when it comes to legislation.</p>	

ITEM	DISCUSSION	ACTION
14.7.3	<p>SB – Action items from the last meeting.</p> <p>Plans of AGL properties are on the table for all of you.</p> <p>Electronic plans - one supplier said no to providing access to the CCC, but another supplier said that there is a licence that can be extended to the CCC if someone would be willing to be responsible for it and sign their end user agreement.</p> <p>Property maintenance – Landscaping and planting of native vegetation is planned at the Broke land (behind Nelson Street) to screen the property and add value to the local area.</p> <p>“Spring Mountain” Vineyard will continue to be operated as a vineyard and exploration work will also be done to demonstrate that vines and exploration can coexist.</p> <p>“Windermere” property at Bulga will be managed as a valuable agriculture operation with the existing Lucerne paddock.</p> <p>BS – Spring Mountain, is there any intention to use the water on the property for exploration activities?</p> <p>SB – No, that water will be used for the vines only.</p>	
14.7.4	No further issues. Meeting closed at 5:05pm	
14.9	Next Meeting	
14.9.1	30 September 2009 – Singleton Shire Council Chambers	
14.10	Future Meetings	
14.10.1	TBA October 2009 (Broke) – members to confirm	
14.10.2	TBA November 2009 (TBA) – members to confirm	