



3 October 2008

Project	Gloucester Coal Seam Gas Project	From	Melanie Layton
Subject	Community Consultative Committee Meeting	Tel	2 9239 7100
Venue/Date/Time	Friday 26 September 2008 Gloucester Country Club, 11am – 1pm	Job No	21/17714
Copies to	All attendees		
Attendees	Glen Wilcox – Gloucester Shire Council Wayne Burgess – Great Lakes Council Rod Williams – Community representative David Mitchell – Avon Valley Landcare Terry Cox – Lower Waukivory Residents Group Marianne Johnson – The Gloucester Project Ron Swan, Mayor Port Stephens Council Sally Whitelaw – Port Stephens Council Terry Kavanagh – Dungog Shire Council Tim Hickman – Community representative Stuart Galway – Lucas Energy Ian Shaw – Lucas Energy Mark Bonisch – Lucas Energy Ruth Baker – ENSR Erin Saunders – ENSR Melanie Layton – GHD - Chair	Apologies	Garry Smith – Community representative

Minutes**Action****1. Introductions****2. Set and agree to the ground rules for these meetings**

2.1 Ground rules were set by the CCC members and are as follows:

- » Keep it short and sweet
- » Everyone's views are equal
- » Need to maintain a clear focus
- » One person to speak at a time
- » Turn mobile phones off/down in volume
- » Community issues NOT individual issues



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- » Courtesy
 - » Listen
 - » Keep to time
 - » Be honest
 - » No waffle
 - » No side discussions
-

2.2 The CCC received a number of handouts:

- » The Gloucester Coal Seam Gas Project Concept Plan and Preliminary Assessment Report
 - » Information Kit
 - Water Fact Sheet
 - Environmental Assessment Fact Sheet
 - Frequently Asked Questions
 - Land & Entry Protocols for Investigations & Survey
 - Project Fact Sheet
 - Ecology & Heritage Fact Sheet
 - Pipeline Construction Fact Sheet
 - Fieldwork Fact Sheet
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3. Discussion of the Role of the CCC as per the Terms of Reference

3.1 The Charter was accepted by the CCC with one minor change:

Page 2 point 3 - delete: The CCC members are bound by confidentiality not to discuss any information that is provided by Lucas Energy that is classified as commercially sensitive information.

Note: All information provided to the CCC is available to the public.

ML to make change and email to all CCC representatives.

4. Housekeeping decisions

4.1 It was agreed that 11am – 1pm on Friday was a convenient time for all members.

4.2 It was agreed that the Gloucester Country Club was a convenient location for future CCC meetings.

4.3 It was highlighted to the CCC representatives that they should attend as many meetings as possible, as they represent the community. CCC representatives agreed that if they are unable to attend a CCC meeting, they should contact Melanie Layton (1800 810 680) or Stuart Galway (6558 1169).



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4.4 It was agreed that if a member misses a number of meetings, Melanie Layton will contact the member to see if there is a valid reason, and if they still want to be a CCC member.	
4.5 Minutes shall be provided to the CCC by either email or post within two weeks of the meeting.	
4.6 CCC representatives will be advised of the next CCC meeting at least two weeks prior to the meeting time.	
4.7 During the project, adverts and community updates will be distributed to CCC representatives for distribution among their communities.	
4.8 The CCC agreed to refer all media enquiries to Stuart Galway.	
4.9 The CCC recognised the importance of not individually talking to the media. The CCC agreed not to talk to the media on behalf of the CCC without the permission of each member of the CCC.	
4.10 Should a member be unable to attend a CCC meeting, it was agreed that they could email Melanie Layton with issues they would like raised at the meeting, and they would be addressed if there was time. Issues raised would be attached to the minutes as an addendum with responses provided in the addendum.	
4.11 The CCC agreed to list their names and organisations on the project website. The CCC also agreed to distribute their contact details to each member of the CCC.	ML to prepare copy for website. ML to prepare copy for distribution.
5. Update on project activities	
5.1 Stuart Galway gave an overview of the current status of the project. Key issues to date are: <ul style="list-style-type: none">» Location of the central processing facility; and» The time it takes to drill wells	
5.2 Lucas Energy is currently investigating conditional approval for 24 hour drilling during field development to reduce construction impact on the community	CCC to liaise with their communities on this issue and provide feedback at the next CCC meeting.
5.3 Ruth Kelley (ENSR) gave a presentation on the Environmental Assessment process.	



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6. Overview of planned community consultation activities	
6.1 Melanie Layton explained that the community involvement activities throughout the project would include:	
<ul style="list-style-type: none">» Community information sessions» Drop-in-sessions» Public displays / exhibitions» Community updates» Letters» Community Consultative Committee» Project website» Affected property owner / occupant interviews / meetings» Free call telephone hotline» Stakeholder notification of EA Exhibition» Open Days» Project Office Open House	
7. Questions and answers raised throughout the CCC meeting	
7.1 How many locations will there be for the central processing facility?	
A. One	
7.2 What level of noise would 24 hour drilling create?	
A. It would still need to meet the standard noise requirements. It would not be for all types of drilling and would be site specific. This would reduce the days required for drilling from approximately 15 days to 6 days.	
7.3 Would lighting be required for night drilling?	
A. Yes, but Lucas Energy could use directional lighting.	
7.4 How many sites will be required for 24 hour drilling?	
A. We don't have a definitive answer at this stage, but likely to be between 40-60 wells.	
7.5 Note: Council request a list where drilling will take place.	Lucas Energy to forward list of drilling locations when confirmed.
7.6 Note: Council confirmed that the night drilling would need to comply with noise regulations.	Note



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7.7 How long with EA be exhibited for?

A. The EA will be exhibited for a minimum 28-day period. Lucas Energy will not exhibit the EA during school holidays and will give stakeholders advance warning of the exhibition.

It is anticipated the EA will be on exhibition early February 2009.

7.8 Is Lucas Energy seeking both Concept and Project approval?

A. Yes

7.9 What is the difference between Concept and Project approval?

SG/RK

A. Concept approval provides in principle approval over the total project area for certain activities to be undertaken. Further project approval will still be required to develop the remaining areas covered by the Concept Plan only

Project approval is for approval of those parts of the project that the company wishes to proceed with once approval is received.

7.10 Will there be one EA document?

A. Yes

7.11 Is the project team meeting with directly affected property owners?

A. Yes. The project team has been liaising with all affected landowners, even those affected by the proposed two pipeline options.

7.12 Are you discussing compensation with affected landowners?

A. We are in the process of preparing letters to organise a convenient time for a valuer to meet with the resident to discuss the process. The valuer will then put forward an offer. The resident will have the opportunity to get an independent valuer if required.

7.13 Can Lucas Energy compulsorily acquire land?

A. Lucas Energy can, however would like to undertake these discussions in consultation with the landowner. We would look into 3rd party involvement if need be before compulsory acquisition.

7.14 What about compensation for indirectly affected landowners – those who may be impacted by noise or visual?

A. There is no legislation for this impact. This project falls under the same legislation as power companies, who do not compensate for visual impact of power lines.

7.15 A member of the CCC requested that a formal response to Garry

Agreed



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Smith's email.

7.16 Will compensation be paid for a disturbance component?

A. Yes. Lucas Energy will also pay a 'rental fee' for use of the land before the easement if registered.

7.17 Will the location of the pipe be considered an exclusion zone?

A. All pipe buried will be negotiated with landowner to determine potential future agricultural practices and property developments, however 750 mm will be the minimal cover. The pipeline will be adequate for any road-registered vehicle owned by the landowner (including tractors and cars) to pass over it.

7.18 What structures can go over the pipeline?

A. Irrigation can be laid over the pipeline with consent (agreement). Trees will require a 3m offset to ensure roots don't impact on the pipeline. Shrubs are allowed. No buildings can be erected over the pipeline

7.19 What will be the final easement width?

A. Approximately 20m

7.20 What legal costs will residents have to pay?

A. Lucas Energy will provide each directly affected property owner with \$3000 towards legal and evaluation fees. If the resident goes over this amount, they need to explain to Lucas Energy why this has occurred.

Lucas Energy is looking to make this process as easy as possible for both the landowner and Lucas Energy.

7.21 What is the minimal road required for maintenance?

A. A road that is 4 metres wide and will carry approximately 25-30 tonne equipment.

7.22 Will Lucas Energy look at incorporating farm planning as part of the process?

A. Lucas Energy is currently discussing these issues and opportunities with landowners.

7.23 Will the community see a grid pattern for the well locations?

A. Yes this has already been displayed at the Drop In sessions and the open day and is available for any community member to view.

7.24 Does Lucas Energy have to connect wells by roads?

A. Mostly yes



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7.25 A CCC member made comment about the Stratford Pilot Open Day, mentioning that people's reaction to the project was much more subdued as the day went on.	
7.26 Port Stephen's Council recommended making the communications more relative to the residents in that area.	Noted IS to approach the Port Stephens Examiner.
7.26 Port Stephen's Council recommended advertising in the Examiner and Maitland Mercury newspapers.	Noted
7.27 Will Lucas Energy have Surface to Inseam drilling as part of this project? A. This process needs to be investigated further but may not be practical in this location.	
7.28 What is fraccing? A. Hydraulic fracturing of the cleat system that naturally occurs in coal. This process opens up these cleats using water pressure	
7.29 What is a drill spread? A. The setup of the drilling equipment on the drill pad	
7.30 Where does Lucas Energy get the water from for fraccing? A. Lucas Energy is currently re-using the water that is produced on site.	
7.31 Who will get the excess water from the project? A. Lucas Energy is currently looking into this and are engaged with the Gloucester Project to assist with finding beneficial uses	
7.32 Who will get the water that is produced as part of the project? A. Lucas Energy is currently looking into ways / opportunities to feed it back into the community.	
7.33 How far would Lucas Energy pump? A. Pumping will occur along the spine lines which are approximately 10 to 15 lms	
7.34 How many spine lines are required? A. Initially two lines will be installed from North to South for the well gathering lines to feed into. The spine lines needs to be installed before the drilling can take place.	
7.35 Would indirectly affected landowners get access to water?	



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A. Yes. The produced water will be for the whole community. It does however depend on how much water is available – there may not be enough produced for everyone.

Water is also required as part of the maintenance and safety of the project.

7.36 It was noted that the Gloucester Project is currently looking into options of how water can be utilised. Lucas Energy will be working closely with the Gloucester Project in this area.

7.37 Is Lucas Energy conducive to value-adding e.g. using land for a farm?

A. This would need to be discussed at corporate level. It is something Lucas Energy can look into as a landowner.

7.38 What is waste stream?

A. Water that comes out of a well is referred to as a waste stream and requires treatment under DPI requirements.

7.39 Why can't the Central Processing Facility (CPF) be located in the grounds of the mine, which is already classified as Industrial, rather than constructed in a new area with new receivers.

A. Lucas Energy currently owns the Tiedeman's site not the coal mine site. A new representative for the coal mine will commence in November, so discussions will commence then.

Lucas Energy is currently doing a 'suitability' study on both properties.

7.40 A CCC representative noted that they thought the Central Processing Facility is better located where the industry already is. Noted

7.41 Would the design of the project change if the CPF were to be located at the coal mine?

A. The design of the compressor station would change.

7.42 Will the project apply for a Pollution Control License?

A. It is required as part of the Environmental Assessment. The air study is not completed at this stage.

7.43 Can the CCC discuss ideas for the community contributions?

A. Yes. Water in only one of the proposed community contributions.

8. Summary and close of meeting

8.1 Melanie Layton encouraged the CCC to email her with any issues they



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would like discussed at the next CCC meeting.

8.2 Next meeting to be held Friday 14 November 2008.

Melanie Layton

Stakeholder Solutions

1 Addendum to the minutes

- Questions raised by Garry Smith on behalf of the Barrington-Gloucester-Stroud Preservation Alliance Inc
- Response by Lucas Energy

Garry Smith 170 Pitlochry Road Back Creek via Gloucester NSW 2422
email garry.smith@gobushmail.com.au phone (02) 6558 9554 fax (02) 6558 9326

24 September 2008

Lucas Energy
22 Tate Street
Gloucester 2422

**COMMUNITY CONSULTATIVE COMMITTEE MEETING 26 SEPTEMBER –
Barrington-Gloucester-Stroud Preservation Alliance Inc.**

I am the nominated community representative for the Barrington-Gloucester-Stroud Preservation Alliance Inc. I ask if you will please accept my apology for being unable to attend the initial meeting due to urgent and important family business.

I wish to advise the issues that are of considerable concern to us at this stage. Could you please raise these matters at the meeting if it is appropriate to do so, if not they can be raised at the appropriate time.

The matters that concern the Alliance are;

1. The eventual size and scale of the project.
2. The need for a hydrology study because of the Stroud-Gloucester Valley's geological characteristics and its special susceptibility to methane gas migration.
3. The need for a full scenic and heritage impact assessment.
4. The need for an economic impact assessment.
5. The need for a full assessment concerning pipe line safety in view of the valley's geological characteristics.
6. The risks associated with approval being given by way of a concept plan.

I address each of these below. Further details can be presented at the appropriate time.

1. The eventual size and scale of the project.

The Preliminary Project Application states that approval will be sought for 60 to 90 wells and gathering lines. It is noted on page 2 of the Major Project Application under the heading '4. Major Project description...' that the applicant has omitted to indicate whether the application is for a project or a part project.

Informed opinion within the gas mining industry is that the project is not economically viable with 60 to 90 wells and that 150 to 200 wells will be required. There is considerable concern within the community that the initial application is only an 'opener' to get a much larger and even more invasive project established.

2. The need for a hydrology study.

The Stroud-Gloucester Valley is part of a complex geological system formed during periods of intense lateral pressure and volcanic action. This has resulted in a complicated pattern of major and minor shear faults which in time have been overlain and obscured by intricate erosion processes. As a result, the Stroud-Gloucester Valley is far more susceptible to associated pollution hazards and environmental damage from coal bed methane gas mining than any other area currently being mined in Australia.

These characteristics were described as early as the 1954 by F. C. Loughnan, who noted the area's unsuitability to traditional pit coal mining because of their presence.

Loughnan also said that;

Perhaps no other area within the State presents such a unique opportunity for studying the rapid succession of differing tectonic environments as the Stroud-Gloucester trough.

and

Undoubtedly the most remarkable feature of the area is [the] late E.-W. compressional stress of some magnitude which superimposed new structures on pre-existing ones causing the development of tear fractures and the displacement of whole blocks of country.

It is particularly disturbing that news of the methane eruption at the Stratford well in 2004 was kept quiet from the public and even more disturbing that Lucas Energy see the eruption as indicating qualities that will facilitate the extraction of the gas.

It is critically important that a fully independent and exhaustive hydrology study be undertaken to determine if commercial gas mining should proceed and if it does, in what areas and under what conditions.

3. The need for a full scenic and heritage impact assessment.

These comments are directed to non-indigenous heritage. Indigenous heritage is an important component of the area's heritage but it is noted that an assessment has been commenced by the applicant.

The Stroud-Gloucester Valley is noted for its scenic and heritage qualities – qualities that underpin its economic base and its dependence on agriculture, tourism and life-style settlement for its future growth. It is important that the heritage significance of Stroud-Gloucester Valley be assessed over the entire valley – it is the total valley's 'sense of place' that makes it important. This importance cannot be understood merely by way of considering individual items in isolation from each other.

The Stroud-Gloucester valley was identified by the National Trust of Australia (NSW) as a cultural heritage landscape. The original proposal was drawn up in 1975 and indicates the early recognition of the Gloucester Valley as a cultural heritage landscape of great significance – the Vale of Gloucester sits in the Register among other highly significant conservation areas such as the Kosciusko Alpine Areas, Lord Howe Island and Parramatta Park. The valley's significance was noted as depending on its scenic

qualities and its historical association with the Australian Agricultural Company.

The Stroud-Gloucester Valley contains items of local, State and National significance. These can be protected individually by defining each item's curtilage but the views along the valley floor and to the surrounding hills and the ancient volcanic outcrops must be preserved if the valley's significance as a whole is to be preserved. Without those views the integrity of the cultural heritage landscape will be destroyed, ultimately to be reduced to a mere scattering of places surviving in a discontinuous landscape.

4. The need for an economic impact assessment.

The economic importance of the valley's scenic-heritage qualities has been noted above. It is important that the economic impact on the Stroud-Gloucester Valley not be clouded by claimed economic benefits applicable to the project as a whole. The growing economic value of tourism is well recognised within the valley and is seen as the valley's major industry for future development.

The valley's image as an area of State and National significance situated adjacent to the World Heritage Barrington Tops Area can be irreparably damaged by inappropriate industrial development. That damage would severely impact on the valley's economic development.

5. The need for a full assessment concerning pipeline safety.

As noted above, the valley's geology is unusually complex. This raises major issues for all aspects of the pipeline and particularly for those sections of the pipeline that pass near and under waterways. The risk of environmental damage due to breakage or leakage is very high and justifies the most rigorous assessment as to the safety of all aspects of the pipeline.

6. The risks associated with approval being given by way of a concept plan.

Approval by way of a concept plan is an inappropriate process for a proposed development of this type because of the high risk of environmental damage, the uncertainty of a number of aspects of that risk and the complex environmental-economic-social issues to be assessed.

It will be particularly difficult to sufficiently assess the relevant issues and a concept plan will give the applicants excessive flexibility and control over those issues. This has been made obvious by the failure of the applicant's preliminary assessment to identify all relevant issues.

The Alliance will continue to oppose approval by concept plan.

Garry Smith

Document cited

F. C. Loughnan, *The Permian Coal Measures of the Stroud-Gloucester Trough*, School of Mining Engineering and Applied Geology, NSW University of Technology, 1954.



1.1 Response to Garry Smith

The eventual size of the project:(a) On page 2 of the Project Application form, this is a protocol only and provides a yes-no response opportunity (ie is it a Concept Application and is concurrent project approval being sought for all or part of the project). The preliminary environmental report accompanying the Project Application outlines the elements of the project for which concurrent approval is being sought.

We appreciate that there is a concern that this project represents an “opener”, however, a Concept Approval for the total area allows the community to see the fullest extent of the possible project. Those elements for which Project Approval is being sought are included in greater detail. If any further project elements are to occur within the Concept area, a formal Project Application still needs to be submitted and those project elements can only be undertaken within the auspices of the Concept Approval. This is discussed further in relation to Item 6 below but is worthy of note here in order to clarify that the community has the opportunity to review the whole Concept Area and, if project elements occur within that Concept area in the future, also have the opportunity to review that Project Application.

The need for a hydrology study: A groundwater study is being undertaken for the EA and technical data is currently being reviewed.

The need for a full scenic and heritage impact assessment: This relates primarily to the Indicative listing on the Register of the National Estate (RNE) covering the Vale of Gloucester. A heritage study is being undertaken for all heritage values and we are also undertaking a visual impact assessment for the EA – the issue of heritage values associated with the Vale in relation to its agricultural nature is being incorporated into both studies.

The need for an economic impact assessment: A social and economic impact assessment is being undertaken for the EA.

Pipeline safety: As part of the Environmental Assessment a risk and hazard study to identify any potential threats along the pipeline will be completed. As part of the Australian Standard 2885 (design code for high pressure gas pipelines), a thorough risk assessment will be completed during the detailed design phase to ensure the pipeline is adequately designed from any potential threats.

The risks of concept plan approval: Consultation has been undertaken with the Department of Planning (DOP) regarding this project and the concurrent Concept and Project Approval was deemed to be appropriate by DOP. As noted above, the concurrent Concept and Project Approval gives the community the opportunity to see the extent of the project. For clarity, Concept Approval is being sought for all elements of the project, taking in a wider area for the well fields and pipeline corridor (of 1 km width). Concurrent Project Approval is being sought for the 60 wells, the Central Processing Facility and the pipeline (100m corridor). The Concept Approval would be given with a set of conditions that will include requirements for future assessment of any elements within that area that will require formal Project Approval – for example, if additional wells are built within the broader concept area. The items currently being sought for Project Approval are those elements which are defined and which are being assessed in a far greater degree of detail. Both of these applications will be detailed in the EA which the community will have the opportunity to review and comment on during exhibition. An “envelope approach” is being used to assess a variety of elements for the Project Approval. For example, the footprint of a well spread is initially 60m x 60m. For the purposes of assessment, we are reviewing an area of 600m x 600m around each indicative well location. This means that the EA process can identify specific constraints and the well locations be sited to avoid environmental impacts. This will be explicitly set out in the EA



which the community will be able to review. Notwithstanding, the Project Approval would also be given with a specific set of conditions which Lucas Energy will need to adhere to. Again, if any new project elements are needed within the Concept area in the future, a new Project Application must be submitted and must be in accordance with the Concept Approval – this process is similar in that an EA must be prepared and placed on exhibition and must demonstrate the application of the Concept Approval conditions. As such, the community has the opportunity to review the whole project as part of the current Concept Application, the bulk of the project in detail for the Project Application and future applications in relation to the Concept Area should any future items be needed.