



22 Tate Street
Gloucester, NSW, 2422
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Minutes of Meeting

Project	Gloucester Coal Seam Gas Project	From	Melanie Layton
Subject	Community Consultative Committee	Tel	2 9239 7100
Venue/Date/Time	Friday 13 February 2009 Gloucester Country Club, 11am – 1pm	Job No	21/17714
Copies to	All attendees		
Attendees	David Mitchell – Avon Valley Landcare Councillor Richard Webb – Gloucester Shire Council Tim Hickman – Community Representative Councillor Karen Hutchinson – Great Lakes Council Terry Cox – Lower Waukivory Residents Group Marianne Johnson – The Gloucester Project Rod Williams – Community Representative Mike Roy – AGL David Kelly – AGL Stuart Galway – AGL Ian Shaw – AGL Mark Bonisch - AGL Melanie Layton – GHD (Facilitator)	Apologies	Glenn Wilcox – Gloucester Shire Council Glenn Handford – Great Lakes Council Sally Whitelaw – Port Stephens Council Councillor Daniel Maher – Port Stephens Council Councillor Peter Ainsworth – Dungog Council Terry Kavanagh – Dungog Council Garry Smith – BGSP Alliance

1. Welcome & Introductions

Action

1.1 Presentation by Mike Roy and David Kelly from AGL on the takeover of the PEL 285 from Lucas Energy and Molopo.

1.2 It was noted that there was only one objection to the Environmental Assessment for Camden. This was centered on the location of the high-pressure pipeline from the Central Processing Facility to the Moombah / Sydney pipeline perceived to be going through a stakeholders property.

The objection was not relevant, as the pipeline did not pass through the objector's property.



1.3 Letters from the Lower Waukivory Residents Group to AGL and Gloucester Shire Council were tabled.

Letters attached as addendum to minutes.

Note: A response has been prepared by AGL and will be sent out shortly.

1.4 Responses to outstanding questions / actions from second CCC meeting were discussed.

Responses attached as addendum to minutes.

2. Update on the Environmental Assessment (EA)

2.1 AGL believe the EA will be available for public comment in approximately 6 weeks depending on the timing by the Department of Planning (DoP)

2.2 The CCC and the community will be informed prior to its release to ensure members can inform their constituent groups.

2.3 The EA will be available via the DoP website which provides a link to the AGL website where it will be available to be downloaded / viewed.

2.4 CD's of the EA will be available to those who request them. Some hard copies will be available.

2.5 Stuart Galway gave an overview of the EA process:

- Lodged 12th December 2008
 - Adequacy review by DoP and Government agencies
 - Areas to be reconsidered are determined and returned to AGL to undertake further review
 - Company and consultants meeting held on 19th February 2009 to review these areas
 - EA was then resubmitted to DoP for review
 - EA will be released for public comment when the DoP declares the EA adequate against the Director General's original guidelines
 - When the EA is on public display AGL will hold drop-in-sessions
 - Legislative requirements state the EA should be on exhibition for 30 days
 - The office at 22 Tate Street is always open and available for information during business hours
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3. Questions from the CCC (includes questions asked throughout the meeting)

3.1 Q. Will AGL be purchasing a silenced cementing rig?

A. AGL currently owns a cementing rig, but it is quite loud, therefore work would only be carried out during the day until an upgraded unit is available.

3.2 Q. Will 24-hour drilling be carried out again?

A. Most likely as the first round of night work was acceptable to most residents.

3.3 Q. Will the noise from the drilling carried out in the evening be the loudest noise the community will experience?

A. The drilling noise will not change from that experienced during the first round. Fracking is noisy, so this work will only be carried out during the day.

3.4 Note: A number of residents mentioned that the lighting during the 24-hour drilling was noticeable.

A. AGL is looking into alternate lighting options for next time.

3.5 Q. When will the fracking works commence?

A. Approximately late March 09

3.6 Q. Is the EA on exhibition for 30 calendar days or 30 business days? AGL to confirm

A. Will look into this. AGL recommended that requests for an extension of time, if required, be made directly to the Department of Planning.

3.7 Q. Who will advertise the exhibition of the EA?

A. The Department of Planning. The DoP is the approving authority.

3.8 Q. Has AGL determined the location for the compression facility yet?

A. AGL has had a high-level meeting with Gloucester Coal to discuss possible locations for the facility within their premises. Discussions are still underway on this matter.

3.9 Note: Representative for Stratford expressed concern by the community over the facility being located in their area.

3.10 Q. What noise testing was done at the Gloucester Coal site?

A. Noise testing was carried out three times – inside the rail loop and outside the rail loop.



3.11 Q. How does the expected noise at Tiedemans compare to the existing ambient noise at Stratford?

A. The noise criteria is based on background noise levels.

3.12. Q. Where will the water be located?

A. Water management will take place on the site that is bought for the facility.

3.13 Q. Will AGL pump the water back to Stratford?

A. The water will be pumped back to the storage dams at Tiedemans.

3.14 Note: Concern was raised over AGL drilling under creek beds.

3.15 AGL suggested a geologist be invited to the next CCC to explain the process of gas migration and answer any questions.

CCC to email ML or IS with specific questions prior to the next CCC.

3.16 AGL will look into other opportunities for the community to receive additional information on topics such as; drilling under rivers, hydrology, gas migration etc.

AGL to consider future consultation opportunities

3.17 What happens to the EA post approvals? How will Council be involved?

A. Council will have an opportunity to provide comment during the exhibition period. The DoP has the final say.

3.18 Councillor Richard Webb presented Gloucester Council's recommendation that the Association of Mine Related Councils be advised of Council's Policy in relation to mining be as follows:

1. That no mining be permitted within the Scenic Protection Zone and Rural Residential Zone under any LEP of any Council;
2. That where there is a competing interest between the extraction of gas and coal over the same area then the principal factor in considering competing interest be the impact on the environment rather than the economic benefit to the State; and
3. That the protection of agriculture be considered and evaluated as part of the assessment of mining development applications and in this regard recognition of agriculture be included in the State Plan.

Response: AGL mentioned that in QLD the first rule applies however in NSW the DPI would require a co-operation agreement between overlapping title holders and that is currently being discussed with Gloucester Coal and would also need to be the case with Gloucester Resources.



3.19 Q. Is there intent for AGL to become primary producers by purchasing more land in the areas of activity.

A. The Tiedeman property is leased to an adjoining landholder for grazing purposes and a meeting earlier in the day had agreed in principle to provide 2 hectares at Tiedemans as a site for a trial project by the Gloucester Project.

3.20 Q. Was there a program for fracking?

A. Possibly in March following a tender process.

3.21 Q. Where is the preferred pipeline route?

A. Blackcamp Road is still the preferred pipeline option however the western route still requires inspection for constructability.

Pipeline fact sheet will be distributed to all when finalised.

4. Legacy opportunities

4.1 The committee discussed possible legacy opportunities within the Gloucester shire.

AGL recommended that all requests be put in writing.

AGL will prepare guidelines on where the money will / will not be allocated.

4.2 The Gloucester Environment Group requested funding / a commitment from AGL towards maintaining and improving the Babbler habitat.

4.3 Q. Is there a certain amount of money that AGL has for this activity?

A. This activity is not based on a certain amount of money. Activities that meet AGL's goals and values will be considered.

4.4 Note: A number of committee members wanted AGL to make a commitment to maintaining the Gloucester wildlife community – not just money. That consideration will be given to the local environment in all activities undertaken in this area.

A. AGL advised that all flora and fauna studies are undertaken as part of the Environmental Assessment.

5. Close

Next meeting – Friday 3rd April 2009



1. Addendum

1.1 Responses to enquiries from meeting held 14th November 2008.

- § Expected decibels of drilling – Atkins Acoustics carried out an audit of the drill rig and equipment during its operation and provided recommendations for the siting of the equipment at Waukivory 3 which was done to meet requirements.
- § Provision of a 60-day public exhibition period for the Environmental Assessment. – The EP and A Act states 30 days of public exhibition. It was suggested that the Department of Planning may have some flexibility if someone contacted them prior to inform them that their submission was coming?
- § Exploration programme drilling on 24-hour basis was carried out as requested from the most remote wells to the ones closer to residences and town. The only variation to this was Craven 6, which was drilled last due to a hold up with the access protocols.
- § The pipeline route options are still in abeyance due to access problems. The Blackcamp Road route is the current preferred option.
- § Consideration of wind direction regarding the Central Processing Facility is still to be reviewed during the Environmental Assessment.
- § Consultation with those residents who neighbour the Gloucester Coal Stratford mine as to the variations in noise at different times of the year has not yet been carried out. This will be addressed following the EA process in the Operations Management Plan.
- § A Fact Sheet on pipeline construction techniques including stream crossings is still being prepared with the assistance of AGL staff.
- § Investigate the option of discussing the project with students from Gloucester High School. Preliminary discussions have been held with the likelihood of information presentations to senior science and junior geography students being suggested by the school. The initial discussions will most likely be held with the Science Department.
- § Provision of information on gas migration and points of least resistance. Due to the ownership change the new geologist responsible for this project will need some time to review all parameters within the field. It is expected that he will be at the following CCC meeting to provide a report.
- § Open sessions for the community to be held at the Tate St offices were advertised in the press for four weeks without any response from the community for visits and information.
- § The committee to present options for community legacy projects and community assistance.



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1.2 Questions for the CCC

The Alliance remains concerned at the reluctance to undertake a full and independent hydrology study. We believe that gas migration and water table pollution are critical issues and that they are not being properly addressed. We are also concerned that the withdrawal of the required amounts of water will have a severe impact on ground water aquifers. We are particularly concerned that existing inadequate geological data is to be recycled to address these critically important matters.

The Alliance wrote to Lucas last year advising that we consider there is enough scientific information to trigger the precautionary principle as a matter of environmental law, thus requiring the proponent to assess the matter to a high scientific level of proof to the contrary if the development is to proceed. We cite the unusually vulnerable geological characteristics of the Gloucester Valley and the Stratford methane gas eruption as being important issues but do not limit our concerns to them. We note that no response has been received to that letter.

We also raise the Director-General's requirement of a cultural heritage assessment that is to include views and vistas and be undertaken according to Heritage Office guidelines. We believe that the assessment either has not been undertaken or is being undertaken to an inadequate level.

We do not at this time limit our concerns to these matters but ask to be advised as to the stage of these assessments, please.

Regards,

Garry Smith.

1.3 Enquiry from CCC representative

I have had an enquiry from one of the property owners who will be affected by the pipeline in the Clarence Town area.

- § Can you advise on the policy re legal costs in creating the easement; and
- § What limitations will be put on activities within the easement.

His concern is that the easement could sterilise the land from activities such as orcharding, some fencing, sheds etc and that a clear indication of the conditions to be placed on the easement is not being made available at this stage of negotiations. Country energy has a standard agreement for power lines.

Terry Kavanagh

Manager of Environmental Services

Dungog Shire Council

538 Fairbairns Road
Gloucester 2422

AGL Energy Limited
Locked Bag 1837
ST LEONARDS NSW 2065

31 January, 2009

Attention: David Kelly/ Mike Roy

Dear Sir,

**Subject: Lucas Energy Gas Exploration Licence No PEL 285
GLOUCESTER BASIN**

I write on behalf of our group which represents over sixty residents living in the valley adjacent to your Tiedmans Road property.

We congratulate your company on its recent purchase of the coal seam gas exploration licence formerly granted to Lucas Energy in the Gloucester Area.

We seek your assurance that your company and its senior officers are aware of the issues surrounding the siting of the proposed central processing unit.

Following submissions from our group, Gloucester Council requested that Lucas Energy establish their central processing facility in the area designated in Council's LEP, namely to an area located adjacent to the Gloucester Coal processing works.

Subsequent to that Lucas Energy agreed to open negotiations with Gloucester Coal and confirmed that at their most recent Community Consultative Committee meeting on November 13th last that their preferred site was an area inside the current rail loop.

I seek assurances from your company that you are still committed to this site and can you please inform me as to when negotiations are expected to be finalised with Gloucester Coal as it is now five months since Lucas Energy agreed to open such negotiations. Lack of confirmation that negotiations have been successful is causing a great deal of angst for members of our group.

Yours faithfully,

John Woodford OAM

538 Fairbairns Road
Gloucester 2422

Mr Alan Young
The General Manager
Gloucester Shire Council
King Street
GLOUCESTER

31 January, 2009

Dear Sir,

Subject: Lucas Energy Gas Exploration Licence No PEL 285

I draw your attention to the letter written to your predecessor on 28th July last (copy attached) in regard to the concerns held by the residents of Fairbairns Road and the lower Waukivory area in regard to the proposal by Lucas Energy to use its property in Tiedmans Lane as its central processing facility for the production of its coal seam methane gas extraction when it eventually moves to a production licence.

Subsequent to that letter Council met with Lucas Energy and gave me the opportunity to address it on this matter. Council subsequently approved a motion supporting the siting of the central processing facility in the area adjacent to the current processing works of Gloucester Coal. This site is consistent with the current Gloucester Council's LEP. Lucas Energy agreed to open negotiations with Gloucester Coal but nothing of any material progress appeared to occur because Lucas Energy claimed that Gloucester Coal did not have an appropriate person with whom they could negotiate.

Lucas Energy at its last Community Consultative Committee on 13th November 2008 announced that their preferred option was an area within the rail loop adjacent to Gloucester Coal's processing works.

My recent enquiries to Lucas Energy (now AGL) indicate that nothing conclusive has occurred in finalising the negotiations.

However I was informed that the application by AGL to move from an exploration licence to a production license is imminent.

It is of great concern to our group of concerned rate payers that AGL is preparing to move to a production licence without having resolved the move of its central processing facility to the Gloucester Coal mine site. Whilst we can accept that negotiations between businesses can sometimes be less than simple, it beggars belief that these two companies AGL (formerly Lucas) and Gloucester Coal have not resolved the matter over what is now a period exceeding five months.

There is an irony in that under its exploration licence AGL are able to force a landowner to resolution or arbitration within twenty eight days of giving notice. We are denied the right that apparently Gloucester Coal is able to exercise.

We request that Council become more actively involved in pressing these two companies to resolve any differences as a matter of urgency, and complete negotiations to move AGL's processing plant from the Tiedmans Road property to the site within the railway loop.

Importantly we request that Council seek a meeting with appropriate senior officers of AGL as a matter of urgency to ensure that they are aware of the necessity of resolving this matter.

Yours faithfully,

John Woodford OAM