Minutes of Meeting

17 November 2008

Project	Gloucester Coal Seam Gas Project	From	Rebecca Raap
Subject	Community Consultative Committee Meeting	Tel	2 9239 7100
Venue/Date/Time	Friday 14 November 2008 Gloucester Country Club, 11am – 1pm	Job No	21/17714
Copies to	All attendees		
Attendees	Garry Smith – BGSP Alliance Glenn Handford – GLC David Mitchell – Avon Valley Landcare Terry Cox – Lower Waukivory Residents Group Marianne Johnson – The Gloucester Project Rod Williams – Community representative Stuart Galway – Lucas Energy Ian Shaw – Lucas Energy Mark Bonisch – Lucas Energy Rebecca Raap – GHD (Facilitator)	Apologies	Sally Whitelaw - Port Stephens Council Cr Richard Webb – Gloucester Shire Council Cr Daniel Maher – Port Stephens Council Terry Kavanagh – Dungog Shire Council Glen Wilcox – Gloucester Shire Council Wayne Burgess – Great Lakes Council Tim Hickman – Community representative Ruth Baker – ENSR Erin Saunders – ENSR Melanie Layton – GHD – Facilitator

Minutes	**Action**
1. Welcome and Introductions	
Apologies, introductions & reminder about ground rules	
Acceptance of previous minutes	
2. Review of previous actions	
Feedback re: 24 hour drilling operations - Marianne Johnson - tabled email responses o Impacts will largely be up to the individual land owners o Would need a test drill to understand the impacts of noise and light	

GHD 10 Bond Street Sydney NSW 2000 Australia
T 61 2 9239 7100 **F** 61 2 9239 7199 **E** sydmail@ghd.com.au **W** www.ghd.com.au

Minutes	Action
- Mark Bonisch noted that test drills will give a greater idea of the noise and light - Terry Cox tabled a letter written to Gloucester Shire Council with permission from the author. o Focus is only on the noise. Other issues such as lighting, landscaping and screening of the well sites needs to be addressed. - Garry Smith found it hard to question the community without adequate information.	
Q. Expected decibels?	Mark Bonisch will provide details to Melanie Layton to provide to the CCC
Q. Can there be any noise abatement around the drill rigs? A. Noise walls will be used if required.	
Q. What wells would be trials for 24 hr drilling? A. Stratford 7 and 10, Waukivory 3 and Craven 6. Waukivory 4 will only be a core hole. Note – Map of drilling locations provided to the CCC (attached)	
3. Update on activities and Environmental Assessment	
Stuart Galway provided update on activities and the Environmental Assessment on behalf of ENSR	
Q. Would Lucas Energy consider a 60 day exhibition? A. Lucas to consider and respond to the CCC.	Lucas to provide response
Q. If complaints are received (re 24 hour drilling) what will happen? A. Drilling will be stopped and revised depending on location. Will be considered on a case-by-case basis depending on the number of complaints, as it is difficult to stop a drill halfway through.	
Q. What will happen if drilling is in excess of the EPA noise control guidelines? A. If noise cannot be reasonably controlled with noise attenuation, then work will only continue during daylight hours.	
Lucas Energy may change the timing of works to do the isolated wells first and the ones closest to town last so they may collect and review data along the way.	Ian Shaw to obtain feedback from the Camden works and

Minutes	Action
	provide to the CCC.
Q. Is 24 hour drilling more economical? A. There is reduced risk due to not stopping and starting, cuts out start up and shutdown times and also reduces time impacts on the community.	
Lucas has In Principal Agreement with Gloucester Coal to place the Compression Station inside the rail loop at Stratford. This is the preferred site.	
Response to the field visit was positive.	
Q. Concerns about the cumulative effect of the various compressors. A. Stuart Galway explained that the noise attenuation on the compressors made them quiet, however the fans are noisy. Lucas looking into further mitigation measures to reduce noise related to the fans.	
Q. Preferred site – Tiedeman's v's Rail Loop? A. The rail loop is the preferred site. The only reason Lucas would go to Tiedeman's is if negotiations were to break down with Gloucester Coal. Note: New underpass under the rail loop and slip lanes off Bucketts Way into Parkers Road would be built; treated water would return to Tiedeman's or potentially the community, waste stream would stay at the facility.	
Q. How far is the closest property to the Stratford facility? A. Approximately 1km	
Discussion about the low frequency noise and it's potential to cause auditory dysfunction.	
Q. Clarification re the rail loop site? A. Mark Bonisch explained its location on the map provided. Located to the south of the main entry road to the Stratford Mine.	
Q. Nearest house to well site 'Craven 6'? A. 600 meters	
4. CCC Questions	
Q. Will Lucas Energy purchase the mine site? A. No. Lucas will sign a long-term lease with the mine.	
Q. Where is the preferred pipeline route? A. Currently Blackcamp Road. There are a number of land access issues	

Minutes	Action
so it cannot be confirmed yet. Until land access is obtained via an Authority to Survey to enable field investigations a decision cannot be determined.	
Q. Can the residents be notified of the pipeline options as the locals are asking a number of questions? A. Yes	Lucas to provide an update to the community on the current studies and options.
Q. What is the timeframe to confirm the route? A. Environmental Assessment will provide Blackcamp Road as the preferred route. If Lucas chooses to change this, a variation to the Environmental Assessment would be required.	
Q. Has the mine brought most of the land around it? A. All except Allan Isaac's.	
Q. Concern about funnelling of noise to surrounding landowners from Duralie mine, such as the winery, was raised. Have they been contacted? A. No noise issues from Duralie have been submitted previously.	
Q. Has wind direction been considered in regards to the placement of the facility (re: carrying noise from the facility)? A. Lucas Energy to look into it.	Lucas Energy to review and respond to the CCC
Request that Lucas consult the mine's neighbours to find out if noise is louder at different times of the year.	Lucas Energy to review and respond to the CCC
Request that Lucas Energy provide more information about the construction techniques. There are concerns about the environmental implications of going under the creeks and watercourses.	Lucas Energy is currently preparing a fact sheet on construction techniques for pipelines.
Q. Concern that no information is provided on the complex hydro geological structures in the area. A. This is addressed in the EA.	
Q. Is Lucas Energy aware of the complex hydro geological nature of the area and how the water moves? A. This is addressed in the EA by the sub-consultants.	
Suggestion that Lucas Energy provide talks to students at the local high schools at Gloucester and Dungog.	Lucas Energy to investigate.
Q. Concerned about the different stories behind the gas escape on the	

Minutes	Action
mine land at LMGO3 and the honesty behind the presentation of information. A. Lucas Energy tries to be open and honest at all times and is constantly testing in the field for gas. Mark Bonisch provided an explanation of the release at LMGO3 and the process now used by Lucas Energy to abate a further occurrence of such events.	
Q. Request for an independent report on the hydrogeology of the area and the safety of gas extraction. A. A study on hydrology is being undertaken by sub-consultants as part of the EA.	
Q. Regarding the gas escape from the old bore hole, would a hydrogeology study have identified this? A. Not sure but Lucas Energy has done extensive studies and located and sealed former wells.	
Q. Was there lack of due diligence on behalf of the former operators (in regards to the explosion)? A. Yes and Lucas have addressed these issues.	
Q. Would an independent study uncover the reasons why it happened? A. (Answered by Garry Smith) Suggests yes, but is not qualified to say.	
Q. Would an independent study reveal natural fault lines? A. Gas would have already escaped via the area of least resistance.	Lucas Energy to provide information on gas movements and points of least resistance.
5. Matters for discussion at the next CCC	
Ian Shaw raised the potential for Lucas Energy to support community assistance projects or legacy projects. The CCC was requested to provide input.	CCC to consider and provide suggestions.
Ian Shaw proposed that Lucas Energy will host open sessions at their Tate St. office (on a Thursday) once a fortnight for the community to come in and view project information and ask questions. CCC agreed this is a good idea.	Ian Shaw to advise when these would commence.
6. Next meeting to be held o Date will depend on timing of the EA. o Tentative date is **Friday 13 February 2009**.	

Minutes	Action
o This will be confirmed via an email no later than the 16 January 2009.	

Rebecca Raap
Stakeholder Solutions

Minutes of Meeting

1 Addendum to the minutes

- Tabled Letter – Gary Ferris to Gloucester Shire Council
- Tabled Letter – Email responses regarding 24 hour works
- Tabled Comments & Apologies – Ian Shaw
- Map – Proposed Production & Exploration Wells
- Tim Hickman – Tree planting should be occurring now, more impact at Stratford by moving the CPF than would ever have occurred at Fairbairns Road.

GHD 10 Bond Street Sydney NSW 2000 Australia
T 61 2 9239 7100 **F** 61 2 9239 7199 **E** sydmail@ghd.com.au **W** www.ghd.com.au

TERRY

P O Box 200
Gloucester NSW 2422

30 October 2008

Mr A J Young
General Manager
Gloucester Shire Council
89 King St
Gloucester
NSW 2422

Dear Mr Young

I am a resident of Fairbairns Road and I write to you representing the concerns of the Lower Waukivory Residents Group in relation to the Coal Seam Gas Project. We are a group of neigbours, ordinary community-minded citizens trying to make Gloucester a better place for us all to live. It is now over 10 weeks since our concerns were brought to the attention of Council and Lucas Energy in a presentation given to Council by John Woodford on the 20th August 2008. In this presentation a number of key points were raised.

Location of Central Processing Facility

The first and most pressing issue relates to the location of the central processing facility, an industrial complex that Lucas currently intends to construct and locate at Tiedmans Lane. At the recently held Community Consultative Committee meeting the following question was posed to Lucas: "Why can't the Central Processing Facility be located in the grounds of the mine", which is already an industrial area, rather than constructing it in an as yet unspoilt new area?

Lucas' response was as follows:

1. Lucas Energy currently owns the Tiedmans site not the coal mine site.
2. A new representative for the coal mine will commence in November, so discussions cannot commence until then.
3. Lucas Energy is currently doing a suitability study on both properties.

This is a most disappointing response from Lucas. It would appear in spite of our best efforts, and the support we have received from council thus far, that Lucas has not really taken these concerns seriously.

"Ownership" of a parcel of rural land should not be the determinant of the suitability of location for this industrial complex. The central processing facility should not be placed in a location that best serves the needs of Lucas energy, rather it should be located in a place that minimises the impact on the Gloucester community and surrounding landscape.

Lucas has indicated that they have had trouble getting someone to talk to at Gloucester Coal. This is nonsense. If Lucas wanted to have a discussion with

Gloucester Coal, (a discussion they should have had by now) then they could have made this happen...if they were really serious that is. It might have taken a bit of "pushing" from their most senior management but it could and should have happened.

With each day that passes without genuine, constructive, well facilitated dialogue between Lucas Energy and Gloucester Coal, we cannot help but feel that we will inevitably be delivered an industrial monstrosity in the form of the Central Processing Facility located in our beautiful, unspoilt valley. This is in spite of clear and logical alternatives.
If the senior management of Lucas will not champion this issue, then we urge Council to take a leadership role and fast-track the required discussion and negotiation between Gloucester Coal and Lucas Energy.

In relation to point 3 above, we would like to know what exactly it is that makes for a "suitable" site, and in who's view. Additionally, we shouldn't settle for a merely "suitable" outcome; we should ensure Lucas drive hard for the best outcome for Gloucester.

Another important issue to be considered is that if an industrial complex goes ahead on Tiedmans does this set a precedent whereby we could potentially see further heavy industrial development in our local area? And all this comes about because a large mining company simply buys a block of farmland and its activities go relatively unchecked due to an utter lack of legislative controls at a state level. At the end of the day it seems Lucas will decide where it locates its central processing facility. This really is an appalling situation. Let us hope we find some moral conviction in this company as we try and encourage them to really act in the best interest of the community.

The Development of Minimum Standards for Drilling and Well-sites
Lucas Energy is currently investigating conditional approval for 24 hour drilling during field development.

The primary reason Lucas is pushing for 24 hour drilling is based around cost management and improving return on investment. If they can shorten the set-up time for the field then they start making a return on their investment sooner. This makes good economic sense.

We believe however, that the drilling process needs to be strictly managed in a way that minimises the overall impact on the Gloucester community. Serious consideration must be given to impact on the lifestyle of residents due to 24 hour noise, lighting and traffic movements whilst up to 100 wells are constructed in a relatively confined geographic area. Strict controls should be developed and put in place to protect residents whilst this extensive and lengthy process is implemented by Lucas. These controls (or minimum standards) need to be developed in open consultation with Council and the wider community.

These minimum standards must be specific, measurable and be administered by a Consultative Committee with intervention powers if these standards are breached. These minimum standards would include, but not be limited to such things as:

- Hours of operation

- Well-head landscaping - both type and time frame
- Noise abatement practices
- Noise limits
- Emergency night operation as it relates to lighting
- Use of generators and pumps
- Access road landscaping
- Dust control
- Maximum use of underground power-lines
- Water purification, management and use

We only have one chance to secure the best outcomes for our community and that time is now, before the wells and processing plant are constructed. We seek a written response to the issues raised in this letter and look forward to working with Council to secure the very best outcomes for our wonderful community.

Yours sincerely

GARY FERRIS
604 Fairbairns Lane
Gloucester

Cc: Mrs Julie Lyford

The following message was sent by email to approximately 100 community residents. Replies are attached minus names.

Dear Friends
You are probably aware that I am the community representative for The Gloucester Project on Lucas Energy Community Consultative Committee (CCC). Today Mark Bonisch (Lucas Project Manager) asked me would I please contact as many community members as I could before Friday's CCC meeting to get their responses to the following proposal.....

Lucas energy would like to trial 24 hour continuous drilling for 3 new wells. Currently drilling only occurs during daylight
This proposal is an attempt to minimise impact on surrounding residents and properties
The drills will be silent
Lights at night will be directional so not seen.
Drilling will be reduced from 8 days to 3 days
No heavy vehicle transport at night
This is currently being discussed with the 3 directly affected property owners.
If acceptable to the community this would be the new time frame and procedure for drilling gas wells in the valley.

It would be greatly appreciated if you could give me your feedback to this proposal so I can pass on any community concerns
If I do not hear from you I will assume that as an individual , you feel it is an acceptable proposal. If you reply with concern(s) I will present the concern (no name given unless requested by you) to Lucas on Friday
regards
Marnie Johnson

Dear Marnie,
This drilling would not affect us at Craven as far as I know but my only thoughts are:
* When they have been drilling on the properties along Bucketts Way such as Harris' dairy and the place on the right after the Gloucester Tops turn off, they had lights on for some hours in the winter and the lights were so bright and shone into your eyes when driving. So I dont believe that the lights would not be seen. I think the property owners affected would be driven up the wall.
* I think when I was talking to Dianna Roenbaum who had about 3 wells on their place, she said that the drills were noisy. So again I dont believe that the drilling would be silent.
In short, I dont believe what they say and suggest to ask what guarantees would you have that they do all that they say.
Hope this is a help.

Dear Marnie
I guess this will really only affect those close to the 24 hr drilling. I wonder that the drills can be silent, but it would appear to be up to the 3 directly affected property owners.

Only future problem might be, if allowed, that it does cause disturbance but once commenced, forms a precedent to allow future night drilling.

Dear Marnie - the proposal as put below appears sound and makes sense with the provisions included in your message.

Hi,
My immediate response is to say no to night time drilling and night lights. What guarentee can there be for it to be silent and lights unobtrusive? I find it hard to believe that this could be true, and to agree would be to create a precedent which may not be reversible!
Regards,

Hi Marnie, I've just rung John Woodford on whose property the gas is being drilled. He wants a trial run for the 24 hour drilling, with an independent observer present when Lucas do it. This would be to assess the amount of traffic going past houses, the degree of noise and the lights. This assessment would be 200 m. from any house. John said that he'd be glad to talk to you if you wanted to ring him.

Hi Marianne,

If you give them an inch, they will take more?

24 x 7 drilling for 3 days, well what compensation are they going to give people that are directly affected by the noise, lights. People still have to work in those 3 days and they will certainly not be making the profits the mining gas company does.

As I have said, I am greatly grieved for the creeks they "trench through creeks" and "bore under Rivers", this should not happen at all.

My comment to Lucas as already said to them, stop destroying our valley to race Queensland Gas to Hexham.

Community Consultative Committee Meeting – 14 11 08.

Apologies –

- Cr. Richard Webb – Gloucester Shire Council
- Glen Wilcox – Gloucester Shire Council
- Cr. Daniel Maher – Port Stephens Council
- Sally Whitelaw – Port Stephens Council
- Tim Hickman – Community representative
- Erin Saunders – ENSR – Consultant
- Melanie Layton – GHD - Consultant

- Members and constituents response to 24 hour drilling – occurs at the Camden field without concerns.
- Discussions on easements refers to the high pressure pipeline as it is long term infrastructure whereas the field gathering lines, spine lines and wells operate under a landholder agreement with rental.

Approaches have been made at a corporate level to advance the discussions with Gloucester Coal regarding the CPF location.

- Community contributions and legacy projects should be discussed.

LUCAS ENERGY

Revision DRAFT
Created 14 Nov 2008
Author Toni Laurie

N
W E
S

1:37,500
0 0.150.3 0.6 0.9 1.2 1.5
Kilometres

Map Grid of Australia, Zone 56
Geocentric Datum of Australia 1994

Gloucester Coal Seam Gas Project

Proposed Production & Exploration Wells

STRICTLY CONFIDENTIAL

C:\STONEGECKO\3_Projects\Lucas_Energy\Deliverables\Draft\Templates\Lucas Energy\Lucas_Energy_A3_Portrait.mxt

Sources: Lucas Energy, NSW Department of Lands

L8 160 Queen St Melbourne VIC 3000 Australia
Ph 61 3 8615 7800 Fax 61 3 8615 7888