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Project	Gloucester Coal Seam Gas Project	From	Penny Barker
Subject	Community Consultative Committee	Tel	2 9239 7100
Venue/Date/Time	Friday 17 July 2009 Gloucester Country Club, 11am – 1pm	Job No	21/17714
Copies to	All attendees		
Attendees	David Mitchell – Avon Valley Landcare Jane Stevenson ( alternative for Garry Smith) – BGSP Alliance Tim Hickman – Community Representative Councillor Richard Webb – Gloucester Shire Council Terry Cox – Lower Waukivory Residents Group Rod Williams – Community Representative Marianne Johnson – The Gloucester Project Roger Stimpson ( alternative for Glen Wilcox) – Gloucester Shire Council Stuart Galway – AGL Ian Shaw – AGL Mark Bonisch - AGL Penny Barker – GHD (Facilitator)	Apologies	Sally Whitelaw – Port Stephens Council Councillor Peter Ainsworth – Dungog Council Councillor Karen Hutchinson – Great Lakes Council Terry Kavanagh – Dungog Shire Council Glen Wilcox – Gloucester Shire Council Garry Smith- BGSP Alliance

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## 1. Welcome & Introductions

## Action

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1.1 Introduction of Penny Barker from GHD as the new facilitator

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## **2. Update on Environmental Assessment (EA)**

Stuart Galway provided an update of the Environmental Assessment process.

Stuart will provide a copy of the Power Point presentation to the Committee

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2.1 There will be an extension to the Stage 1 Development Area to the south of the Stratford Coal Mine which will increase of the number of wells applied for from 90 to 110. AGL are in discussion with Gloucester Coal and are working together to develop a Cooperation Agreement which will include future planning and timing with accessing the resource from either party.

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2.2 A question was asked as to whether there was a Cooperation Agreement being developed with Gloucester Resources. The answer was currently no however discussions would need to be held in the near future as they had become landholders in our Stage 1 field area. A meeting may well be organized in the next few weeks.

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2.3 The Central Processing Facility location has been moved from within the rail loop to the southern side of the rail loop. A small 15MW gas fired power generation plant has been included as part of the approvals.. The plant will need to adhere to noise regulations. AGL are awaiting noise study to be completed, and noise attenuation measures will be implemented if required. The access to the CPF will be through a right of way over Gloucester Coal Land further to the south on Bucketts Way as the Parkers Road entrance did not have safe sight distances on Bucketts Way.

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2.4 An independent construction review of the pipeline route was undertaken by WDS in April which identified 3 main areas to realign the pipeline to reduce construction risk. These were the 3 crossings of the Karuah River (realigned to have only one crossing), co-location with the Hunter Water pipeline at Brandy Hill was of concern due to the age and type of joints in the water line (the diversion will add about 1km to the line), the approach to Hexham has been changed to eliminate the tight construction behind the industrial area and boring under the Pacific Highway.

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2.5 Front end engineering and design (FEED) has not commenced yet but will include geotechnical work for pipeline activities. AGL are looking at pipeline construction in 2012.

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2.6 AGL aim to complete the Environmental Assessment and lodge with the Department of Planning by late August with adequacy review being undertaken in September and then hopefully public exhibition commencing in October. Project approval may take up to 6 months following public exhibition. AGL are looking for approval for the project around the middle of 2010.

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2.7 The Blackcamp Road option for the pipeline has been chosen as the preferred alignment as the route option further to the west was longer with no construction advantages.

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2.8 Tim Hickman asked if there would be any changes to noise levels at Stratford – the noise modelling was not yet available however noise attenuation in the form of noise walls and earth bunds as well as plant orientation towards the east would bring any noise within required parameters.

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2.9 Richard Webb asked if the timbered piece on Parkers Road was still owned by Council as a future cemetery site. Further investigation after the meeting showed that the area in question is owned by Gloucester Coal.

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2.10 Questions were asked about the location of the water storages. There will be produced water, treated water and brine storage dams at the central processing facility and the Tiedeman storage will be used for balancing the storage requirements of both produced and treated water.

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2.11 Terry Cox questioned the presence of heavy metals in the water to be used for irrigation. Current testing is not raising any concerns with regard to these.

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2.12 Richard Webb and Tim Hickman suggested that if the company was to purchase property for the purposes of storage and construction as well as irrigation, the lease should be offered to local dairy farmers for them to increase their production area.

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### **3. Fraccing program**

Mark Bonisch provided an update on the current and projected field activities

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3.1. Hydraulic fracturing has been successfully completed on the 4 wells drilled around Christmas/ New Year.

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3.2 Three of the wells are on pump with Craven 6 causing problems due to tooling stuck in the hole which will be milled out by the Camden workover rig in the near future.

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3.3 Dewatering produced high results initially but Stratford 10 has dropped to 1600 litres/day and Stratford 7 is producing about 1450 litres/ day. Waukivory 3 is producing about 40,000 litres/day, down from an initial amount of 75,000 litres. It is believed this is high as AGL have not yet recovered the water used during fracking and water production will reduce with time.

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3.4 The REF's for the 8 exploration holes have been lodged with the DPI. Included in the application is a request for 24 hour drilling on the sites away from residences using noise and light attenuated drill rigs. This will reduce impact by completing core holes in much less time.

AGL will provide map showing location of exploration holes

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3.5 Rod Williams asked if any significant underground streams had been encountered during the drilling processes. None have been noted as most would be in the surface areas covered by the conductor casing.

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3.6 SRK have been contracted to carry out the hydrological studies and have commenced desktop studies and will then plan their field work in the near future.

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3.7 Marianne Johnson asked about toxic chemicals used by Halliburton in some of their work in other areas and were they being used in Gloucester. Mark said that AGL were using a derivative of soy bean oil and Gaur which were both naturally occurring. The substances she had seen were used in oil exploration not gas.

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3.8 Terry Cox asked about gas migration and hydrology studies. Mark reiterated that SRK had been engaged to do the studies. They are conducting an initial desktop study and will analyse data provided initially by AGL and Gloucester Coal and would then be in a better position to provide a presentation.

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3.9 Terry Cox asked if there would be any autonomous studies. Mark said there may well be extra monitoring bores sunk once SRK have analysed initial information however that would be their decision.

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3.10 Terry Cox asked if water pressure was used to push the gas out of the ground. An explanation of how once the coal is fraced by water pressure the water is then pumped to lower hydraulic pressure to enable the gas to desorb from the coal.

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3.11 The Waukivory 4 core site is down to 510 metres and should be finished within the next 10 day crew cycle. The hole will then be plugged and abandoned. Jane Stevenson asked if a core hole could be changed into a production hole. Mark stated that the core holes are only 4" whereas production holes are 7 and 7/8", if you wished to have a production hole at the site of a core hole you would need to lodge another REF and drill another hole near the core hole.

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3.12 David Mitchell questioned the large earth bund at Waukivory 4. AGL had been informed there was 300mm of topsoil over the old quarry however when it was excavated to prepare the pad there was up to 1.5 metres in some places hence much more soil than expected which, once the drilling and P and A is completed, will be used to rehabilitate the site.

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#### **4. 2D & 2d Seismic Survey work**

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4.1 Stuart Galway gave an explanation of the proposed 60km's of 2 dimension seismic surveys which are to be carried out over the valley in November and December. Landholders impacted by the survey have been approached and are now being asked for their concurrence with the programme. The geologists are also proposing to carry out some 3D seismic surveys over the proposed Stage 1 field area. Landowners have not yet been approached as AGL are awaiting further details of the grid pattern and timeframes are not yet known. The reason for the 3D is a due diligence regarding folding and faulting.

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Stuart will provide more information regarding the studies at the next meeting, in particular the grid pattern and areas proposed for the 3D modelling.

4.2 Roger Stimpson asked if there was any likely damage from the seismic survey – none to AGL's knowledge

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4.3 Terry Cox asked about the proposed magnetic aerial surveys. It is unknown when this will occur and will involve a low flying aircraft as has occurred in the past with other geomagnetic surveys carried out by other companies. AGL will try and notify residents with press advertising if and when the activity is to occur

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#### **5. Legacy Program / update from community**

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5.1 Ian Shaw gave a brief outline of a proposed community partnership which is still in the planning stage with discussions to be had with a small group of people in the near future. Ian also discussed AGL's involvement with the Careers Expo to be held at Gloucester High School on 10th August 2009.

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#### **6. Next Meeting**

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6.1 The next meeting is proposed for mid September

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AGL will notify the committee of the date of the next meeting.

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**Penny Barker**

**GHD - Stakeholder Solutions**