

Gloucester  
Our local  
matters



Energy in  
action.



# Gloucester community newsletter.

AGL Gloucester Gas Project  
May 2014

## Respecting our landholders.

On Friday 28 March 2014, AGL, Santos, NSW Farmers, Cotton Australia and the NSW Irrigators' Council signed the *Agreed Principles of Land Access*, facilitated by the NSW Minister for Resources and Energy, Anthony Roberts.

The *Agreed Principles of Land Access* formalises AGL's approach to respecting private agricultural landholders' wishes in relation to coal seam gas drilling operations on their land, and the collaborative approach AGL has always taken to working with landholders.

AGL's Camden Gas Project is a prime example of this approach – every well we developed required an agreement with a local landholder, and the project has operated side by side local community for the last 13 years. Find out more at [www.YourSayAGL.com.au](http://www.YourSayAGL.com.au)



AGL's Karyn Looby and Ian Shaw with Gloucester landholders Stephen Monro and Norm Williams.

### Agreed Principles of Land Access

#### Introduction

These principles have been agreed between landholders and gas companies based on values of respect, integrity and trust.

They have been facilitated between representatives of agricultural landholders and gas companies.

#### Application

The principles agreed in this document relate to coal seam gas projects in New South Wales and specifically cover access to private agricultural landholder's property (Landholders) for coal seam gas drilling operations for exploration and production purposes (Operations).

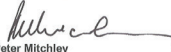
#### Principles

All parties to this document have agreed the following principles:

1. Any Landholder must be allowed to freely express their views on the type of Operations that should or should not take place on their land without criticism, pressure, harassment or intimidation. A Landholder is at liberty to say "yes" or "no" to the conduct of Operations on their land;
2. Gas companies confirm that they will respect the Landholder's wishes and not enter onto a Landholder's property to conduct Operations where that Landholder has clearly expressed the view that Operations on their property would be unwelcome; and
3. The Parties will uphold the Landholder's decision to allow access for Operations and do not support attempts by third party groups to interfere with any agreed Operations. The Parties condemn bullying, harassment and intimidation by third party groups and individuals in relation to the agreed Operations.

On this day, Friday the 28<sup>th</sup> of March 2014, we the undersigned parties hereby agree to abide by the principles in this document.

Santos

  
Peter Mitchley  
General Manager - Energy New South Wales  
Santos Ltd.

AGL

  
Michael Fraser  
Managing Director & Chief Executive Officer  
AGL Energy Ltd.

nsw  
FARMERS

  
Matt Brand  
Chief Executive Officer  
NSW Farmers Association



Leah Ross  
obo Lyndon Mulligan  
Chairman  
Cotton Australia Ltd.



Stefanie Schulte  
obo Richard Stott  
Chairman  
NSW Irrigators Council

## Save on your energy bill.

AGL's customer and community adviser, Mick Hanly, has been talking to local businesses, community organisations and residents to help them save energy and reduce their bills. Mick has easy and effective tips for saving energy across lighting, heating, cooling, hot water and cooking to help you reduce your energy bills.

If you would like to talk to Mick about how you can be more energy efficient and save money, please call him on 0477 387 638 or email [mhanly@agl.com.au](mailto:mhanly@agl.com.au).



Gloucester landholders, the Harris family.



## Natural coal seam gas from Gloucester will stay in NSW.

The Gloucester Gas Project could supply up to 15 percent of NSW's gas needs. All of the gas from the project will stay in NSW, supplying homes and business with an important energy source. Australians use natural coal seam gas every day – at home and at work, for cooking, heating and manufacturing products like bricks and glass. However, right now NSW buys more than 95 percent of its gas from South Australia, Queensland and Victoria. AGL's Camden Gas Project supplies the rest.

The Gloucester Gas Project will supply natural coal seam gas to NSW and could increase NSW's gas self-sufficiency and help alleviate shortages.

Mike Moraza, AGL's General Manager Upstream Gas, reiterated that AGL is committed to producing gas in NSW, for NSW.

**All of the natural gas produced from Gloucester is for NSW customers. None of the natural gas will be sent interstate or exported overseas.**

AGL's Chief Economist, Professor Paul Simshauser and Head of Economic Policy and Sustainability, Tim Nelson have produced a paper which shows the true extent of the gas supply shortage. The peer-reviewed research provides detailed economic modelling which shows NSW could experience up to 21 days of gas supply shortages from winter 2016. Any shortages would cause significant disruption to the NSW manufacturing industry.

The paper concludes that while additional gas supply can't be produced to avoid the shortage, the Gloucester Gas Project will make a real difference to NSW's gas supply by 2018.

Visit  
[YourSayAGL.com.au](http://YourSayAGL.com.au)  
to read the *Solving  
for 'x'* gas shortage  
modelling.

## Fast facts about AGL's coal seam gas production.

**What impact does a gas well have on a property?** Once drilled and in production, the footprint of a gas well is about the size of a caravan. Once production has ended, the land is rehabilitated and returned to the same or better condition than it was prior to development.

**What is hydraulic fracturing?** AGL's operations have safely used hydraulic fracturing on 126 wells in NSW. The process involves using mainly water and sand to widen existing cleats or fractures in the coal seam by a few millimeters to allow the gas to flow. Gas has been taken out of coal seams as part of the coal mining process in Australia for many decades.

**What fluids are used in hydraulic fracturing?** At least 99.5 percent of AGL's hydraulic fracturing fluid is water, along with sand, and around 0.5 percent is a range of additives, many of which are commonly found in homes such as guar gum used in food as a thickening agent and acetic acid in vinegar. All the additives are listed on the AGL website. AGL has never used the BTEX chemicals that are used overseas and have now been banned in NSW.

**What happens to the water from the coal seams?** The water removed from coal seams to let the gas flow is known as produced water – this is simply old salty water. There are three options for using produced water – treated and desalinated and used for domestic, agricultural and environmental purposes; blended with fresh water for agricultural irrigation; and disposal at a licensed treatment facility.

## Meet AGL's new Gloucester Operations Manager, Larry Brown.

Larry is responsible for coordinating the local field operations and is excited to be living in Gloucester to be on the ground and part of the local Gloucester team.

His role includes working with project and planning teams to coordinate the various field activities that are required to deliver gas for NSW.

Larry liaises with the Gloucester AGL team across the various team disciplines to ensure operational information is current and available for communication to the wider community.

"I've been in Gloucester a month now, and I'm enjoying working with the AGL team and getting to know the local community," said Larry. "I'll continue to share information about our project and the rigorous operations and risk management processes we use to protect the environment, the local community and our team."



## Our work in the community.

AGL is proud to work side by side local families, farmers, councils, community groups and businesses.

### April 4-5 AGL represented at Gloucester Show

Over 300 people met with AGL employees at the show to learn more about AGL and the Gloucester Gas Project.

### April 7-11 Mid Coast Science and Engineering Challenge.

AGL is a longstanding sponsor of the Mid Coast Science and Engineering Challenge. Over 1000 students from across the region participated in fun and interactive activities that support the improvement of educational standards and employment pathways. AGL would like to congratulate all the students who have participated, and offer a special thanks to the organisers who always deliver a successful event.

### April 16 Beef farmers site visit

The tour included a visit to our Teidmans property to take a look at our irrigation program, where blended water is used to irrigate crops, followed by a BBQ lunch.

### April 17 Gloucester Community Consultative Committee meets.

AGL meets bi-monthly with local community representatives to discuss AGL's activities, answer questions and share reports and information. You can access the minutes of these meetings at [www.agl.com.au/gloucester](http://www.agl.com.au/gloucester) under the Gloucester Community section.

### April 25-26 Stroud locals learn more about AGL's operations and energy saving opportunities.

Almost 700 farmers, families and business people visited AGL at the recent Stroud Show. The event provided a good opportunity for AGL staff to answer questions about AGL's natural coal seam gas projects, particularly the Gloucester Gas Project. The combination of energy saving tips and information about our operations was really well received. People who visited us really wanted to understand the research and the science and they asked us lots of good questions, which we were able to answer.

## Keep up to date.

Join our fortnightly newsletter by emailing [Karyn.Looby@agl.com.au](mailto:Karyn.Looby@agl.com.au)



Harvesting crops at AGL's Tiedmans property.



AGL is a proud supporter of the Westpac Rescue Helicopter, and AGL's Karyn Looby and Tracey Relf recently met with local volunteers.

## Next step: Waukivory Pilot Program.

You may already be aware of AGL's Waukivory Pilot Program - a group of four natural gas wells drilled in 2012 at two properties near Forbesdale.

AGL will be making three changes to its Review of Environmental Factors (REF) application for the Waukivory Pilot Program which are expected to provide operational, community and environmental benefits.

The three modifications are the replacement of an in-ground turkey's nest dam with a double lined, above ground temporary water storage tank, smaller enclosed flares and an underbore beneath a creek.

The modifications are expected to result in fewer truck movements, improved leak detection and less visual impact.

The REF for the Waukivory Pilot Program, which was lodged in September 2013, concluded that potential environmental impacts of the program would be low to negligible.

The modification will be lodged with the Office of Coal Seam Gas in coming weeks once further environmental assessment has been completed.

## Where to go for more information.

Find detailed project information at  
[www.agl.com.au/gloucester](http://www.agl.com.au/gloucester)

Follow us on twitter at @YourSayAGL

The Office of Coal Seam Gas (OCSG) has a range of information available at [www.csg.nsw.gov.au](http://www.csg.nsw.gov.au)

## Get involved.

- May 12** AGL presents at Stroud Garden Club
- May 19** AGL presents at Rotary Taree
- June 3** Gloucester Dialogue meeting
- June 19** Gloucester Community Consultative Committee
- July 26** AGL sponsors Gloucester Chillout Festival
- July 16** Site tour

AGL offers regular tours of our Tiedmans property to view our irrigation program, where blended water is used to irrigate crops, followed by a BBQ lunch at the AGL offices.

To register your interest for for a similar event or activity please contact Karyn Looby on **0429 040 951** or email [Karyn.Looby@agl.com.au](mailto:Karyn.Looby@agl.com.au).

The Environmental Sustainability Unit of Resources and Energy has a dedicated Gloucester Communications Project Officer who will answer any questions you may have about coal seam gas.

Email [northern.environment@industry.nsw.gov.au](mailto:northern.environment@industry.nsw.gov.au) or visit [www.resources.nsw.gov.au](http://www.resources.nsw.gov.au)

### Join AGL's online community

[www.yoursayagl.com.au](http://www.yoursayagl.com.au)

Phone: 1300 886 170 or 02 6558 1166

Email: [gloucester@agl.com.au](mailto:gloucester@agl.com.au)

Web: [www.agl.com.au/gloucester](http://www.agl.com.au/gloucester)

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