Gloucester community newsletter.

AGL Gloucester Gas Project
July 2014

When Waukivory Pilot flow testing starts.

AGL is currently awaiting final approval to commence flow testing the Waukivory Pilot Program. The Waukivory Pilot Program is a plan to hydraulically fracture stimulate and flow-test four gas wells in the Forbesdale area that were drilled in 2012 to help us better understand the gas and water resources characteristics of the area. The Pilot is also an essential element in informing the conditions of AGL's approval to proceed with the Gloucester Gas Project.

We always work to minimise the impact of our activities, however during the initial phases of the flow testing, you will likely see more trucks on local roads – around 10 to 15 movements per day, though we will do our best to avoid peak traffic times and the school bus run. Our works will be undertaken in accordance with approved noise limits. Sound and light barriers will be installed during the pilot to further keep disturbance to a minimum.

We have been consulting with the community about this project since 2009 and want to be good neighbours by not causing undue disturbance. If you have any questions or concerns, please let us know by contacting 1300 799 716 or 02 6558 2692.

Keep up to date.

To receive information on the Gloucester Gas Project and updates on the Waukivory Pilot Program, join our fortnightly newsletter by emailing **Karyn.Looby@agl.com.au.**

You can also stay informed about our activities in Gloucester and elsewhere by visiting **www.agl.com.au/naturalgas** and **www.YourSayAGL.com.au**, or following us on Twitter **@YourSayAGL**.

AGL in the community.

AGL is proud to be an active and involved member of the Gloucester community. Recently, AGL took part in two great events in the Gloucester Region, sponsoring local NAIDOC week celebrations and taking part in the annual Stroud Brickthrowing competition.

Waukivory Pilot Program: What you need to know.

Four:
Number of wells being flow-tested.

10-15:
Estimated number of truck movements per day during civil works.

Noise:
Our works will be undertaken in accordance with approved noise limits.

AGL's Tracey Relf recently raised more than $2,000 for cancer research, by taking part in the NSW Cancer Council's "Clip for a Cure.

Meet AGL's local Operations Support Administrator, Tracey Relf.

Name: Tracey Relf

Title: Gloucester Operations Support Administrator.

What does your job involve? I support the purchasing and overall operations for various AGL sites. The main site I support is our Gloucester site, my home.

How long have you worked for AGL? Five years.

What are you passionate about in your role? I am most passionate about using our local contractors and trying my best to keep everything localised. AGL is very supportive about this passion.

What are your hobbies? Reading and painting.

Why is the Gloucester community important to you? Because it is home.

Why do you think AGL and the community can live side by side? ? I think we can live side by side with the community because we already do and have been for years now. Gloucester and the surrounding districts are full of fantastic people, of course we can live side by side!

Pacific Environment Senior Scientist Justine Firth operates air monitoring equipment.

Clean air, clean community.

AGL knows the community is concerned about the environment and is taking steps to make sure the air around our gas wells is safe for the community. Methane, the natural gas produced by our gas wells, is a non-toxic, odourless gas that appears naturally in low concentrations in the environment, often as a by-product of landfill, sewage treatment and agriculture.

In July last year we used a highly sensitive piece of lab-grade equipment to record baseline data on airborne methane levels in the Gloucester area. Information provided by this data identified relatively low levels of methane in the atmosphere. As part of the Waukivory Pilot flow testing, we will once again take readings and compare them to the baseline data collected last year.

Fast facts about hydraulic fracturing.

What is frac fluid?

A frac fluid, or hydraulic fracturing fluid, is a liquid injected into coal seams deep below the earth to widen existing fractures (or cleats) in the coal to allow natural gas to flow more freely. The coal seams are separated from any beneficial groundwater resource aquifers by hundreds of metres of rock. By using a liquid mixture that is mostly water – with a few extra additives, many found in common household products, such as foods and detergents – these cleats in the coal can be opened and allow natural gas to flow to the surface. For more information about the process and what we use visit **www.agl.com.au/waukivorypilot**.

Why do you need to use anything other than water to release the gas?

Hydraulic fracturing allows gas to be released from coal seams without impacting beneficial aquifers and water sources. When hydraulic fracturing a coal seam, a fluid (the "frac fluid") is injected into the seam at pressures high enough to widen the existing cleats in the coal. Sand is pumped in to hold the frac open and allow gas and water to flow out of the seam (a frac) and back to the surface.

The additives that are used in hydraulic fracturing fluid are designed to make the liquid thicker, or more viscous, enabling it to work more effectively to deposit sand in the frac, and then return to a state where it can be easily and safely returned to the surface for disposal. The small proportion of additives in frac fluid are similar to substances such as guar gum commonly found in food products and to ingredients in household products like soap and detergent.

Is frac fluid safe?

Yes. More than 99% of hydraulic fracturing fluid is nothing more than water. Additives are varied throughout the hydraulic fracturing process by engineers as required.

Importantly, AGL has never used BTEX chemicals in its hydraulic fracturing operations. The NSW Government banned the use of BTEX chemicals in 2012, but AGL made the decision long before then not to use these substances.

What happens to the frac fluid?

The frac fluid is returned to the surface via a process known as 'flowback'. Once back on the surface, the fluid flows to tanks or to lined storages. The flowback water is then tested for water quality and transported to an approved facility for environmentally safe disposal. None of this flowback water is discharged into the local environment.

AGL's gas wells are designed to blend into the environment. There are nine wells in this aerial photo of AGL's Camden Gas Project.

AGL volunteers at the recent Stroud International Brick Throwing event.

Gloucester Community Investment Program.

The launch of the Gloucester Community Investment Program will occur on 1 August 2014.

The Gloucester Community Investment Program is a local grants program that forms part of AGL's commitment to the communities in which we operate.

The program offers community organisations and groups the opportunity to access donations and sponsorships to support events, programs and initiatives that benefit the local community. To be eligible, activities must make a positive contribution to the community, aim to develop local capacity and be sustainable into the future.

Applicants must submit an application form. All applications will be reviewed and assessed by the Gloucester Community Investment Program assessment panel made up of local community representatives.

Community members are invited to apply for a position on the assessment panel. The community representatives will be chosen on their experience and broad understanding of the community stakeholder group they represent.

For further information, or to submit an expression of interest, please contact Karyn Looby.

Get involved.

Aug 1	**Gloucester Community Investment Program applications open**
Aug 18	**Gloucester Dialogue meeting**
Aug 21	**Gloucester Community Consultative Committee meeting**
Aug 30	**Bush 'n Bash**
Aug 31	**Gloucester Community Investment Program applications close**

For more information or to register your interest for a similar event or activity please contact Gloucester Community Relations Manager Karyn Looby on **0429 040 951** or email **Karyn.Looby@agl.com.au**.

Where to go for more information.

Find detailed project information at **www.agl.com.au/gloucester**

Visit **www.YourSayAGL.com.au** or follow us on twitter at **@YourSayAGL**

Visit the Energy Resource Information Centre for more information about natural gas exploration and development: **www.energyresourceinformationcentre.org.au**

The Office of Coal Seam Gas (OCSG) has a range of information available at **www.csg.nsw.gov.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** or visit **www.resources.nsw.gov.au**

Join AGL's online community

www.yoursayagl.com.au

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