AGL Upstream Investments Pty Ltd

2013 Flow Testing of Craven 06 and Waukivory 03 Gas Wells

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Glossary

Acidity Base neutralising capacity.

Aquifer Rock or sediment in a formation, group of formations, or part of a formation

that is saturated and sufficiently permeable to transmit economic quantities

of water.

Aquifer properties The characteristics of an aquifer that determine its hydraulic behaviour and

its response to abstraction.

Aquifer, confinedAn aquifer that is overlain by low permeability strata. The hydraulic

conductivity of the confining bed is significantly lower than that of the aquifer.

Aquifer, semiconfined An aquifer overlain by a low-permeability layer that permits water to slowly flow through it. During pumping, recharge to the aquifer can occur across the leaky confining layer – also known as a leaky artesian or leaky confined

aquifer.

Aquifer, unconfined Also known as a water table aquifer. An aquifer in which there are no

confining beds between the zone of saturation and the surface. The water

table is the upper boundary of an unconfined aquifer.

Artesian water Groundwater that is under pressure when tapped by a bore and is able to

rise above the level at which it is first encountered. It may or may not flow at ground level. The pressure in such an aquifer commonly is called artesian pressure, and the formation containing artesian water is a confined aquifer.

Biogenic methane Biogenic methane is the principal product of anaerobic and bacterial

decomposition of buried organic material. Biogenic methane can be formed by two processes; acetate fermentation where methanogens use acetate to produce CO_2 and methane, or CO_2 reduction (where methanogens use

hydrogen gas to reduce CO₂.

Bore A structure drilled below the surface to obtain water from an aquifer or series

of aquifers.

Carbon-13 (¹³C) A natural, stable isotope of carbon and one of the environmental isotopes. It

makes up about 1.109% of all naturally occurring carbon on Earth.

Carbon-14 (¹⁴C) Or radiocarbon is a radioactive isotope of carbon. Its nucleus contains six (6)

protons and eight (8) neutrons. Its presence in organic materials is used in radiocarbon dating. It occurs naturally and has a relative abundance up to one part per trillion (0.000000001%) of all naturally-occurring carbon on Earth. Carbon-14 is one of the most important nuclides in groundwater studies because its half-life of 5,730 years covers a critical time scale of ~500 to 50,000 years, which is ideal for dating regional and intermediate flow

systems.

Cation An ion with a positive charge – usually metal ions when disassociated and

dissolved in water.

Chlorine-36 (³⁶CI) A naturally occurring radioisotope of chlorine. It has a half-life of

301,000±2,000 years and is suitable for age dating groundwaters up to 1

million years old.

Coal seam A layer of coal within a sedimentary rock sequence.

Coal seam gas (CSG) Coal seam gas is a form of natural gas (predominantly methane) that is

extracted from coal seams.

Concentration The amount or mass of a substance present in a given volume or mass of

sample, usually expressed as microgram per litre (water sample) or

micrograms per kilogram (sediment sample).

Confining layer Low permeability strata that may be saturated but will not allow water to

move through it under natural hydraulic gradients.

Deuterium (²H) Also called heavy hydrogen, a stable isotope of hydrogen with a natural

> abundance of one atom in 6,500 of hydrogen. The nucleus of deuterium, called a deuteron, contains one proton and one neutron, where a normal

hydrogen nucleus has just one proton.

Discharge The volume of water flowing in a stream or through an aquifer past a specific

point in a given period of time.

Discharge area An area in which there are upward or lateral components of flow in an

aquifer.

Dissolved organic

carbon (DOC)

The combined total of all organic carbon species dissolved in solution.

Where dissolved is defined as below 0.45 micrometres.

Drawdown A lowering of the water table in an unconfined aguifer or the pressure

surface of a confined aguifer caused by pumping of groundwater from bores

and wells.

Electrical Conductivity

(EC)

A measure of a fluid's ability to conduct an electrical current and is an

estimation of the total ions dissolved. It is often used as a measure of water

salinity.

Environmental

isotopes

Also known as stable isotopes, they act as 'groundwater signatures' and can

be used as natural groundwater tracers.

Fracture Breakage in a rock or mineral along a direction or directions that are not

cleavage or fissility directions.

Fractured rock aquifer These occur in sedimentary, igneous and metamorphosed rocks which have

> been subjected to disturbance, deformation, or weathering, and which allow water to move through joints, bedding planes, fractures and faults. Although fractured rock aquifers are found over a wide area, they generally contain much less groundwater than alluvial and porous sedimentary rock aquifers.

Fracture stimulation See hydraulic fracturing.

A line that defines the relationship between oxygen-18 (¹⁸O) and deuterium **Global Meteoric Water**

(²H) in fresh surface waters and precipitation from a number of global

Line (GMWL) reference sites.

Groundwater The water contained in interconnected pores or fractures located below the

water table in the saturated zone.

Groundwater age classification

Groundwater ages are commonly referred to as:

Modern < 100 years

Sub-modern 100-1,000 years

Old >1,000 years

Groundwater flow The movement of water through openings in sediment and rock within the

zone of saturation.

Groundwater system A system that is hydrogeologically more similar than different in regard to

geological province, hydraulic characteristics and water quality, and may

consist of one or more geological formations.

Hydraulic conductivity The rate at which water of a specified density and kinematic viscosity can

move through a permeable medium (notionally equivalent to the permeability

of an aquifer to fresh water).

Hydraulic fracturing A fracture stimulation technique that increases a gas well's productivity by

creating a pathway into the targeted coal seam by injecting sand and fluids

through the perforated interval directly into the coal seam under high

pressure.

Hydrogeology The study of the interrelationships of geologic materials and processes with

water, especially groundwater.

Hydrology The study of the occurrence, distribution, and chemistry of all surface

waters.

Ion An ion is an atom or molecule where the total number of electrons is not

equal to the total number of protons, giving it a net positive or negative

electrical charge.

Isotope One of multiple forms of an element that has a different number of neutrons

than other atoms of that element. Some elements have isotopes that are

unstable or radioactive, while others have 'stable isotopes'.

Lithology The study of rocks and their depositional or formational environment on a

large specimen or outcrop scale.

Local Meteoric Water Line (LMWL)

A line that defines the local relationship between oxygen-18 (18O) and deuterium (²H) in fresh surface waters and precipitation. In this report the

LMWL used is for the Sydney region.

Major ions Constituents commonly present in concentrations exceeding 10 milligram

> per litre. Dissolved cations generally are calcium, magnesium, sodium, and potassium; the major anions are sulphate, chloride, fluoride, nitrate, and those contributing to alkalinity, most generally assumed to be bicarbonate

and carbonate.

Meteoric water Water derived from precipitation (snow and rain).

Methane (CH₄) An odourless, colourless, flammable gas, which is the major constituent of

natural gas. It is used as a fuel and is an important source of hydrogen and a

wide variety of organic compounds.

Methanogenesis Formation of methane by microbes known as methanogens.

MicroSiemens per centimetre (µS/cm) A measure of water salinity commonly referred to as EC (see also Electrical Conductivity). Most commonly measured in the field with calibrated field

meters.

Monitoring bore A non-pumping bore, is generally of small diameter that is used to measure

> the water level/pressure head of an aquifer and/or water quality. Bores generally have a short well screen against a single aquifer through which

water can enter.

Nucleogenic isotopes

(nuclides)

An isotope that is produced by a natural terrestrial nuclear reaction, rather

than a reaction beginning with cosmic rays (the latter nuclides are

cosmogenic).

Oxidising conditions Conditions in which a species loses electrons and is present in oxidised

form.

Oxygen-18 (18O) A natural, stable isotope of oxygen and one of the environmental isotopes. It

makes up about 0.2 % of all naturally-occurring oxygen on Earth.

Percent modern carbon (pMC)

The activity of ¹⁴C is expressed as percent modern carbon (pMC) where 100 pMC corresponds to 95 % of the ¹⁴C concentration of NBS oxalic acid

standard (close to the activity of wood grown in 1890).

Permeability The property or capacity of a porous rock, sediment, clay or soil to transmit a

fluid. It is a measure of the relative ease of fluid flow under unequal pressure. The hydraulic conductivity is the permeability of a material for

water at the prevailing temperature.

Permeable material Material that permits water to move through it at perceptible rates under the

hydraulic gradients normally present.

Permian The last period of the Palaeozoic era that finished approximately 252 million

years before present.

pН potential of Hydrogen; the logarithm of the reciprocal of hydrogen-ion

> concentration in gram atoms per litre; provides a measure on a scale from 0 to 14 of the acidity or alkalinity of a solution (where 7 is neutral, greater than

7 is alkaline and less than 7 is acidic).

Piezometer See monitoring bore.

Precipitation (1) in meteorology and hydrology, rain, snow and other forms of water falling

> from the sky (2) the formation of a suspension of an insoluble compound by mixing two solutions. Positive values of saturation index (SI) indicate

supersaturation and the tendency of the water to precipitate that mineral.

Produced water Natural groundwater generated from coal seam during flow testing and

production dewatering.

Quaternary The most recent geological period extending from approximately 2.6 million

years ago to the present day.

Recharge The process which replenishes groundwater, usually by rainfall infiltrating

from the ground surface to the water table and by river water reaching the water table or exposed aquifers. The addition of water to an aquifer.

Radioisotope Radioisotopes undergo radioactive decay allowing for determination of

residence times in aquifers and groundwater systems.

Redox potential (ORP The redox potential is a measure (in volts) of the affinity of a substance for or Eh)

electrons – its electronegativity – compared with hydrogen (which is set

electrons – its electronegativity – compared with hydrogen (which is set at 0). Substances more strongly electronegative than (i.e. capable of oxidising) hydrogen have positive redox potentials. Substances less electronegative than (i.e. capable of reducing) hydrogen have negative

redox potentials. Also known as oxidation-reduction potential and Eh.

Redox reaction Redox reactions, or oxidation-reduction reactions, are a family of reactions

that are concerned with the transfer of electrons between species, and are mediated by bacterial catalysis. Reduction and oxidation processes exert an important control on the distribution of species like O₂, Fe²⁺, H₂S and CH₄ etc

in groundwater.

Reducing conditions Conditions in which a species gains electrons and is present in reduced

form.

Residence time The time that groundwater spends in storage before moving to a different

part of the hydrological cycle (i.e. it could be argued it is a rate of

replenishment).

Salinity The concentration of dissolved salts in water, usually expressed in EC units

or milligrams of total dissolved solids per litre (mg/L TDS).

Salinity classification *Fresh water quality* – water with a salinity <800 µS/cm.

Marginal water quality – water that is more saline than freshwater and

generally waters between 800 and 1,600 $\mu\text{S/cm}.$

Brackish quality – water that is more saline than freshwater and generally

waters between 1,600 and 4,800 µS/cm.

Slightly saline quality - water that is more saline than brackish water and

generally waters with a salinity between 4,800 and 10,000 $\mu\text{S/cm}.$

Moderately saline quality – water that is more saline than brackish water

and generally waters between 10,000 and 20,000 µS/cm.

Saline quality – water that is almost as saline as seawater and generally

waters with a salinity greater than 20,000 µS/cm.

Seawater quality – water that is generally around 55,000 μS/cm.

Saturated zone The zone in which the voids in the rock or soil are filled with water at a

pressure greater than atmospheric pressure. The water table is the top of

the saturated zone in an unconfined aquifer.

Sandstone Sandstone is a sedimentary rock composed mainly of sand-sized minerals

or rock grains (predominantly quartz).

Secular equilibrium A situation in which the quantity of a radioactive isotope remains constant

because its production rate (e.g. due to decay of the parent isotope) is equal

to its decay rate.

Sedimentary rock

aquifer

These occur in consolidated sediments such as porous sandstones and conglomerates, in which water is stored in the intergranular pores, and limestone, in which water is stored in solution cavities and joints. These aquifers are generally located in sedimentary basins that are continuous over large areas and may be tens or hundreds of metres thick. In terms of

quantity, they contain the largest volumes of groundwater.

Specific yield The ratio of the volume of water a rock or soil will yield by gravity drainage to

the volume of the rock or soil. Specific yield generally relates to unconfined

aquifers. Gravity drainage may take many months to occur.

Stable isotope Stable isotopes are atoms of the same element that have different masses

> due to differences in the number of neutrons they contain. Stable isotopes are not subject to radioactive decay, meaning they do not breakdown over

time.

Stratigraphy The depositional order of sedimentary rocks in layers.

Surface wateraroundwater interaction

This occurs in two ways: (1) streams gain water from groundwater through the streambed when the elevation of the water table adjacent to the streambed is greater than the water level in the stream; and (2) streams lose water to groundwater through streambeds when the elevation of the water table is lower than the water level in the stream.

Geologic time at the beginning of the Cainozoic era, 65 to 2.5 million years **Tertiary**

ago, after the Cretaceous and before the Quaternary.

Thermogenic methane Thermogenic methane forms when organic matter present in a sedimentary

> geological formation is subjected to heat and pressure created by deep burial of sediments (coalification). The stress of this geological "maturation" process causes the methane molecule (CH₄) to break off from larger organic

compounds.

Total Dissolved Solids

(TDS)

A measure of the salinity of water, usually expressed in milligrams per litre

(mg/L). See also EC.

Turbidity Reduced clarity of surface water because of suspended particles, usually

sediment.

Water bearing zone Geological strata that are saturated with groundwater but not of sufficient

permeability to be called an aquifer.

Water quality Term used to describe the chemical, physical, and biological characteristics of water, usually in respect to its suitability for a particular purpose.

Water quality data Chemical, biological, and physical measurements or observations of the

> characteristics of surface and ground waters, atmospheric deposition, potable water, treated effluents, and waste water and of the immediate

environment in which the water exists.

Water table The top of an unconfined aguifer. It is at atmospheric pressure and indicates

the level below which soil and rock are saturated with water.

Well Pertaining to a gas exploration well or gas production well.

Wellbore A wellbore is the physical hole that makes up the well and can be cased,

> open or be a combination of both completions. In this report it generally refers to uncased gas exploration boreholes prior to a gas well being

completed.

Workover The process of performing major maintenance or remedial treatments on an

oil or gas well. In many cases, workover implies the removal and

replacement of the production tubing string after the well has been killed and

a workover rig has been placed on location. Through-tubing workover operations, using coiled tubing, snubbing or slickline equipment, are routinely conducted to complete treatments or well service activities that avoid a full workover where the tubing is removed. This operation saves

considerable time and expense.

Abbreviations

List of units

٥С degrees Celsius

Standard oilfield barrel (i.e. 159 litres) bbl

metres m

mbgl metres below ground level

m/day metres per day

m³/day cubic metres per day

m/year metres per year

μS/cm microSiemens per centimetre

mg/L milligrams per litre

mV millivolt

% per mil

pCM percent modern carbon

VPDB Vienna PeeDee Belemnite

Vienna Standard Mean Ocean Water **VSMOW**

yrs BP Years before present

List of abbreviations

AGL AGL Upstream Investments Pty Ltd

ANSTO Australian Nuclear Science and Technology Organisation

BoM **Bureau of Meteorology**

BTEX Benzene, toluene, ethylbenzene and xylene

CSG Coal seam gas

DTRIS Department of Trade and Investment, Regional Infrastructure and Services

DIC Dissolved organic carbon

DO Dissolved oxygen

DRE Division of Resources and Energy EC **Electrical Conductivity**

GFDA Gas Field Development Area

GGP Gloucester Gas project

GMWL Global Meteoric Water Line

LMWL Local Meteoric Water Line

LOR Laboratory limit of reporting

ORP Oxidation reduction potential

PAH Polycyclic aromatic hydrocarbons

PEL Petroleum Exploration Licence

PPL Petroleum Production Lease

TD Total depth

TDS Total Dissolved Solids

TPH Total petroleum hydrocarbons

Executive Summary

AGL Upstream Infrastructure Investments Pty Ltd is proposing to build the Gloucester Gas Project (GGP) which comprises several stages of development facilitating the extraction of coal seam gas (CSG) from the Gloucester Basin. Part 3A Approval and EPBC Approval has been granted for the Stage 1 Gas Field Development Area (GFDA).

To assess gas flow potential and volume of water produced by coals within the Upper Permian Gloucester Coal Measures, and therefore determine whether the gas resource is economical, AGL Upstream Investments Pty Ltd (AGL) has undertaken a number of flow testing programs. For this study, flow testing was undertaken on the gas wells, Craven 6 (CR06) and Waukivory 3 (WK03) from April 2013 (CR06) and June 2013 (WK03) to November 2013. Samples were collected for chemistry and isotope analysis on three occasions, in June, August and October 2013.

The average water make at CR06 over the main flow testing phase was 8.8 m³/day, with a peak produced water rate of 60.5 m³/day and a minimum rate of 1.4 m³/day. The average water make at WK03 over the main flow testing phase was 19.7 m³/day, with a peak produced water rate of 42.4 m³/day and a minimum rate of 8.2 m³/day.

The produced water from CR06 and WK03 is characteristic of coal seams that produce methane. The water is brackish to saline, slightly alkaline, chemically classified as Na-HCO₃-Cl type water, and has low concentrations of sulphate, calcium and magnesium. The same trace elements were detected in both gas wells; however, concentrations are higher in CR06. Trace elements detected include molybdenum, manganese, chromium, zinc, fluoride and boron in low concentrations. Barium and strontium were detected in both gas wells, with CR06 having the higher concentrations. Moderate concentrations of barium and strontium are characteristic of coal seams. Ammonia is present in both wells at concentrations which are considered typical of coal seam waters.

Total petroleum hydrocarbons and BTEX compounds were detected at CR06 and WK03. Hydrocarbons have been found in early exploration programs in the Gloucester Basin indicating they are naturally occurring in the Gloucester Coal Measures.

Dissolved methane and ethane were detected in both gas well water samples, and dissolved propane was also present in WK03. The presence of higher chained carbon compounds is characteristic of thermogenically derived gas. Compound specific isotopes of dissolved methane (carbon-13 (δ^{13} C-CH₄) and deuterium (δ^{2} H-CH₄)) also indicate that methane detected in both gas wells is early mature thermogenic.

The stable isotopic composition (¹⁸O and ²H) is similar for WK03 and CR06, and indicates groundwater is of meteoric (rainfall) origin. The isotopic signatures suggest that the coal formations of the Gloucester Coal Measures have been flushed (original pore water replaced with meteoric recharge) at least once since deposition. The age of groundwater for both gas wells is beyond the limit of the radiocarbon dating method (>30,000 yrs) and from ³⁶Cl dating, it is more likely in the order of several hundred thousand years old.

Three water samples were collected from each of the gas wells throughout the flow testing period. No significant trends were observed in EC, pH, major ions or nutrients for either gas well for the testing period. Similarly, dissolved metal concentrations varied between sampling events, but there were no clear temporal trends. Minor changes in metals concentrations are expected during flow testing due to changes in pH and redox potential, and also because the gas wells are perforated against multiple coal seams of likely varying water quality and there is a variable volumetric contribution from each seam.

Introduction

1.1 Gloucester Gas Project

AGL Upstream Infrastructure Investments Pty Ltd is proposing to build the Gloucester Gas Project (GGP) which comprises several stages of development facilitating the extraction of coal seam gas (CSG) from the Gloucester Basin. Concept Plan and Project Approval (Part 3A Approval) for the Stage 1 Gas Field Development Area (GFDA) was granted on 22 February 2011 under Part 3A of the Environmental Planning and Assessment Act (1979) (EP&A Act). In addition the project received approval under the Environment Protection and Biodiversity Conservation Act (1999) (EPBC Act) (EPBC Approval) on 11 February 2013.

AGL Upstream Investments Pty Ltd (AGL) holds Petroleum Exploration Licence (PEL) 285, under the Petroleum (Onshore) Act 1991, covering the whole of the Gloucester Basin, approximately 100 km north of Newcastle, NSW. The Stage 1 GFDA in relation to the PEL boundary is shown in Figure 1.1.

The GGP will involve the dewatering of deep groundwater and the extraction of gas from multiple coal seams within the Gloucester Coal Measures. Target coal seam depths will vary from site to site but are expected to range between 200 and 1,000 metres below ground level (mbgl). The current GGP includes the construction, operation and decommissioning of not more than 110 coal seam gas wells and associated infrastructure. including gas and water gathering lines, within the Stage 1 GFDA.

Flow testing program 1.2

Craven 6 (CR06) and Waukivory 3 (WK03) are gas production wells that were drilled to test the gas flow potential and volume of water produced by coals within the Upper Permian Gloucester Coal Measures (Figure 1.2) (AGL 2009, AGL 2010). Flow testing of gas wells generally operates for several months to collect the necessary data to determine whether the gas resource is economical. Flow testing programs started in April 2013 at CR06 and in June 2013 at WK03 and ended in November 2013 at both wells. Testing is expected to recommence in 2014 at CR06.

1.3 **Objectives**

The objectives of this water quality monitoring program are to:

- characterise the water quality of the deep groundwater at CR06 and WK03
- identify any changes in water chemistry over the period of individual flow tests.

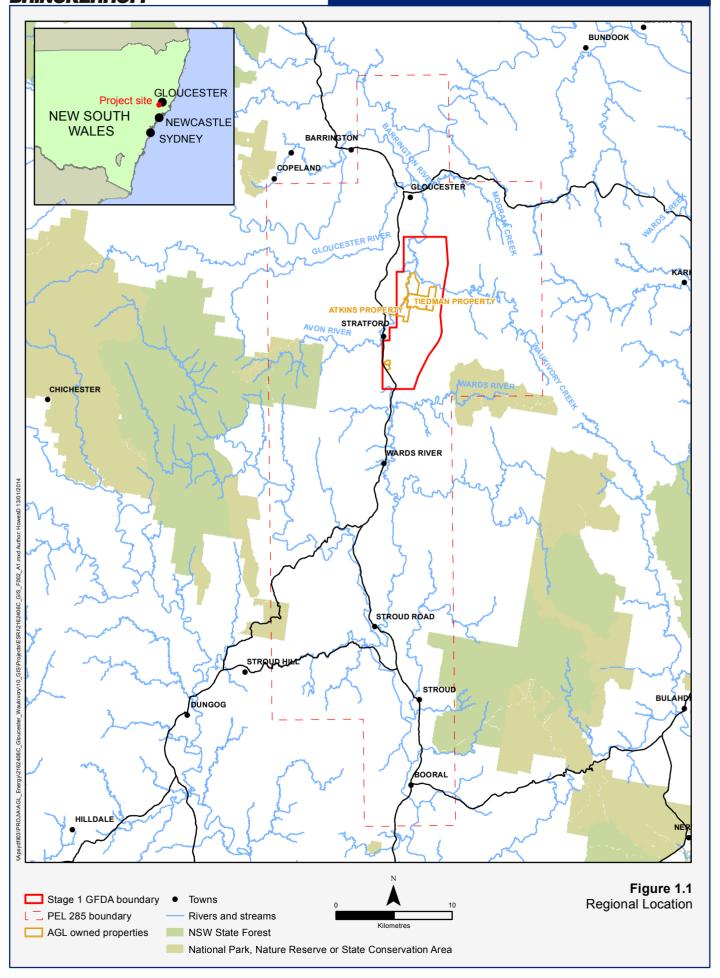
Report structure 1.4

This report provides a review of the water quality data and observed trends during the flow testing programs at CR06 and WK03 for the period April to November 2013.

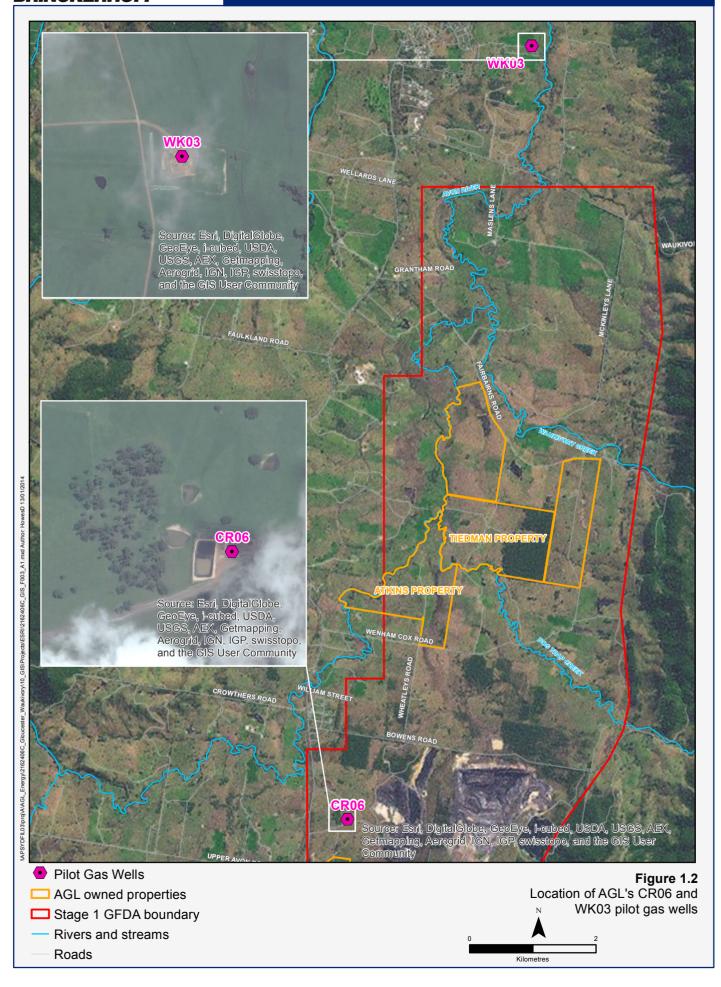
The structure of the report is as follows:

- Chapter 2: describes the gas well approvals and completions of CR06 and WK03
- Chapter 3: provides an overview of the 2013 flow testing program

- Chapter 4: provides an overview of the methodology used for the water quality sampling and discusses the water quality results during flow testing
- Chapter 5: presents the discussion on water quality characteristics, isotopic composition, groundwater age and changes in water chemistry over the flow testing period
- Chapter 6: presents the conclusions of the current investigations
- Chapter 7: outlines limitations relating to analysis and reporting of data
- Chapter 8: comprises the references used in this report.



2013 FLOW TESTING OF CR06 AND WK03 GAS WELLS AGL UPSTREAM INVESTMENTS PTY LTD



Gas well approvals and completions

This chapter describes the gas well completions including the intercepted geological formations, summary gas well construction details, perforation intervals and pilot testing setup. Well completion reports for CR06 and WK03 are provided in Appendix A.

2.1 **Approvals**

These two flow testing programs were completed under the approved REFs issued by the Department of Trade and Investment, Regional Infrastructure and Services (DTRIS) and the Division of Resources and Energy (DRE) and irrigation and industrial bore licences issued by the NSW Office of Water (NOW). There is no environment protection licence issued by the Environment Protection Authority (EPA) for the PEL area at this time. Details are provided in Table 2.1.

Table 2.1 Summary approvals for the Flow Testing Programs

Site	REF Approval		NOW Bore Licence			
	Date issued	Expiry Date	Number	Date issued	Expiry Date	
Craven 6 (CR06)	3 October 2008	3 October 2015	20BL173465	10 May 2013	9 May 2018	
Waukivory 3 (WK03)	9 December 2008	9 December 2013	20BL173466	10 May 2013	9 May 2018	

There are no special groundwater monitoring conditions attached to the REF approvals. The bore licences allow for a maximum of 5 megalitres (ML) of water to be pumped per year. There are no special groundwater monitoring conditions attaching to the bore licences but pumped volumes are included in the annual compliance reports to NOW. The water monitoring data outlined in this report has been collected voluntarily by AGL to provide additional information on produced water quality across the basin.

2.2 **CR06**

CR06 is located approximately 16 km south of Gloucester, NSW (Figure 1.2). CR06 was drilled between 12 and 16 January 2009 to a total depth of 983 mbgl. Seven formations within the Gloucester Coal Measures were encountered during drilling (AGL 2009). The specific coal seams and thicknesses are summarised in Table 2.2.

CR06 was perforated at 28 depths in the Leloma, Jilleon and Wenhams formations and selected intervals were fracture stimulated (Table 2.2). The remainder of the gas well was fully cased and pressure cemented to exclude water (and gas) from other horizons.

Table 2.2 CR06 summary geology and construction details

	Formation	Seam		Top depth (mbgl)	Base depth (mbgl)	Thickness
	Crowthers Rd conglomera	te		_	_	
	Leloma formation	Bindaboo Co	al	149.35	228.09	78.74
		Deards Coal		248.67	358.85	110.18
	Jilleon formation	Cloverdale C	oal	389.74	406.40	16.66
ω		Roseville Coa	al	446.96	473.30	26.34
Gloucester Coal Measures		Tereel Coal/Fairbair Lane	ns	533.22	698.83	165.61
Coal	Wards River conglomerate)	689.86	723.98	25.12	
ester	Wenhams formation	Bowens Rd (Coal	723.98	737.9	13.92
glouc	Speldon formation		_	_		
O	Dogtrap Creek formation	Glenview Co	al	773.61	799.03	25.42
	Waukivory Creek	Avon Coal		852.04	855.70	3.66
	formation	Triple Coal	898.12	898.12	917.98	19.86
		Rombo Coal		940.16	950.48	10.32
		Glen Road C	coal	954.90	965.63	10.73
		Total depth		983.00		
Perforations (mbgl)					
245.5	396.0		497.0	0	660.5	
298.0	404.0		498.0		725.0	
296.0	408.5		620.		726.5	
311.5	454.0		627.		727.5	
318.5	461.0		633.0		731.0	
320.0	466.0		654.0		736.0	
393.5	474.0		658.5	5	736.5	

Surface casing (8 ⁵/₈" diameter) – ground to 105.0 mbgl (cemented in place)

Production casing (5 ½" diameter) – ground to 981.0 mbgl (cemented in place)

Internal tubing (2 ^{7/}₈" diameter) (for testing) – ground to 717.95 mbgl (suspended)

2.3 WK03

WK03 is located approximately 2 km south-east of Gloucester. WK03 was drilled between 6 and 9 January 2009 to a total depth of 818 mbgl. Seven formations within the Gloucester Coal Measures were encountered during drilling (AGL 2010). The specific coal seams and thicknesses are summarised in Table 2.3.

WK03 was perforated at 17 depths in the Wenhams, Dogtrap Creek and Waukivory Creek formations and selected intervals were fracture stimulated (Table 2.3).

Table 2.3 WK03 summary geology and construction details

Group	Subgroup	Formation	Coal seam		Top depth (mbgl)	Bottom depth (mgl)	Thickness (m)
		Leloma					
		Jilleon	Cloverdale				
	Craven		Roseville		150.31	165.00	14.69
res	Cri		Fairbairns La	ane	180.68	251.31	70.63
easu		Wards River Co	onglomerate				
oal M		Wenhams	Bowens Rd		269.80	295.87	26.07
Gloucester Coal Measures	Speldon forma	tion					
rcest	Avon					818.00	514.00
Glou		Dogtrap Creek	Glenview		309.72	327.93	18.21
		Waukivory	Avon		434.36	440.72	6.36
		Creek	Triple		456.70	481.55	24.85
			Valley View		508.16		
		Total depth			818.00		
Perforation	ons (mbgl)						
273.0		298.0		437.5		617.0-62	21.6
276.0	276.0		298.5 440.0			650.4-65	51.3
277.0		313.0		441.0			
280.0		328.0		597.0			
296.5		437.0		598.0			
Casing							

Surface casing (8 ⁵/₈" diameter) – ground to 105.0 mbgl (cemented in place)

Production casing (5 ½" diameter) – ground to 981.0 mbgl (cemented in place)

Internal tubing (2 ^{7/}₈" diameter) (for testing) – ground to 717.95 mbgl (suspended)

24 Cementing

All casings (except the internal tubing) are cemented in place to ensure the zonal isolation and casing integrity exceeds the life of the well. The production casing is pressure cemented in place against the different geological strata and the integrity checked using cement bond geophysical logs. This evaluation too provides confirmation of the integrity of the pressure cementing after the well has been cemented and before the well is fracture stimulated and completed.

The major objective of cementing is to maintain the geological integrity and to isolate all gas and water formations, and to ensure there is no connectivity of shallow aquifers with deeper coal seams. To achieve this objective, a hydraulic seal must be obtained between the casing and the cement, and between the cement and the formations for the life of the well. This requirement makes pressure cementing a very important operation performed to complete the construction of each well.

2.4.1 CR06 and WK03 setup

The wellhead configuration of WK03 and CR06 for the pilot testing program is described below.

An internal 73 mm (2\% inch) diameter tubing string liner was installed from 0 to 717.95 mbgl in CR06 and a 60 mm (2% inch) diameter tubing string liner was installed from 0 to 674.47 mbgl in WK03. A hydraulic pump was installed at the bottom of the casing in each gas well.

The pump intake was located at the base of the tubing string. During pumping groundwater from coal seam water bearing zones was drawn down towards to the pump intake. Gas generated by depressurisation of the coal seams was drawn out of the coal seams and into the annulus between the tubing and the production casing.

The wellhead configuration was fully enclosed and pressure sealed for both gas wells. At the surface the pumped water was directed to a gas/water separator where any remaining entrained gas was removed from the pumped water. The pumped water was stored in tanks on site and periodically removed to the produced water dams located on the Tiedman property (Figure 1.2) for storage and irrigation reuse.

For both gas wells, a portal was fitted to the wellhead to allow gas to be vented from the annulus and directed through a gas line to the gas separating chamber. The gas lines were fitted with an adjustable choke that allowed the flow of gas to be regulated.

Flow testing program

The 2013 flow testing of CR06 and WK03 program was conducted by AGL Operations staff between April and November 2013. Details of the timing, duration and water production profile for the flow testing programs are presented in this chapter.

3.1 **CR06**

The flow testing at CR06 was undertaken in three phases due to two workover events required on the gas well (May and September 2013).

The initial dewatering of CR06 started on 8 April 2013. The first gas flow was encountered on 30 April 2013. CR06 produced on average 30 m³/d of water until 5 May 2013, when a workover was required due to pump failure. The flow testing program restarted on 28 May 2013 and ran until 1 September 2013. There was another workover program in early September. Flow testing recommenced on 19 September 2013 and continued to 2 November 2013. The average water make throughout this flow testing phase was 8.8 m³/day (0.1 L/s) with more water produced in the first month after the restart of the flow test.

The maximum produced water rate was 60.5 m³/day (0.70 L/s) and the minimum produced water rate was 1.4 m³/day (0.02 L/s). Generally the produced water rate reduced from the start of the test. The volume of produced water pumped to 2 November 2013 was 1.66 ML.

Details of the timing of the flow testing are presented in Figure 3.1 together with water levels and the water production profile.

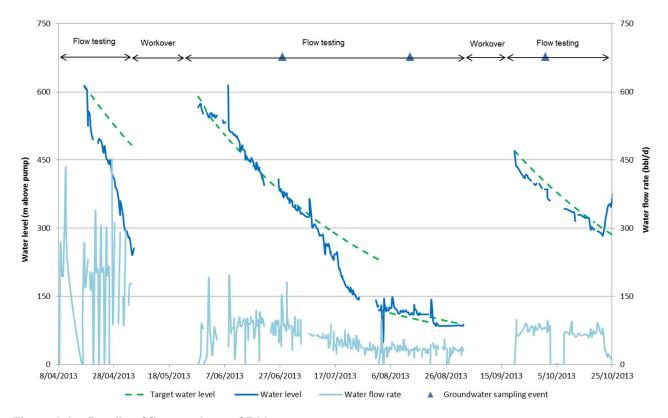


Figure 3.1 Details of flow testing at CR06

3.2 WK03

The initial dewatering of WK03 started on 4 June 2013. WK03 produced an average of 16 m³/day (0.19 L/s) of water until 28 August 2013, when the test was stopped for a workover. The flow testing program restarted on 3 September 2013 and ran until 25 November 2013. The average water make throughout the second part of the flow testing was 19.7 m³/day (0.23 L/s).

The maximum produced water rate was 42.4 m³/day (0.49 L/s) and the minimum produced water rate was 8.2 m³/day (0.09 L/s). Generally the produced water rate reduced from the start of the test. The volume of produced water pumped to 25 November 2013 was 2.47 ML.

Details of the timing of the flow testing are presented in Figure 3.2 together with water levels and the water production profile. The gas well was plugged and abandoned in early December 2013.

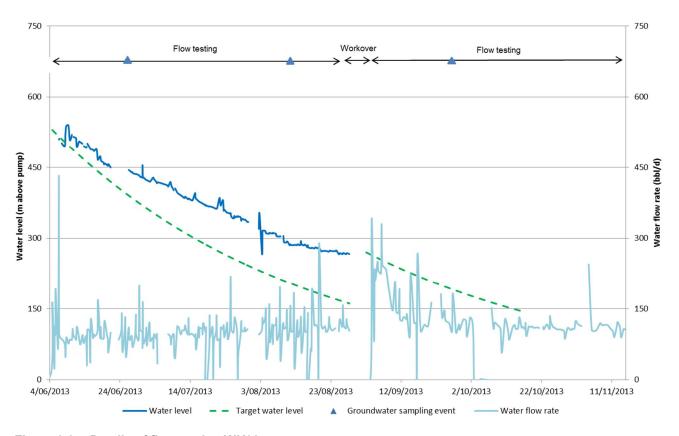


Figure 3.2 **Details of flow testing WK03**

Water quality sampling

The methodology and the results for the water quality sampling program are provided in this chapter. All chemistry and isotope results are presented in Appendix B.

4.1 Methodology

The schedule of sampling events was as follows:

- first sampling event (comprehensive suite plus isotopes) on 28 June 2013
- second sampling event (basic suite) on 13 August 2013
- third sampling event (basic suite) on 1 October 2013.

The gas wells were sampled from the separator valve. Field parameters, as listed in Table 4.1, were measured using a calibrated YSI meter at the time of sampling.

Water quality samples were collected in the sample bottles provided by the laboratory, with the appropriate preservation when required.

Table 4.1 details the analytical suites. Samples undergoing dissolved metal analysis were filtered through 0.45 µm filters in the field prior to collection.

The samples were sent to the following laboratories under appropriate chain-of-custody protocols (documentation and laboratory results are provided in Appendices C to H):

- Australian Laboratory Service (ALS) Environmental Pty Ltd, Smithfield, Sydney chemistry analysis. NATA certified laboratory (Appendix C).
- GNS Stable Isotope Laboratory, Lower Hutt, New Zealand oxygen-18 and deuterium analysis (Appendix D).
- Rafter Radiocarbon Laboratory, Lower Hutt, New Zealand carbon-14 analysis (Appendix E).
- UC Davis Stable Isotope Facility, Davis, California, USA carbon-13 (13C_{DIC}) and methane isotope analysis (13C-CH₄ and 2H-CH₄) (Appendix F).
- Australian National University (ANU) Department of Nuclear Physics, Canberra chlorine-36 (Appendix G).

Table 4.1 **Analytical suites**

Category	Sui	tes	Parameters	
Field parameters Check on field parameters			Electrical conductivity Total Dissolved Solids (TDS) Temperature Electrical conductivity	pH Redox potential Dissolved oxygen TDS (measured)
Major ions			Calcium Magnesium Sodium Potassium	Chloride Carbonate Bicarbonate Sulphate
Dissolved metals and minor / trace elements	Basic	Comprehensive	Aluminium Antimony* Arsenic Barium Beryllium Boron Bromine Cadmium Chromium Cobalt Copper	Iron Lead Manganese Mercury Molybdenum Nickel Selenium Strontium Uranium Vanadium Zinc
Other analytes			Fluoride Total organic carbon	Reactive silica/silicon Cyanide*
Total Suspended Solids Nutrients			TSS Nitrate Nitrite Ammonia*	Reactive phosphorus Total phosphorous*
Dissolved gases			Methane	
Hydrocarbons			Phenol compounds Polycyclic aromatic hydrocarbons (PAH)	Total petroleum hydrocarbons (TPH) Benzene, toluene, ethyl- benzene and xylenes (BTEX)
Isotopes			oxygen-18 (¹⁸ O) deuterium (² H) Carbon-13 dissolved inorganic carbon (¹³ C _{DIC})	Carbon-13 methane (¹³ C-CH ₄) and deuterium methane (² H-CH ₄) radiocarbon (¹⁴ C) chlorine-36 (³⁶ Cl)

 $^{^{\}star}$ Not analysed as part of the 2013 basic suite.

4.2 Assessment criteria

All results have been compared to the ANZECC (2000) guidelines for freshwater ecosystems (south-east Australia – lowland rivers) because the rivers are the ultimate receiving waters for deep groundwater discharge. However, these guidelines are often naturally exceeded in catchments with rocks deposited in marine environments, hence they are only guidelines and not strict criteria that should be used to evaluate individual groundwater quality results. This is the case for the Avon River catchment which contains shallow marine and estuarine sedimentary rocks and is a known saline catchment. Guidelines for shallow and deep groundwater have not been determined at this time.

4.3 Water quality results

Water quality results for the three sampling events during the 2013 flow testing program are presented in Table 4.2 for CR06 and Table 4.3 for WK03.

Changes in water quality during the flow testing program have been assessed by calculating the relative percentage differences (RPDs) between groundwater chemistry results of the three monitoring events. The RPDs are presented in Appendix B.

A piper diagram is a graphical representation of the chemistry of a water sample and can be used to graphically show the relative concentrations of major ions (Ca²⁺, Mg²⁺, Na²⁺, K⁺, Cl⁻, HCO³⁻ and SO₄²). Major ion chemistry for the gas well samples is shown on the piper diagram in Figure 4.1.

Table 4.2 Water quality results for the 2013 water sampling program at CR06

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
General parameters						
pH (field)	pH	0.01	6.5 - 8.0 ^b	7.52	9.63°	7.53
pH (lab)	units			7.64	7.84	8.14
Conductivity (field)	μS/cm	1	125 – 2200 ^b	6,549	6,746	5,439
Conductivity (lab)				6,920	7,200	5,550
Temperature	°C	0.01	-	18.08	13.9	22.6
Dissolved oxygen	% sat	0.01	80 - 110% ^b	42.8	80.2	42.6
TDS (calc.) (field / lab)	mg/L	1	-	na / na	4,385 / 4,680	3,530 / na
TDS (measured)				3,870	4,510	3,120
Suspended Solids	mg/L	1	_	197	276	170
Redox	mV	_	_	-62	-153	-173
Water type ^d				Na-Cl-HCO ₃	Na-HCO₃-Cl	Na-HCO ₃ -Cl
Major cations / anions						
Hydroxide Alkalinity as CaCO ₃	mg/L	1	_	<1	<1	<1
Carbonate Alkalinity as CaCO ₃	mg/L	1	_	<1	<1	<1
Bicarbonate Alkalinity as CaCO ₃	mg/L	1	_	1,880	2,020	1,360

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
Total alkalinity as CaCO ₃	mg/L	1	_	1,880	2,020	1,360
Calcium	mg/L	1	_	12	9	14
Magnesium	mg/L	1	_	3	4	3
Sodium	mg/L	1	_	1,550	1,710	1,270
Potassium	mg/L	1	_	11	12	6
Chloride	mg/L	1	_	958	1,270	1,020
Sulphate	mg/L	1	_	14	<1	<1
Reactive silica / silicon as SiO ₂	mg/L	0.1	_	15.2 / na	na / 13.7	na / 14.0
Total cyanide	mg/L	0.004	0.007	<0.004	na	na
Fluoride	mg/L	0.1	_	1.4	1.4	1.5
Dissolved metals						
Aluminium	mg/L	0.01	0.055	0.05	0.01	0.06
Antimony	mg/L	0.001	_	<0.001	na	na
Arsenic	mg/L	0.001	0.013 (As V)	<0.001	0.001	0.004
Barium	mg/L	0.001	_	3.65	4.30	2.46
Beryllium	mg/L	0.001	ID	<0.001	<0.001	<0.001
Cadmium	mg/L	0.0001	0.0002	<0.0001	<0.0001	<0.0001
Chromium	mg/L	0.001	0.001	0.007	0.004	0.007
Cobalt	mg/L	0.001	ID	<0.001	<0.001	0.002
Copper	mg/L	0.001	0.0014	0.002	0.001	0.002
Lead	mg/L	0.001	0.0034	<0.001	<0.001	<0.001
Manganese	mg/L	0.001	1.9	0.233	0.475	0.190
Mercury	mg/L	0.0001	0.0006	<0.0001	<0.0001	<0.0001
Molybdenum	mg/L	0.001	ID	0.003	0.005	0.006
Nickel	mg/L	0.001	0.011	0.003	0.001	0.006
Selenium	mg/L	0.01	0.011 (total)	<0.01	<0.01	<0.01
Strontium	mg/L	0.001	_	3.36	3.06	2.15
Uranium	mg/L	0.001	ID	<0.001	<0.001	<0.001
Vanadium	mg/L	0.01	ID	<0.01	<0.01	<0.01
Zinc	mg/L	0.005	0.008	0.045	0.006	0.041
Boron	mg/L	0.05	0.37	0.33	0.27	0.20
Iron	mg/L	0.05	ID	4.26	37.8	6.83
Bromine	mg/L	0.1	ID	2.4	2.8	2.0

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
Nutrients						
Ammonia as N	mg/L	0.01	0.02 ^b	1.9	na	na
Nitrite as N	mg/L	0.01	_	<0.01	<0.01	<0.01
Nitrate as N	mg/L	0.01	0.7	<0.01	<0.01	0.02
Total Phosphorus	mg/L	0.01	0.05 ^b	1.26	na	na
Reactive phosphorus	mg/L	0.01	0.02 ^b	<0.01	<0.01	<0.01
Total Organic Carbon	mg/L	1	_	9	na	na
Gases						
Methane	μg/L	10	_	13,000	na	na
Ethene	μg/L	10	_	<10	na	na
Ethane	μg/L	10	_	14	na	na
Propene	μg/L	10	_	<10	na	na
Propane	μg/L	10	_	<10	na	na
Butene	μg/L	10	_	<10	na	na
Butane	μg/L	10	_	<10	na	na
Phenolic compounds	μg/L		_	<lor's< td=""><td>na</td><td>na</td></lor's<>	na	na
Polycyclic aromatic compounds	μg/L		-	<lor's< td=""><td>na</td><td>na</td></lor's<>	na	na
BTEX compounds						
Benzene	μg/L	1	950	3	na	na
Toluene	μg/L	2	ID	8	na	na
Ethylbenzene	μg/L	2	ID	<2	na	na
Meta- & para-Xylene	μg/L	2	ID	5	na	na
Ortho-Xylenes	μg/L	2	350	<2	na	na
Total petroleum hydrocarbons						
C ₆ -C ₉	μg/L	20	_	30	na	na
C ₁₀ -C ₁₄	μg/L	50	_	270	na	na
C ₁₅ -C ₂₈	μg/L	100	_	500	na	na
C ₂₉ -C ₃₆	μg/L	50	_	130	na	na

- a) ANZECC (2000) guidelines for the protection of freshwater aquatic ecosystems: 95% protection levels (trigger values).
- b) ANZECC (2000) guidelines for the protection of freshwater aquatic ecosystems: trigger values for lowland rivers in south-east Australia.
- c) Suspected problem with pH probe.
- d) Calculated using AQUACHEM.
- e) BOLD indicates a value outside of the ANZECC (2000) guideline range.
- f) ID indicates insufficient data for trigger value to be established.
- g) na indicates "not analysed".

Table 4.3 Water quality results for the 2013 water sampling program at WK03

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
General parameters						
pH (field)	pH	0.01	6.5 - 8.0 ^b	7.55	5.73 ^c	7.57
pH (lab)	units			7.55	7.60	8.15
Conductivity (field)	μS/cm	1	125 – 2200 ^b	4,391	4,487	4,464
Conductivity (lab)				4,650	4,450	4,520
Temperature	°C	0.01	_	22.06	23.54	24.58
Dissolved oxygen	% sat	0.01	80 - 110% ^b	100.6	33.1	57.8
TDS (calc.) (field / lab)	mg/L	1	-	na / na	2,918 / 2,890	2.912 / na
TDS (measured)				2,640	2,660	2,610
Suspended Solids	mg/L	1	_	67	84	11
Redox	mV	-	_	-171	-154	-96
Water type ^d				Na-HCO₃-CI	Na-HCO₃-Cl	Na-HCO₃-CI
Major cations / anions						
Hydroxide Alkalinity as CaCO ₃	mg/L	1	_	<1	<1	<1
Carbonate Alkalinity as CaCO ₃	mg/L	1	_	<1	<1	<1
Bicarbonate Alkalinity as CaCO ₃	mg/L	1	_	1,810	2,100	1,770
Total alkalinity as CaCO ₃	mg/L	1	_	1,810	2,100	1,770
Calcium	mg/L	1	_	6	7	6
Magnesium	mg/L	1	_	1	2	2
Sodium	mg/L	1	_	1,090	1,230	1,110
Potassium	mg/L	1	_	12	8	5
Chloride	mg/L	1	_	394	437	432
Sulphate	mg/L	1	_	4	<1	<1
Reactive silica / silicon as SiO ₂	mg/L	0.1	_	19.1 / na	na / 19.9	na / 18.1
Total cyanide	mg/L	0.004	0.007	<0.004	na	na
Fluoride	mg/L	0.1	_	0.3	0.3	0.2
Dissolved metals						
Aluminium	mg/L	0.01	0.055	0.02	0.06	0.02
Antimony	mg/L	0.001	_	<0.001	na	na
Arsenic	mg/L	0.001	0.013 (As V)	<0.001	<0.001	<0.001
Barium	mg/L	0.001	_	1.11	2.02	1.48
Beryllium	mg/L	0.001	ID	<0.001	<0.001	<0.001

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
Cadmium	mg/L	0.0001	0.0002	<0.0001	<0.0001	<0.0001
Chromium	mg/L	0.001	0.001	<0.001	0.006	0.001
Cobalt	mg/L	0.001	ID	<0.001	0.001	<0.001
Copper	mg/L	0.001	0.0014	<0.001	0.001	0.001
Lead	mg/L	0.001	0.0034	<0.001	<0.001	<0.001
Manganese	mg/L	0.001	1.9	0.155	0.320	0.086
Mercury	mg/L	0.0001	0.0006	<0.0001	<0.0001	<0.0001
Molybdenum	mg/L	0.001	ID	0.003	0.003	0.001
Nickel	mg/L	0.001	0.011	0.002	0.004	<0.001
Selenium	mg/L	0.01	0.011 (total)	<0.01	<0.01	<0.01
Strontium	mg/L	0.001	_	0.986	1.01	0.960
Uranium	mg/L	0.001	ID	<0.001	<0.001	<0.001
Vanadium	mg/L	0.01	ID	<0.01	<0.01	<0.01
Zinc	mg/L	0.005	0.008	0.024	0.030	0.016
Boron	mg/L	0.05	0.37	0.23	0.19	0.15
Iron	mg/L	0.05	ID	2.20	27.20	1.76
Bromine	mg/L	0.1	ID	0.9	1.0	0.9
Nutrients						
Ammonia as N	mg/L	0.01	0.02 ^b	1.46	na	na
Nitrite as N	mg/L	0.01	_	<0.01	<0.01	<0.01
Nitrate as N	mg/L	0.01	0.7	<0.01	<0.01	0.03
Total Phosphorus	mg/L	0.01	0.05 ^b	0.51	na	na
Reactive phosphorus	mg/L	0.01	0.02 ^b	<0.01	0.02	<0.01
Total Organic Carbon	mg/L	1	_	22	na	na
Gases						
Methane	μg/L	10	_	6,940	na	na
Ethene	μg/L	10	_	<10	na	na
Ethane	μg/L	10	_	384	na	na
Propene	μg/L	10	_	<10	na	na
Propane	μg/L	10	_	70	na	na
Butene	μg/L	10	_	<10	na	na
Butane	μg/L	10	_	<10	na	na
Phenolic compounds	μg/L		-	<lor's< td=""><td>na</td><td>na</td></lor's<>	na	na

Parameters	Units	LOR	ANZECC 2000 guidelines ^a	June 2013	August 2013	October 2013
Polycyclic aromatic compounds						
Fluoranthene	μg/L		_	1.9	na	na
Pyrene	μg/L		_	8.6	na	na
Benz(a)anthracene	μg/L		_	7.2	na	na
Chrysene	μg/L		_	17.5	na	na
Benzo(b)fluoranthene	μg/L		_	5.0	na	na
Benzo(k)fluoranthene	μg/L		_	2.0	na	na
Benzo(a)pyrene	μg/L		_	8.2	na	na
Dibenz(a.h)anthracene	μg/L		_	2.3	na	na
Benzo(g.h.i)perylene	μg/L		_	4.7	na	na
BTEX compounds						
Benzene	μg/L	1	950	7	na	na
Toluene	μg/L	2	ID	4	na	na
Ethylbenzene	μg/L	2	ID	<2	na	na
Meta- & para-Xylene	μg/L	2	ID	4	na	na
Ortho-Xylenes	μg/L	2	350	<2	na	na
Total petroleum hydrocarbons						
C ₆ -C ₉	μg/L	20	_	30	na	na
C ₁₀ -C ₁₄	μg/L	50	_	100	na	na
C ₁₅ -C ₂₈	μg/L	100	_	14,400	na	na
C ₂₉ -C ₃₆	μg/L	50	_	11,400	na	na

a) ANZECC (2000) guidelines for the protection of freshwater aquatic ecosystems: 95% protection levels (trigger values).

b) ANZECC (2000) guidelines for the protection of freshwater aquatic ecosystems: trigger values for lowland rivers in south-east Australia.

c) Suspected problem with pH probe.

d) Calculated using AQUACHEM.

e) BOLD indicates a value outside of the ANZECC (2000) guideline range.

f) ID indicates insufficient data for trigger value to be established.

g) na indicates "not analysed".

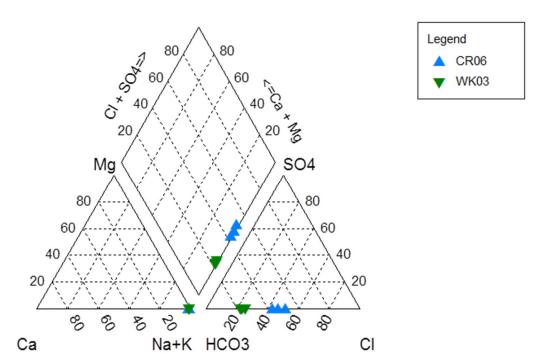


Figure 4.1 Piper plot displaying major ion chemistry for the 2013 pilot testing program

4.3.1 Field parameters

The produced water from CR06 was slightly saline (5,439 µS/cm to 6,746 µS/cm) and brackish from WK03 (4,391 μS/cm to 4,464 μS/cm). Electrical conductivity (EC) values exceeded the ANZECC (2000) guideline values (125-2,200 µS/cm). Electrical conductivity was stable throughout the flow test at WK03, but decreased between the first and last sampling events at CR06.

The field pH conditions showed no significant change and were slightly alkaline throughout the flow testing program. (Note: the pH probe for the water quality meter used in August 2013 sampling event was faulty and these values have not been used for interpretation).

Reducing conditions were encountered throughout the monitoring program at both wells.

4.3.2 Major ion chemistry

The water types for CR06 and WK03 were both Na-HCO₃-CI. Small variations in the concentrations of major ions occurred during the flow test period; however, the relative proportions of these ions (and therefore water type) did not change (Figure 4.1).

4.3.3 Dissolved metals

The major findings of dissolved metal analysis for the two gas wells are as follows:

- Aluminium, chromium, and zinc concentrations were above ANZECC (2000) guideline criteria at both gas wells on a least one occasion.
- Copper concentrations exceeded the ANZECC (2000) guideline value (0.0014 mg/L) at CR06 on one occasion.
- Arsenic, cadmium, manganese, nickel, selenium and boron were detected but below ANZECC (2000) guideline values at CR06 and WK03.

- Barium, molybdenum, strontium, iron and bromine concentrations were detected at CR06 and WK03 above the laboratory limit of reporting (LOR).
- Antimony, beryllium, lead, mercury, selenium, uranium and vanadium concentrations were below the laboratory limit of reporting (LOR) at both CR06 and WK03.

The occurrence of these metals in produced water is not unexpected; these metals are naturally present in low concentrations in coal seams and are mobile at the in-situ pH and redox conditions. There are a few exceedences of the ANZECC (2000) guideline criteria but none that are unusual for these deep coal seams.

There were fluctuations in aluminium, chromium, copper, manganese, molybdenum, nickel, zinc and iron during the flow testing program at both CR06 and WK03, but there were no distinct trends. Changes in metals concentrations are expected during flow testing due to changes in pH and redox, and also because the gas wells are perforated against multiple coal seams of likely varying water quality.

4.3.4 Nutrients

Ammonia as N concentrations were above the ANZEC (2000) guideline value (0.02 mg/L) at both CR06 and WK03. Nitrite and nitrate concentrations were generally below the LOR.

Total phosphorus concentrations were above the ANZECC (2000) guideline value (0.05 mg/L) at both gas wells in the first sampling round. Reactive phosphorous was only detected at WK03 in August 2013 and the concentration was below the ANZECC (2000) guideline value (0.02 mg/L).

4.3.5 **Hydrocarbons**

Phenolic compounds, polycyclic aromatic hydrocarbons (PAHs), total petroleum hydrocarbons (TPH) and BTEX compounds were analysed for the first sampling event in June 2013. Phenolic compounds and polycyclic aromatic hydrocarbons concentrations were below the LOR at CR06 with phenolic compounds and some PAHs below the LOR at WK03. TPH and BTEX were detected at CR06 and WK03.

Hydrocarbons in these types of formations can be naturally occurring (Volk et al. 2011) and have been detected in sedimentary rocks in the Gloucester Basin during early exploration programs (Thornton1982; Hunt et al. 1983).

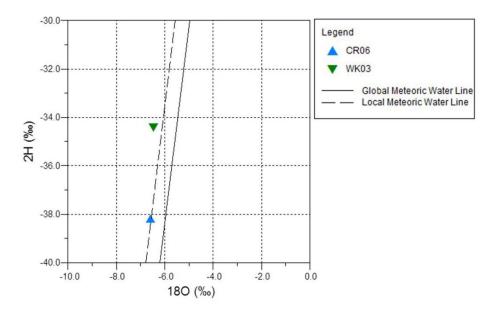
4.3.6 Dissolved gases

Dissolved C₁-C₄ gases (methane, ethene, ethane, propene, propane, butene and butane) were analysed for the first sampling event. Dissolved methane (13,000 µg/L) and ethane (14 µg/L) were detected at CR06. Dissolved methane (6,940 μg/L), ethane (384 μg/L) and propane (70 μg/L) were detected at WK03. The presence of higher chained carbon compounds is characteristic of thermogenically derived gas and gas samples collected in early geological investigations in the basin in 1993 and 1997 contained ethane (Weber and Smith 2001). Trace amounts of propane were also detected in a few samples during the 1993 program (Weber and Smith 2001).

4.3.7 Isotopes

4.3.7.1 Stable isotopes of water

Stable isotope (δ^{18} O and δ^{2} H) values are compared to the Global Meteoric Water Line (GMWL) (δ^{2} H = 8.13 δ^{18} O + 10.8) (Rozanski *et al.* 1993) in Figure 4.2. The GMWL (as seen on Figure 4.2) provides an important key to the interpretation of oxygen-18 and deuterium data. It is a line that defines the relationship between oxygen-18 (¹⁸O) and deuterium (²H) in fresh surface waters and precipitation from a number of global reference sites. Water with an isotopic composition that lies on the meteoric water line is assumed to have originated from the atmosphere and to be unaffected by other isotope fractionating processes. The isotopic values for the groundwater samples are also compared to the Local Meteoric Water Line (LMWL) (δ^2 H = 8.3 δ^{18} O + 16.3) (Crosbie et al. 2012). This line defines the relationship between 18 O and 2 H for rainfall in the Sydney region.



Deuterium and oxygen-18 for CR06 and WK03 Figure 4.2

Stable isotopes were analysed on samples collected in the first sampling event and results are presented in Table 4.4. Samples from both gas wells plot along the LMWL indicating groundwater is of meteoric (rainfall) origin (Figure 4.2).

Table 4.4 Stable isotope results for CR06 and WK03

Gas well	Oxygen-18 (‰)	Deuterium (‰)
CR06	-6.58	-38.2
WK03	-6.46	-34.4

4.3.7.2 Radiogenic isotopes

Radiocarbon results are presented in Table 4.5. Carbon-13 of dissolved inorganic carbon (δ^{13} C-DIC) is also presented in Table 4.5.

The isotopically heavy δ^{13} C-DIC values indicate residual biogenic CO₂ remaining after biogenic conversion of some of the CO₂ to CH₄. During biogenic methane production via CO₂ reduction, the CO₂ reducing bacteria utilise the lighter isotopes leaving the heavy isotopes in the residual CO₂. δ^{13} C values of CO₂ of up to +21% was detected in coal seams during AGL drilling exploration programs, and up to +23.7% during earlier exploration programs in 2000 (Weber and Smith 2001).

Carbon-14 activities (a¹⁴C) were 1.4±0.05 pMC for CR06 and 1.25±0.06 pMC for WK03. The ¹⁴C activities correspond to apparent (uncorrected) ages of respectively 34,222±284 yrs BP and 35,162±403 yrs BP. Radiocarbon ages have been corrected to account for potential dilution by processes such as carbonate dissolution, sulphate reduction and methanogenesis (as defined in Clark and Fritz (1997)). However, it is important to note that the results for the two gas wells are at the limit of the radiocarbon dating and the results are only an estimate of age at best.

Corrected ages indicate water from the two gas wells is >30,000 yrs BP.

Table 4.5 δ^{13} C-DIC and radiocarbon results for CR06 and WK03

Gas well	δ ¹³ C (‰)	a ¹⁴ C (pMC)	¹⁴ C age ^a (yrs BP)	¹⁴ C age ^b (yrs BP)
CR06	25.77	1.4 ± 0.05	34,222 ± 284	>30,000
WK03	8.27	1.25 ± 0.06	35,162 ± 403	>30,000

a) Uncorrected radiocarbon age.

Carbon and hydrogen isotopes of methane (δ^{13} C-CH₄ and δ^{2} H-CH₄) 4.3.7.3

Compound specific isotopes of dissolved methane (carbon-13 (δ^{13} C-CH₄) and deuterium (δ^{2} H-CH₄)) were analysed for samples collected from both gas wells in the first monitoring event. Dissolved methane concentrations and isotope results are presented in Table 4.6 and are compared to data collected by AGL from coal seams during exploration in the Gloucester Gas Project area (Figure 4.3 and Figure 4.4).

Table 4.6 Dissolved methane concentrations and isotope results for CR06 and WK03

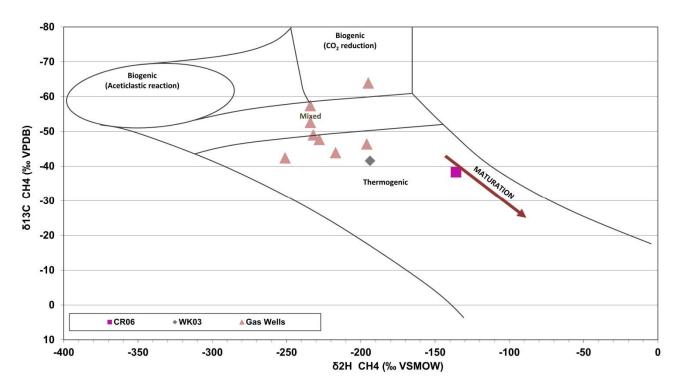
Gas well	CH₄ (μg/L)	δ ² H _{CH4} (‰)	δ ¹³ C _{CH4} (‰)
CR06	13,000	-135.9^	-38.29^
WK03	6,940	-268.7	-41.57

a) ^ Below LOQ.

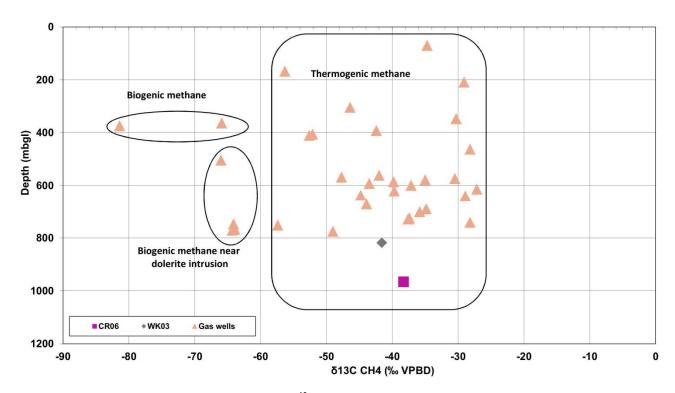
AGL has carried out compound specific isotope analysis on numerous gas samples collected from coal seams during their exploration phase in the Gloucester Gas Project. Gas samples were collected from numerous depths from the Gloucester Coal Measures. Isotopic values vary from -81.40% to -27.15% for δ 13 C-CH₄ and -251.0% to -195.0% for δ^2 H-CH₄, indicating methane is a mix of both thermogenic and biogenic methane (Figure 4.3), with the majority of samples thermogenic (Figure 4.4). Biogenic methane was detected in parts of the basin where thermogenic methane has been replaced by 'secondary' biogenic methane formed in association with meteoric water flow into permeable coals.

The isotope data for dissolved methane in the CR06 and WK03 are consistent with gas well data, and indicate methane is early mature thermogenic methane.

b) Corrected radiocarbon age.



Plot of carbon-13 (δ¹³C-CH₄) and deuterium (δ²H-CH₄) in methane gas from gas wells, CR06 Figure 4.3 and WK03



Plot of depth versus carbon-13 (δ^{13} C-CH₄) in methane gas collected from gas wells, CR06 and Figure 4.4 **WK03**

4.3.7.4 Chlorine-36

Chlorine-36 has a half-life of 301,000 ± 2,000 years and is capable of dating groundwater with an age range of 46,000 to 1,000,000 years old. Chlorine-36 was selected as an age dating method as radiocarbon activities indicated groundwater age for targeted sections of the Gloucester Coal Measures was beyond the limit of radiocarbon dating. Chlorine-36 results are presented in Table 4.7.

The ³⁶Cl/Cl ratios of both gas wells still carry a meteoric recharge signature. That is, the ³⁶Cl/Cl ratio is above the in situ background value (secular equilibrium) estimated for methane bearing coal seams (~4x10⁻¹⁵) (Snyder and Fabryka-Martin 2007). An estimate of groundwater age was calculated using a literature ³⁶Cl/Cl ratio for south-eastern Australia (~60 x10⁻¹⁵) (Davie et al. 1989) for the initial ³⁶Cl/Cl ratio.

Groundwater ages were calculated using the equation defined in Bentley et al. (1986) (Eqn 1). This equation assumes that chloride and ³⁶Cl are solely derived from atmospheric sources with no internal sources or sinks except for ³⁶Cl decay and nucleogenic ³⁶Cl production.

$$t = \frac{1}{\lambda_{36}} \ln \frac{R - R_{se}}{R_0 - R_{se}}$$
 Eqn 1

Where λ_{36} is the decay constant for 36 CI, R is the 36 CI/CI measured in groundwater, R_0 is the 36 CI/CI initial value, and R_{se} is the 36 Cl/Cl at secular equilibrium.

Based on calculated values, the age estimates for CR06 and WK03 are 468±34 x103 yrs and 332±27 x10³ yrs BP, respectively.

With the decrease in the ³⁶Cl/Cl ratio the initial ratio can either be due to decay, or dilution by other sources of ³⁶Cl (e.g. mixing with low ³⁶Cl waters; leaching of salts and dissolution of evaporates). Due to the lack of data for these sources, age estimate calculations did not include these, and assumed chloride and ³⁶Cl are solely derived from atmospheric sources with no internal sources or sinks except for ³⁶Cl decay and nucleogenic ³⁶Cl production. Therefore, these age estimates are likely to be an upper estimate.

Chlorine-36 results Table 4.7

Gas well	³⁶ CI/CI x10 ⁻¹⁵	³⁶ Cl x10 ⁸ atoms/L	Age estimate (10 ³ yrs)
CR06	23.1 ± 1.5	3.76 ± 0.24	468 ± 34
WK03	30.1 ± 1.6	2.01 ± 0.11	332 ± 27

Discussion

This chapter provides a discussion on the chemical characteristics, isotopic composition, and age of produced water from CR06 and WK03. Water chemistry trends during the flow testing program are also discussed.

Chemical characteristics 5 1

The produced water from CR06 and WK03 is characteristic of coal seams that produce methane. These waters are typically brackish to saline, chemically classified as Na-HCO₃-Cl type waters, and have low concentrations or are devoid of sulphate, calcium and magnesium (Van Voast 2003). They may also contain variable concentrations of barium, strontium, fluoride, and trace metals. They may also contain high concentrations of ammonia (Brinck et al. 2008).

The geochemical processes that result in this distinct geochemical signature have been studied and published by a number of researchers including Van Voast (2003), Brinck et al. (2008), Rice et al. (2008) and Healy et al. (2011). The principal geochemical processes include microbial sulphate reduction, bicarbonate enrichment through carbonate dissolution recharge zones, sulphate reduction and methane fermentation processes and calcium and magnesium depletion through inorganic precipitation of calcite and dolomite and possibly cation exchange.

The produced water from the two gas wells have similar chemical composition. The water from both gas wells is chemically classified as Na-HCO₃-Cl, slightly alkaline, reducing and brackish to slightly saline. WK03 water has a lower salinity than CR06 water.

The same trace elements are present in both gas wells; however, concentrations of these are higher in CR06. Trace elements present include molybdenum, manganese, chromium, zinc, fluoride and boron in low concentrations. These are more mobile in natural alkaline waters because common adsorption media. mineral oxides and hydroxides, take on a negative charge in alkaline conditions which decreases the adsorption of anionic species and therefore increases the presence of cationic species such as the trace elements as mentioned above (Brinck et al. 2008).

Barium and strontium are present in both gas wells, with CR06 having the higher concentrations. Moderate concentrations of barium and strontium are characteristic of coal seams. These cations remain in solution in coal seam water bearing zones because sulphate reduction has removed sulphate ions that would cause barium to precipitate as the very insoluble species barite (BaSO₄) and strontium as celestite (SrSO₄).

Ammonia concentrations are similar for the two gas wells, and are above the ANZECC (2000) guideline criteria. Elevated concentrations of ammonia are typical for produced water since coals seams contain nitrogen bearing compounds (pyridines and amines) (Berton Fisher and Santamaria 2002). Coal generally contains 0.5% to 3% (dry weight) nitrogen, most of which is organic. In coal deposits, coalification (coal formation), coal weathering, and anaerobic degradation of coal can result in the mineralisation of organic nitrogen to ammonium. Therefore, coal can contain relatively high amounts of exchangeable ammonium.

Total petroleum hydrocarbons and BTEX compounds were detected at both CR06 and WK03. Hydrocarbons in Permian coals can be naturally occurring (Volk et al. 2011) and they were detected in sedimentary rocks in the Gloucester Basin during early exploration programs (Thornton 1982; Hunt et al. 1983).

Dissolved methane and ethane were present in both gas well samples, and propane was also present in WK03. The presence of higher chained carbon compounds is characteristic of thermogenically derived gas and gas samples collected in early geological investigations in the basin in 1993 and 1997 contained ethane (Weber and Smith 2001). Trace amounts of propane were also detected in a few samples during the 1993 program (Weber and Smith 2001).

Isotopic composition and age 5.2

The stable isotopic composition (¹⁸O and ²H) is similar for WK03 and CR06, and plots to the left of the Global Meteoric Water Line and on the Local Meteoric Water Line, indicating groundwater is of meteoric (rainfall) origin. The isotopic signatures suggest that the coal formations of the Gloucester Coal Measures have been flushed (original pore water replaced with meteoric recharge) at least once since deposition.

The age of groundwater for both gas wells is beyond the limit of the radiocarbon dating method (>30,000 yrs) and using ³⁶Cl dating, it is more likely in the order of several hundred thousand years old.

Compound specific isotopes of dissolved methane (carbon-13 (δ^{13} C-CH₄) and deuterium (δ^{2} H-CH₄)) indicate that methane detected in both gas wells is early mature thermogenic in origin. This finding is consistent with those of AGL investigations and earlier investigations by Pacific Power in 1997 and 2000 (Weber and Smith 2001). Weber and Smith (2001) stated that the coals in the Gloucester Basin are medium-volatile bituminous, with a vitrinite reflectance of 0.9% to 1.3%, which is known to be favourable for thermogenic methane generation. They also concluded from the vitrinite reflectance data that folding took place prior to coalification and thermogenic methane generation took place after folding.

5.3 Water chemistry trends

There were no significant trends in EC, pH, major ions or nutrients in water samples collected from either gas well for the six month flow testing period. There were changes in some metal concentrations; however, there were no clear temporal trends, and the majority of metal concentrations were below ANZECC (2000) criteria for freshwater ecosystems (south-east Australia – lowland rivers). Minor changes in metals concentrations are expected during flow testing due to changes in pH and redox, and also because the gas wells are perforated against multiple coal seams of varying water quality and there is a variable volumetric contribution from each seam.

It would appear that all groundwater pumped/sampled is derived from the target coal seams and no other formations with different water quality above or below the exposed coal seams are providing any major contribution.

Conclusions

AGL has undertaken a number of flow testing programs to assess gas flow potential and volume of water produced by coals within the Upper Permian Gloucester Coal Measures. Flow testing was undertaken on the gas wells, Craven 6 (CR06) and Waukivory 3 (WK03) from April 2013 (CR06) and June 2013 (WK03) to November 2013. Groundwater samples were collected for chemistry and isotope analysis throughout the testing period on three occasions, in June, August and October 2013.

The main conclusions of the study are:

- The average water make at CR06 throughout the main flow testing phase was 8.8 m³/day (0.1 L/s). The maximum produced water rate was 60.5 m³/day (0.70 L/s) and the minimum produced water rate was 1.4 m³/day (0.02 L/s). Generally the produced water rate reduced from the start of the test.
- The average water make at WK03 throughout the main flow testing was 19.7 m³/day (0.23 L/s). The maximum produced water rate was 42.4 m³/day (0.49 L/s) and the minimum produced water rate was 8.2 m³/day (0.09 L/s). Generally the produced water rate reduced from the start of the test.
- The produced water from CR06 and WK03 is characteristic of coal seams that produce methane. The water is brackish to slightly saline, chemically classified as Na-HCO₃-Cl type water, and has low concentrations of sulphate, calcium and magnesium
- Water from both gas wells is chemically classified as slightly alkaline, reducing and brackish to slightly saline. CR06 has a higher salinity than WK03.
- The same trace elements are detected in both gas wells; however, concentrations of these are higher in CR06. Trace elements present include molybdenum, manganese, chromium, zinc, fluoride and boron and are present in low concentrations.
- Barium and strontium are detected in both gas wells, with CR06 having the higher concentrations.
 Moderate concentrations of barium and strontium are characteristic of coal seams.
- Ammonia concentrations are similar for the two gas wells, and are above the ANZECC (2000) guideline criteria. However, elevated concentrations of ammonia are typical for coal seam waters.
- Total petroleum hydrocarbons and BTEX compounds were detected at CR06 and WK03. Hydrocarbons have been found in early exploration programs in the Gloucester Basin indicating they are naturally occurring in the Gloucester Coal Measures.
- Dissolved methane and ethane were present in both gas well samples, and propane was also present in WK03. The presence of higher chained carbon compounds is characteristic of thermogenically derived gas. Compound specific isotopes of dissolved methane (carbon-13 (δ^{13} C-CH₄) and deuterium (δ^{2} H-CH₄)) also indicate that methane detected in both gas wells is early mature thermogenic.
- The stable isotopic composition (¹⁸O and ²H) is similar for WK03 and CR06, and indicates groundwater is of meteoric (rainfall) origin. The isotopic signatures suggest that the coal formations of the Gloucester Coal Measures have been flushed at least once since deposition.
- The age of groundwater for both gas wells is beyond the limit of the radiocarbon dating method (>30,000 yrs) and using ³⁶Cl dating, it is more likely in the order of several hundred thousand years old.
- There were no significant trends in EC, pH, major ions or nutrients for either gas well for the flow testing period. There were changes in some metal concentrations; however, there were no clear trends, and the majority of metal concentrations were below ANZECC (2000) criteria. Minor changes in metals concentrations are expected during flow testing due to changes in pH and redox, and also because the gas wells are perforated against multiple coal seams of likely varying water quality and there is a variable volumetric contribution from each seam.

Statement of limitations

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Within the limitations imposed by the scope of services, the monitoring, testing, sampling and preparation of this report have been undertaken and performed in a professional manner, in accordance with generally accepted practices and using a degree of skill and care ordinarily exercised by reputable environmental consultants under similar circumstances. No other warranty, expressed or implied, is made.

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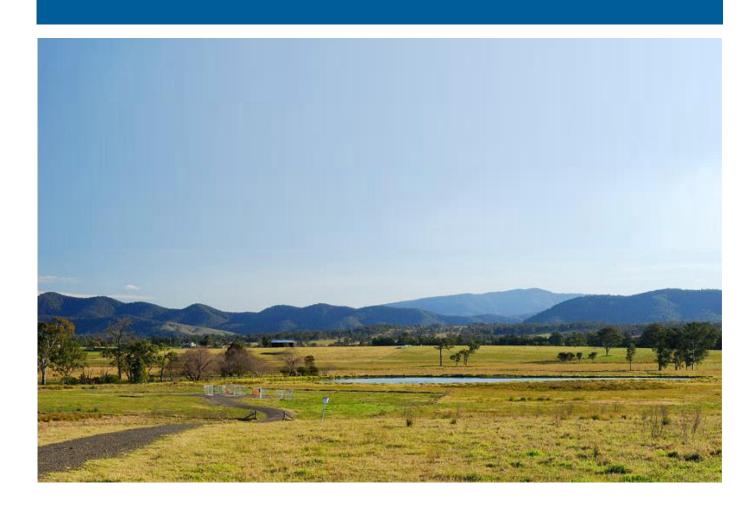
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Appendix A

Well completion reports





AGL Energy Limited

Well Completion Report

Craven 6 (CR06)

Gloucester Production Testing Evaluation Program

> Gloucester Basin NSW

> > November 2009

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1. EXECUTIVE SUMMARY

Craven 6 is a gas production evaluation well that was drilled to test the gas flow potential of coals within the Upper Permian Gloucester Coal Measures. Craven 6 is located approximately 4km south of the Stratford Pilot where the same coals have undergone successful production testing from multiple wells.

Craven 6 was spudded on the 12^{th} January, 2009 and reached a total depth of 983 meters on the 16^{th} January, 2009. The well was drilled using McDermott's Rig 16, Drillmech G-55 with 8 5/8" surface casing cemented at 105 metres. The well was drilled using a combination of PDC and UD bits (11" and 7.7/8"). The well was drilled using water and mud-up with a gel slurry as the drilling fluid.

Geophysical logging of the hole was carried out by Groundsearch Australia upon total depth being reached.

The $5 \frac{1}{2}$ " production casing was set to a depth of 981 metres. Craven 6 was one of three wells in the Gloucester Production Program to utilise BJ Services' Opti-Frac SJ method to perforate multiple zones. The intervals were fracture treated by BJ Services from the 10th May, 2009 to the 16th May, 2009 and 27/8" tubing was seated in the casing at 717.95 m.

A well head with telemetry was fitted allowing AGL to clean out the well until production flow rates were reached and applicable site remediation was carried out.

2. WELL SUMMARY

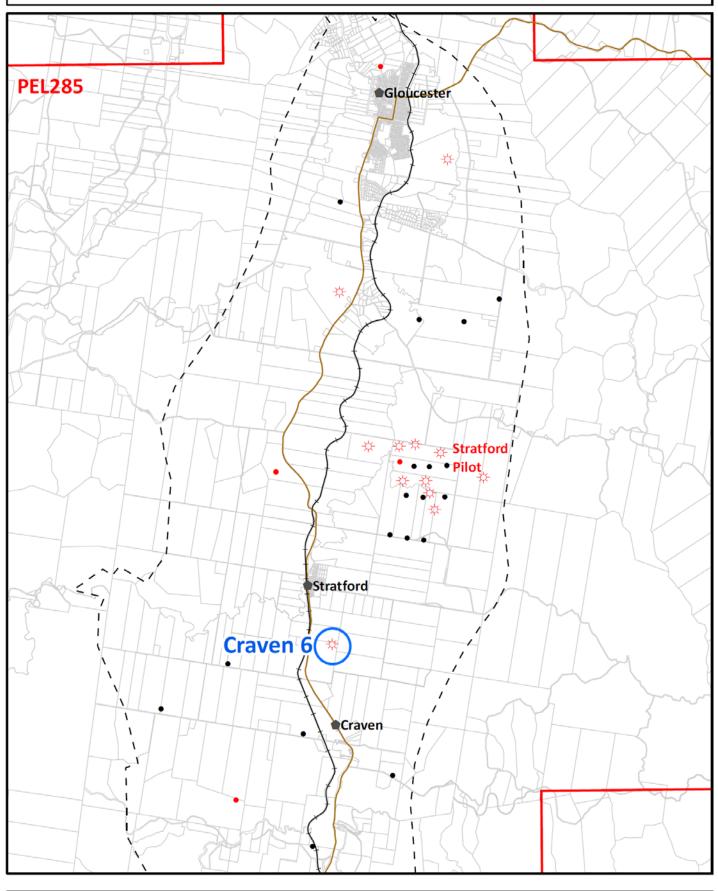
 $\textbf{TABLE1 -} \ Well \ Summary \ Sheet$

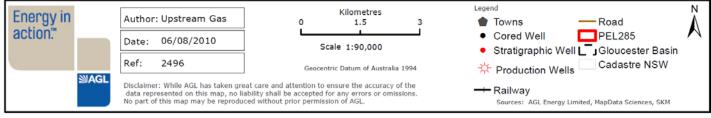
₩AGL						WELL S	SUMMA	RY SHEE	Т					
WELL				Crav	Craven 6 (CR06)			0501.007				E	>-1-	
WELL	TYPE		Production					GEOLOGY		Earth Data				
OPERA	TOR			Lu	Lucas Energy			GEOPHYSI	CS		_			
			Lucas E	nerg	у	70.00%	1			Grou	ınasearc	h Australia		
M			Molo	ро	•	30.00%								
BASIN				Glou	ıcest	er Basin			21150		~ !			
BLOCK	(/LICEN	ICE			PEL			TARGET ZO	ONES	(Jouc	ester Coa	al Measures	
STATE				New	Sout	th Wales		1						
LOCAT			-32	2° 7' 57.77	7"	Lat	titude							
			151	° 56' 39.5	52"	Lon	gitude							
MGA 94	4 (Zone	e 56)		40042	6.83	•	X (m)	REMARKS						
				644436	55.65	;	Y (m)							
ELEVA	TION		15	8.67m (Kl	B)		, , ,	1						
TD Date	e/Depth	n (m MD)	1	6th Janua	ary, 2	009	983.00		C	CASING	G PRO	OGRAM		
RIG						Rig#16		CASING	SIZE	SHOE	DEP	TH (m M	D)	ГҮРЕ
SPUD I	DATE			12th .	Janu	ary, 2009		8 5/8	"		105.	.00	Su	rface
Rig Rel	lease D	ate		19th	janua	ary, 2009		5 1/2	"		981.	.00	Prod	duction
						DRI	LLING PR	OGRAM						
	BIT T	YPE		SIZE		DEPTH	(m MD)	PROGN	OSED FOR	MATIC	N	A	CTUAL (m N	ID)
	PDC			11"		105.	.00							
	UD5	513		7 7/8"		983.								
					G	EOPHYSIC	CAL LOGO	SING PROGI	RAM					
RUN NO RUN NAME						LOG TYPE					INTERVAL (m MD)			
N/	/A	9:	239 B1		Gamma, Caliper, Dei				Resistivity			0	- 983.82	
N/	/A	g	9512 A		Gamma, Conductivity, Re				/, Temperat	ture		97.4	4 - 983.43	
N/	/A	g	9057 A		T Depth, Deviation, Az					ıtron			- 983.22	
N/	/A	9	9057 A				p, Resistivity	, Neutron			0	- 982.24		
								PROGRAM						
TES	TNO	TEST	TYPF				GURATIO					RVAL (m		
		1201	=		On Penetration / Stra			addle	From			То	Thicknes	ss (m)
N/	/A	-					-			-	-			
						GEOL	OGICAL S	SUMMARY						
AGE	GRO	OUP / SUBGRO				FORMATION / MEMBER			Top Depth MD	n (m)		e Depth i) MD	Thickness (m)	HIGH / LOW
			Glo	ucester C										-
				Craven S		•								-
				vthers Rd	Con									
		Leloma Form	ation				aboo Coal		149.3			28.09	78.74	
							rds Coal		248.67			8.85	110.18	
_		Jilleon Forma	ation				rdale Coal		389.74			06.4	16.66	
Upper Permian							eville Coal		446.96			73.3	26.34	
erm							/Fairbairns	Lane	533.22			98.83	165.61	-
r Ā				rds River (Cong				698.86			23.98	25.12	-
be		Wenhams For				Bowei	ns Rd Coa	I	723.98	В	7:	37.9	13.92	-
ř		Speldon Form												
	<u> </u>	Avon SubGr				<u> </u>							<u> </u>	
		ogtrap Creek F					view Coal		773.6			99.03	25.42	
	Wa	ukivory Creek	⊢orma	tion			on Coal		852.04			55.70	3.66	
							ple Coal		898.12			7.98	19.86	
	<u> </u>						nbo Coal		940.16			50.48	10.32	
						Glen	Road Coal		954.9		96	55.63	10.73	
								Total Depth	983.00	U				

 $TABLE\,1\,cont'd: Well\,Summary\,Sheet$

WEL	L STATUS	Suspended							
		CASING 1	TREATMENT						
ZONE	TYPE	Depth (m MD)	ZONE	TYPE	Depth (m MD)				
Z11/12	Sand Jet Perforation	245.5	Z 7	Sand Jet Perforation	497				
Z11/12	Sand Jet Perforation	n 298	Z7	Sand Jet Perforation	498				
Z11/12	Sand Jet Perforation	n 296	Z6	Sand Jet Perforation	620.5				
Z10	Sand Jet Perforation	n 311.5	Z6	Sand Jet Perforation	627.5				
Z10	Sand Jet Perforation	n 318.5	Z6	Sand Jet Perforation	633				
Z10	Sand Jet Perforation	n 320	Z5	Sand Jet Perforation	654				
Z 9	Sand Jet Perforation	n 393.5	Z5	Sand Jet Perforation	658.5				
Z9	Sand Jet Perforation	n 396	Z5	Sand Jet Perforation	660.5				
Z 9	Sand Jet Perforation	n 404	Z4	Sand Jet Perforation	725				
Z 9	Sand Jet Perforation	n 408.5	Z4	Sand Jet Perforation	726.5				
Z8	Sand Jet Perforation	n 454	Z4	Sand Jet Perforation	727.5				
Z8	Sand Jet Perforation	n 461	Z4	Sand Jet Perforation	731				
Z8	Sand Jet Perforation	n 466	Z4	Sand Jet Perforation	736				
Z8	Sand Jet Perforation	n 474	Z4	Sand Jet Perforation	736.5				

Craven 6 Well Location





3. GLOUCESTER BASIN GEOLOGY

3.1 Overview

The Gloucester Basin is a north south trending synclinal trough containing shaped trough containing Permian volcanics and sediments. Basement comprises Carboniferous sedimentary rocks and volcanic units. The basin sequence is capped by Late Permian fluvial-deltaic sediments of the Dewrang Group and Gloucester Coal Measures. The top of the Permian section has been exposed to erosion.

The Gloucester Basin is divided up into three major stratigraphic units: the Alum Mountain Volcanics, the Dewrang Group and the Gloucester Coal Measures. The Dewrang Group and the Gloucester Coal Measures contain 15 laterally extensive coal units and represent the main coal seam gas targets.

Throughout the evolution of the Gloucester Basin, sandstones, mudstones, conglomerates and coals were deposited in fault-controlled troughs. The preserved basin stratigraphy is up to 4000m thick. Widespread Early Permian volcanic activity may be related to thermal upwelling beneath the base of the continental lithosphere in a retroarc basin setting. Due to the Late Permian fall in relative sea level, shallow water and fluvial conditions prevailed. The complex interplay of tectonics extensional faulting, high rates of sediment supply produced significant lateral stratigraphic variability throughout the Gloucester Basin.

3.2 Structure

The Gloucester Basin exhibits a complex structural history. Early normal and syndepositional faults occur and in many cases have been reactivated by the later Hunter-Bowen orogenic events. The Gloucester Basin displays steep dips of up to 80° on its flanks, dipping towards the north-south trending basin axis and relatively flattening towards the centre of the basin. The basin is dissected by several major thrust structures.

3.3 Stratigraphy

The Gloucester Basin is divided up into three major stratigraphic units: the Alum Mountain Volcanics, the Dewrang Group and the Gloucester Coal Measures. These are described below. The stratigraphic nomenclature used for the Gloucester Basin in this report is based

on Lennox, M., 1991, which is contained in Roberts, J., and Chapman, J., 1991, and is tabulated in Figure 4. Stratigraphy penetrated at Craven 6 is summarised in table 1 and a full lithology log can be found in Appendix 3.

3.3.1 Alum Mountain Volcanics

The Alum Mountain volcanics lie unconformably over the carboniferous Johnsons Creek Conglomerate. The Volcanics commence with a basal coal measure sequence of pebble conglomerate which is overlain by the 12m Basal Coal seam. This seam is overlain by basalt flows, rhyolites, and acid tuffs. Towards the top of the sequence conglomerates are more prevalent and the Clareval seam, along with several thinner coals are present.

3.3.2 Dewrang Group

The **Durallie Road Formation** contains two distinct facies. The lower part of the formation is predominantly a well sorted fine grained sandstone, while further up this becomes coarser grained. Overlying this is a conglomerate which is particularly prevalent on the eastern side of the basin. The formation is both alluvial and marine influenced and likely represents a near shore environment where braided alluvium such as conglomerate has flowed directly into the sea.

The **Weismantel Formation** was deposited in a back-barrier lagoonal environment during a regressive phase. The formation's major feature is the thick Weismantel seam which lies at its base. The seam is an average of 10m thick along the flanks of the basin increasing to 25m in the south. The seam continues north along the eastern flank if the basin. The Weismantel seam is overlain by bioturbated siltstone and sandstone.

The **Mammy Johnsons Formation** consists of fine to medium grained sandstones with laminated siltstone at its top and base. These sandstones are bioturbated in parts and are considered to have been deposited in a shallow marine environment. The Intra Mammy Johnsons Coal is up to 5m thick and was most likely formed in a back barrier swamp or lagoon.

3.3.3 Gloucester Coal Measures

3.3.3.1 Avon Subgroup

The Waukivory Creek Formation represents a change in depositional environment from marginal marine setting of the underlying Dewrang Group to a terrestrial coastal plain. Deposited in a coastal plain environment and represents a shift away from marine influenced sediments. Units generally fine grained but with occasional 10m thick medium grained beds which are most likely from a meandering river system. The formation contains several substantial coal seams in the Parkers Road, Rombo, Triple and Avon coal seams. These coal seams are best developed on the eastern side of the basin.

The **Dogtrap Creek Formation** is indentified by its coarsening upward sequences, bioturbated mudstones and crevasse splays. The Dogtrap Creek formation represents the start of a transgressive phase of deposition. The depositional environment was most likely lower delta plain. The Glenview coal is well developed near the top of the sequence.

The **Speldon Formation** represents the culmination of the marine transgression seam in the Dogtrap Creek formation. The formation contains well bedded medium to fine grained sandstone with minor siltstone and becomes darker and siltier towards its top. The formation is heavily bioturbated and the north eastern part of the basin contains marine fossils.

3.3.3.2 Craven Subgroup

The **Wenham Formation** contains the Bowens Road Lower seam at its base and the Bowens Road seam at the top. The Bowens Road Lower is generally thin (~2m) while the Bowens Road is up to 14m in the Stratford area. Between the seams is fine grained sandstone which is interspersed with plant debris. The main Bowens Road seam is characterized as being bright at the base and considerably duller and banded towards the top. This is believed to have been caused by a lowering of the water table which led to subaerial oxidation. The formation represents a hiatus after regression.

The Wards River Conglomerate is a major feature of the Gloucester Basin. While it is considered to lie stratigraphically above the Wenham formation and below the Jilleon Formation, this is only the case in its type section in the eastern part of the basin. The conglomerate was deposited as several large alluvial fans whose sediment source was the carboniferous sequence which outcrops to the west of the Gloucester Basin. On the western

side of the basin the conglomerate forms the lateral equivalent of all the formations above the Bowens Road seam. In this area at its thickest it consists of matrix supported conglomerate and becomes thinner and finer grained (but generally still conglomeratic) moving east through a braided river system into an interfan or overbank deposit.

The Jilleon Formation onlaps and is eventually replaced by the Wards River Conglomerate in the west of the basin. This formation contains the Roseville seam and Cloverdale seam (at its top), as well as the less consistent Tereel (or Fairbairns Lane) coals. The Jilleon Formation consists of coarsening upward sandstones with occasional upward fining siltstone. It was deposited in an alluvial plain environment, and was subsiding rapidly which has lead to a lot of thin coal seams forming. The Roseville and Cloverdale seams can be traced across a wide area on the eastern flank. Both seams are several metres thick, and the Cloverdale contains a distinct tuff band which proves useful when correlating wells.

The **Leloma Formation** outcrops only in the middle of the basin. It contains the Deards, Bindaboo, and Linden seams as well as several thin unnamed coals. These are overlain by a 300m thick homogeneous fine to medium grained sandstone layer deposited in an upper alluvial plain environment. Correlation of coal seams is particularly difficult as they vary in thickness and split across relatively short distances. The coals of the Leloma formation are best developed in the Clear Hill sub basin area on the western flank of the basin. There are several tuff bands throughout the sequence, the largest being the Jo Doth Tuff. The JD Tuff is 15 to 30m thick and is consistent across the formation until it is replaced by the Wards River Conglomerate in the east.

The Crowthers Road Conglomerate marks the top of the Gloucester basin Stratigraphy and as such is the present day erosion surface. It consists of pebble conglomerate and medium to coarse grained sandstone derived from the carboniferous formations to the west and north of the basin. As such it is generally confined to the western and northern part of the basin and imbricated clasts show flow was in an easterly direction. Deposition was due to several large alluvial fans.

Figure 2: Stratigraphic Unit

Stratigraphy of the Gloucester Basin

				Tug	raphy of the Gloucester Ba	
			Formation		Seam	Depositional Environment
			Crowthers Rd Conglomerate	00 00	Conglomerate, minor sandstone	Distal Alluvial Fan
			Leloma Formation		Sandstone, minor siltstone and coal	Alluvial Plain
					Linden Coals	1
					Marker/JD Coals	-
				N II	Jo Doth Tuff	-
				^ ^	Bindaboo Coals	
		۵.			Deards Coal	
		srou			Sandstone, minor siltstone and coal	
		CRAVEN SUBGROUP	Jilleon Formation		Cloverdale Coal	Hiatus Coal
		AVEN			Conglomerate, sandstone and siltstone	Alluvial Plain
	တ	CR)			Roseville Coal	
	SURE				Tereel Coals/Fairbairns Lane	
	MEAS		Words Biver Conslamorate	-0		Distal Alluvial Fan
	OAL		Wards River Conglomerate	00 00 00	Conglomerate and sandstone	Distar Alluviai Fan
	TER 0			00		
z	GLOUCESTER COAL MEASURES		Wenhams Formation		Bowens Rd Coal	Hiatus Coal
UPPER PERMIAN	GLOU				Siltstone	Marsh
R PE					Bowens Rd Lower Coal	Back Barrier Coal
UPPE			Speldon Formation		Marine influenced sandstone	Marginal Marine, prodelta, beach
			la			
			Dogtrap Creek Formation		Glenview Coal	Back Barrier Coal
					Sandstone, siltstone	Lower Delta Plain
		AVON SUB GROUP	Waukivory Creek Formation		Avon Coals	Hiatus Coal
		JB GF			Triple, Rombo, Glen Rd	Upper Delta Plain
		IS NO			Sandstone and siltstone	Upper Delta Plain
		AV			Parkers Rd and Valley View Coals	Hiatus Coal
					Siltstone and mudstone	Transitional
			Mammy Johnsons Formation		Sandstone and siltstone	Marginal Marine, Barrier, Wave Dominated Delta
	J.				Intra Mammy Johnsons Coal	Back Barrier Coal
	GRO				Bioturbated sandstone	Marginal Marine, Barrier, Wave Dominated Delta
	ANG		Weismantels Formation		Siltstone and mudstone	Back Barrier Lagoon
	DEWRANG GROUP				Weismantels Coal	Back Barrier Coal
	-		Duralie Road Formation		Marine Sandstone, conglomerate	Marginal Marine, Fan Delta
			Alum Mountain Volcanics		Clareval Coal	Hiatus Coal
ERM				00 00	Conglomerate and coal	Distal Alluvial Fan
LWR PERM				A A	Rhyolite, basalt, welded tuff	Bimodal Terrestrial Volcanics
				Α Λ	Basal Coal	
<u> </u>			<u> </u>			

4. DRILIING, STIMULATION & COMPLETION

4.1 Contractor Details

Craven 6

Drilling Contractor: McDermott Drilling Pty Ltd

P.O Box 6027

Minto, NSW 2566

Contact: Kerry Brydon
Ph: 02 8796 0900
Fax: 02 8795 0633
Mobile: 0416 242 881

E-mail: kerry@mcdermottdrilling.com.au Website: www.mcdermottdrilling.com.au

Casing/Cementing: Surface Casing - McDermott Drilling

Production Casing - AGL Energy Operations Pty Ltd

Contact: Mark Bonisch
Tel: 02 6558 1166
Fax: 02 6558 1066
Mobile: 0427 404 129

Email: MBonisch@agl.com.au

Logging: Groundsearch Australia

16 Johnston St Rutherford, 2320

Contact: John Lea
Ph: (02) 4932 3582
Fax: (02) 4932 3529
Mobile: 0427 494 234

Email: geology@groundsearch.com.au

Perforating/Fracturing

Contractor: Suite 537, Level 5 Towong Tower

9 Sherwood Rd Towong QLD 4066

Contact: Paul Unwin
Tel: +61 4481 31030
Fax: 07 3310 8753

BJ Services Company Pty Ltd

Email: punwin@bjservices.com.sg

Wireline Services: Vause Wireline Aust Pty Ltd

179 Raglan St PO Box 130

ROMA QLD 4455

Contact: Paul Nunn
Ph: +61 7 46222 511
Fax: +61 7 46222 611
Email: paul.nunn@vause.com.au

4.2 Drilling

Well Completion Report - CR06 Drilling Summary

CR06 was spudded on 12th January, 2009

Pre-Spud Prognosis

Craven 6 was planned as a vertical well. With the drilling plan being:

- RU Rig to drill 279mm (11") PDC OH to 110 m for 8 5/8" surface casing. Run surface casing and cement surface casing back to surface. WOC 8hrs minimum, WOC time can be reduced if CaCl₂ is used in the mix water.
- RU for Production drilling. Nipple up BOP and pressure test to 350psi for 10 mins and 750 psi for 10mins, formation integrity test to be performed once virgin formation is drilled outside the 8 5/8" casing shoe.

RIH with 77/8'' PDC bit and drill with WBM to TD of 850m, it is predicted to intersected the Bindaboo Coal seam at 90m through to Triple Coal seam at 705 m.

Drilling Summary

CR06 was spudded on the 12th January 2009 using Lucas McDermott Rig No. 16 Drillmec G55.

An 11" open hole was drilled to a depth of 105m using a REED PDC bit with a bentonite gel and PAC based fluid system. The surface hole was then cased off with 8 5/8" 24ppf J-55 casing to a shoe depth of 105m. 23.9BBl 15.6ppg Class A cement slurry was pumped and displaced with drill fluid. Wait on cement was 6 hours.

An 7 7/8" open hole was drilled to a total depth of 983m using an 7 7/8" UD513 PDC bit with a bentonite gel and PAC based fluid system on the 15th January 2009. A LOT test was performed outside the surface casing shoe and forward drilling progressed to TD, at 860m MD it was noted that 18.8BBLs of fluid were lost to formation. Upon reaching TD the well was circulated and conditioned with a wiper trip prior to open hole logging being conducted. Well was then cased with 5 1/2 " 15.5ppf K-55 casing to a shoe depth of 981m on the 19th January 2010. 127BBL 15.6ppg Class A cement slurry containing 4% bentonite, 4% Cal Seal and 9%CFL-3 was pumped and displaced with fluid.

Rig was released on the 19th January 2010

McDermott Drilling cemented the surface casing string. Refer to Appendix 1 (Daily Drilling Reports) for surface and production casing cement report.

GroundSearch Australia performed Density, Gamma, Neutron, Temperature, Sonic, Verticality and Caliper OH logs.

A summary bit table is presented below

Table 2: Bit Summary Table

Bit No.	1	2		
Size (in)	11	77/8		
Manufacturer	Reed	Ulterra		
Туре	4 blade PDC	5 blade PDC		
Serial No.	101755	UD513		
Jets	4x12	5 x 10		
TFA (in2)	0.442	0.383		
RPM	130	130		
WOB (lbs)	5000	5000		
Depth Drilled (m)	105	878		
ROP (n/hr)	27.2	38.6		

4.3 Lithology - Logging

Please refer to Geological Report (Appendix 3)

4.4 Fracture Stimulation

Please refer to Frac Report (Appendix 6)

4.5 Well Completion

Craven 06 was one of three wells in the Gloucester Production Program that utilises BJ Services' Opti-frac SJ method. BJ Services' Optic-frac method was used to conduct the fracture stimulation by slotting the casing and fraccing by utilising coiled tubing and a sand jet tool.

BJ Services conducted the perforation and fracture operations on several zones in the Gloucester Coal Measures perforated (Refer to Table 1 Craven 06 Well Summary). The completion operations conducted on CR06 began on 27th July, 2009. The completion prognosis was as follows;

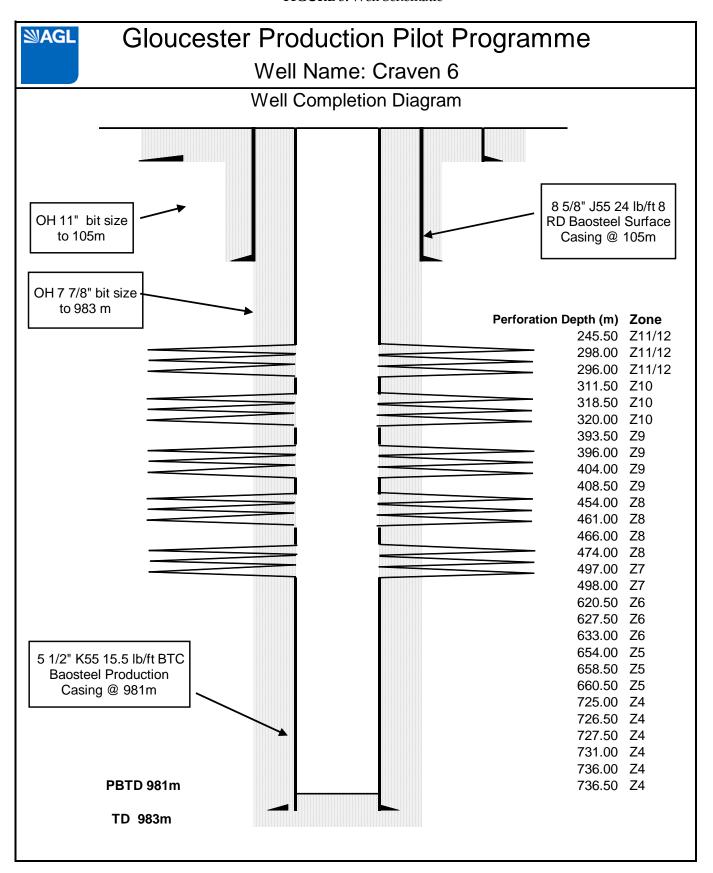
- RIH and clean out wellbore.
- RIH 2 3/8" 4.7 lb/ft and 2 7/8" production tubing set at 717.95m

In total 89 joints of 2 7/8" 4.7lb/ft and 12 joints of 2 3/8" production tubing were used, including a pump seat nipple. The production tubing was landed at 717.95m. Well completion operations were completed on the 19th September, 2009.

Well was circulated with water. Fill was first tagged at approx 711.83m, well was then washed and then tagged TD at 983m.

The operation was supervised by Anthony Sutton, Driller Brendan McHenry and offsiders Dean Papierski and Timothy Clifton.

FIGURE 3: Well Schematic



5. OTHER OPERATIONS

5.1 Geophysical Logging

Please refer to accompanying LAS files

6. CONCLUSION

The coals encountered within Craven 6 were found to be of similar quality to those intersected at the Stratford Pilot. Craven 6 is a production test evaluation well designed to test the gas flow potential of coals within the Gloucester Coal Measures.

The well has also provided a valuable dataset in further understanding coal seam methane reservoir characteristics and how better to explore, develop and manage the resource.

7. LIST OF FIGURES

- 1. Well Location Map
- 2. Stratigraphic Unit
- 3. Well Schematic

8. LIST OF TABLES

- 1. Craven 06 Well Summary
- 2. Bit Summary Table

9. APPENDICES

- 1. Daily Drilling Reports
- 2. Work Over Completion Reports
- 3. Geological Report
- 4. Strip Log
- 5. Perforation Post Job Report
- 6. BJ Post Fracture Post Job Report
- 7. Events Log
- 8. Vause CCL Log
- 9. Vause Perforation/Bridge Plug Log
- 10. Deviation Survey
- 11. Casing and Cementing
- 12. Cement Bond Log
- 13. Televiewer Report



AGL Energy Limited

Well Completion Report

Waukivory 3 (WK03)

Gloucester Production Program

Gloucester Basin NSW

14 July 2010

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1.EXECUTIVE SUMMARY

Waukivory 3 is a gas production evaluation well that was drilled to test the gas flow potential of coals within the Upper Permian Gloucester Coal Measures. Waukivory 3 is located approximately 7km north of the Stratford Pilot where the same coals have undergone successful production testing from multiple wells.

Waukivory 3 was spudded on the 6th January, 2009 and reached a total depth of 818m on the 9th January, 2009. The well was drilled using McDermott's Rig 16, Drillmech G-55 with 8 5/8" surface casing cemented at 103.16m. The well was drilled using a combination of PDC, bits (11" and 7.7/8"). Water and mud-up was used as the drilling fluid with a gel slurry for hole cleaning.

Geophysical logging of the hole was carried out by Groundsearch Australia upon total depth being reached.

The 5 $\frac{1}{2}$ " production casing was set to a depth of 815.95m. Waukivory 3 was one of three wells in the Gloucester Production Program to utilise BJ Services' Opti-Frac SJ method to perforate multiple zones. The intervals were fracture treated by BJ Services from the 6th May, 2009 to the 9th May, 2009 and 2 $\frac{3}{8}$ " tubing was seated in the casing at 674.47m.

A well head with telemetry was fitted allowing AGL to clean out the well until production flow rates were reached and applicable site remediation was carried out.

2. WELL SUMMARY

Table 1: Waukivory 3 Well Summary Sheet

≌AG L	-		W	ELL S	UMMA	RY SHI	EET					
WELL				y 3 (WK03							\ctc	
WELL	TYPE			uction	,	GEOLOGY				Earth D	oata	
OPERA	TOR		Lucas	as Energy GEOPHYSIC			CS	Groundsearch Australia				l
PARTIC	CIPANTS		Lucas Energy 70.00% Molopo 30.00%									
BASIN			Glouces	ter Basin		TAROUT 70	ONICO			-4 0		
BLOCK	VLICENCE		PEL	285		TARGET ZO	JNE5	٦	iouce	ster Coa	al Measure	es
STATE			New So	uth Wales								
LOCAT	ION	-32	2° 1' 20.339"	La	attitude							
		151	° 58' 35.281'		ngitude							
MGA 94	4 (Zone 56)		403343.0		X (m)	REMARKS						
			6456632.8	38	Y (m)							
ELEVA"			54 m (KB)		2.00			0.00	0.00			
	e/Depth (m MD)	9th Jai	nuary, 2009		8.00	CACINIC	CIZE	CASINO			ID)	TVDE
RIG	DATE			6 Rig#16		CASING		SHOE		TH (m M	•	TYPE
SPUD I	DATE lease Date			iary, 2009 uary, 2009)	8 5/8 5 1/2			107 815			urface duction
Kig Kel	lease Date		riurjan		ILLING PRO		-		010	.ჟა	I FIC	duction
	BIT TYPE		SIZE		I (m MD)		OSED 5	ORMATI	ON	۸۵	THAL (m	MD)
	Reed		11"		7.00	TROGN	DSED FORMATION ACTUAL (m MD)					IVID)
	HC506Z		7 7/8"		3.00							
	1100002					ING PROGR	AM					
RUN	INO	RUN NAM				OG TYPE INTERVAL (m MD)						
N/		9239 B1					Resisti	vity			8 - 818.78	,
N/	/A	9512 A				nductivity, R	ductivity, Resistivity 103.11 - 817.72					2
N/	/A	9057 A	T Depth, Deviation, /				imuth, Resisivity, Neutron 105 - 820.37					
N/	/A	9057 A			p, Resistivity, Neutron 0 - 820.37							
					TESTING				NITED	N/A1 /	1 4 D	
TEST	T NO TE	EST TYPE			IGURATIO ration / Stra		From		INTERVAL (m MD) To The		ND) Thickne	ss (m)
N/	/A	-		On reneu	addie	- 11	-		-	THIORITO		
,				GEOL	OGICAL S	UMMARY						
AGE	GROUP/SUE	BGROUP	FC	ORMATION	N / MEMBEI	₹	Top De	epth (m)	Base	e Depth	Gross Thicknes	HIGH /
4							N	/ID	(11	טואו (ו	s (m)	LOVV
		Glou	cester Coal	Measures	1							-
			Craven Sub									-
			Leloma Forn				0.	.00	30	04.00	304.00	-
	Jilleo	n Formatio	n		loverdale C							-
Ę.					Roseville C			0.31		55.00	14.69	-
ïi.			. D: -		pairns Lan	e Coal	18	0.68	25	51.31	70.63	-
Upper Permian	147		ls River Con			21		0.00		\ <u></u>	00.5=	-
)er	vvenha	ms Format			wens Rd	Joai	26	9.80	29	95.87	26.07	-
Jdn			Speldon Forr					4.00		10.00	E4400	-
	Dootroe (Avon Sub G	-	Blenview C	0.01		4.00		18.00	514.00	-
		Creek Form			Avon Coa			9.72		27.93	18.21	-
	vvaukivory	Creek Forr	แลแบท		Triple	I		4.36		10.72	6.36	-
				\/a	•	`nal		6.70 8.16	48	31.55	24.85	-
				va				8.16 8.00				
						i otai beptii	01	0.00				

Table 2 continued: Waukivory 3 Well Summary Sheet

WEL	L STATUS		Pe	rforated							
CASING TREATMENT											
ZONE	TYPE	Depth (m MD)	ZONE	TYPE	Depth (m MD)						
Z1	Perforation	617 - 621.6	Z4/Z5	Sand Jet Perforation	313						
Z1	Perforation	650.4 - 651.3	Z4/Z5	Sand Jet Perforation	298.5						
Z2	Sand Jet Perforation	598	Z4/Z5	Sand Jet Perforation	298						
Z2	Sand Jet Perforation	597	Z4/Z5	Sand Jet Perforation	296.5						
Z3	Sand Jet Perforation	441	Z6	Sand Jet Perforation	280						
Z3	Sand Jet Perforation	440	Z6	Sand Jet Perforation	277						
Z3	Sand Jet Perforation	437.5	Z6	Sand Jet Perforation	276						
Z3	Sand Jet Perforation	437	Z6	Sand Jet Perforation	273						
Z4/Z5	Sand Jet Perforation	328									

Waukivory 3 Well Location PEL285 ●Gloucester Waukivory 3 Stratford • Pilot 1 Stratford Stratford Open Pit Mine Craven Kilometres Energy in Author: Upstream Gas -Road action.™ PEL285 Cored Well Date: 06/08/2010 Scale 1:90,000 Stratigraphic Well ___ Gloucester Basin Production Wells ML Coal Titles Ref: Geocentric Datum of Australia 1994 **MAGL** Cadastre NSW Disclaimer: While AGL has taken great care and attention to ensure the accuracy of the data represented on this map, no liability shall be accepted for any errors or omissions. No part of this map may be reproduced without prior permission of AGL. — Railway Sources: AGL Energy Limited, MapData Sciences, SKM

Figure 1: Well Location Map



Revision DRAFT Created 24 Nov 2008 Author Toni Laurie



1:8,000 0 0.05 0.1 0.2 0.3 0.4 0.5 Kilometres

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

Gloucester Coal Seam Gas Project

Waukivory 3 Access Roads

STRICTLY CONFIDENTIAL

3. GLOUCESTER BASIN GEOLOGY

3.1 Overview

The Gloucester Basin is a north south trending synclinal trough containing shaped trough containing Permian volcanics and sediments. Basement comprises Carboniferous sedimentary rocks and volcanic units. The basin sequence is capped by Late Permian fluvial-deltaic sediments of the Dewrang Group and Gloucester Coal Measures. The top of the Permian section has been exposed to erosion.

The Gloucester Basin is divided up into three major stratigraphic units: the Alum Mountain Volcanics, the Dewrang Group and the Gloucester Coal Measures. The Dewrang Group and the Gloucester Coal Measures contain 15 laterally extensive coal units and represent the main coal seam gas targets.

Throughout the evolution of the Gloucester Basin, sandstones, mudstones, conglomerates and coals were deposited in fault-controlled troughs. The preserved basin stratigraphy is up to 4000m thick. Widespread Early Permian volcanic activity may be related to thermal upwelling beneath the base of the continental lithosphere in a retroarc basin setting. Due to the Late Permian fall in relative sea level, shallow water and fluvial conditions prevailed. The complex interplay of tectonics extensional faulting, high rates of sediment supply produced significant lateral stratigraphic variability throughout the Gloucester Basin.

3.2 Structure

The Gloucester Basin exhibits a complex structural history. Early normal and syndepositional faults occur and in many cases have been reactivated by the later Hunter-Bowen orogenic events. The Gloucester Basin displays steep dips of up to 80° on its flanks, dipping towards the north-south trending basin axis and relatively flattening towards the centre of the basin. The basin is dissected by several major thrust structures.

3.3 Stratigraphy

The Gloucester Basin is divided up into three major stratigraphic units: the Alum Mountain Volcanics, the Dewrang Group and the Gloucester Coal Measures. These are described below. The stratigraphic nomenclature used for the Gloucester Basin in this report is based on Lennox, M., 1991, which is contained in Roberts, J., and Chapman, J., 1991, and is

tabulated in Figure 4. Stratigraphy penetrated at Stratford 7 is summarised in table 1 and a full lithology log can be found in Appendix 3.

3.3.1 Alum Mountain Volcanics

The Alum Mountain volcanics lie unconformably over the carboniferous Johnsons Creek Conglomerate. The Volcanics commence with a basal coal measure sequence of pebble conglomerate which is overlain by the 12m Basal Coal seam. This seam is overlain by basalt flows, rhyolites, and acid tuffs. Towards the top of the sequence conglomerates are more prevalent and the Clareval seam, along with several thinner coals are present.

3.3.2 Dewrang Group

The Durallie Road Formation contains two distinct facies. The lower part of the formation is predominantly a well sorted fine grained sandstone, while further up this becomes coarser grained. Overlying this is a conglomerate which is particularly prevalent on the eastern side of the basin. The formation is both alluvial and marine influenced and likely represents a near shore environment where braided alluvium such as conglomerate has flowed directly into the sea.

The Weismantel Formation was deposited in a back-barrier lagoonal environment during a regressive phase. The formation's major feature is the thick Weismantel seam which lies at its base. The seam is an average of 10m thick along the flanks of the basin increasing to 25m in the south. The seam continues north along the eastern flank if the basin. The Weismantel seam is overlain by bioturbated siltstone and sandstone.

The Mammy Johnsons Formation consists of fine to medium grained sandstones with laminated siltstone at its top and base. These sandstones are bioturbated in parts and are considered to have been deposited in a shallow marine environment. The Intra Mammy Johnsons Coal is up to 5m thick and was most likely formed in a back barrier swamp or lagoon.

3.3.3 Gloucester Coal Measures

3.3.3.1 Avon Subgroup

The Waukivory Creek Formation represents a change in depositional environment from marginal marine setting of the underlying Dewrang Group to a terrestrial coastal plain. Deposited in a coastal plain environment and represents a shift away from marine

influenced sediments. Units generally fine grained but with occasional 10m thick medium grained beds which are most likely from a meandering river system. The formation contains several substantial coal seams in the Parkers Road, Rombo, Triple and Avon coal seams. These coal seams are best developed on the eastern side of the basin.

The Dogtrap Creek Formation is indentified by its coarsening upward sequences, bioturbated mudstones and crevasse splays. The Dogtrap Creek formation represents the start of a transgressive phase of deposition. The depositional environment was most likely lower delta plain. The Glenview coal is well developed near the top of the sequence.

The Speldon Formation represents the culmination of the marine transgression seam in the Dogtrap Creek formation. The formation contains well bedded medium to fine grained sandstone with minor siltstone and becomes darker and siltier towards its top. The formation is heavily bioturbated and the north eastern part of the basin contains marine fossils.

3.3.3.2 Craven Subgroup

The Wenham Formation contains the Bowens Road Lower seam at its base and the Bowens Road seam at the top. The Bowens Road Lower is generally thin (~2m) while the Bowens Road is up to 14m in the Stratford area. Between the seams is fine grained sandstone which is interspersed with plant debris. The main Bowens Road seam is characterized as being bright at the base and considerably duller and banded towards the top. This is believed to have been caused by a lowering of the water table which led to subaerial oxidation. The formation represents a hiatus after regression.

The Wards River Conglomerate is a major feature of the Gloucester Basin. While it is considered to lie stratigraphically above the Wenham formation and below the Jilleon Formation, this is only the case in its type section in the eastern part of the basin. The conglomerate was deposited as several large alluvial fans whose sediment source was the carboniferous sequence which outcrops to the west of the Gloucester Basin. On the western side of the basin the conglomerate forms the lateral equivalent of all the formations above the Bowens Road seam. In this area at its thickest it consists of matrix supported conglomerate and becomes thinner and finer grained (but generally still conglomeratic) moving east through a braided river system into an interfan or overbank deposit.

The Jilleon Formation onlaps and is eventually replaced by the Wards River Conglomerate in the west of the basin. This formation contains the Roseville seam and Cloverdale seam (at

its top), as well as the less consistent Tereel (or Fairbairns Lane) coals. The Jilleon Formation consists of coarsening upward sandstones with occasional upward fining siltstone. It was deposited in an alluvial plain environment, and was subsiding rapidly which has lead to a lot of thin coal seams forming. The Roseville and Cloverdale seams can be traced across a wide area on the eastern flank. Both seams are several metres thick, and the Cloverdale contains a distinct tuff band which proves useful when correlating wells.

The Leloma Formation outcrops only in the middle of the basin. It contains the Deards, Bindaboo, and Linden seams as well as several thin unnamed coals. These are overlain by a 300m thick homogeneous fine to medium grained sandstone layer deposited in an upper alluvial plain environment. Correlation of coal seams is particularly difficult as they vary in thickness and split across relatively short distances. The coals of the Leloma formation are best developed in the Clear Hill sub basin area on the western flank of the basin. There are several tuff bands throughout the sequence, the largest being the Jo Doth Tuff. The JD Tuff is 15 to 30m thick and is consistent across the formation until it is replaced by the Wards River Conglomerate in the east.

The Crowthers Road Conglomerate marks the top of the Gloucester basin Stratigraphy and as such is the present day erosion surface. It consists of pebble conglomerate and medium to coarse grained sandstone derived from the carboniferous formations to the west and north of the basin. As such it is generally confined to the western and northern part of the basin and imbricated clasts show flow was in an easterly direction. Deposition was due to several large alluvial fans.

Figure 3: Stratigraphic Unit

Stratigraphy of the Gloucester Basin

				atig	raphy of the Gloucester B	
			Formation		Seam	Depositional Environment
			Crowthers Rd Conglomerate	оО Оо	Conglomerate, minor sandstone	Distal Alluvial Fan
			Leloma Formation		Sandstone, minor siltstone and coal	Alluvial Plain
					Linden Coals	
					Marker/JD Coals	
				A A	Jo Doth Tuff	
				ΛΛ	Bindaboo Coals	
					Deards Coal	_
		OUP			Sandstone, minor siltstone and coal	-
		CRAVEN SUBGROUP	Jilleon Formation		Cloverdale Coal	Hiatus Coal
		EN S			Conglomerate, sandstone and siltstone	Alluvial Plain
		CRAV				/ individit idiii
	RES				Roseville Coal	
	EASU				Tereel Coals/Fairbairns Lane	
	AL M		Wards River Conglomerate	0O Oo	Conglomerate and sandstone	Distal Alluvial Fan
	ER CC			υΟ Οο		
_	GLOUCESTER COAL MEASURES		Wenhams Formation	00	Bowens Rd Coal	Hiatus Coal
UPPER PERMIAN	ССО				Siltstone	Marsh
ER PE					Bowens Rd Lower Coal	Back Barrier Coal
UPP			Speldon Formation		Marine influenced sandstone	Marginal Marine, prodelta, beach
			Dogtrap Creek Formation		Glenview Coal	Back Barrier Coal
					Sandstone, siltstone	Lower Delta Plain
		ط ط	Waukivory Creek Formation		Avon Coals	I liatus Coal
		B GROUP	l and the second contacts		Triple, Rombo, Glen Rd	Upper Delta Plain
		AVON SL			Sandstone and siltstone	Upper Delta Plain
					Parkers Rd and Valley View Coals	Hiatus Coal
					Siltstone and mudstone	Transitional
			Mammy Johnsons Formation		Sandstone and siltstone	Marginal Marine, Barrier, Wave Dominated Delta
	Ъ				Intra Mammy Johnsons Coal	Back Barrier Coal
	GROL				Bioturbated sandstone	Marginal Marine, Barrier, Wave Dominated Delta
	DEWRANG GROUP		Weismantels Formation		Siltstone and mudstone	Back Barrier Lagoon
	DEW				Weismantels Coal	Back Barrier Coal
			Duralie Road Formation		Marine Sandstone, conglomerate	Marginal Marine, Fan Delta
			Alum Mountain Volcanics		Clareval Coal	Hiatus Coal
 ≅				οО	Conglomerate and coal	Distal Alluvial Fan
LWR PERM				Oo	Rhyolite, basalt, welded tuff	Bimodal Terrestrial Volcanics
}				ΛΛ	Basal Coal	

4. DRILING, STIMULATION & COMPLETION

4.1 Waukivory 3 Contractor Details

Drilling Contractor: McDermott Drilling Pty Ltd

P.O Box 6027 Minto, NSW 2566

Contact: Kerry Brydon
Ph: 02 8796 0900
Fax: 02 8795 0633
Mobile: 0416 242 881

E-mail: <u>kerry@mcdermottdrilling.com.au</u> Website: www.mcdermottdrilling.com.au

Casing: Surface Casing - McDermott Drilling

Production Casing - AGL Energy Operations Pty Ltd

Contact: Mark Bonisch
Tel: 02 6558 1166
Fax: 02 6558 1066

Mobile: 0427 404 129

Email: MBonisch@agl.com.au

Cementing: Haliburton

Level 4, 293 Queen Street Brisbane, QLD 4000

Ph: (07) 3811 6000 Fax: (07) 3811 6099

Geophysical Logging: Groundsearch Australia

16 Johnston St Rutherford, 2320

Contact: John Lea
Ph: (02) 4932 3582
Fax: (02) 4932 3529

Mobile: 0427 494 234

Email: geology@groundsearch.com.au

Wireline Services: Vause Wireline Australia Pty Ltd

179 Raglan St Roma, Qld 4455

Contact: Paul Nunn
Tel: 07 4622 2511
Fax: 07 4622 2611

Email: paul.nunn@vause.com.au

Perforating /Fracturing Contractor: BJ Services Company Pty Ltd

Suite 537, Level 5 Towong Tower

9 Sherwood Rd Towong QLD 4066

Contact: Paul Unwin
Tel: +61 4481 31030
Fax: 07 3310 8753

Email: punwin@bjservices.com.sg

4.2 Drilling

Well Completion Report - ST07 Drilling Summary

Pre-Spud Prognosis

Waukivory 3 was planned as a vertical well. With the drilling plan being:

- RU Rig to drill 279mm (11") PDC OH to 110 m for 8 5/8" surface casing. Run surface casing and cement surface casing back to surface. WOC 8hrs minimum, WOC cement time can be reduced if CaCl₂ is used in the mix water.
- Nipple up BOP and pressure test to 350psi for 10 mins and 750 psi for 10mins, formation integrity test to be performed once virgin formation is drilled outside the 8 5/8" casing shoe.

RU for Production drilling. RIH with 7.7/8" PDC bit and drill with WBM to TD of 850m, it is predicted to intersect the Deards Coal seam at 90m through to Triple Coal seam at 710 m.

Drilling Summary

WK03 was spudded on the 6th January 2009 using Lucas McDermott Rig No. 16 a Drillmec G55.

An 11" open hole was drilled to a depth of 107m using a Reed PDC bit with a bentonite gel and PAC based fluid system. The surface hole was then cased off with 8 5/8" 24ppf J-55 casing to a shoe depth of 106m. 25BBl 15.4ppg Class A cement slurry with 2% CACl2 was pumped and displaced with drill fluid. Wait on cement was 6 hours.

A 7 7/8" open hole was drilled to a total depth of 818m using an 7 7/8" 4 blade Hughes Christensen PDC bit with a bentonite gel and PAC based fluid system on the 7th January 2009. A LOT test was performed outside the surface casing shoe and forward drilling using MWD and DHM package progressed to TD. Coal seams intersection intervals are summarised below in Table 3.

It was noted in reports that approximately 50BBLs of drilling fluid losses occurred between 120 and 300m MD. Upon reaching TD the well was circulated and conditioned with a wiper trip back to 400m prior to open hole logging being conducted.

The well was then cased with 5 1/2 " 15.5ppf K-55 casing to a shoe depth of 815.95m. 107BBL 13.5ppg Class A cement slurry containing 4% bentonite, 4% Cal Seal, .3%CFL, 2%Pheno Seal, .9% Hallad-344 was pumped and displaced with fluid.

Rig was released on the 11th January 2009

The surface casing string and production casing (long string) cement job was conducted by Halliburton. Refer to Appendix 1 (Daily Drilling Reports) for surface and production casing cement report.

GroundSearch Australia performed Density, Gamma, Neutron, Temperature, Sonic, Verticality and Caliper OH logs.

A summary bit table is presented below.

Table 3: Bit Summary Table

Bit No.	1	2
Size (in)	11	77/8
Manufacturer	Reed	Hughes
Туре	4 blade PDC	4 blade PDC
Serial No.	101755	HC506Z
Jets	5x11.1	4 x 10.3
TFA (in2)	0.752	0.518
RPM	100	110
WOB (lbs)	10000	10000
Depth Drilled (m)	107	711
ROP (m/hr)	14.3	18.6

Figure 3: Well Summary and Schematic

LUCAS			Tiguic 5. v		<u> </u>					
			Final Well S	Sumn	ary	& Scho	emat	ic		
Well Name	:	,	Waukavery 3	N 0450001.50 E 403300.40			Lacen	ce No. :	PEL	285
Wellsite Supervisor : Lar					en		Mobile	#:	0409-487-16	5
Spud Date : Tue. Jan 6/09							Relea	se Date :	Sun Jan	11/09
Well Status	<u> </u>		Drilled, cased & cer	nented						
\ □	/		Wellhead :					on Data		
H	1			Cores		Numb	er of core			
	1			1. Form 2. Form				Interval :		
	1	Serial #: Size :	279.6 mm	3. Form				Interval :		
- 11 1	1	Rating:	21000 kpa	4. Form				Interval :		
	1	Slip Assiy:	N/A man/auto	Total c			m.	Recovery:		
	1			Coring 7	ime :		hours.	Hole Size:		
	PBTD:		urface Casing		ype:			Bit Size :		
- 11 1	0M	Size:	219.1 mm		em Test	5:	Number	of DSTs:		
- 41 - 1	k	Weight:	35.7 kg/m	1. Form				Interval :		
۱ ا	OM	Range: Make:	Baosteel	2. Form 3. Form				Interval : Interval :		
-	I	Thread:	SRD	4. Form				Interval :		
- :	!	Set at :	106.0 m.	DST#		ISI	FF	F51	Comm	ents
-	i	St	ırface Cement	1						
- !	!	Type:	Class"A"	2						
		Volume: Additives :	4.0 m3	3						
- !	!		2% CaCl2 50.0 %	_						
- il l	i	Excess used: Cmt Returns		Elevati		Ground Eleve	ntion :	92.00	m.	
- !	!		rmediate Casing	†		· Fill (+) :	auou .	0.00	_m	
- i	i	Size :	nm	†		round Elevatio	on:	92.00	m.	
- !	!	Weight:	kg/m		KB - Gro	und Level :		2.10	m.	
_ i	i	Range:			KB Eleva			94.10	m.	
-	!	Make:		4	KB - Cas	ing Flange :		2.30	_m.	
_ i	į	Thread: Set at:		Aband	onment I	Olmar ·				
- 11 1	¦		mediate Cement	ADABO	ошпент 1	iugs.			Cement	Felt at
- !	!	Lead Cmt:		Plus	;#l:		to			
- 11 1	i	Volume:	m3		#2:		to			
- !	!	Additives :			#3:		to			
- i	i	Excess.	%		#4.		lo			
- !	!	Tail Cm: Volume:	m3		; #5 : ged plugs	neith -	to			
- il I	i	Additives :		Lug	gen pings	WILL .				
- :	!	Excess:	%	Liner :			Fo	rmation	Measured	
i _	i	Pro	duction Casing	Size :		mm.	1	Tops	Depth	TVD
-	I	Size :	139.7 mm	Weight:		kg/m	Deards		66.0	66.0
_ [] [į	Weight:	23.1 kg/m	Rango:			Cloverda		135.0	135.0
		Range:	2	Make: Through			Roseville		183.0	183.0
- !	!	Make : Thread :	aosteel BTC	Thread: Type:		-	Fairburn Bowers F		220.0 438.0	220.0 438.0
-		Set at :	816.0 m.	Top:		m.		ioad Lower	455.0 45Z.0	455.0
- !	!		duction Cement	Bottom:		m.	Glenview		524.0	524.0
-	i	Lead Cmt:	Class"A"	I		-	Avon		600.0	600.0
	!	Volume:	17.0 m3				Triple		734.0	734.0
- i	i	Additives :	20.0 0/	-			<u> </u>			
-	1	Excess: Tail Cm:	30.0 %				<u> </u>			
- i	į	Volume:	m3	1			—			
		Additives:		_						
\vdash		Excess:	%	<u></u>						
\vdash		Comment								
		Class"A" +4	% Bent. +4%Cal Seal+.9%	CFL-3						
		Top of multi-	r joint = 425.40 m.				 			
		Top of interior	Jun - 45/40 M.				Ь——			
Total De	pth:									
318 m										

4.3 Lithology - Logging

Please refer to Geological Report (Appendix 3)

4.4 Fracture Stimulation

Please refer to Frac Report (Appendix 4)

4.5 Well Completion

Waukivory 3 was one of three wells in the Gloucester Production Program that utilises BJ Services' Opti-frac SJ method. The aim of this method is to remove skin damage caused by cement and mud invasion, thereby achieving good connection to the formation for methane gas production. BJ Services' Optic-frac method was used to conduct the fracture stimulation by slotting the casing and fraccing by utilising coiled tubing and a sand jet tool.

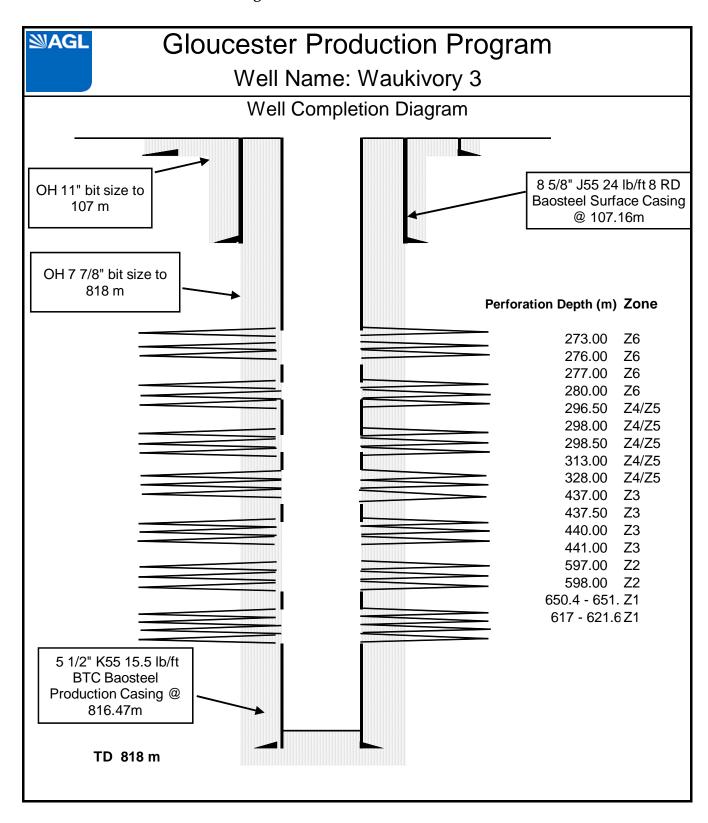
Vause Wireline and BJ Services were used to perforate and fracture the Gloucester Coal Measures. Vause perforated Zone 1 (617 – 621.6m, 650.4 – 651.3 m) and BJ Services conducted the perforation and fracture operations using the Opti-frac SJ method from 273.00 – 598 m. The completion fracturing operations conducted on WK03 began on 4th May, 2009. The completion prognosis was as follows;

- RIH and clean out wellbore.
- Perform coil tube fracture stimulation as described in fracture program
- RIH 2 3/8" 4.7 lb/ft and 2 7/8" production tubing set at 690.48m.

In total 71 joints of 2 7/8" 4.7lb/ft production tubing were used, including a pump seat nipple. Well completion operations were completed on the 15th May, 2009

Well was circulated with water. Bottom was first tagged at 613.4 prior to BJ coil tube perforation/fracturing operations, refer to Appendix 3, 4 & 5- Events Log and BJ Post Job Reports.

Figure 3: Well Schematic



5. OTHER OPERATIONS

5.1 Geophysical Logging

Please refer to accompanying LAS files

6. CONCLUSION

The coals encountered at Waukivory 3 were found to be of good thickness and quality, similar to those intersected at the Stratford Pilot.

This well forms part of the Gloucester exploration drilling program which is designed to delineate the extent of the productive gas field or identify prospective new areas for further testing.

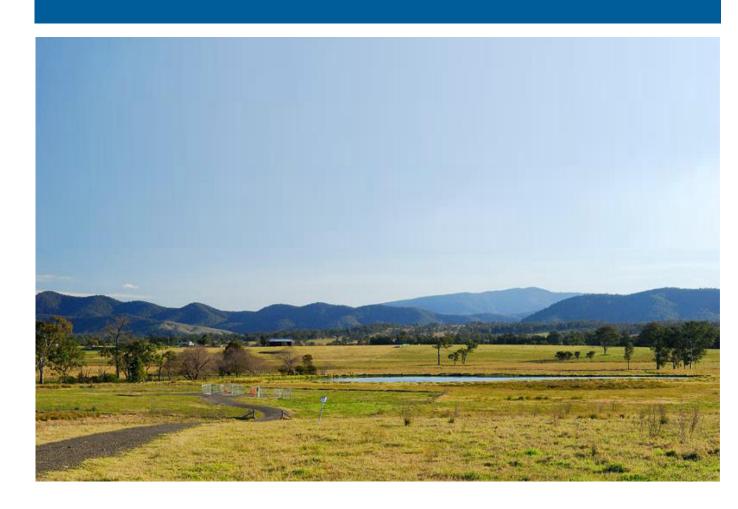
The well has also provided a valuable dataset in further understanding coal seam methane reservoir characteristics and how better to explore, develop and manage the resource within the Gloucester Basin.

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7.	GR/CCL Log	
8.	Deviation Survey	
9.	Cement Bond Log	

Appendix B

Water quality summary tables and RDP's



Summary Table - Water quality data and Relative Percentage Differences (RDP)

Guidelines		Units	LOR	ANZECC 2000		CR06			WK03		I	CR06			WK03	
Series 1969 1969 1969 1969 1969 1969 1969 196		J.III.S	LOR	Guidelines	28/06/2013		1/10/2013	28/06/2013		1/10/2013	1st & 2nd		1st & 3rd	1st & 2nd		1st & 3rd
Standard 1966 1967 1968 1969 196	pH (field)															
Second		-					5,439			4,464		21.45				1
Second 196		<u> </u>		125 - 2200*										.		
Second part																
Second	Total Dissolved Solids (calc.) (lab)		-		na	4,680	na	na	2,890	na	nc	nc	nc	nc	nc	nc
No.	Suspended Solids		1 0.1	-												
Section	Redox	mV	-		-61.8	-153.4	-172.8	-171.3	-153.7	-96.0	-85.13	-11.89	-94.63	10.83	46.22	56.34
Schwarzenscheller 19 19 19 19 19 19 19 19 19 19 19 19 19	Laboratory Analytes					3										
STATE STAT	Carbonate Alkalinity as CaCO ₃	mg/L	1	-	<1	<1	<1	<1	<1	<1	nc	nc	nc	nc	nc	nc
Teal	Total Alkalinity as CaCO ₃	mg/L	1	-	1,880	2,020	1,360	1,810	2,100	1,770	-7.18	39.05	32.10	-14.83	17.05	2.23
Section		_		-	958		1,020				-28.01	21.83	-6.27	-10.35	1.15	-9.20
Series (1968) 1979 (1979) 1979		_		-												
Second S				-												
		_												-		
Second Column		mg/L	0.1	-	1.4	1.4	1.5	0.3	0.3	0.2	0.00	-6.90	-6.90	0.00	40.00	40.00
State	Total Anions			-												
Second S	Ionic Balance			-												
March Marc	Aluminium			0.055												
Section	Arsenic	mg/L	0.001	0.013 (As V)	<0.001	0.001	0.004	<0.001	<0.001	<0.001		-120.00	nc	nc	nc	nc
Section		mg/L	0.001		<0.001	4.3	2.46	<0.001	2.02	1.48						
Sept																
Mary	Cobalt	mg/L												-		nc
Second Prop. 2008	Lead	mg/L	0.001	0.0034	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	nc	nc	nc	nc	nc	nc
Note 1	Mercury	mg/L	0.0001	0.0006	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	nc	nc	nc	nc	nc	nc
Section	Nickel	mg/L	0.001	0.011	0.003	0.001	0.006	0.002	0.004	<0.001	100.00	-142.86	-66.67	-66.67	nc	nc
Company	Strontium	mg/L	0.001	-	3.36	3.06	2.15	0.986	1.01	0.960	9.35	34.93	43.92	-2.40	5.08	2.67
December Column	Vanadium	mg/L	0.01	ID	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	nc	nc	nc	nc	nc	nc
Section Sect		-	0.05	0.37	0.33	0.27	0.20	0.23	0.19	0.15	20.00	29.79	49.06	19.05	23.53	42.11
Second No. PST Second No. PST Second No. PST P		_														
Marie and Mari		mg/L	0.01	0.02*	1.9	na	na	1.46	na	na	nc	nc	nc	nc	nc	nc
Team Programmer		mg/L		- 0.7										1		
Triangle Control	Total Phosphorous	mg/L	0.01	0.05*	1.26	na	na	0.51	na	na	nc	nc	nc	nc	nc	nc
Martine	Total Organic Carbon															
Present	Methane			-												
Program (pg) 100 : 410	Ethane	μg/L	10	-	14	na	na	384	na	na	nc	nc	nc	nc	nc	nc
Mare Mary		μg/L	10	-	<10			70								
Present Pres				-												
Submisplement Martin Mar		μg/L	1	320	<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
Sale-polymeric Sale																
2.4-Development 1,95°. 1 1 10 410 10 10 10 10 10 10 10 10 10 10 10 10 1	3-&4-Methylphenol	μg/L		- ID		na	na			na	nc	nc	nc		nc	nc
28-Delengement	2.4-Dimethylphenol	μg/L	1	ID	<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
24.5 FireIntrophered Up\$, 1	2.6-Dichlorophenol	μg/L	1		<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
Personance propogeneral personance propogeneral personance persona	2.4.6-Trichlorophenol	μg/L	1		<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
Naghthalene	Pentachlorophenol															
Accomplishmene 1991. 1 1 1 10 10 10 10 10	Naphthalene															
Penalethrene			1		<1.0			<1.9								
Ambracenee 1,191				- ID												
Perme	Anthracene	μg/L	1	ID	<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
Carponen ygl	Pyrene	μg/L	1	-	<1.0	na	na	8.6	na	na	nc	nc	nc	nc	nc	nc
Serce/ORIDorambene	Chrysene	μg/L	1	-	<1.0	na	na	17.5	na	na	nc	nc	nc	nc	nc	nc
Element (2.3 act) bytene	Benzo(k)fluoranthene	μg/L	1		<1.0	na	na	2	na	na	nc	nc	nc	nc	nc	nc
Benzelph Diperviene	Indeno(1.2.3.cd)pyrene	μg/L	1	- U	<1.0	na	na	<1.9	na	na	nc	nc	nc	nc	nc	nc
Total petroleum hydrocarbons	Benzo(g.h.i)perylene	μg/L	1	-	<1.0		na	4.7							nc	
C10-C14 Fraction		μg/L	0.5	-	<0.5	na	na	57.4	na	na	nc	nc	nc	nc	nc	nc
C29-C36 Fraction µg/L 50 ID 130 na na 11,400 na na na nc nc nc nc nc				1												
C10-C36 Fraction (sum)	C15-C28 Fraction	μg/L			500	na	na		na	na	nc	nc	nc	nc	nc	nc
C6-C10 Fraction yg/L 20 - 20 na na 20 na na nc nc nc nc nc nc	C10-C36 Fraction (sum)															
>C10-C16 Fraction	C6-C10 Fraction			-												
>C34-C40 Fraction	>C10-C16 Fraction	μg/L	100		420	na	na	600	na	na	nc	nc	nc	nc	nc	nc
Aromatic Hydrocarbons Image: Mode of the properties of the pr	>C34-C40 Fraction	μg/L	100	-	<100			6,860								1
Benzene yg/L 1 950 3 na na 7 na na nc		μg/L	100	-	890	na	na	30,300	na	na	nc	nc	nc	nc	nc	nc
Ethyl Benzene µg/L 2 ID <2 na na na <2 na na na nc nc nc nc nc nc nc nc nc m&p.×Vjenes µg/L 2 ID 5 na na 4 na na na nc nc nc nc nc nc nc nc nc o-Xylenes µg/L 2 350 <2 na na 4 na na na nc	Benzene															
o-Xylenes yg/L 2 350 <2 na na <2 na na nc	Ethyl Benzene	μg/L	2	ID	<2	na	na	<2	na	na	nc	nc	nc	nc	nc	nc
Sum of BTEX	o-Xylenes	μg/L	2	350	<2	na	na	<2	na	na	nc	nc	nc	nc	nc	nc
	Sum of BTEX	μg/L	1		16	na	na	15	na	na	nc	nc	nc	nc	nc	nc
· · · · · · · · · · · · · · · · · · ·										na			nc	nc	nc	nc

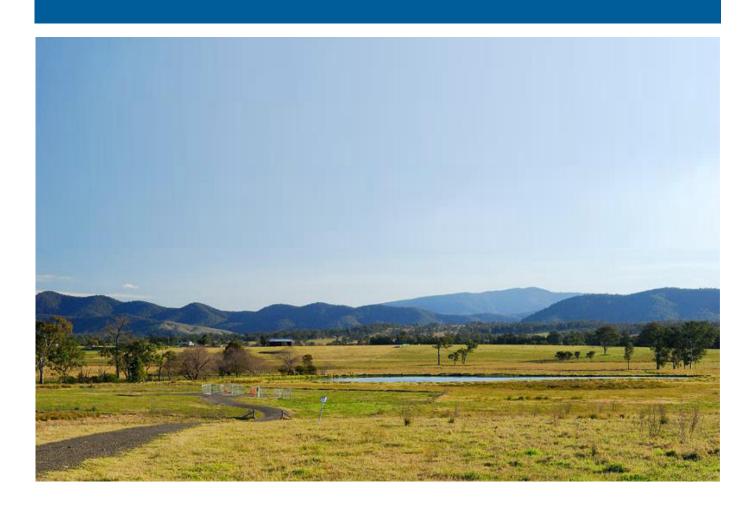
Guideline values

ANZECC 2000 - Water Quality Guidelines: 95% protection levels (trigger values) for the protection of freshwater aquatic ecosystems.

*ANZECC 2000 - Water Quality Guidelines: 95% protection levels (trigger values) for the protection of freshwater aquatic ecosystems, South-East Australia, low lying river ecosystems # Calculated using Aquachem

Appendix C

ALS results







Environmental Division

CERTIFICATE OF ANALYSIS

Work Order : **ES1314616** Page : 1 of 8

Client : PARSONS BRINCKERHOFF AUST P/L Laboratory : Environmental Division Sydney

Contact : MR JAMES DUGGLEBY Contact : Loren Schiavon

Address : GPO BOX 5394 Address : 277-289 Woodpark Road Smithfield NSW Australia 2164

SYDNEY NSW, AUSTRALIA 2001

Telephone : +61 02 9272 5100 Telephone : +61 2 8784 8503
Facsimile : +61 02 9272 5101 Facsimile : +61 2 8784 8500

Project : 2162406E QC Level : NEPM 1999 Schedule B(3) and ALS QCS3 requirement

Order number : ----

 C-O-C number
 : --- Date Samples Received
 : 28-JUN-2013

 Sampler
 : SM
 Issue Date
 : 08-JUL-2013

Site : ----

No. of samples received : 2

Quote number : SY/394/09 No. of samples analysed : 2

This report supersedes any previous report(s) with this reference. Results apply to the sample(s) as submitted. All pages of this report have been checked and approved for release.

This Certificate of Analysis contains the following information:

- General Comments
- Analytical Results
- Surrogate Control Limits

Page : 2 of 8
Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project : 2162406E



General Comments

The analytical procedures used by the Environmental Division have been developed from established internationally recognized procedures such as those published by the USEPA, APHA, AS and NEPM. In house developed procedures are employed in the absence of documented standards or by client request.

Where moisture determination has been performed, results are reported on a dry weight basis.

Where a reported less than (<) result is higher than the LOR, this may be due to primary sample extract/digestate dilution and/or insufficient sample for analysis.

Where the LOR of a reported result differs from standard LOR, this may be due to high moisture content, insufficient sample (reduced weight employed) or matrix interference.

When sampling time information is not provided by the client, sampling dates are shown without a time component. In these instances, the time component has been assumed by the laboratory for processing purposes.

Key: CAS Number = CAS registry number from database maintained by Chemical Abstracts Services. The Chemical Abstracts Service is a division of the American Chemical Society.

LOR = Limit of reporting

^ = This result is computed from individual analyte detections at or above the level of reporting

- EG020: Bromine quantification may be unreliable due to its low solubility in acid, leading to variable volatility during measurement by ICPMS.
- . EK082: Sulfur dioxide content is expressed as sulfite as sulfur dioxide gas forms sulfite when dissolved in water
- EP075(SIM): Particular samples required dilution due to the presence of high level contaminants. LOR values have been adjusted accordingly.



NATA Accredited Laboratory 825

Accredited for compliance with ISO/IEC 17025.

Signatories

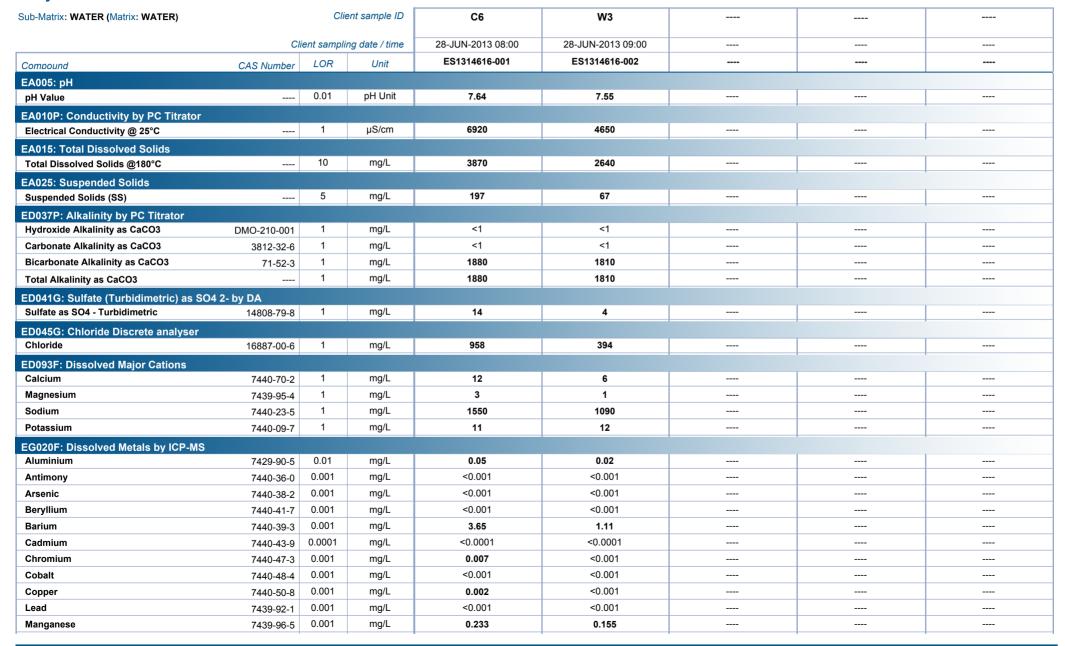
This document has been electronically signed by the authorized signatories indicated below. Electronic signing has been carried out in compliance with procedures specified in 21 CFR Part 11.

Signatories	Position	Accreditation Category	
Ankit Joshi	Inorganic Chemist	Sydney Inorganics	
Celine Conceicao	Senior Spectroscopist	Sydney Inorganics	
Hoa Nguyen	Senior Inorganic Chemist	Sydney Inorganics	
Merrin Avery	Supervisor - Inorganic	Newcastle - Inorganics	
Phalak Inthaksone	Laboratory Manager - Organics	Sydney Organics	
		Sydney Organics	

Page : 3 of 8
Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406E

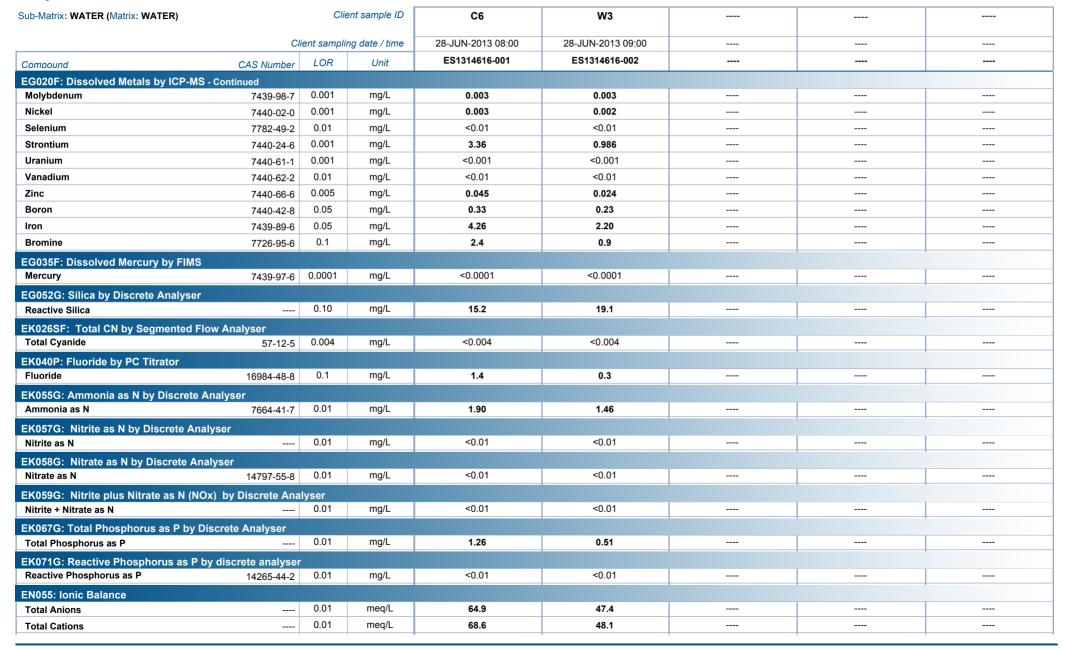




Page : 4 of 8 Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406E





Page : 5 of 8 Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406E

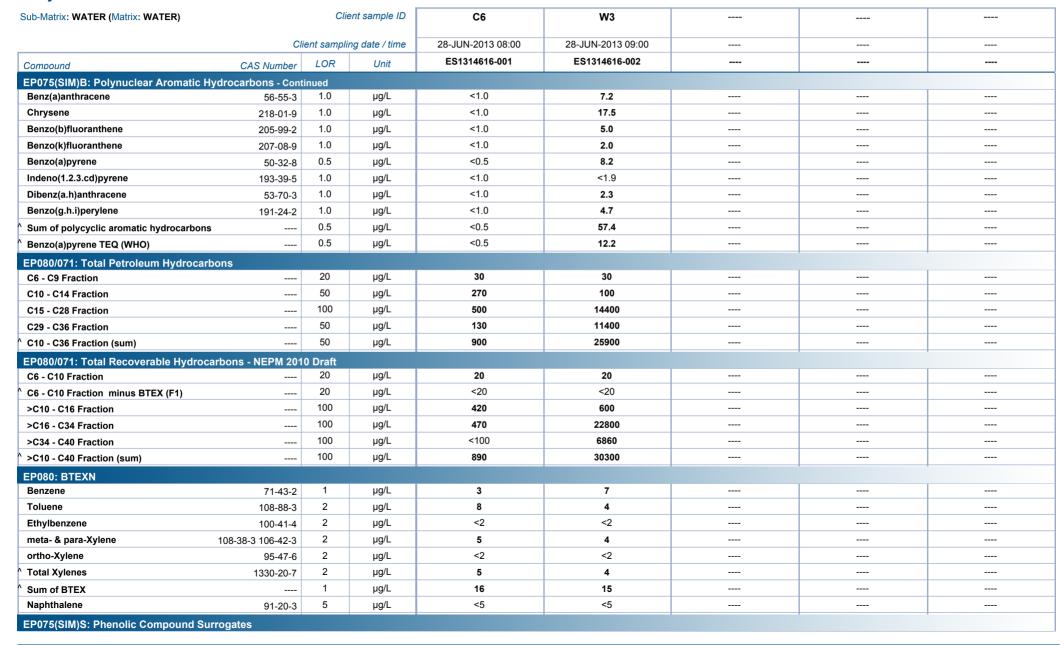




Page : 6 of 8 Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406E

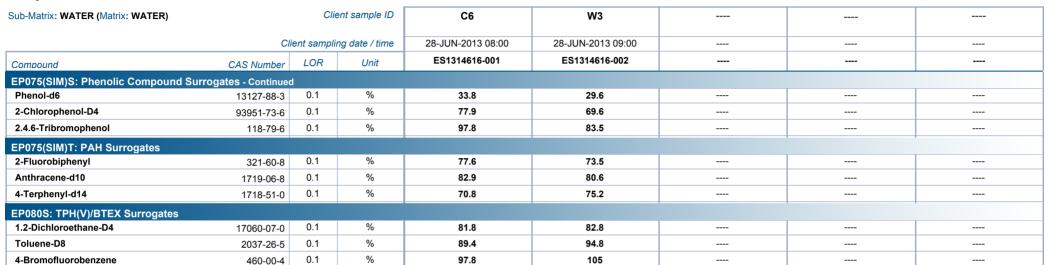




Page : 7 of 8 Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project : 2162406E





Page : 8 of 8 Work Order : ES1314616

Client : PARSONS BRINCKERHOFF AUST P/L

Project : 2162406E

Surrogate Control Limits

Sub-Matrix: WATER		Recovery	Limits (%)
Compound	CAS Number	Low	High
EP075(SIM)S: Phenolic Compound Surrogates			
Phenol-d6	13127-88-3	10.0	44
2-Chlorophenol-D4	93951-73-6	15.9	102
2.4.6-Tribromophenol	118-79-6	17	125
EP075(SIM)T: PAH Surrogates			
2-Fluorobiphenyl	321-60-8	20.4	112
Anthracene-d10	1719-06-8	29.6	118
4-Terphenyl-d14	1718-51-0	21.5	126
EP080S: TPH(V)/BTEX Surrogates			
1.2-Dichloroethane-D4	17060-07-0	71	137
Toluene-D8	2037-26-5	79	131
4-Bromofluorobenzene	460-00-4	70	128





CERTIFICATE OF ANALYSIS

Work Order : **ES1318203** Page : 1 of 13

Amendment : 1

Client : PARSONS BRINCKERHOFF AUST P/L Laboratory : Environmental Division Sydney

Contact : MR JAMES DUGGLEBY Contact : Client Services

Address : GPO BOX 5394 Address : 277-289 Woodpark Road Smithfield NSW Australia 2164

SYDNEY NSW, AUSTRALIA 2001

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 Facsimile
 : +61-2-8784 8500

racsimile : +61 02 92/2 5101 racsimile : +61-2-6/84 8500

Project : 2162406C QC Level : NEPM 2013 Schedule B(3) and ALS QCS3 requirement Order number : ----

 C-O-C number
 : --- Date Samples Received
 : 15-AUG-2013

 Sampler
 : CR/CS
 Issue Date
 : 01-NOV-2013

Site : ---No. of samples received : 17

Quote number : EN/008/13 No. of samples analysed : 17

This report supersedes any previous report(s) with this reference. Results apply to the sample(s) as submitted. All pages of this report have been checked and approved for release.

This Certificate of Analysis contains the following information:

- General Comments
- Analytical Results



Page : 2 of 13

Work Order : ES1318203 Amendment 1

Client PARSONS BRINCKERHOFF AUST P/L

Project · 2162406C



General Comments

The analytical procedures used by the Environmental Division have been developed from established internationally recognized procedures such as those published by the USEPA, APHA, AS and NEPM. In house developed procedures are employed in the absence of documented standards or by client request.

Where moisture determination has been performed, results are reported on a dry weight basis.

Where a reported less than (<) result is higher than the LOR, this may be due to primary sample extract/digestate dilution and/or insufficient sample for analysis.

Where the LOR of a reported result differs from standard LOR, this may be due to high moisture content, insufficient sample (reduced weight employed) or matrix interference.

When sampling time information is not provided by the client, sampling dates are shown without a time component. In these instances, the time component has been assumed by the laboratory for processing purposes.

Key: CAS Number = CAS registry number from database maintained by Chemical Abstracts Services. The Chemical Abstracts Service is a division of the American Chemical Society.

LOR = Limit of reporting

^ = This result is computed from individual analyte detections at or above the level of reporting

- EA016: Calculated TDS is determined from Electrical conductivity using a conversion factor of 0.65.
- EP005 : NPOC analysis was carried out for sample ID (TMB04) due to high inoganic carbon content
- This report has been amended and re-released to allow the reporting of additional analytical data.



NATA Accredited Laboratory 825

Accredited for compliance with ISO/IEC 17025.

Signatories

This document has been electronically signed by the authorized signatories indicated below. Electronic signing has been carried out in compliance with procedures specified in 21 CFR Part 11.

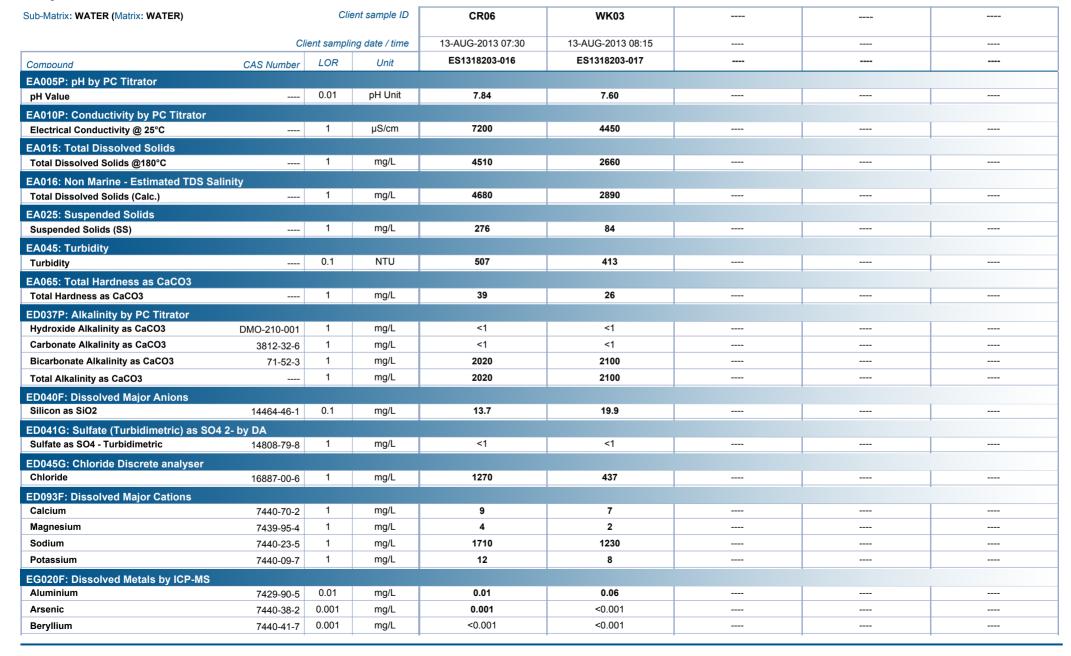
Signatories	Position	Accreditation Category	
Ankit Joshi	Inorganic Chemist	Sydney Inorganics	
Ashesh Patel	Inorganic Chemist	Sydney Inorganics	
Celine Conceicao	Senior Spectroscopist	Sydney Inorganics	
Hoa Nguyen	Senior Inorganic Chemist	Sydney Inorganics	

Page : 12 of 13

Work Order : ES1318203 Amendment 1

Client PARSONS BRINCKERHOFF AUST P/L

Project · 2162406C



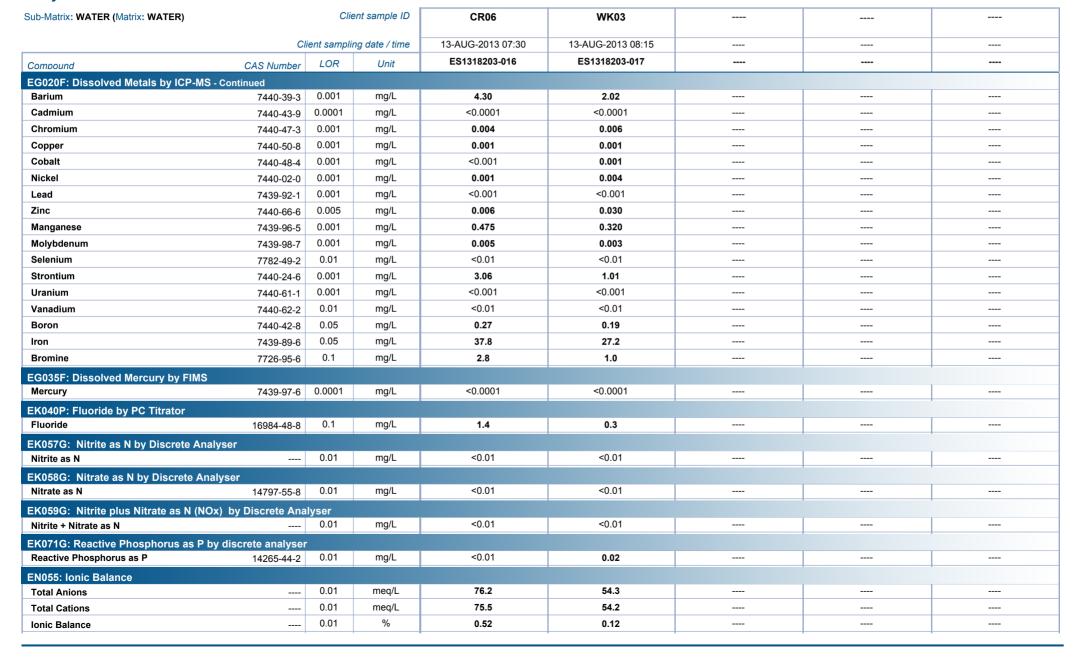


Page : 13 of 13

Work Order : ES1318203 Amendment 1

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406C







CERTIFICATE OF ANALYSIS

Work Order : **ES1321591** Page : 1 of 4

Amendment : 1

Client : PARSONS BRINCKERHOFF AUST P/L Laboratory : Environmental Division Sydney

Contact : MR JAMES DUGGLEBY Contact : Client Services

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SYDNEY NSW, AUSTRALIA 2001

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 : +61-2-8784 8555

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 : +61-2-8784 8500

Project : 2162406C QC Level : NEPM 2013 Schedule B(3) and ALS QCS3 requirement

Order number : ----

 C-O-C number
 : -- Date Samples Received
 : 02-OCT-2013

 Sampler
 : -- Issue Date
 : 01-NOV-2013

Site : ----

This report supersedes any previous report(s) with this reference. Results apply to the sample(s) as submitted. All pages of this report have been checked and approved for release.

This Certificate of Analysis contains the following information:

- General Comments
- Analytical Results



NATA Accredited Laboratory 825

Accredited for compliance with ISO/IEC 17025.

Signatories

This document has been electronically signed by the authorized signatories indicated below. Electronic signing has been carried out in compliance with procedures specified in 21 CFR Part 11.

Signatories	Position	Accreditation Category	
Ankit Joshi	Inorganic Chemist	Sydney Inorganics	
Celine Conceicao	Senior Spectroscopist	Sydney Inorganics	
Hoa Nguyen	Senior Inorganic Chemist	Sydney Inorganics	

Address 277-289 Woodpark Road Smithfield NSW Australia 2164 | PHONE +61-2-8784 8555 | Facsimile +61-2-8784 8500 |
Environmental Division Sydney ABN 84 009 936 029 Part of the ALS Group An ALS Limited Company



Page : 2 of 4

Work Order : ES1321591 Amendment 1

Client PARSONS BRINCKERHOFF AUST P/L

Project : 2162406C

ALS

General Comments

The analytical procedures used by the Environmental Division have been developed from established internationally recognized procedures such as those published by the USEPA, APHA, AS and NEPM. In house developed procedures are employed in the absence of documented standards or by client request.

Where moisture determination has been performed, results are reported on a dry weight basis.

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Where the LOR of a reported result differs from standard LOR, this may be due to high moisture content, insufficient sample (reduced weight employed) or matrix interference.

When sampling time information is not provided by the client, sampling dates are shown without a time component. In these instances, the time component has been assumed by the laboratory for processing purposes.

Key: CAS Number = CAS registry number from database maintained by Chemical Abstracts Services. The Chemical Abstracts Service is a division of the American Chemical Society.

LOR = Limit of reporting

^ = This result is computed from individual analyte detections at or above the level of reporting

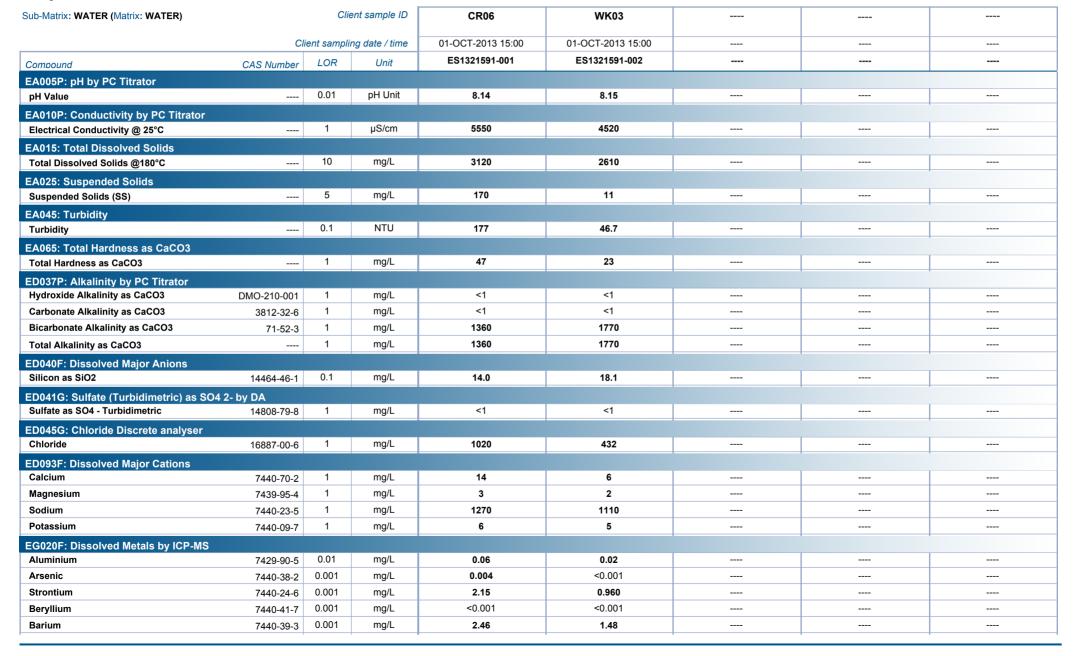
- EA016: Calculated TDS is determined from Electrical conductivity using a conversion factor of 0.65.
- This report has been amended and re-released to allow the reporting of additional analytical data.

Page : 3 of 4

Work Order : ES1321591 Amendment 1

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406C





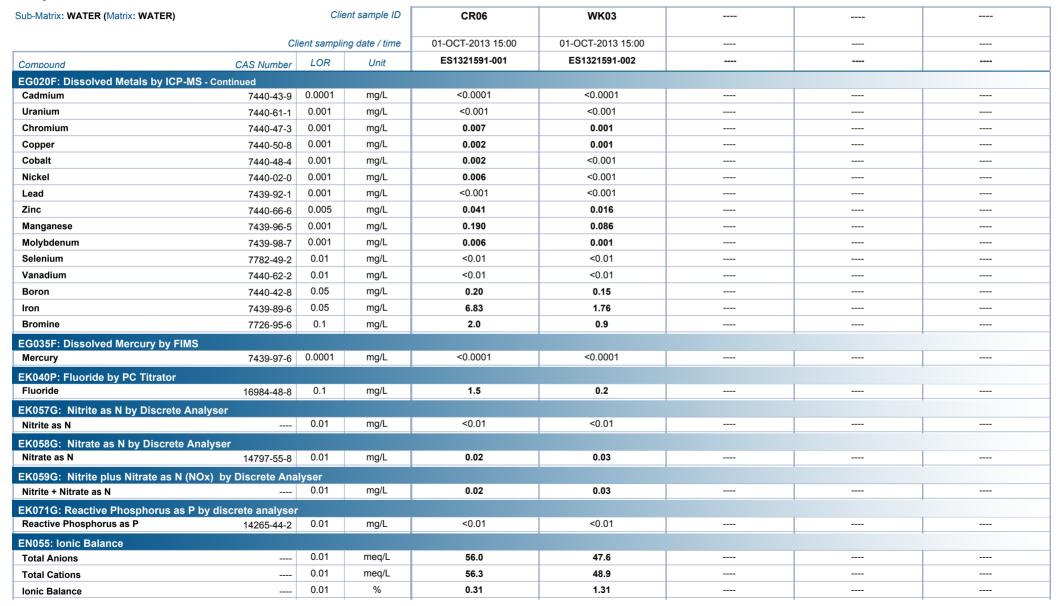
Page : 4 of 4

Work Order : ES1321591 Amendment 1

Client : PARSONS BRINCKERHOFF AUST P/L

Project · 2162406C

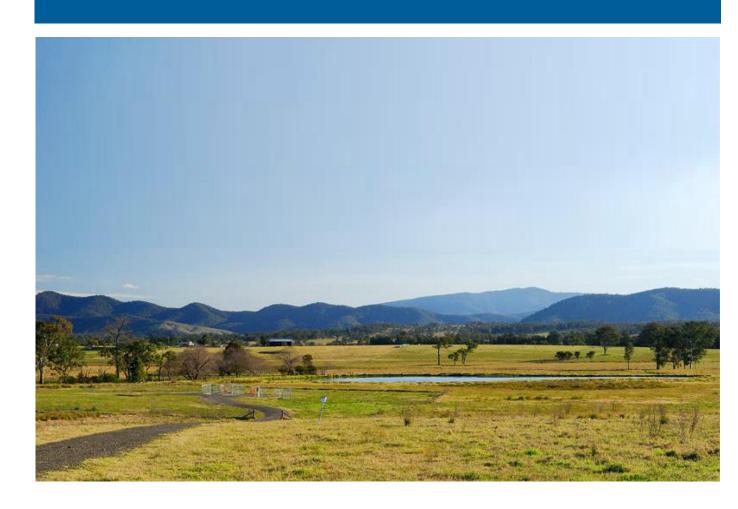
Analytical Results





Appendix D

GNS Stable Isotope Laboratory results



STABLE ISOTOPE RESULTS

Parsons Brinckerhoff Level 27, 680 George St World Square, Sydney NSW 2001 Australia



National Isotope Centre 30 Gracefield Road Lower Hutt 5010 PO Box 31 312 Lower Hutt 5040 New Zealand T +64.4-570 1444 F +64.4-570 4657 www.gns.cri.nz

Project Title

2162406C - Waukivory

Invoice

Parsons Brinckerhoff

SIL Order No.:

Attn: Ellen Kwantes

Client Ref.:

Level 27, 680 George St

Date Received:

World Square, Sydney

Date Measured:

NSW 2001

Approved By:

Australia

Date Reported:

1/10/2013

Sample Type:

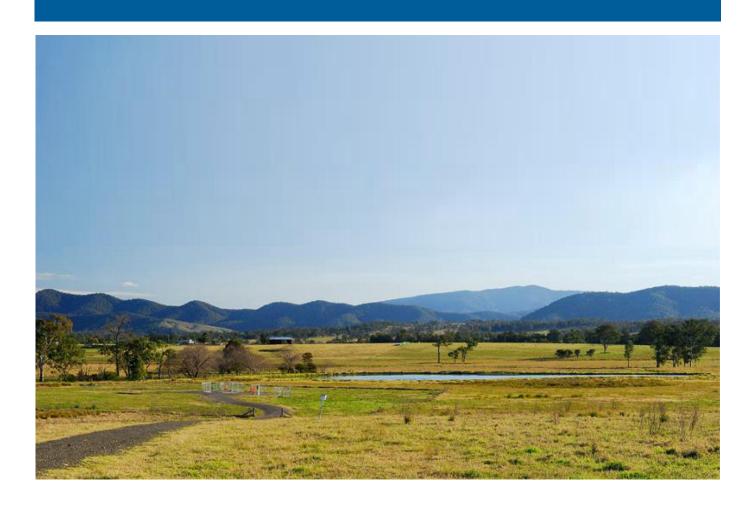
water (H & O)

3/09/2013

SIL ID	External ID	δD Value	δ180 Value	Analysis Type	Overseas or NZ	State or Province	Country Code	Collection Date/Time (Start)	Other Info
W-1302056	CR06	-38.2	-6.58	D, O18	OS	New South Wales	AS	28/06/2013 8:00	groundwater
W-1302057	WK03	-34.4	-6.46	D, O18	OS	New South Wales	AS	28/06/2013 9:00	groundwater

Appendix E

Rafter Radiocarbon Laboratory results





Rafter Radiocarbon

Accelerator Mass Spectrometry Result

This result for the sample submitted is for the exclusive use of the submitter. All liability whatsoever to any third party is excluded.

NZA 54479 R 40358/1

Job No: 196625 Measured: 12/09/2013 TW No: 2885

Date issued: 30 Sep 2013

Sample ID CR06

Description Groundwater

Fraction dated Water

Submitter Ellen Kwantes Parsons Brinckerhoff

Conventional Radiocarbon Age (years BP) 34222 ± 284

 δ^{13} C and Source of measurement 26.5 ± 0.2 C13

Fraction modern 0.0141 ± 0.0005

 Δ^{14} C (%) and collection date $_{-986.0}$ \pm 0.5 28 Jun 2013

Measurement Unusually-enriched d13C, but a search of the stable isotope literature indicates that it is not

Comment: unprecedented.

Sample Treatment Details

Sample was submitted in a fully capped plastic bottle with a layer of orange brown precipitate at bottom with no head space. Sample was colourless. CO2 was generated by phosphoric acid evolution, and carbonate content was 477.5 mgC/kgH2O, total dissolved inorganic carbon (TDIC) 39.8 mmol/kgH2O. Sample carbon dioxide was converted to graphite by reduction with hydrogen over iron catalyst.

Conventional Radiocarbon Age and Δ^{14} C are reported as defined by Stuiver and Polach, Radiocarbon 19:355-363 (1977) and Δ^{14} C is decay corrected to the collection date given, and not reported if no collection date was supplied. Fraction modern (F) is the blank corrected fraction modern normalized to δ^{13} C of -25 permil, defined by Donahue, D. J., T. Linick, and A. T. Jull, *Radiocarbon*, 32 (2):135-142 (1990). δ^{13} C was obtained from the source indicated. The reported errors comprise statistical errors in sample and standard determinations, combined in quadrature with a system error component based on the analysis of an ongoing series of measurements on an oxalic acid standard. Further details of pretreatment and analysis are available on request.



Rafter Radiocarbon

Accelerator Mass Spectrometry Result

This result for the sample submitted is for the exclusive use of the submitter. All liability whatsoever to any third party is excluded.

NZA 54610 R 40358/2

Job No: 196626 Measured: 23/09/2013

TW No: 2888 Date issued: 30 Sep 2013

Sample ID WK03

Description Groundwater

Fraction dated Water

Submitter Ellen Kwantes Parsons Brinckerhoff

35162 403 \pm Conventional Radiocarbon Age (years BP) δ¹³C and Source of measurement 9.0 0.2 C13 Fraction modern 0.0126 0.0006 Δ^{14} C (‰) and collection date 28 Jun 2013 -987.5 0.6 Measurement

Measurement Comment:

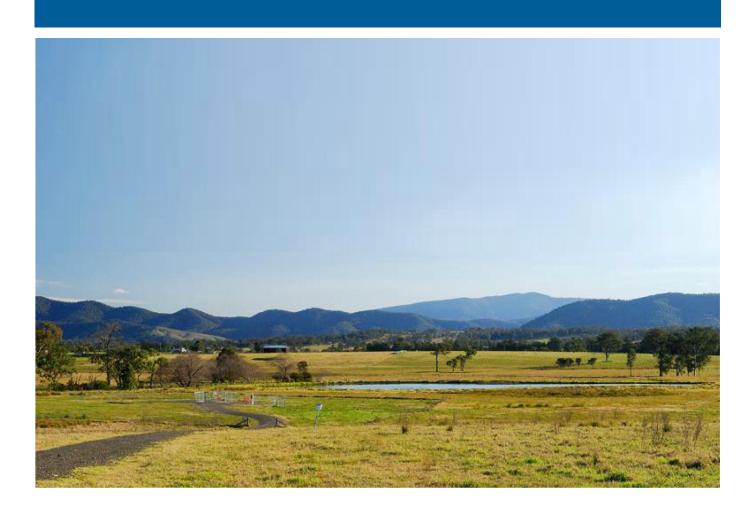
Sample Treatment Details

Sample was submitted in a fully capped plastic bottle with a layer of orange brown precipitate and black splinters at bottom but no head space. Water was colourless. CO2 was generated by phosphoric acid evolution, and carbonate content was 461.4 mgC/kgH2O, total dissolved inorganic carbon (TDIC) 38.5 mmol/kgH2O. Sample carbon dioxide was converted to graphite by reduction with hydrogen over iron catalyst.

Conventional Radiocarbon Age and Δ^{14} C are reported as defined by Stuiver and Polach, Radiocarbon 19:355-363 (1977) and Δ^{14} C is decay corrected to the collection date given, and not reported if no collection date was supplied. Fraction modern (F) is the blank corrected fraction modern normalized to δ^{13} C of -25 permil, defined by Donahue, D. J., T. Linick, and A. T. Jull, *Radiocarbon*, 32 (2):135-142 (1990). δ^{13} C was obtained from the source indicated. The reported errors comprise statistical errors in sample and standard determinations, combined in quadrature with a system error component based on the analysis of an ongoing series of measurements on an oxalic acid standard. Further details of pretreatment and analysis are available on request.

Appendix F

UC Davis Stable Isotope Facility - Carbon 13 and methane results



Sample	$\delta^{13}C_{VPDB}$	μg C/mL Comments	Project: 2162406C
CR06	25.77	396.5	CHECK STD
WK03	8.27	380.4	0.2 ml 10mM Li2CO3 (Acros)

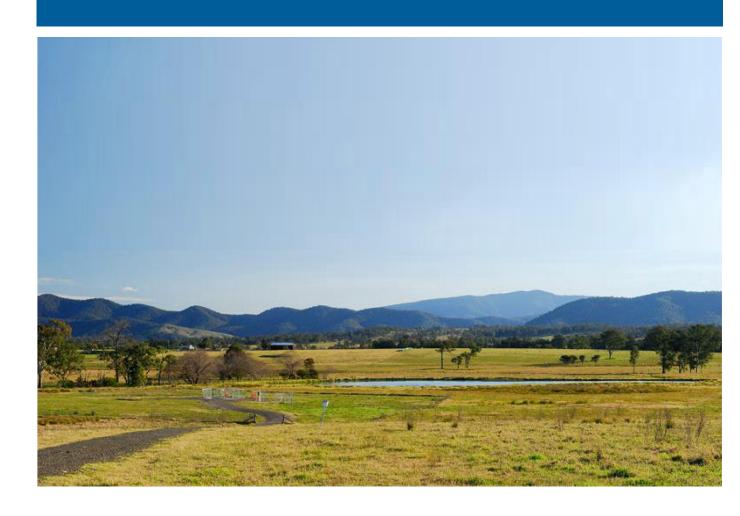
MEASURED	KNOWN	
-13.39	-13.37	
-13.34	MEAN	
-13.37	-13.38	
-13.43	SD	
	0.04	

Sample CR06	δ ¹³ C _{VPDB} Comments -38.29 Below LOQ			
WK03	-41.57	CHECK STD (10 ppm)		KNOWN
		UCDM3	-36.87	-36.7
		UCDM3	-36.66	-36.7
		UCDM3	-36.68	-36.7
		UCDM3	-36.97	-36.7
		UCDM3	-36.63	-36.7
		UCDM3	-36.66	-36.7
		avg	-36.74	
		sd	0.14	
		CALIBRATION STDS	MEASURED	KNOWN
		NG1	-34.00	-34.2
		NG1	-34.08	-34.2
		NG2	-69.11	-68.9
		NG2	-69.38	-68.9
		0.4.0145014.0750	MEAGUEED	140101441
		2nd CHECK STDS	MEASURED	KNOWN
		Hiso	-23.70	-23.9
		H iso	-23.62	-23.9
		L iso	-66.11	-66.5
		L iso	-66.31	-66.5
		B iso	-54.66	-54.5
		B iso	-54.89	-54.5
		T iso	-38.50	-38.3
		T iso	-38.63	-38.3

Sample	δ ² H _{vsmow} Comments			
CR06	-135.9 Below LOQ			
WK03	-193.8	CHECK STD (10 ppm)	MEASURED	KNOWN
		UCDM3	-149.4	-149.0
		UCDM3	-150.5	-149.0
		UCDM3	-149.1	-149.0
		UCDM3	-149.6	-149.0
		UCDM3	-144.6	-149.0
		UCDM3	-147.6	-149.0
		avg	-148.5	
		sd	2.1	
		CALIBRATION STDS	MEASURED	KNOWN
		NG1	-188.1	-185.1
		NG1	-185.7	-185.1
		NG2	-236.4	-237.0
		NG2	-236.4	-237.0
		NG3	-168.0	-167.6
		NG3	-164.8	-167.6
		01 01 15 01/ 07 00	MEAGUIDED	IZNIOVA/NI
		2nd CHECK STDS		KNOWN
		Mamm	-184.7	-189.1
		H iso	-153.9	-155.7
		B iso	-266.6	-269.1
		D 180	-200.0	-203.1

Appendix G

ANU Department of Nuclear Physics - Chlorine-36 results



Wheel C251 - 03 September 2013

Sample	³⁶ CI/CI (x10 ⁻¹⁵)	Error
Carolina Sardella,		
Parsons Brinckerhoff		
WK03	30.1	1.6
CR06	23.1	1.5