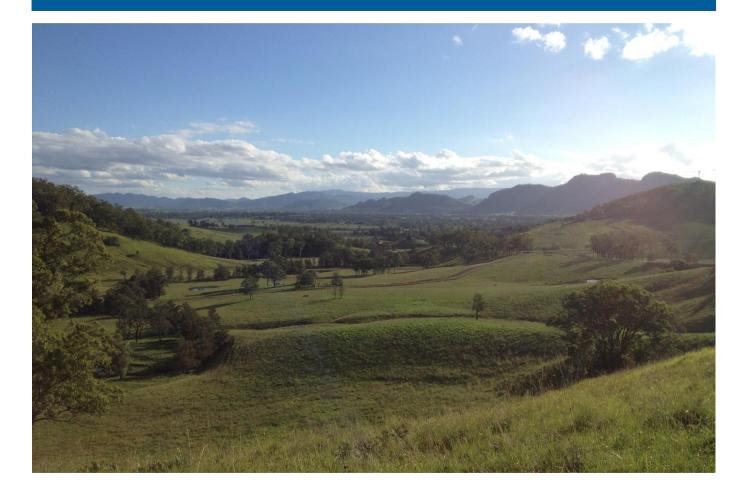
AGL Upstream Investments Pty Ltd

2016 Groundwater and Surface Water Monitoring Status Report

Gloucester Gas Project

7 September 2016





Document information

Client: AGL Upstream Investments Pty Ltd Title: 2016 Groundwater and Surface Water Monitoring Status Report Subtitle: Gloucester Gas Project Document No: 2200566A-WAT-REP-001 RevD Date: 7 September 2016

Rev	Date	Details
А	26/08/2016	1st Draft
В	26/08/2016	2nd Draft
С	06/09/2016	3rd Draft
D	07/09/2016	Final

Author, Reviewer and Approver details				
Prepared by:	Angus McFarlane	Date: 07/09/2016	Signature:	P
Reviewed by:	Sean Daykin	Date: 07/09/2016	Signature:	Byle
Approved by:	Ray Hatley	Date: 07/09/2016	Signature:	P

Distribution

AGL Upstream Investments Pty Ltd, Parsons Brinckerhoff file, Parsons Brinckerhoff Library

©Parsons Brinckerhoff Australia Pty Limited 2015

Copyright in the drawings, information and data recorded in this document (the information) is the property of Parsons Brinckerhoff. This document and the information are solely for the use of the authorised recipient and this document may not be used, copied or reproduced in whole or part for any purpose other than that for which it was supplied by Parsons Brinckerhoff. Parsons Brinckerhoff makes no representation, undertakes no duty and accepts no responsibility to any third party who may use or rely upon this document or the information.

Document owner

Parsons Brinckerhoff Australia Pty Limited

ABN 80 078 004 798

Level 27 Ernst & Young Centre 680 George Street Sydney NSW 2000 GPO Box 5394 Sydney NSW 2001 Australia Tel: +61 2 9272 5100 Fax: +61 2 9272 5101 www.pbworld.com *Certified to ISO 9001, ISO 14001, OHSAS 18001*

Contents

Page n	umber
--------	-------

Glo	ssary			iv
	oreviati	ione		viii
		0115		
Unit	ts			viii
Exe	cutive	summar	у	ix
1.	Intro	duction		1
	1.1	Backgro	bund	1
	1.2	Objectiv	ves	1
	1.3	Scope of	of works	1
2.	Site	characte	risation	5
	2.1	Rainfall		5
	2.2	Surface	hydrology	7
	2.3	Geologi	cal setting	7
	2.4	Hydroge	eological setting	11
3.	Mon	itoring pr	ogram	13
	3.1	Monitor	ing network	13
		3.1.1 3.1.2	Groundwater Surface water	13 18
	3.2	Water le	evel monitoring	23
4.	Grou	undwater	monitoring	24
	4.1	Ground	water levels	24
		4.1.1 4.1.2	Temporal trends Vertical gradients	24 37
	4.2	Shallow	gas monitoring	38
	4.3	Ground	water salinity	39
5.	Surfa	ace wate	r monitoring	40
	5.1	Surface	water levels	40
		5.1.1	Groundwater-surface water interaction	אר 42
	5.2	Surface	water flows	44
	5.3	Surface	water quality	44
				Parsons Brinckerhoff 2200566A-WAT-REP-001 RevD i

6.	Concl	usions	48
7.	Stater	ment of limitations	50
	7.1	Scope of services	50
	7.2	Reliance on data	50
	7.3	Environmental conclusions	50
	7.4	Report for benefit of client	50
	7.5	Other limitations	51
8.	Refer	ences	52

List of tables

Page number

Table 2.1	BoM stations in the Gloucester Basin (BoM 2016)	5
		5
Table 2.2	Stratigraphy of the Gloucester Basin	9
Table 2.3	Four hydrogeological units – Gloucester Basin	11
Table 3.1	AGL Gloucester groundwater monitoring bores	14
Table 3.2	Summary of AGL Gloucester vibrating wire piezometer construction details	18
Table 3.3	Summary of AGL multizone monitoring well construction details	18
Table 3.4	AGL Gloucester stream gauges	19
Table 4.1	Vertical gradients at the nested monitoring bore installations	37
Table 4.2	Gas sampling composition	38
Table 5.1	EC observations during the 2016 monitoring period	47

List of figures

Page number

Figure 1.1	Regional location	3
Figure 1.2	Groundwater and surface water monitoring network – Gloucester Gas Project	4
Figure 2.1	Long term annual rainfall and cumulative deviation from annual mean (CDFM)	
	rainfall at Gloucester Post Office BoM station 060015 (BoM 2016)	6
Figure 2.2	Monitoring period monthly rainfall, and cumulative deviation from the monthly mean	
	(CDFM) rainfall at the AGL Gloucester station (AGL 2016)	6
Figure 2.3	Monthly rainfall and long term average (LTA) monthly rainfall for the monitoring	
	period.	7
Figure 2.4	Regional geology	10
Figure 3.1	Groundwater and surface water monitoring locations – northern area	20
Figure 3.2	Groundwater and surface water monitoring locations – central area	21
Figure 3.3	Groundwater and surface water monitoring locations – southern area	22
Figure 3.4	Groundwater level data collection periods for each nested groundwater bore	
	location	23
Figure 3.5	Surface water level data collection periods for each monitoring location	23
Figure 4.1	Groundwater levels and rainfall in the TMB alluvial monitoring bores	25
Figure 4.2	Groundwater levels and rainfall at the AMB alluvial monitoring bores	25
Figure 4.3	Groundwater levels and rainfall at the WMB alluvial monitoring bore	26

Figure 4.4	Groundwater levels and rainfall at the S4MB site	28
Figure 4.5	Groundwater levels and rainfall at the S5MB site	28
Figure 4.6	Groundwater levels and rainfall at the TCMB site	29
Figure 4.7	Groundwater levels and rainfall at the TTMB site	29
Figure 4.8	Groundwater levels and rainfall at the BMB site	30
Figure 4.9	Groundwater levels and rainfall at the RMB site	30
Figure 4.10	Groundwater levels and rainfall at the WMB site	31
Figure 4.11	Groundwater levels and rainfall at the WKMB site	31
Figure 4.12	Groundwater levels and rainfall at the WRMB06 site	32
Figure 4.13	Groundwater levels and rainfall at the FKMB site	32
Figure 4.14	Groundwater levels and rainfall at the BWMB site	33
Figure 4.15	Groundwater levels and rainfall at the WRMB site	33
Figure 4.16	Groundwater levels and rainfall at the Merridong site	34
Figure 4.17	Groundwater levels and rainfall at the PL03 VWP	35
Figure 4.18	Groundwater levels and rainfall at the WKMB05 multizone monitoring well	36
Figure 4.19	Groundwater levels and rainfall at the LMG01 monitoring well	36
Figure 4.20	EC of groundwater and rainfall at the WKMB06A and WKMB06b monitoring wells.	39
Figure 5.1	Avon River (ASW01, ASW02 and TSW01) and Dog Trap Creek (TSW02) stream	
	level and rainfall	41
Figure 5.2	Avon River (WKSW01 and WKSW03) and Waukivory Creek (WKSW02) stream	
	level and rainfall	42
Figure 5.3	Surface water hydrographs and groundwater levels in the adjacent alluvium for the	
	Avon River and Dog Trap Creek	43
Figure 5.4	Avon River and Dog Trap Creek estimated flows and rainfall	44
Figure 5.5	Water levels and EC (μ S/cm) on the Avon River (ASW01, ASW02 and TSW01)	
	and Dog Trap Creek (TSW02) during the 2016 monitoring period	45
Figure 5.6	Water levels and EC (μ S/cm) on the Avon River (WKSW01 and WKSW03) and	
	Waukivory Creek (WKSW02) during the 2016 monitoring period	46

Glossary

Alluvium	Unconsolidated sediments (clays, sands, gravels and other materials) deposited by flowing water. Deposits can be made by streams on river beds, floodplains, and alluvial fans.
Alluvial aquifer	Permeable zones that store and produce groundwater from unconsolidated alluvial sediments. Shallow alluvial aquifers are generally unconfined aquifers.
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, confined	An aquifer that is overlain by low permeability strata. The hydraulic conductivity of the confining bed is significantly lower than that of the aquifer.
Aquifer, semi-confined	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.
Australian Height Datum (AHD)	The reference point (very close to mean sea level) for all elevation measurements, and used for correlating depths of aquifers and water levels in bores.
Beneficial aquifer	Aquifers found in the alluvium and Narrabeen Group sandstones less than 75 m from surface.
Bore	A structure drilled below the surface to obtain water from an aquifer or series of aquifers.
Claystone	A non-fissile rock of sedimentary origin composed primarily of clay-sized particles (less than 0.004 mm).
Coal	A sedimentary rock derived from the compaction and consolidation of vegetation or swamp deposits to form a fossilised carbonaceous rock.
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 milligram per litre (water sample) or micrograms per kilogram (sediment sample).

Conceptual model A simplified and idealised representation (usually graphical) of the physical hydrogeologic setting and the hydrogeological understanding of the essential flow processes of the system. This includes the identification and description of the geologic and hydrologic framework, media type, hydraulic properties, sources and sinks, and important aquifer flow and surface-groundwater interaction processes. Confining layer Low permeability strata that may be saturated but will not allow water to move through it under natural hydraulic gradients. A digital recording instrument that is inserted in monitoring and pumping Data logger bores to record pressure measurements and water level variations. A measure of a fluid's ability to conduct an electrical current and is an Electrical conductivity (EC) estimation of the total ions dissolved. It is often used as a measure of water salinity. 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. Groundwater The water contained in interconnected pores or fractures located below the water table in the saturated zone. Groundwater level The water level measured in a bore; this may be at or close to the water table in unconfined aquifers, or represent the average piezometric level across the screened interval in confined aquifers. 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). Head gradient The change in total hydraulic head with a change in distance in a given direction. Head (hydraulic) A specific measurement of water pressure above a datum. It is usually measured as a water surface elevation, expressed in units of length. In an aquifer, it can be calculated from the depth to water in a monitoring bore. The hydraulic head can be used to determine a hydraulic gradient between two or more points. 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. Lithology The study of rocks and their depositional or formational environment on a large specimen or outcrop scale.

Monitoring bore	A non-pumping bore, is generally of small diameter that is used to measure the elevation of the water table and/or water quality. Bores generally have a short well screen against a single aquifer through which water can enter.
Permeability	The ability of a material to permit water to move through it.
Permian	The last period of the Palaeozoic era that finished approximately 252 million years before present.
Piezometric pressure	See hydraulic head.
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.
Recharge area	A geographic area that directly receives infiltrated water from surface and in which there are downward components of hydraulic head in the aquifer. Recharge generally moves downward from the water table into the deeper parts of an aquifer then moves laterally and vertically to recharge other parts of the aquifer or deeper aquifer zones.
Recovery	The difference between the observed water level during the recovery period after cessation of pumping and the water level measured immediately before pumping stopped.
Salinity	The concentration of dissolved salts in water, usually expressed in EC units or milligrams of total dissolved solids per litre (mg/L TDS).
Sandstone	Sandstone is a sedimentary rock composed mainly of sand-sized minerals or rock grains (predominantly quartz).
Screen	A type of bore lining or casing of special construction, with apertures designed to permit the flow of water into a bore while preventing the entry of aquifer or filter pack material.
Sedimentary rock	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.
Shale	A laminated sedimentary rock in which the constituent particles are predominantly of clay size.
Siltstone	A fine-grained rock of sedimentary origin composed mainly of silt-sized particles (0.004 to 0.06 mm).
Stratigraphy	The depositional order of sedimentary rocks in layers.
Groundwater-surface water 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.
Vibrating wire piezometer	An instrument consisting of a vibrating wire element connected to a sensitive diaphragm; designed to measure pore pressures in fully and partially saturated soils and rock in boreholes.
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 aquifer. 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.

Abbreviations

AGL	AGL Upstream Investments Pty Ltd
ВоМ	Bureau of Meteorology
CDFM	Cumulative deviation from mean
CSG	Coal seam gas
EC	Electrical Conductivity
GFDA	Gas Field Development Area
GGP	Gloucester Gas project
LTA	Long term average
MGA	Map Grid of Australia
PEL	Petroleum Exploration Licence
PPL	Petroleum Production Lease
VWP	Vibrating wire piezometer

Units

m	metres
m³/s	cubic metres per second
mAHD	metres Australian Height Datum
mbgl	metres below ground level
mg/L	Milligrams per litre
m/d	metres per day
µS/cm	microSiemens per centimetre
mm	millimetres

Executive summary

On 4 February 2016, AGL Energy (AGL) announced that the Gloucester Gas Project (GGP) would not proceed to final investment stage. AGL will relinquish Petroleum Exploration Licence (PEL) 285 (Figure 1.1) to the NSW Government and has commenced a comprehensive decommissioning and rehabilitation program for well sites and other infrastructure in the Gloucester region.

A dedicated water monitoring network had been in place that has enabled the collection of baseline water level and water quality data for the different groundwater and surface water systems within the Gloucester Basin (Figure 1.2). There were more than 50 dedicated water monitoring locations and more than five years of baseline monitoring (water levels and water quality) across the Gloucester Basin.

The majority of the monitoring network was decommissioned in June 2016 in advance of rehabilitation works and AGL's relinquishment of PEL 285.

This report is the final annual groundwater and surface water monitoring status report for AGL's water monitoring network for the GGP in the Gloucester Basin. This report represents the period 1 July 2015 to 30 June 2016 (the monitoring period).

Rainfall

Total rainfall for the period July 2015 to June 2016 at the AGL weather station was 855 mm, which is comparable to the long term average annual rainfall (979 mm) at Gloucester Post Office.

During the current monitoring period, rainfall was above the monthly average in September and December 2015 and January and June 2016 and below the monthly average during all other months of the monitoring period.

Groundwater

Groundwater level trends in monitoring bores vary depending on the lithology and depth of the screened interval:

- Alluvium: Groundwater levels in monitoring bores screened in the alluvial deposits showed a rapid response to significant rainfall events. This was a threshold response, which varied between sites, where rainfall events of a certain magnitude were required to trigger a response in groundwater levels. Most alluvial monitoring bores show a seasonal response characterised by a decrease in groundwater levels during times of below average rainfall, before increasing in response to the summer rainfall.
- Shallow rock: Groundwater levels in shallow rock monitoring bores increased slightly over the monitoring period in response to rainfall since October 2015. There were no strong responses to individual rainfall events in the shallow rock bores during this monitoring period with the exception of WKMB02 and WKMB06B. This is indicative of an increased hydraulic connection to recharge areas compared to other shallow rock monitoring bores.
- Interburden units: Monitoring bores screened within the interburden units showed no significant change over the monitoring period, and groundwater levels did not respond to individual rainfall events.
- Deep coal seams: Groundwater levels in monitoring bores that were screened within the coal seams showed a gradual increase during the monitoring period. There are no strong responses to individual rainfall events.

Vertical gradients were noted at 13 of the 15 nested bore installations:

- Downward hydraulic gradients were noted at the TTMB, S5MB, TCMB, FKMB and BWMB nested bore sites.
- Upward hydraulic gradients were noted at the S4MB, RMB, WKMB, WRMB, PL03, WKMB05 and LMG01 nested bore sites.
- An upward vertical gradient is noted at WKMB06 during periods of low rainfall which can change to a downward gradient following high rainfall and flood events.

No vertical head gradients were noted at the BMB and WMB. Due to the very low permeability of the interburden units, vertical groundwater flow is likely to be extremely slow and negligible, despite the vertical gradients. Lateral flow within each of the geological units is concluded to be the dominant groundwater flow mechanism when there are no stresses on the shallow or deep groundwater systems at these locations.

Surface water

Water levels remained relatively consistent throughout the FY16 monitoring period as a result of steady rainfall throughout the year. All stream gauges on the Avon River and Dog Trap Creek showed rapid responses to large rainfall events and runoff, and relatively steep recession curves, such as those associated with the December 2015, January and June 2016 rain events.

Surface water salinity decreased following rainfall events as relatively fresh runoff is routed into streams. An initial increase in salinity was often seen in the initial runoff phase as readily dissolvable salts are flushed from the ground surface and shallow soils, followed by dilution as rainfall persists.

Groundwater - surface water interaction

Groundwater levels in the alluvium have typically been higher than adjacent stream levels since monitoring began (by one to two metres), indicating that the streams are discharge features for shallow groundwater in the Stage 1 GFDA (Figure 5.3). Only during relatively short periods of high stream levels and flow, associated with rainfall events and floods, that the shallow alluvial groundwater were recharged from the streams.

The conclusions of this report regarding surface and groundwater levels, groundwater-surface water interaction and salinity observations captured in the FY16 monitoring period are consistent with the hydrogeological/ hydrological conceptual model of the Gloucester Basin (Parsons Brinckerhoff 2015g).

Long term impact of the GGP

A review of the groundwater level observation data collected for the 2016 monitoring period, (as is similar in previous years) has shown no attributable impacts from GGP site activities (fracture stimulation or flowback) evident in the monitoring data. Short term decreases in water levels can be seen in monitoring bores completed in the shallow rock, interburden and deeper coal seams and are associated with sampling events from these bores. In each case, the water level returned to pre sampling conditions in all bores for all sampling events.

It is not yet clear if the piezometric level hydrograph traces in the deep groundwater monitoring locations show a response to the Waukivory Pilot Project activities. It is possible that they show delayed pressure effect responses from either fracture stimulation or the commencement of flowback. However, these effects are not obvious and may be due to the low permeability of the interburden adjacent to the coal seams.

Surface water levels and quality have shown seasonal fluctuations in response to climate and have not shown any response that could be attributable to GGP site activities.

1. Introduction

This report is the final annual groundwater and surface water monitoring status report for the AGL Upstream Investments Pty Ltd (AGL) water monitoring network for the Gloucester Gas Project (GGP) in the Gloucester Basin. This report represents the monitoring period 1 July 2015 to 30 June 2016.

1.1 Background

On 4 February 2016, AGL announced that the GGP would not proceed to final investment stage. AGL will relinquish Petroleum Exploration Licence (PEL) 285 (Figure 1.1) to the NSW Government and has commenced a comprehensive decommissioning and rehabilitation program for well sites and other infrastructure in the Gloucester region.

A dedicated water monitoring network had been in place that has enabled the collection of baseline water level and water quality data for the different groundwater and surface water systems within the Gloucester Basin (Figure 1.2). There were more than 50 dedicated water monitoring locations and more than five years of baseline monitoring (water levels and water quality) across the Gloucester Basin.

The majority of the monitoring network was decommissioned in June 2016 in advance of rehabilitation works and AGL's relinquishment of PEL 285.

1.2 Objectives

The objectives of this final groundwater and surface water monitoring program were to:

- Provide baseline information on groundwater levels and salinity (where measured by data loggers) and the seasonal trends in levels and salinity at surface water monitoring sites across the Gloucester Basin (with a primary focus on the Stage 1 Gas Field Development Area (GFDA)).
- Provide baseline information on stream levels, flow and salinity (where measured by data loggers) in surface water systems across the Gloucester Basin (with a primary focus on the Stage 1 GFDA).

1.3 Scope of works

This report presents groundwater and surface water monitoring data for the GGP monitoring network, with an emphasis on data obtained during the monitoring period.

The scope of works relating to the GGP monitoring network and reporting includes:

- 4-monthly groundwater and surface water level monitoring, including data logger downloads and field measurements for verification.
- Maintenance of the water monitoring network and data loggers.
- Analysis and interpretation of water levels and salinity data (where measured by data loggers) with reference to the hydrogeological conceptual model (Parsons Brinckerhoff 2015g).
- 4-monthly updates and compilation of an interpreted annual report (this report) on water level and salinity (where measured by data loggers) trends during the year.

Water sampling was carried out in relation to the following exploration programs during the monitoring period across the GGP monitoring network:

- The Waukivory Pilot Project (Parsons Brinckerhoff 2015a, 2015b, 2015c, 2015d, 2016a and 2016b).
- The Tiedman Irrigation Program (Parsons Brinckerhoff 2015e and 2015f).

Data obtained from these programs prior to July 2015 are reported elsewhere and are not included in this annual status report.

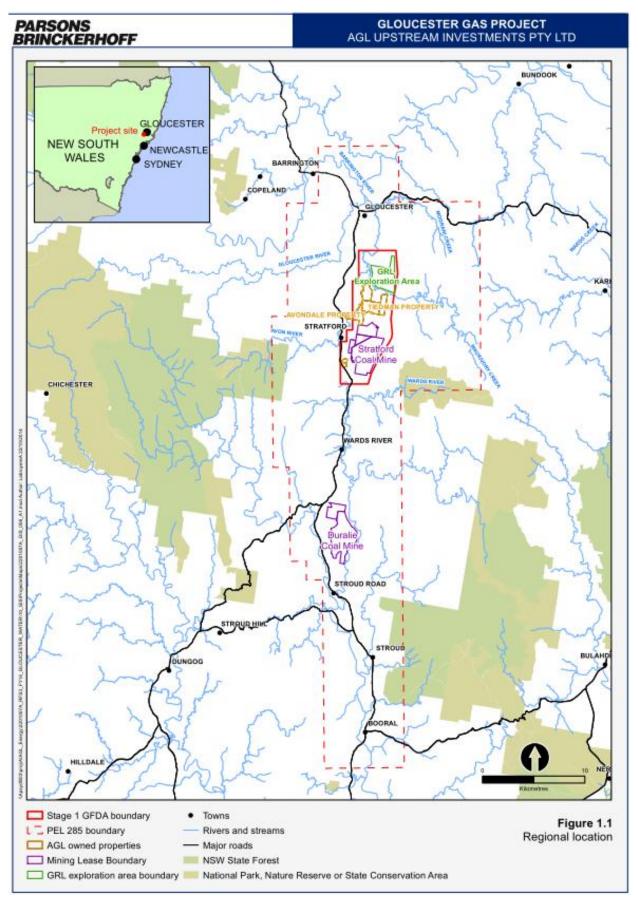


Figure 1.1 Regional location

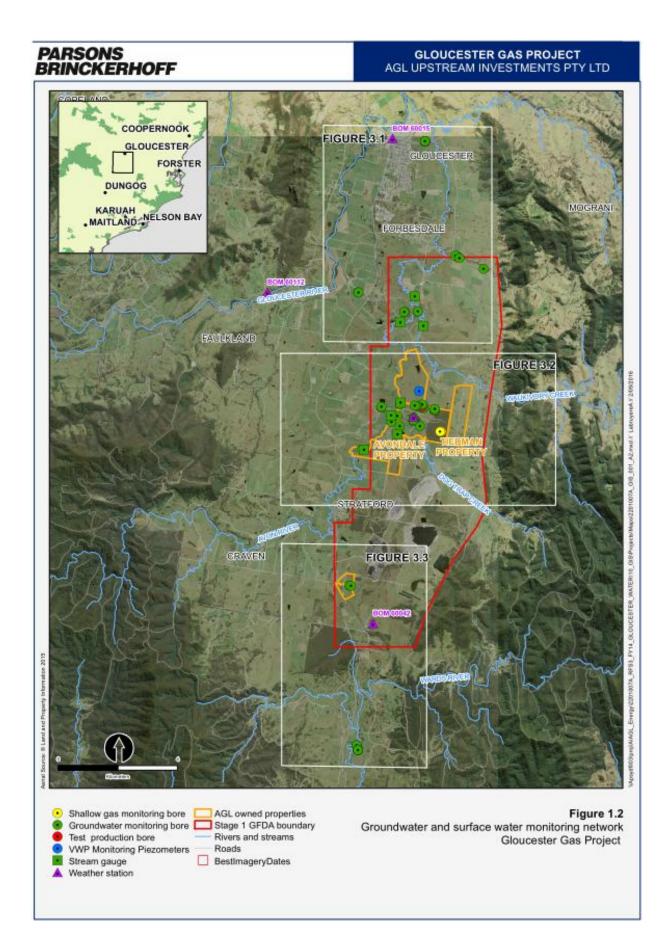


Figure 1.2 Groundwater and surface water monitoring network – Gloucester Gas Project

2. Site characterisation

2.1 Rainfall

The Bureau of Meteorology (BoM) operates four weather stations within the Gloucester Basin and AGL operates one weather station on the Tiedman property (Figure 1.2). Average rainfall and the period of monitoring for the BoM stations are presented in Table 2.1.

BoM station number	Location name	Monitoring period	Long term average annual rainfall (mm) ^a
60015	Gloucester Post Office	1888 to present	978
60112	Gloucester Hiawatha	1976 to present	1001
60042	Craven (Longview)	1961 to present	1047
61071	Stroud Post Office	1889 to present	1140

 Table 2.1
 BoM stations in the Gloucester Basin (BoM 2016)

(a) Long-term average (LTA) annual rainfall (mm) over the stated monitoring period.

The long-term, annual cumulative deviation from mean (CDFM) rainfall for Gloucester Post Office weather station is plotted in Figure 2.1. The long-term cumulative rainfall residual plots are formulated by subtracting the average annual rainfall for the recorded period from the actual annual rainfall and then accumulating these residuals over the assessment period. Periods of below average rainfall are represented as downward trending slopes while periods of above average rainfall are represented as upward trending slopes.

The cumulative deviation plot for Gloucester Post Office (Figure 2.1) shows that over the last 60 years, short (2 to 3 year) drought periods have occurred about every 10 to 15 years, however there have been no long-term deviations from mean conditions such as the prolonged drought periods that characterised the first half of last century. Historically, the period between July and September records the lowest monthly rainfall, while the period between January and March typically has the highest monthly rainfall.

Rainfall data from the AGL weather station for the period July 2011 (installation) to June 2016 are presented in Figure 2.2 and rainfall data for the current monitoring period is presented in Figure 2.3. During the current monitoring period, rainfall was above the monthly average in September and December 2015 and January and June 2016 and below the monthly average during all other months of the monitoring period.

Total rainfall for the period July 2015 to June 2016 at the AGL weather station was 855 mm, which is comparable to the long term average annual rainfall (978 mm) at Gloucester Post Office.

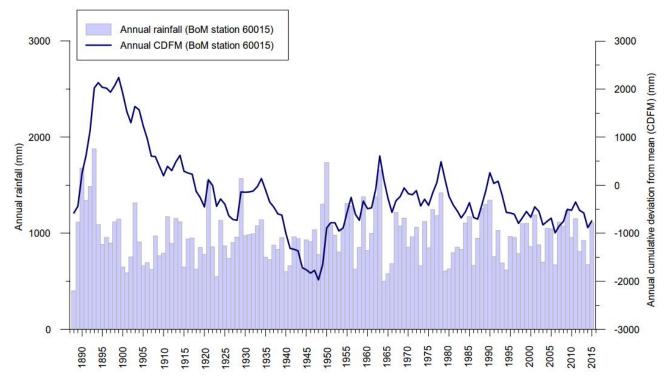


Figure 2.1 Long term annual rainfall and cumulative deviation from annual mean (CDFM) rainfall at Gloucester Post Office BoM station 060015 (BoM 2016)

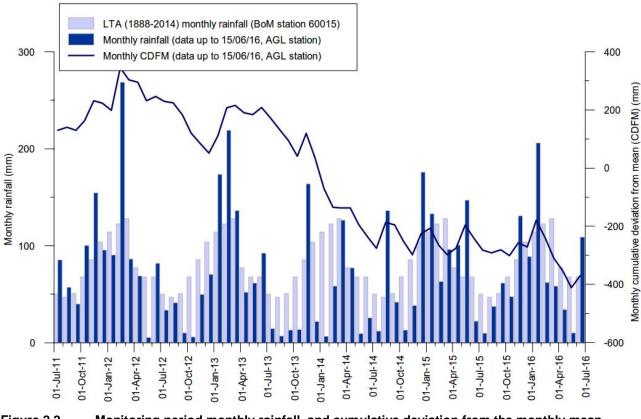


Figure 2.2 Monitoring period monthly rainfall, and cumulative deviation from the monthly mean (CDFM) rainfall at the AGL Gloucester station (AGL 2016)

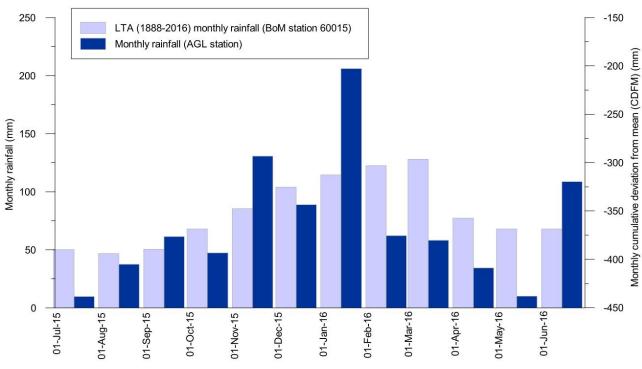


Figure 2.3 Monthly rainfall and long term average (LTA) monthly rainfall for the monitoring period.

2.2 Surface hydrology

The Gloucester Basin is a narrow, north-south trending, elongated basin approximately 40 km long and 10 km wide, extending from Gloucester in the north to Stroud in the south. The Gloucester Basin is located in the upper reaches of the Manning River and Karuah River coastal catchments. The area occupied by the Permian Coal Measures (about 217 km²) is small in comparison to the size of these catchments.

Surface water flow in the Gloucester Basin is divided between the Wards River catchment (a sub-catchment of the Karuah River catchment) and the Avon River catchment (a sub-catchment of the Manning River catchment). In the north of the basin, within the Manning River catchment, the surface water flow direction is to the north. In the south of the basin, within the Karuah River catchment, the surface water flow direction is to the south.

Predominantly, surface water flow in the Stage 1 GFDA is within the Avon River catchment, and includes the tributaries of Dog Trap Creek and Waukivory Creek (Figure 1.2). The Avon River joins the Gloucester River in the north of the Gloucester Basin at Gloucester.

2.3 Geological setting

The Gloucester Basin comprises a thick succession of Permian sedimentary rocks representing deposition in both terrestrial and marine environments during a complex period of subsidence, uplift and relative sea level change (marine transgression and regression).

The Basin is a synclinal intermontane structure formed in part of the New England Fold Belt between a major Permian plate margin and the Sydney-Gunnedah Basin (Lennox 2009). The north-south trending synclinal nature of the Gloucester Basin resulted from the collision between the East Australian and Pacific Plates.

Following a period of extension during the Early Permian the Gloucester Basin has undergone periods of normal and reverse faulting, with large scale tilting associated with late stage compressional movements occurring towards the end of the Permian (Hughes 1984). Reverse faults dominate present day structure.

A comparison with the contemporary horizontal stress field map (Hillis *et al* 1998) indicates the Basin is likely to be under compression in an east-west orientation.

The stratigraphy dips steeply (up to 90°) on the flanks of the Basin, dipping towards the north-south trending synclinal basin axis and flattening toward the centre of the Basin. Early Permian and Carboniferous hard resistive volcanics form the ridgelines of the Basin; the Mograni Range to the east, and the Gloucester and Barrington Tops to the west.

Overlying the Permian stratigraphy is a thin sequence of surficial Quaternary sedimentary deposits and regolith. The Quaternary sediments are variable in thickness, and comprise unconsolidated alluvial sediments (sand, gravel, silt and clay) along the drainage channels and colluvial deposits across the rest of the plain sourced from the surrounding outcropping Permian deposits.

The Gloucester Basin is divided into three major Permian stratigraphic units each representing a distinct depositional setting: the Gloucester Coal Measures, the Dewrang Group, and the Alum Mountain Volcanics. The generalised stratigraphy of the basin is summarised in Table 2.2. A geological map of the basin is shown in Figure 2.4. The CSG development in the Stage 1 GFDA was targeting the intermediate and deep coal seams in the Gloucester Coal Measures generally below depths of 250 m to approximately 1,000 m.

Table 2.2 Stratigraphy of the Gloucester Basin

Period	Group	Sub-group	Formation	Approx. thickness (m)	Coal seam	Depositional environment	Tectonic events	
			Crowthers Road Conglomerate	350				
					Linden			
			Leloma	585	JD			
			Leioma	565	Bindaboo			
					Deards			
	(0	Craven			Cloverdale	Marine regression, pro- gradation of alluvial fans	Uplift to west of Gloucester Basin	
	nres		Jilleon	175	Roseville	- <u>-</u>	Gioucester Basin	
	easi				Tereel/Fairbairns			
	Ž		Wards River Conglomerate	Variable				
nian	Co		Wenham	23.9	Bowens Road			
ern	iter		wennam	23.9	Bowens Road Lower			
Upper Permian	Gloucester Coal Measures	Speldon Forma	tion				Extension (normal fault development) and regional subsidence. Uplift to west of Basin	
ddn	Blot	Avon	Dog Trap Creek	126	Glenview			
_				200	Avon	Marine transgression but also some progradation of alluvial fans in the west related to uplift		
					Triple			
			Waukivory Creek		Rombo			
				326	Glen Road			
					Valley View			
					Parkers Road			
	ng	Mammy Johnso	ons	300	Mammy Johnsons	Marine transgression,	Extension (normal fault	
	Dewrang	Weismantel		20	Weismantel	regression and further	development) and	
	De	Duralie Road		250		marine transgression	regional subsidence	
ian					Clareval			
Lower Permian	Alum Mou	ntain Volcanics			Basal	 Arc-related rift 	Rift	

Modified from AECOM (2009) and SRK (2005).

PARSONS BRINCKERHOFF

GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD

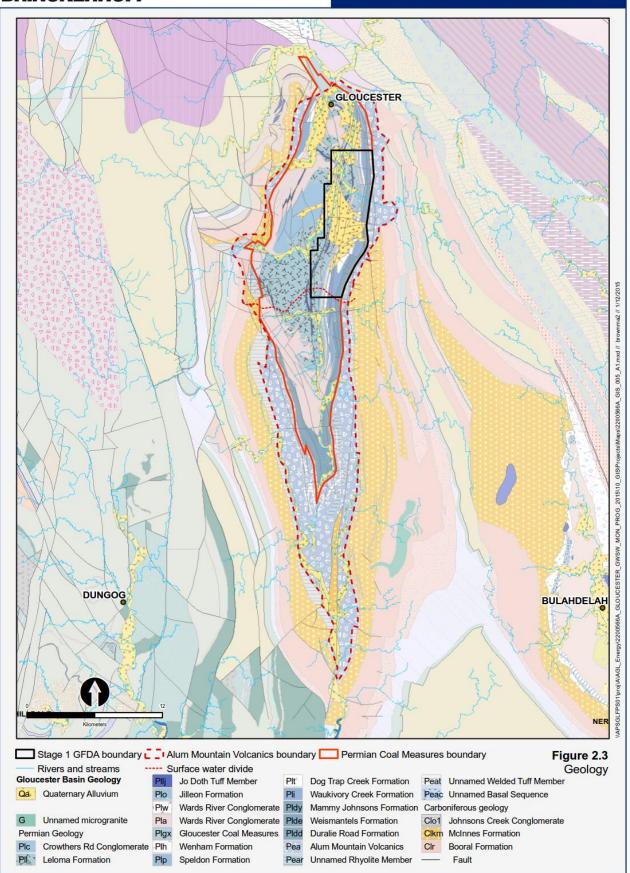


Figure 2.4 Regional geology

2.4 Hydrogeological setting

Four broad hydrogeological units have been identified within the Gloucester Basin (Table 2.3). The hydraulic conductivity and groundwater flow characteristics within the Gloucester Basin are controlled by several factors including lithology, depth and the degree of fracturing and faulting. In this sense hydrogeological units and flow systems do not always correspond with defined geological boundaries.

Unit	Aquifer type	Aquifer type Formation name General lithology		Hydraulic characteristics	
Alluvial aquifers	Semi-confined, clay capped, porous, granular	Quaternary alluvium	Clay/mixed gravels	Heterogeneous, highly variable permeability associated with varying lithology	
Shallow fractured rock aquifers (<150m)	Semi-confined, fractured rock	Upper Permian Coal Measures, Alum Mountain Volcanics	Interbedded sandstone/siltstone with bedding plane fractures	Heterogeneous, high and low permeability domains associated with fault zones and fracturing	
Deep coal measure Interburden confining unit	Confined, fractured rock	Upper Permian Coal Measures	Interbedded indurated sandstone/siltstone and claystone	Low permeability associated with sparse fractures, permeability decreases with depth	
Deep coal seam water bearing zones	Confined, fractured rock	Upper Permian Coal Measures	Coal/shale	Low permeability associated with cleating and fractures in coal seams, permeability decreases with depth	

 Table 2.3
 Four hydrogeological units – Gloucester Basin

The four hydrogeological units are summarised as follows:

- Alluvial deposits adjacent to major creeks and rivers comprising unconsolidated sand, gravel and clay. The deposits are typically 12 – 15 m thick. These systems are heterogeneous but generally permeable with rapid recharge, through-flow and discharge associated with interactions with streams, and to a lesser extent with the underlying less permeable shallow rock. Hydraulic conductivity measurements range from 0.3 to 300 metres per day (m/d), averaging around 10 m/d.
- 2. Shallow fractured rock comprising variably weathered and fractured Permian rocks extending to approximately 150 m below the surface, across all sub-cropping Permian units. The shallow rock zone is heterogeneous with relatively impermeable domains separated by more permeable domains, but on the whole it is more permeable than the deeper coal measures. The domains of higher permeability are due to a higher density of fracturing associated with an irregular weathering profile and the near-surface expression of faulting. Shallow aquifers observed during drilling occur within 75 m of surface. Groundwater flow within this zone is more strongly controlled by weathering and fracturing than the attitude of geological strata. Hydraulic conductivity of the shallow rock ranges from 10 m/d to 1x10⁻⁶ m/d at a depth of 150 m, but is typically in the order of 10⁻³ to 10⁻⁴ m/d.
- 3. **Deep Coal Measures interburden** predominantly sandstone and siltstone units form the interburden to coal seams and are typically of very low permeability, forming aquitards and confining layers. The permeability of the interburden decreases with depth such that, at the maximum depth of CSG production, it is likely to be in the order of 10⁻⁵ to 10⁻⁷ m/d, or less.
- 4. Deep coal seams coal seams tend to be slightly more permeable than interburden and commonly form weak water bearing zones. Permeability and storage are provided by small fractures and cleats in the coal. As with the interburden, drill-stem tests clearly show that the permeability of coal seams generally decreases with depth. At the maximum depth of CSG production, the permeability of coal seams is very low (10⁻⁴ to 10⁻⁶ m/d), but may be an order of magnitude higher than the interburden.

The Alum Mountain Volcanics underlie the Permian Coal Measures, and form the impermeable base of the Gloucester Basin. The Alum Mountain Volcanics outcrop in the eastern and western boundaries of the basin, forming the elevated topography of the Gloucester and Barrington Tops to the west, and the Mograni Range to the east.

3. Monitoring program

3.1 Monitoring network

AGL's groundwater and surface water monitoring locations are shown in Figure 3.1 (Bucketts Way, Waukivory and Faulkland locations), Figure 3.2 (Avondale, Bignell, Merridong, Pontilands and Tiedman locations), and Figure 3.3 (Rombo and Wards River locations). The decommissioning status of each monitoring location is outlined in Table 3.1 to Table 3.4.

3.1.1 Groundwater

The monitoring network comprised three types of groundwater monitoring installations:

- 1. Conventional monitoring bores targeting:
 - a) The shallow alluvial sediments of the Avon River and its tributaries, and Wards River.
 - b) The shallow fractured rock.
 - c) The deep interburden and coal seams of the Gloucester Coal Measures.
- 2. VWP arrays installed to monitor piezometric pressure (pore pressure) in the deep interburden and a deep coal seam of the Gloucester Coal Measures (PL03 and LMG01).
- 3. A multizone monitoring well installed to monitor piezometric pressure in the deep interburden and deep coal seams of the Gloucester Coal Measures (WKMB05).

Monitoring bores were often installed in "nested" sites which comprise several bores targeting different depths and hydrogeological units at the one location. The construction details for the GGP groundwater monitoring bores are presented in Table 3.1, the details for the VWP array is presented in Table 3.2 and the details of the multizone monitoring well are presented in Table 3.3.

Prior to decommissioning there were 50 groundwater locations across the broader area of the Basin.

Seepage monitoring bores (TMB04 and TMB05) associated with water storage dams located on AGL's Tiedman property in the Stage 1 GFDA do not monitor regional groundwater therefore the monitoring results are not discussed in this report. Results of the analysis of the gas samples collected from shallow gas monitoring bores (TGMB01 and TGMB02) are presented in Section 4.2.

Table 3.1 AGL Gloucester groundwater monitoring bores

Monitoring bore	Location	Total depth (mbgl)	Screened interval (mbgl)	Lithology	Formation	Hydro-geological unit	Decommissioning status
S4MB01	Tiedman	66	58.0 - 64.0	Sandstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
S4MB02	Tiedman	97	89.0 – 95.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
S4MB03	Tiedman	170	162.0 – 168.0	Coal	Jilleon Formation – Cloverdale Coal Seam	Deep Coal Seam	Retain for future landowner
S5MB01	Tiedman	60	52.0 - 58.0	Sandstone/ siltstone	Jilleon Formation	Shallow fractured rock	Retain for future landowner
S5MB02	Tiedman	114	100.0 - 112.0	Siltstone	Jilleon Formation	Shallow fractured rock	Retain for future landowner
S5MB03	Tiedman	166	158.0 – 164.0	Coal/shale	Jilleon Formation – Roseville Coal Seam	Deep Coal Seam	Retain for future landowner
TMB01	Tiedman	12	7.0 – 10.0	Clay	Avon River Alluvium	Alluvial	Retain for future landowner
TMB02	Tiedman	15.5	9.0 – 12.0	Mixed gravels	Avon River Alluvium	Alluvial	Retain for future landowner
TMB03	Tiedman	12.5	5.0 – 11.0	Mixed gravels and sand	Avon River Alluvium	Alluvial	Retain for future landowner
TCMB01	Tiedman	90	87.0 - 93.0	Sandstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
TCMB02	Tiedman	183	175.0 – 181.0	Sandstone	Leloma Formation	Interburden	Retain for future landowner
TCMB04	Tiedman	334.7	327.3 - 333.3	Coal	Jilleon Formation – Roseville Coal Seam	Deep Coal Seam	Retain for future landowner
ТТРВ	Tiedman	90	76.0 - 88.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Retain for future landowner

Monitoring bore	Location	Total depth (mbgl)	Screened interval (mbgl)	Lithology	Formation	Hydro-geological unit	Decommissioning status
TTMB01	Tiedman	90	76.0 - 88.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
TTMB02	Tiedman	90	76.0 - 88.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
TTMB03	Tiedman	198	186.0 – 199.0	Sandstone/ siltstone	Leloma Formation	Interburden	Retain for future landowner
NS725R	Merridong	50ª	14.0 - 32.0ª	n/a	Avon sub-group	Shallow fractured rock	Retain for future landowner
NS726R	Merridong	50ª	8.0 – 32.0ª	n/a	Avon sub-group	Shallow fractured rock	Retain for future landowner
NS735R	Merridong	50ª	8.0 – 32.0ª	n/a	Jilleon Formation	Shallow fractured rock	Retain for future landowner
NS746R	Merridong	50ª	14.0 – 32.0ª	n/a	Jilleon Formation	Shallow fractured rock	Retain for future landowner
AMB01	Avondale	12.6	8.0 – 10.0	Mixed gravels	Avon River Alluvium	Alluvial	Retain for future landowner
AMB02	Avondale	11.5	6.5 – 11.0	Mixed gravels	Avon River Alluvium	Alluvial	Retain for future landowner
RMB01	Rombo	51	42.0 - 48.0	Sandstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
RMB02	Rombo	93	85.0 – 91.0	Sandstone	Leloma Formation	Shallow fractured rock	Retain for future landowner
TMB04	Tiedman	15	8.0 - 14.0	Siltstone	Leloma formation	Seepage monitoring site	Retain for future landowner
TMB05	Tiedman	10	6.0 - 9.0	Siltstone	Leloma Formation	Seepage monitoring site	Retain for future landowner
WMB01	GRL – Waukivory	8.5	5.0 - 8.0	Mixed gravel/ sand	Avon River Alluvium	Alluvial	Retain for future landowner

Monitoring bore	Location	Total depth (mbgl)	Screened interval (mbgl)	Lithology	Formation	Hydro-geological unit	Decommissioning status
WMB03	GRL – Waukivory	36	32.0 - 34.0	Coal	Wenham Formation – Bowens Road Coal Seam	Shallow fractured rock	Retain for future landowner
BWMB01A	Bucketts Way	11.6	6.5 - 9.5	Mixed gravels	Avon River Alluvium	Alluvial	Plug and Abandon
BWMB01B	Bucketts Way	21	14.0 - 20.0	Sandstone/ gravel	Jilleon Formation	Shallow fractured rock	Plug and Abandon
BWMB01C	Bucketts Way	81.4	67.4 – 79.4	Sandstone	Jilleon Formation	Shallow fractured rock	Plug and Abandon
BWMB01D	Bucketts Way	162.6	149.6 – 161.6	Sandstone/ siltstone	Jilleon Formation	Interburden	Plug and Abandon
FKMB01A	Faulklands	54	44.0 - 53.0	Sandstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
FKMB01B	Faulklands	150.2	140.2 – 149.2	Sandstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
TGMB01	Tiedman	6	3.0 - 6.0	Weathered Rock	Jilleon Formation	Gas monitoring site	Plug and Abandon
TGMB02	Tiedman	15.4	12.3 – 15.3	Weathered Rock/Coal	Jilleon Formation	Gas monitoring site	Plug and Abandon
ТСМВ03	Tiedman	268	260.0 - 266.0	Coal and sandstone	Jilleon Formation – Cloverdale Coal Seam	Deep Coal Seam	Plug and Abandon
BMB01	Bignell	30	15.0 – 29.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
BMB02	Bignell	138	124.0 - 136.0	Sandstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
WMB02	GRL – Waukivory	23	15.0 - 21.0	Sandstone	Wenham Formation	Shallow fractured rock	Plug and Abandon
WMB04	GRL – Waukivory	80.5	67.0 – 79.0	Sandstone	Wenham Formation	Shallow fractured rock	Plug and Abandon

Monitoring bore	Location	Total depth (mbgl)	Screened interval (mbgl)	Lithology	Formation	Hydro-geological unit	Decommissioning status
WKMB01	Waukivory Pilot	54	47.0 - 53.0	Sandstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
WKMB02	Waukivory Pilot	61	51.0 - 60.0	Sandstone/ siltstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
WKMB03	Waukivory Pilot	210	200.0 - 209.0	Sandstone	Leloma Formation	Interburden	Plug and Abandon
WKMB06A	Waukivory Pilot	13.4	6.4 – 12.4	Alluvium	Avon River Alluvium	Alluvial	Plug and Abandon
WKMB06B	Waukivory Pilot	63	52.0 - 61.0	Sandstone	Leloma Formation	Shallow fractured rock	Plug and Abandon
Farley ^b	Pontilands	~60.0	N/A	N/A	N/A	N/A	Plug and Abandon
WRMB01A	Wards River	8.1	4.5 - 7.0	Mixed gravels	Wards River Alluvium	Alluvial	Plug and Abandon
WRMB01B	Wards River	56.4	48.4 - 54.4	Sandstone	Jilleon Formation	Shallow fractured rock	Plug and Abandon
WRMB01C	Wards River	126.5	111.5 – 123.5	Sandstone	Jilleon Formation	Shallow fractured rock	Plug and Abandon
WRMB01D	Wards River	199	178.0 – 184.0	Sandstone	Jilleon Formation	Interburden	Plug and Abandon

(a) Merridong monitoring bores are inclined by 60 degrees, total depth and screened interval is down hole depth and not true depth (mbgl).

(b) Although water levels are monitored in this bore, no trends are discussed in this report (the hydrograph trace is provided in Appendix A) as there are few details known about the construction of this old water (test) bore.

The groundwater monitoring bores highlighted in green above are subject to ongoing monitoring obligations associated with the Tiedman Irrigation Program (through Environment Protection Licence 20358 (EPA 2016)) and are therefore still operational at the time of writing.

VWP	Total depth (mbgl)ª	Sensor ID	Sensor depth (mbgl)	Lithology	Formation	Hydrogeol ogical unit	Decommiss ioning status
PL03 ^b	966.3	2	496	Coal	Wenham Formation – Bowens Road Coal Seam	Deep coal seam	Retained for future landowner
		3	463	Pebble conglomerate	Wards River Conglomerate	Interburden	
LMG01		01	465	Interbedded indurated sandstone/ siltstone and claystone	Waukivory Creek formation	Interburden	Retained for future
		02	485	Coal	Waukivory Creek - Avon Coal Seam	Deep coal seam	landowner

(a) mbgl – metres below ground level.

(b) PL03 Sensor ID #1 installed at a depth of 681 m is not operable.

Table 3.3	Summary of AGL multizone monitoring well construction details
-----------	---

	Total depth (mbgl)	Sensor ID	Sensor depth (mbgl)	Lithology	Formation	Hydrogeol ogical unit	Decommiss ioning status
WKMB05	1,100	1	340.0 – 343.0	Siltstone/ sandstone	Leloma Formation	Interburden (aquitard)	Plugged and abandoned
		2	426.0 – 429.0	Coal	Jilleon Formation – Cloverdale Coal Seam	Deep coal seam	
		3	584.0 – 587.0	Siltstone/ sandstone	Jilleon Formation	Interburden (aquitard)	
		4	595.4 – 598.4	Coal	Jilleon Formation – Fairbairns Coal Seam	Deep coal seam	
		5	698.5 – 701.5	Siltstone/ sandstone	Jilleon Formation	Interburden (aquitard)	
		6	711.0 – 714.0	Siltstone/ sandstone	Jilleon Formation	Interburden (fault zone)	

mbgl - metres below ground level.

Each horizon is installed with a pressure transducer to measure the piezometric level.

3.1.2 Surface water

There were seven AGL stream gauges in the Gloucester Basin; five on the Avon River, one on Dog Trap Creek, and one on Waukivory Creek (Table 3.4). These were all located within the Stage 1 GFDA. The locations of the surface water monitoring sites are presented in Figures 3.1 to 3.3.

Stream gauge	Easting (MGA, m)	Northing (MGA, m)	Location	Stream	Decommissionin g status
TSW01	401994	6449417	Tiedman (downstream)	Avon River	Retained for future landowner
TSW02	401922	6448741	Tiedman (tributary)	Dog Trap Creek	Retained for future landowner
ASW01	401711	6449092	Avondale (downstream)	Avon River	Retained for future landowner
ASW02	400698	6447963	Avondale (upstream)	Avon River	Retained for future landowner
WKSW01	402002	6452208	Waukivory Pilot (upstream)	Avon River	Removed
WKSW02	402772	6452099	Waukivory Pilot (tributary)	Waukivory Creek	Retained for future landowner
WKSW03	402488	6453088	Waukivory Pilot (downstream)	Avon River	Removed

Table 3.4	AGL Gloucester stream gauges	
-----------	------------------------------	--

MGA - Map Grid of Australia.

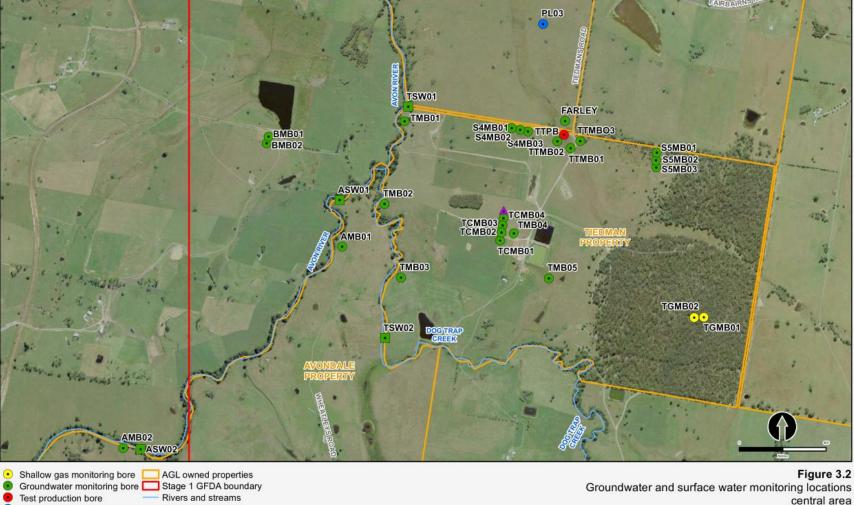


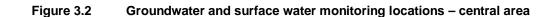
GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD



Figure 3.1 Groundwater and surface water monitoring locations – northern area

PARSONS BRINCKERHOFF TSW01 TMB01





Roads

•

VWP Monitoring Piezometers

Stream gauge AGL weather station

GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD

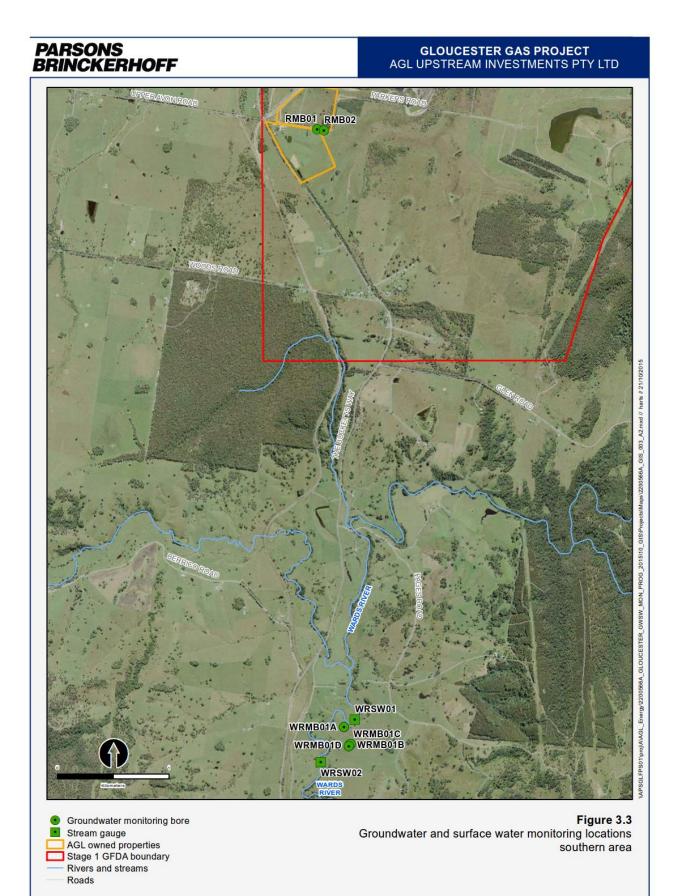


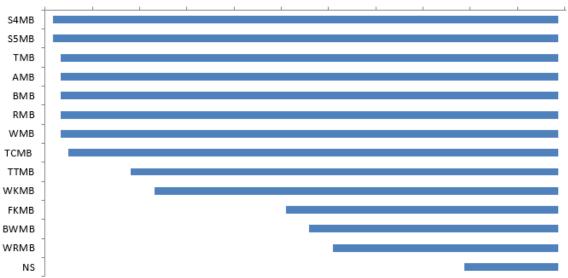
Figure 3.3 Groundwater and surface water monitoring locations – southern area

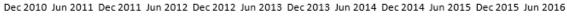
3.2 Water level monitoring

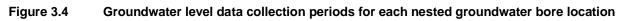
Groundwater level monitoring commenced in January 2011 (Figure 3.4) and surface water level monitoring commenced in March 2011 (Figure 3.5). The majority of the monitoring network has been in place since January 2011 (Parsons Brinckerhoff 2012). Following the decision to discontinue the GGP, with the exception of those locations highlighted in Table 3.1, AGL water monitoring has ceased and monitoring locations have been decommissioned or are being retained for future landowners (Table 3.4 to Table 3.4).

Data loggers were installed in each of the groundwater monitoring bores to monitor groundwater levels every six hours. To calibrate the level recorded by the data loggers, manual groundwater level measurements were recorded every four months using an electronic dip meter. Data loggers installed at the VWP sites and at the multizone monitoring well monitored piezometric pressure every six hours.

A barometric data logger installed at WKMB02 above the water table recorded changes in atmospheric pressure. Data from this logger were used to correct the effects of changing barometric pressure on groundwater levels. At the stream gauges, data loggers were installed to monitor water levels and salinity every 15 minutes. Water levels were verified by manual gauge board readings recorded every four months. Salinity (recorded as Electrical Conductivity (EC)) measurements were checked every four months using a hand-held water quality meter.









Dec 2010 Jun 2011 Dec 2011 Jun 2012 Dec 2012 Jun 2013 Dec 2013 Jun 2014 Dec 2014 Jun 2015 Dec 2015 Jun 2016



4. Groundwater monitoring

4.1 Groundwater levels

4.1.1 Temporal trends

Groundwater level trends in monitoring bores vary depending on the lithology and depth of the screened interval. Temporal trends are described for each hydrogeological unit in this section. Alluvial hydrographs are presented in Section 4.1.1.1. Trends for the shallow rock, coal seam and interburden hydrogeological units are presented in the nested monitoring bore hydrographs in Sections 4.1.1.2, 4.1.1.3 and 4.1.1.4, respectively. Individual hydrographs for each monitoring bore are shown in Appendix A. All monitoring bores were located in the Avon River catchment with the exception of the WRMB sites which were located in the Wards River catchment.

4.1.1.1 Alluvium

Groundwater levels in most alluvial monitoring bores remained steady or slightly increased over the first months of the monitoring period, corresponding to the overall above average rainfall over this period, followed by an increase then gradual decline in groundwater levels over the remaining months of the year following the November/December 2015 and January 2016 rainfall.

Groundwater levels in monitoring bores screened in the alluvial deposits show a sharp response to significant rainfall events (Figure 4.1, Figure 4.2, Figure 4.3, Figure 4.12 and Figure 4.15). This is a threshold response, with rainfall events of a certain magnitude required to trigger a response in groundwater levels. This response is variable between sites.

Over the course of the monitoring period groundwater levels at the TMB and WMB alluvial monitoring bores (Figure 4.1 and Figure 4.3) show an increase in response to the higher than average rainfall events in November 2015, December 2015, January 2016, June 2016. This increase is ~ 1.40 m at TMB01, ~ 0.6 m at TMB02, ~ 0.4 m at TMB03 and ~0.8 m at WMB01. The hydrographs for these sites show a relatively steep recession curve, with a return to antecedent groundwater levels over a period of one to two months. During dry periods when stream levels are known to be relatively low, a correlating decrease (ranging up to 1 m) in alluvial groundwater level at the TMB sites is observed. This response is most pronounced at TMB01 during late 2012/early 2013, late 2013, March 2014 and again in late 2014 (Figure 4.1).

During the year, groundwater levels at the AMB alluvial monitoring bores (Figure 4.2) typically show a smaller response (< 0.1 m) to most rainfall events. However, the groundwater level at AMB02 shows an increase of ~ 1.3 m in December 2015 and January 2016 in response to larger rainfall events. The hydrographs at these two sites show a flatter recession curve, with groundwater levels rising sharply following the January 2016 rainfall then steadily decreasing until June 2016.

BWMB01A (Figure 4.14) has shown no responses to individual rainfall events, although there is a very slight increase associated with large rainfall during December 2015 to January 2016.

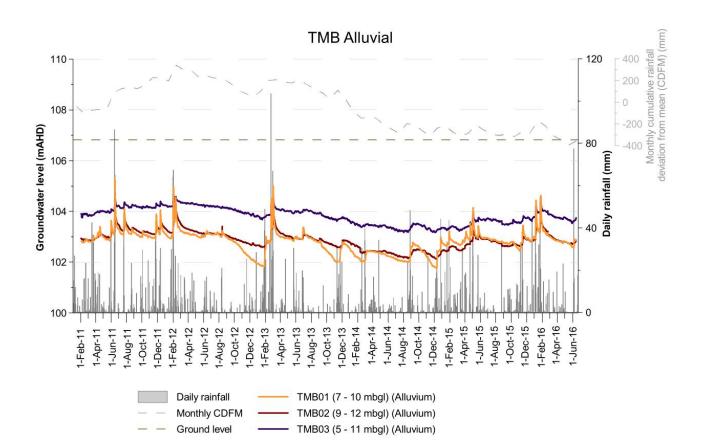


Figure 4.1 Groundwater levels and rainfall in the TMB alluvial monitoring bores

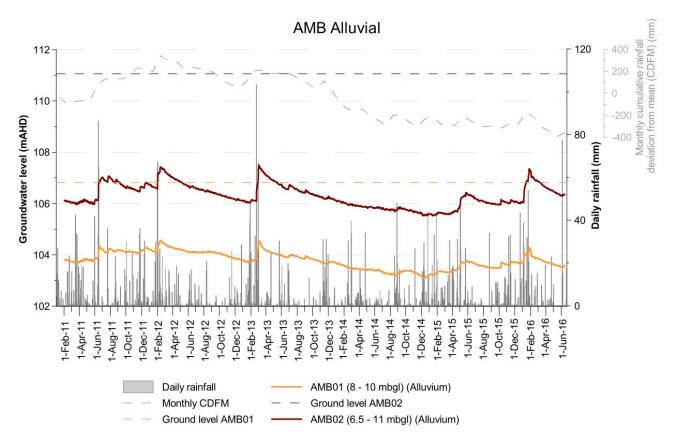
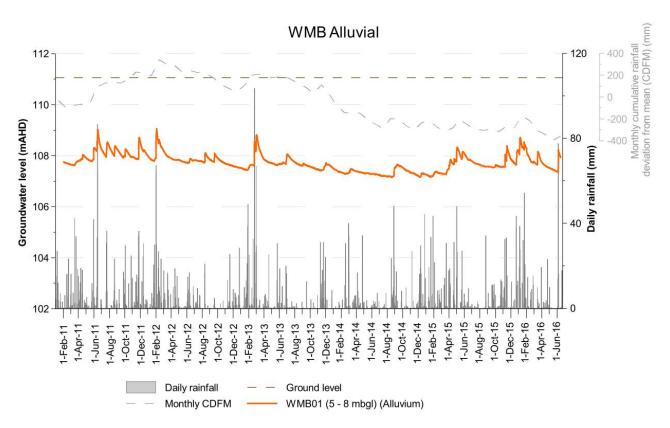


Figure 4.2 Groundwater levels and rainfall at the AMB alluvial monitoring bores





4.1.1.2 Shallow rock

Monitoring bores screened within the shallow rock were present at all of the nested monitoring sites. Groundwater levels in the shallow rock typically showed a delayed response to periods of higher than average rainfall (as indicated on the cumulative deviation from mean monthly rainfall plot), indicating that groundwater levels are responding slowly to rainfall recharge over a broad area, assumed to be up-gradient of the monitoring locations. The groundwater level response is typically delayed approximately one to two months after periods of higher than average rainfall.

The shallow rock hydrographs at the S4MB (Figure 4.4), TCMB (Figure 4.6) and TTMB (Figure 4.7) sites show an overall slight increase in groundwater levels of (between 0.04 m and 0.1 m) between July 2015 and June 2016, as a delayed response to the above average rainfall conditions during the monitoring period.

At the BMB (Figure 4.8), RMB (Figure 4.9) and WMB (Figure 4.10) sites, groundwater levels in the shallow rock show a slightly greater response to long term rainfall recharge trends than compared to S4MB (Figure 4.4) and TCMB (Figure 4.6) bores. The greatest response is visible at the RMB site, which shows an increase in groundwater levels following the rainfall events from October 2015 to February 2016.

The data loggers at WKMB01 and WKMB02 failed in March 2014 and were replaced in September 2014 and August 2014, respectively, resulting in gaps in the data records. Groundwater levels in monitoring bores WKMB01 and WKMB02 (Figure 4.11) took roughly two days to recover from the frequent sampling events associated with the Waukivory Pilot Project (Parsons Brinckerhoff 2015c). This water level response to sampling is usually indicative of low conductivity conditions. Monitoring bores in the shallow rock at the WKMB02 (Figure 4.11) and WKMB06 (Figure 4.12) sites showed an overall increase in groundwater levels in response to rainfall events over the year. Water levels at WKMB01 did increase as a response to rainfall however due to logger malfunction it is not possible to determine the full range. The increase response from the December 2015/January 2016 rainfall is ~1.4 m at WKMB02 and ~1.2 m at WKMB06B.

There are no strong responses to individual rainfall events in the shallow rock monitoring bores, with the exception of WKMB02 in February 2013, and WKMB02 and WKMB06B in May 2015 and January 2016 (Figure 4.11 and Figure 4.12). The water levels in WKMB02 and WKMB06B show stronger responses to rainfall recharge in comparison to other shallow rock monitoring bores. The magnitude and lag time of the rainfall response depends on the degree of hydraulic connectivity between the screened formation and nearby recharge areas. This response indicates that WKMB02 and WKMB06B have an increased hydraulic connection to recharge areas than other shallow rock monitoring bores.

S5MB01 (Figure 4.5) shows a very slow recovery in response to the June 2013 sampling event (more than six months) and shows erratic groundwater level data since March 2014 and therefore does not provide useful information on baseline trends. S5MB02 screened in the shallow rock shows no overall change in groundwater level over the year from July 2015 to June 2016. The cause of the anomalous sharp increase in groundwater levels of ~ 2m at S5MB02 associated with the June 2013 water sampling event is not clear, although it may be associated with improved hydraulic connection after the water sampling event.

The shallow rock hydrographs at the FKMB (Figure 4.13) and BWMB (Figure 4.14) sites show no significant changes in groundwater levels within the shallow rock the since monitoring commenced.

The shallow rock hydrographs at the WRMB (Figure 4.15) site show minimal response to rainfall recharge over the monitoring year from July 2015 to June 2016. WRMB01B shows a delayed recovery following the July 2015 sampling event, which is indicative of very low hydraulic conductivity of the shallow rock at this monitoring location. From October 2015 the data logger at WRMB01B failed and the erroneous data has been omitted.

The shallow rock hydrographs at the Merridong site (NS725R, NS726R, NS735R and NS746S) (Figure 4.16) sites show no significant changes in groundwater levels within the shallow rock the since monitoring commenced.

4.1.1.3 Interburden

The interburden monitoring bores TCMB02 (Figure 4.6), TTMB03 (Figure 4.7) and BWMB01D (Figure 4.14) show no overall change in groundwater levels over the monitoring year with the exception of a minimal response to the rainfall events in December 2015/January 2016. TCMB02 (Figure 4.6) and TTMB03 (Figure 4.7) took roughly two days to recover from sampling events associated with the Tiedman Irrigation Program, indicative of the low conductivity of the formation at these locations.

Groundwater levels at WKMB03 (Figure 4.11) show a distinctive delayed recovery response to sampling events, which is indicative of very low hydraulic conductivity within the interburden/fault zone. Increasing groundwater levels at WKMB03 from December 2014 to June 2016 are due to a delayed recovery response after the high frequency groundwater sampling events carried out as part of the Waukivory Pilot Project (Parsons Brinckerhoff 2015c, Parsons Brinckerhoff 2015d, Parsons Brinckerhoff 2016a and Parsons Brinckerhoff 2016b).

4.1.1.4 Coal seams

The coal seam monitoring bore S4MB03 (Figure 4.4) shows a gradual increase in groundwater level of ~ 0.3 m between July 2015 and June 2016. The slight increase observed in February 2016 is most likely a delayed response to the period of rainfall during December 2015 and January 2016.

Coal seam monitoring bores S5MB03 (Figure 4.5) TCMB03 and TCMB04 (Figure 4.6) do not show an overall change in groundwater levels over the monitoring period with the exception of a minimal response to the rainfall events in late January 2016 in TCMB04. The dataloggers at S5MB03 and TCMB03 failed to connect and could not be downloaded causing the data gaps.

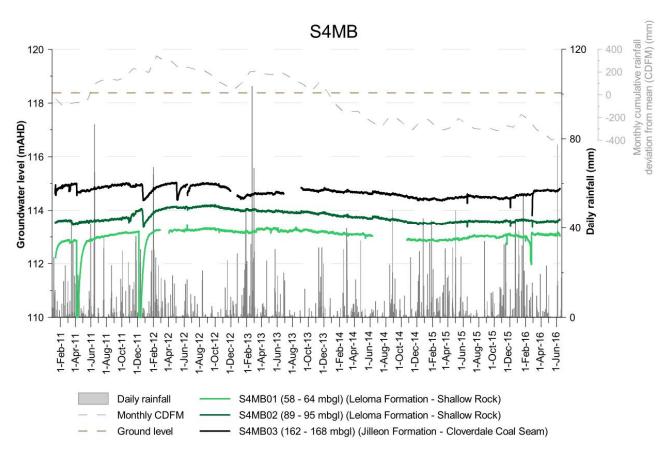


Figure 4.4 Groundwater levels and rainfall at the S4MB site

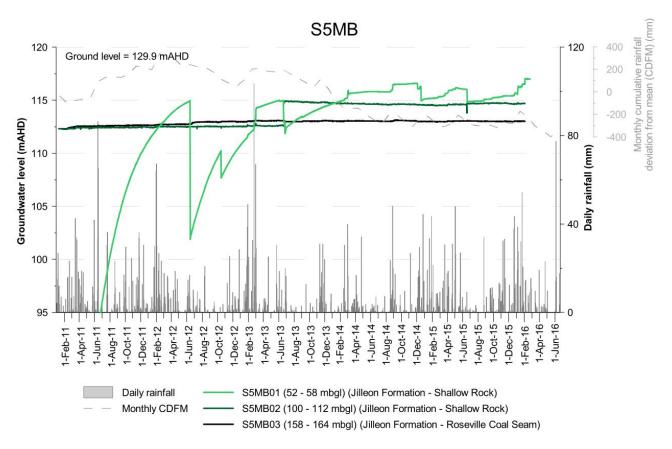


Figure 4.5 Groundwater levels and rainfall at the S5MB site

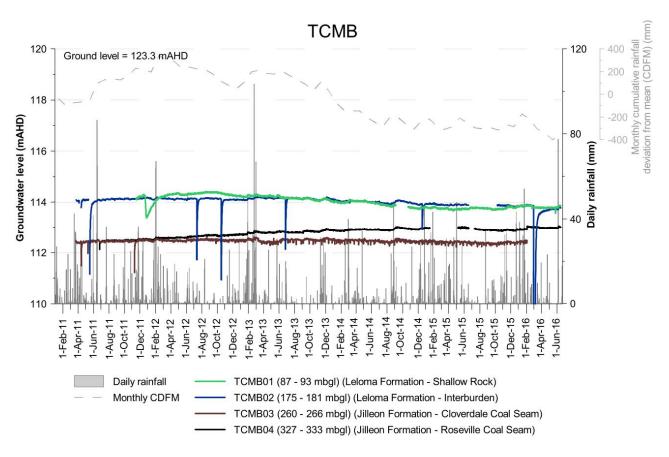


Figure 4.6 Groundwater levels and rainfall at the TCMB site

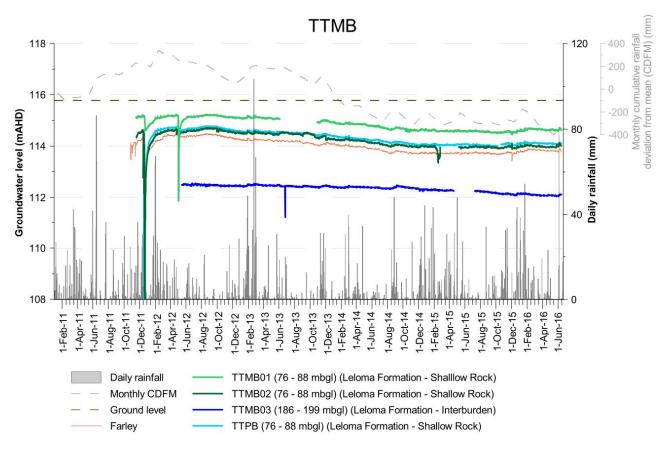
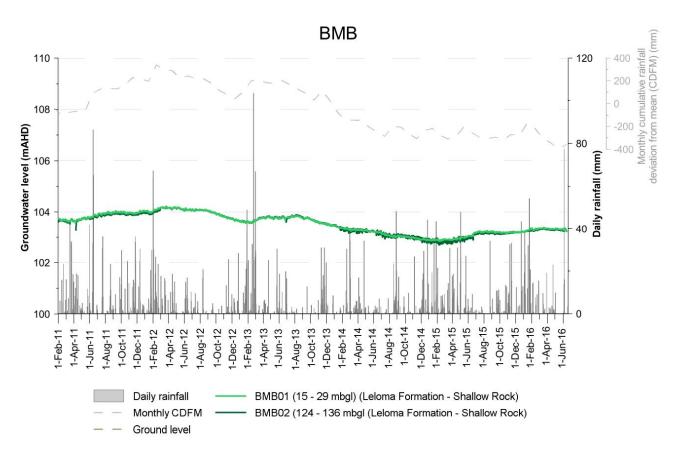
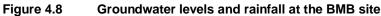


Figure 4.7 Groundwater levels and rainfall at the TTMB site





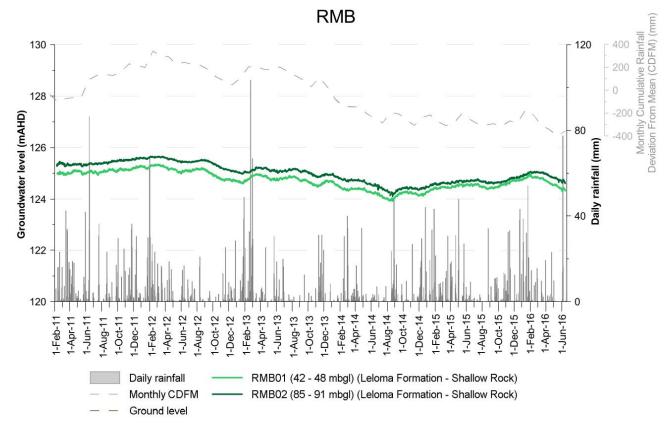


Figure 4.9 Groundwater levels and rainfall at the RMB site

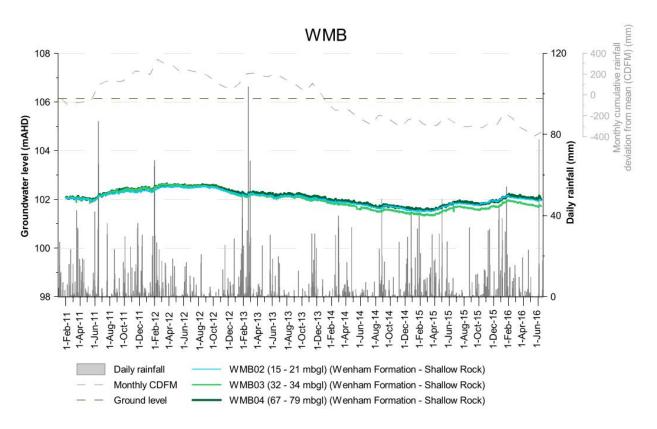


Figure 4.10 Groundwater levels and rainfall at the WMB site

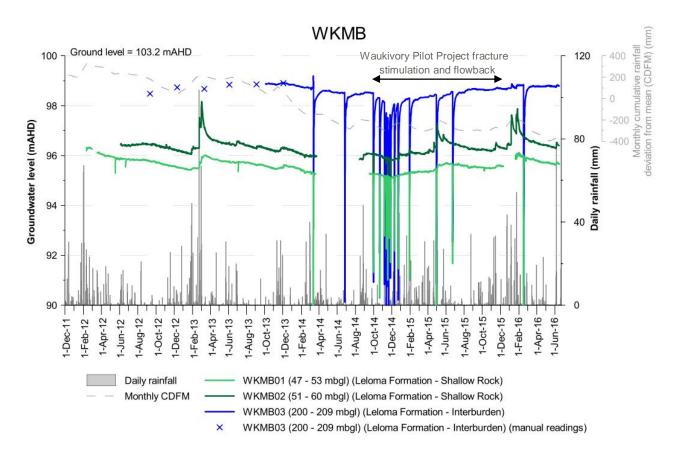


Figure 4.11 Groundwater levels and rainfall at the WKMB site

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report -Gloucester Gas Project

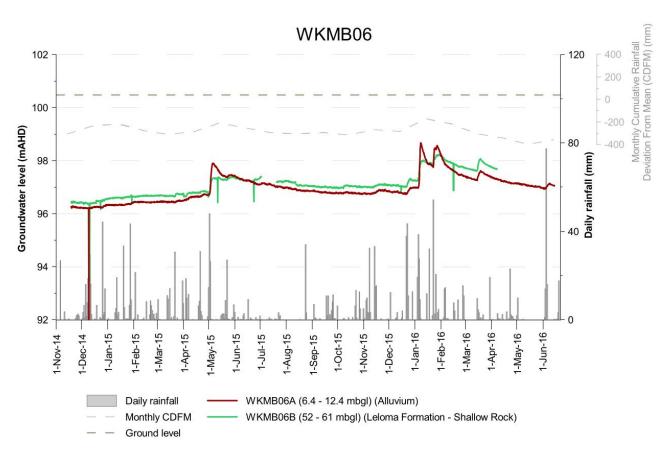


Figure 4.12 Groundwater levels and rainfall at the WRMB06 site

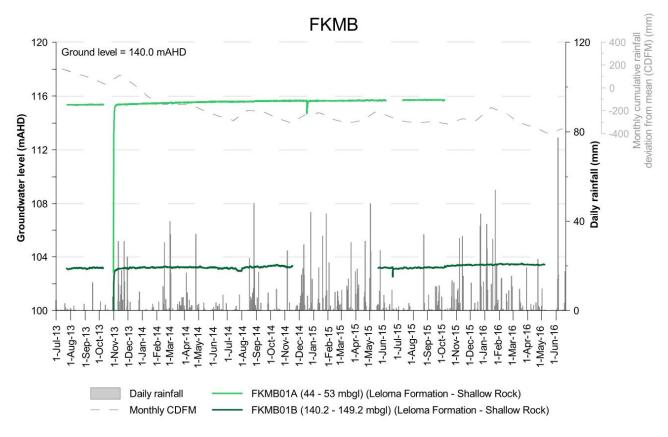


Figure 4.13 Groundwater levels and rainfall at the FKMB site

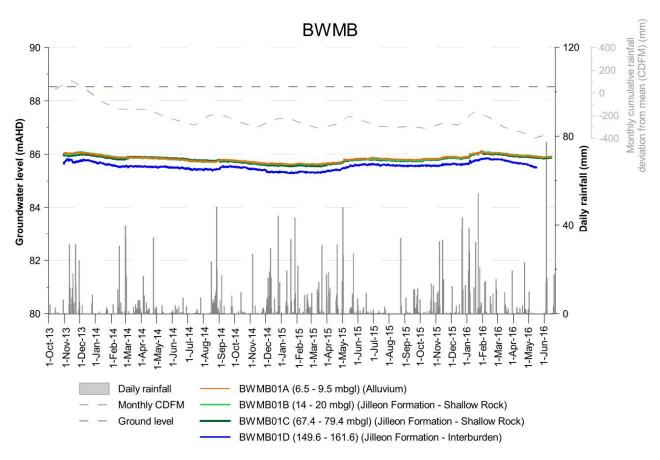


Figure 4.14 Groundwater levels and rainfall at the BWMB site

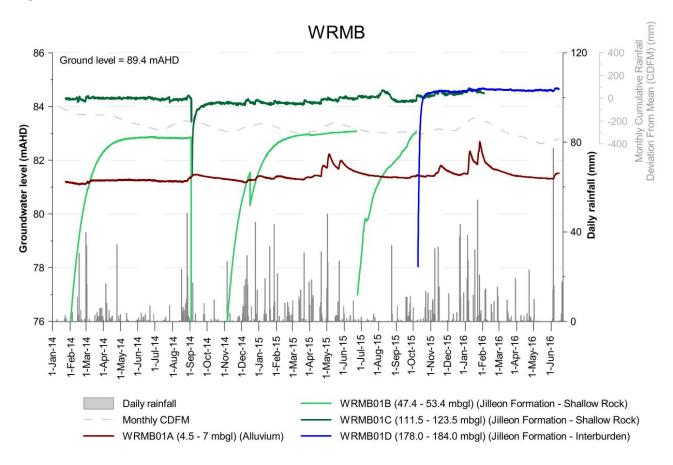


Figure 4.15 Groundwater levels and rainfall at the WRMB site

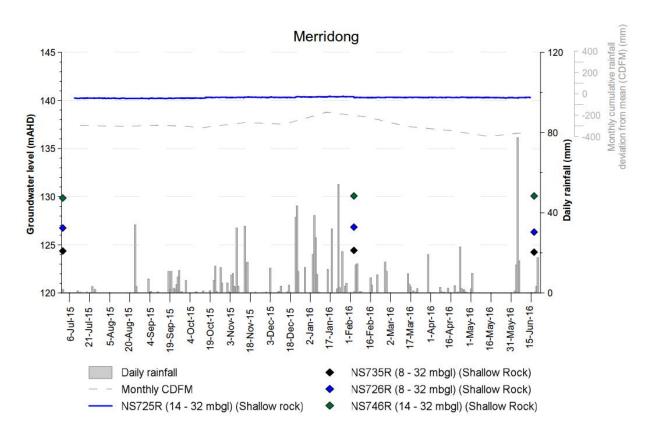


Figure 4.16 Groundwater levels and rainfall at the Merridong site

4.1.1.5 Deep groundwater

Deep groundwater (formation depth >300 mbgl) was monitored by PL03 (VWP) (Figure 4.17), WKMB05 (multizone monitoring well) (Figure 4.18) and LMG01 (VWP) (Figure 4.19).

VWP PL03 was installed in September 2013. Interburden sensor 3 (463 mbgl) showed a decrease in piezometric pressure of about 60 m since installation. However, over the course of the last (July 2015 to June 2016) monitoring period piezometric pressure has increased by 3.3 m. Coal seam sensor 2 (496 mbgl) shows a steady decrease in piezometric pressure of about 20 m from installation until October 2015 with a slight increase in piezometric pressure from October 2015 to June 2016.

The declines in piezometric level reflect the long term readjustment of pore pressure in the surrounding rock since installation and do not represent natural trends. However, sensor 2 may possibly have equilibrated from around April 2015 and Sensor 3 from around October 2015 as piezometric pressures has been relatively stable since. Sensor 2 may have reached equilibrium in April 2015. The long recovery period is due to the very low permeability of the interburden and coal seams at the depth of the sensors. This phenomenon is widely observed in VWP installations and has been observed at VWPs installed at the AGL Hunter Gas Project. At that location, groundwater levels took over one year to equilibrate following installation (Parsons Brinckerhoff 2014a). These trends reflect pore pressures near the sensor adjusting and recovering towards hydrostatic pressures following the local disturbance associated with installation.

During the monitoring year, piezometric levels at PL03 sensor 2 increased (from October 2015) by about 1.5 m and at PL03 sensor 3 increased by about 3.3 m (Figure 4.17). At both sensors the rate of increase has reduced throughout the monitoring period.

Piezometric levels in WKMB05 for the period November 2014 (installation) to 22 June 2016 are shown in Figure 4.18. The rapid changes in the piezometric levels measured at all sensors on 25 November 2014 occurred during the commissioning of the packer system. All sensors in WKMB05 show slight declining trend

in piezometric levels during the monitoring period, with the exception of sensor 4 which remains relatively steady.

It is not clear how, or if, the slight declining trends at WKMB05 relate to the Waukivory Pilot Project flowback activities, it is possible they represent delayed pressure responses, from either fracture stimulation or the commencement of flowback, due to the low permeability of the interburden.

Fluctuations in piezometric level (~300 m) in LMG01 most likely reflect the long term readjustment of pore pressure in the surrounding rock since installation and do not represent a natural trend.

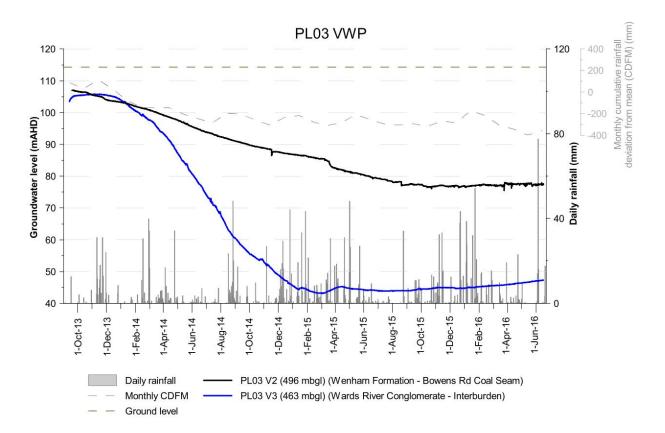


Figure 4.17 Groundwater levels and rainfall at the PL03 VWP

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report - Gloucester Gas Project

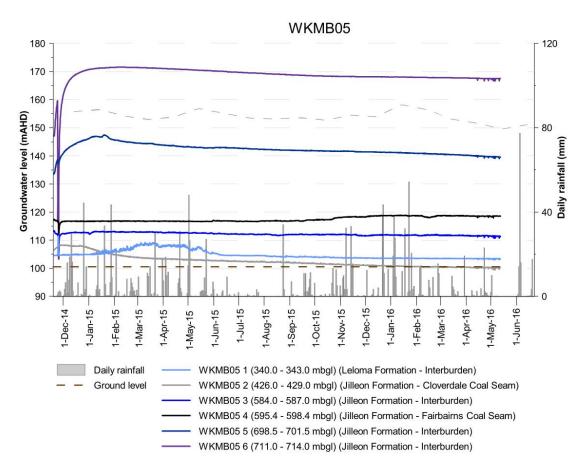


Figure 4.18 Groundwater levels and rainfall at the WKMB05 multizone monitoring well

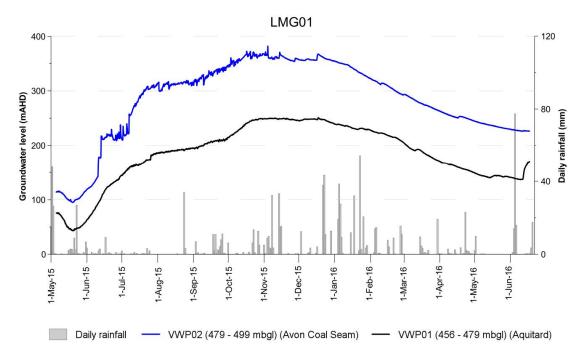


Figure 4.19 Groundwater levels and rainfall at the LMG01 monitoring well

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report - Gloucester Gas Project

4.1.2 Vertical gradients

Vertical gradients were noted at 13 out of 15 nested bore installations as shown in Table 4.1. Due to the very low permeability of the interburden units, vertical groundwater flow is likely to be slow or negligible, despite the vertical gradients. Lateral flow within each of the geological units is concluded to be the primary groundwater flow mechanism when there are no stresses on the shallow or deep groundwater systems (Parsons Brinckerhoff 2015g).

Monitoring site	Gradient	Comments		
TTMB	Downward	~ 2 m to ~ 2.5 m between the shallow rock and the deeper rock.		
WMB	No gradient	Slight (<0.5 m) downward between the shallow and deeper monitoring bores in the shallow rock.		
S4MB	Upward	~ 1 m to ~ 2 m between the deeper coal seam and the shallow rock.		
S5MB	Downward	~ 2 m between the deeper coal seam at S5MB03 and the shallow rock at S5MB02 since July 2013 (a slightly upward gradient prior to July 2013).		
		The shallow rock monitoring bore at S5MB01 shows a very slow response to sampling and therefore may not be representative of water table trends.		
TCMB	Downward	~ 1 m to ~ 1.5 m between the shallow rock and deeper coal seams.		
BMB	No gradient	No perceptible gradient.		
RMB	Slight Upward	$\sim 0.5 \mbox{ m}$ between the deeper and the shallower monitoring bore in the shallow rock		
WKMB	Upward	~ 2.5 m to ~ 3 m between the interburden and the shallow rock		
WKMB06	alternating	~ 0.3 m between the shallow rock and alluvium		
		Reversal of vertical gradient during/following high rainfall events		
FKMB	Downward	~ 12.5 m between the shallower and the deeper monitoring bore in the shallow rock; this is the most significant gradient across the monitoring sites, however it is also the most elevated site.		
BWMB	Slight Downward	~ 0.5 m between the alluvium/shallow rock and the deep interburden.		
WRMB	Upward	~ 1.5 m between the deeper and shallow monitoring bore in the shallow rock		
		~3 m between WRMB01C and the alluvium		
PL03	Upward	~35 m between the interburden and the Bowen Road Coal Seam		
WKMB05	Upward	Apparent and pronounced upward gradient between the deepest zones and the shallowest zones		
LMG01	Upward	Between ~10 m and ~20 m upward gradient between the Avon Coal Seam and the Aquitard.		

Table 4.1	Vertical gradients at the nested monitoring bore installations
	for troat gradiente at the neoted mentering sere metallatione

(a) Piezometric levels in LMG01 are most likely a reflection the long term readjustment of pore pressure in the surrounding rock since installation rather than natural trends and any observed vertical gradient should be revaluated as monitoring continues.

4.2 Shallow gas monitoring

Gas samples were collected using Isotech Isotubes® from the two shallow gas monitoring wells, TGMB01 and TGMB02 on the Tiedman property (Figure 3.2). TGMB01 was screened across the uppermost weathered rock (3 - 6 mbgl) and TGMB02 was installed close to the Roseville Coal Seam outcrop (from 12 – 15 mbgl). These were dry monitoring wells, above the water table. The results from the sampling event on 21 June 2016 are presented in Table 4.2.

Analyte	TGMB01 (screened 3 – 4 mbgl)		TGMB02 (screened 12 – 15 mbgl)	
	2015	2016	2015	2016
O ₂ + Ar (ppm)	211,000	216000	211,400	215900
CO ₂ (ppm)	400	620	490	640
N ₂ (ppm)	788,600	783400	788,100	783400
CH ₄ (ppm)	4	4	4	15

Table 4.2	Gas sampling com	position
-----------	------------------	----------

Concentrations of oxygen (O_2), Argon (Ar) carbon dioxide (CO_2) and nitrogen (N_2) are typical of air. methane concentrations were negligible and were too low to perform any isotopic analysis of C or H isotopes. These results are comparable to gas sampling that was completed on 4 April 2015 as part of the 2015 groundwater sampling event (Parsons Brinckerhoff 2015h), however carbon dioxide concentrations were slightly higher than the 2015 results for both bores, while TGMB02 had slightly elevated levels of methane compared to 2015. Laboratory results from the gas sampling are included in Appendix B.

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report - Gloucester Gas Project

4.3 Groundwater salinity

Continuous salinity (as EC) data was recorded at six hour intervals at WKMB06A and WKMB06B. Figure 4.20 presents salinity during the 2016 monitoring period.

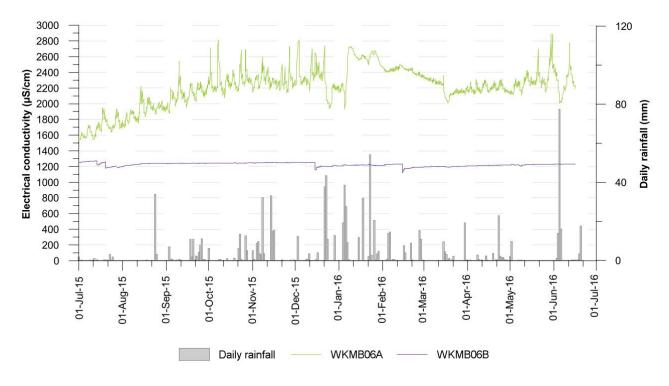


Figure 4.20 EC of groundwater and rainfall at the WKMB06A and WKMB06b monitoring wells.

An increase in salinity is observed at WKMB06A over the first half of the monitoring period that may be a response to a low rainfall and evaporative concentration effects in the alluvium. Subsequent salinity levels remain within an approximate range of 2,000 to 2,800 μ S/cm. The salinity data for WKMB06B remains at approximately 1,200 μ S/cm throughout the monitoring period.

5. Surface water monitoring

The details and location of the stream gauge installations for the GGP are provided in section 3.1.2, Figure 3.1 and Figure 3.2. Continuous water level and salinity (as EC) data was recorded at 15 minute intervals at selected surface water monitoring locations.

5.1 Surface water levels

The stream gauge monitoring network prior to decommissioning in June 2016 was located on the Avon River, Dog Trap Creek and Waukivory Creek (Section 3.1.2). During the decommissioning, stream gauges were removed from the Avon River stations WKSW01 and WKSW02 and one Avon River lower level sensor was removed from ASW02. One Avon River lower level sensor was washed away from station TSW01. All stream gauges across the monitoring network showed rapid responses to rainfall events (Figures 5.1 and 5.2) with peak discharge occurring within hours of the rainfall event. The hydrographs also show relatively steep recession curves, with stream levels declining to close to pre-existing levels within 2 weeks following rainfall events. This is representative of runoff high in the catchment, with limited storage capacity and baseflow contributions upstream of the GGP site. During the monitoring period, high rainfall events correlating with increased water levels occurred in November 2015, December 2015, January 2016 and June 2016.

There are data gaps for stations TSW01, ASW01 and ASW02. The reason for the data gaps for TSW01 and ASW01 were malfunctioning dataloggers, which were subsequently replaced. For ASW02 there was a logger malfunction that may possibly be associated with sensor damage during the January 2016 flood event (Ventia, 2016).

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report - Gloucester Gas Project

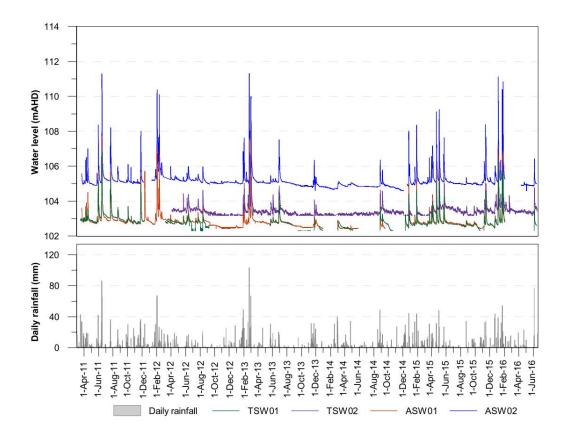


Figure 5.1 Avon River (ASW01, ASW02 and TSW01) and Dog Trap Creek (TSW02) stream level and rainfall

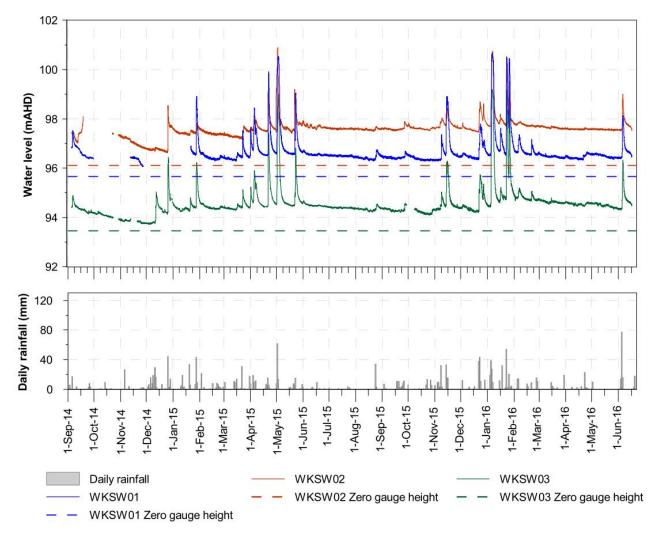


Figure 5.2 Avon River (WKSW01 and WKSW03) and Waukivory Creek (WKSW02) stream level and rainfall

5.1.1 Groundwater-surface water interaction

Groundwater levels for monitoring bores screened in the alluvium are plotted against water level data from the adjacent stream gauges for the Tiedman and Avondale properties on Figure 5.3. Alluvial water level data is compared to stream gauge data to determine the hydraulic gradient between the interconnected systems.

Groundwater levels in the alluvium were typically higher than adjacent stream levels (by one to two metres), indicating that the streams are discharge features for shallow groundwater in the Stage 1 GFDA (Figure 5.3). It is only during relatively short periods of high stream levels and flow, associated with rainfall events and floods, that the shallow alluvial groundwater is recharged from the streams.

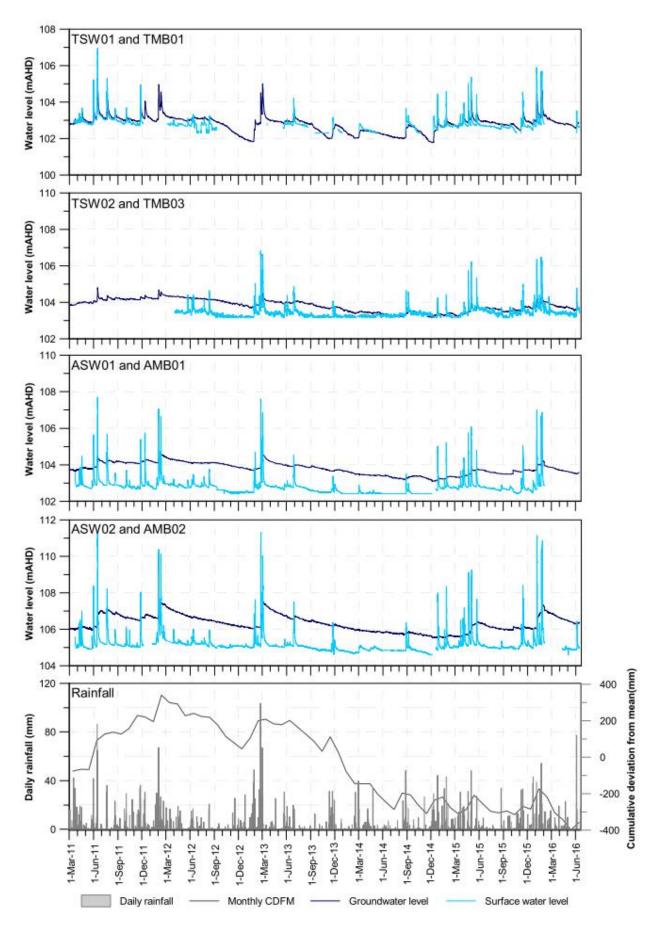


Figure 5.3 Surface water hydrographs and groundwater levels in the adjacent alluvium for the Avon River and Dog Trap Creek

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report -Gloucester Gas Project

5.2 Surface water flows

Stream water levels have been converted to estimated stream flows using theoretical rating curves prepared for the 2014 Monitoring Status Report (Parsons Brinckerhoff 2014b). Estimated stream flows are provided in Figure 5.4. No calibrated rating curves are available for any of the stream gauge sites due to persistent low flows and very short periods of higher flows.

The theoretical rating curves estimate that The Avon River at ASW01 and Dog Trap Creek at TSW02 do not flow for approximately 94% and 98% of the time respectively (Parsons Brinckerhoff 2014b). During such times where flow is predicted to have ceased, the Avon River and Dog Trap Creek will be characterised by multiple disconnected pools as opposed to having dried out. The rating curve model incorporates a known level, above which flow occurs and below which, there is insufficient water to flow over the gauge. The Avon River at TSW01 has no flow for 30% of the time, and at ASW02 has no flow for 3% of the time.

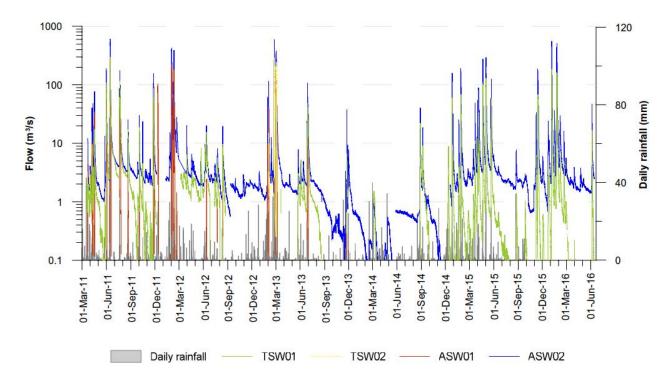


Figure 5.4 Avon River and Dog Trap Creek estimated flows and rainfall

5.3 Surface water quality

The complete time series of water levels and EC since monitoring began at TSW01, TSW02, ASW01 and ASW02 are provided in Appendix A. The following figures present hydrographs and EC concentrations during the 2016 monitoring period at ASW01 and ASW02 (Figure 5.5), TSW01 and TSW02 (Figure 5.5), and WKSW01, WKSW02 and WKSW03 (Figure 5.6).

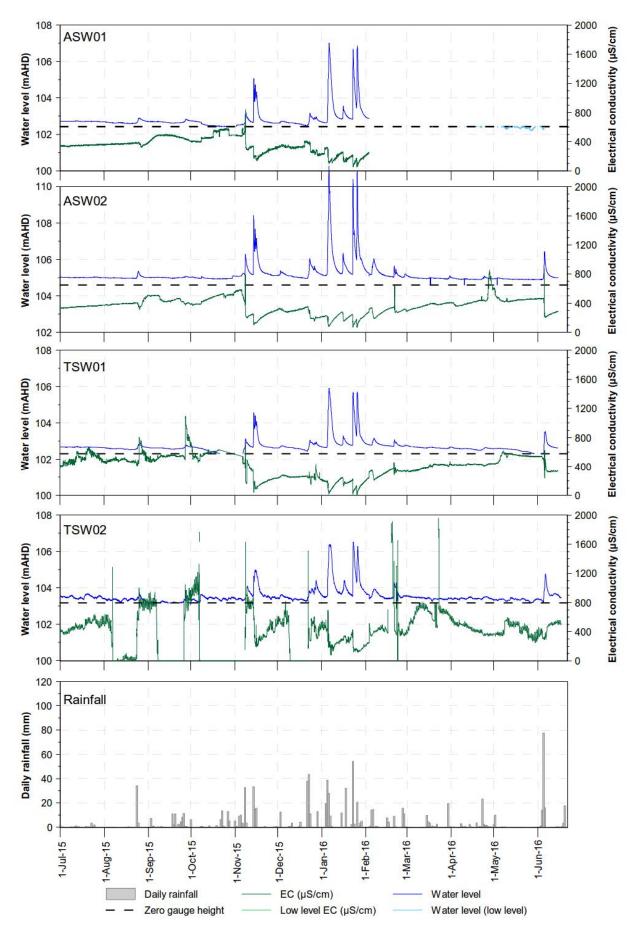


Figure 5.5 Water levels and EC (µS/cm) on the Avon River (ASW01, ASW02 and TSW01) and Dog Trap Creek (TSW02) during the 2016 monitoring period

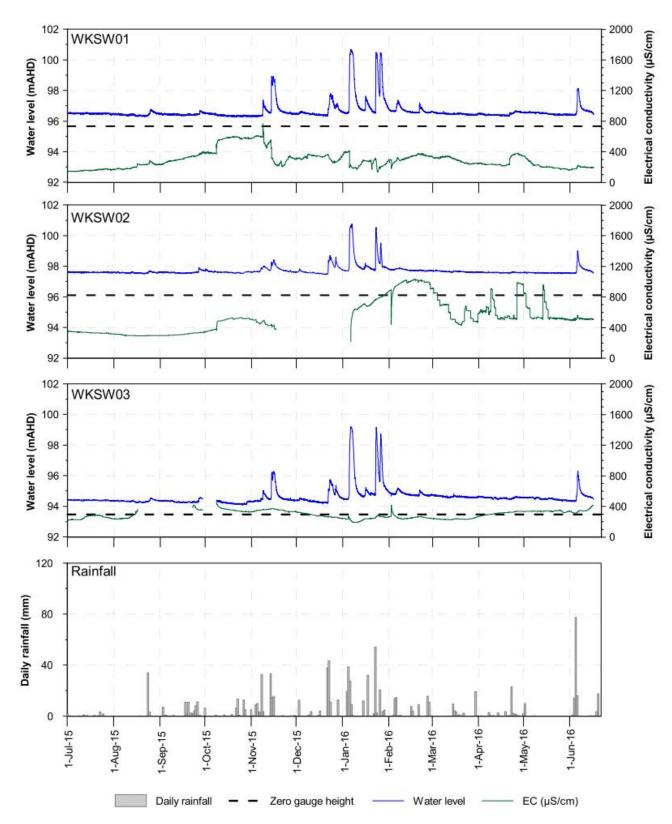


Figure 5.6 Water levels and EC (µS/cm) on the Avon River (WKSW01 and WKSW03) and Waukivory Creek (WKSW02) during the 2016 monitoring period

Surface water levels showed a direct and immediate response to rainfall and runoff across all monitoring locations. Surface water salinity (measured as EC) is typically inversely related to levels and flow. Salinity decreased following rainfall events as relatively fresh runoff is routed into streams (Figures 5.5 and 5.6). An initial increase in EC was often seen in the initial runoff phase as readily dissolvable salts are flushed from the ground surface and shallow soils, followed by dilution as rainfall persists.

After the initial salinity spike and subsequent reduction in EC levels, EC then gradually increases as flow decreases and groundwater discharge from the alluvium starts to become a more dominant component of the baseflow. During the monitoring period, a gradual increase in EC is observed during low rainfall periods from February 2016 to May 2016. Low water levels are observed in the Avon River and Dog Trap Creek during these periods and an increase in EC may also be attributed to evaporative concentration of salts likely to be taking place in disconnected pools within the streams.

Table 5.1 presents statistics for each of the surface water sites where EC is measured. A percentile is the value below which a given percentage of observations fall. For example, the 5th percentile is the value below which 5% of observations are found. The 5th and 95th percentiles presented in Table 5.1 are used as a method of discounting outlying values.

Table 5.1 shows the range of EC data measured during the 2016 monitoring period. The maximum was found at TSW02 (3451 μ S/cm) while the highest 95th percentile was found at WKSW02 (1000 μ S/cm). This is attributed to the ephemeral characteristics of these tributaries and generally lower flows compared to the Avon River.

EC (µS/cm)	Location	5 th percentile	Median	95 th percentile	Maximum
ASW01 ^ª	Avon River	156	356	542	839
ASW02	Avon River	185	373	515	867
TSW01 ^a	Avon River	151	427	593	1091
TSW02	Dog Trap Creek	103	104	820	3451
WKSW01	Avon River	158	275	581	767
WKSW02	Waukivory Creek	296	515	1000	1035
WKSW03	Avon River	228	285	365	454

 Table 5.1
 EC observations during the 2016 monitoring period

(a) ASW01 and TSW01 do not include low level logger data

6. Conclusions

The following conclusions are drawn from a review of the groundwater and surface water monitoring data for the 2016 monitoring period (1 July 2015 to 30 June 2016) from AGL's water monitoring network for the GGP in the Gloucester Basin.

Rainfall

Total rainfall for the period July 2015 to June 2016 at the AGL weather station was 855 mm, which is comparable to the long term average annual rainfall (979 mm) at Gloucester Post Office.

During the current monitoring period, rainfall was above the monthly average in September and December 2015 and January and June 2016 and below the monthly average during all other months of the monitoring period.

Groundwater

Groundwater level trends in monitoring bores vary depending on the lithology and depth of the screened interval:

- Alluvium: Groundwater levels in monitoring bores screened in the alluvial deposits showed a rapid response to significant rainfall events. This was a threshold response, which varied between sites, where rainfall events of a certain magnitude were required to trigger a response in groundwater levels. Most alluvial monitoring bores show a seasonal response characterised by a decrease in groundwater levels during times of below average rainfall, before increasing in response to the summer rainfall.
- Shallow rock: Groundwater levels in shallow rock monitoring bores increased slightly over the monitoring period in response to rainfall since October 2015. There were no strong responses to individual rainfall events in the shallow rock bores during this monitoring period with the exception of WKMB02 and WKMB06B. This is indicative of an increased hydraulic connection to recharge areas compared to other shallow rock monitoring bores.
- Interburden units: Monitoring bores screened within the interburden units showed no significant change over the monitoring period, and groundwater levels did not respond to individual rainfall events.
- Deep coal seams: Groundwater levels in monitoring bores that were screened within the coal seams showed a gradual increase during the monitoring period. There are no strong responses to individual rainfall events.

Vertical gradients were noted at 13 of the 15 nested bore installations:

- Downward hydraulic gradients were noted at the TTMB, S5MB, TCMB, FKMB and BWMB nested bore sites.
- Upward hydraulic gradients were noted at the S4MB, RMB, WKMB, WRMB, PL03, WKMB05 and LMG01 nested bore sites.
- An upward vertical gradient is noted at WKMB06 during periods of low rainfall which can change to a downward gradient following high rainfall and flood events.

No vertical head gradients were noted at the BMB and WMB. Due to the very low permeability of the interburden units, vertical groundwater flow is likely to be extremely slow and negligible, despite the vertical gradients. Lateral flow within each of the geological units is concluded to be the dominant groundwater flow mechanism when there are no stresses on the shallow or deep groundwater systems at these locations.

Surface water

Water levels remained relatively consistent throughout the FY16 monitoring period as a result of steady rainfall throughout the year. All stream gauges on the Avon River and Dog Trap Creek showed rapid responses to large rainfall events and runoff, and relatively steep recession curves, such as those associated with the December 2015, January and June 2016 rain events.

Surface water salinity decreased following rainfall events as relatively fresh runoff is routed into streams. An initial increase in salinity was often seen in the initial runoff phase as readily dissolvable salts are flushed from the ground surface and shallow soils, followed by dilution as rainfall persists.

Groundwater - surface water interaction

Groundwater levels in the alluvium have typically been higher than adjacent stream levels since monitoring began (by one to two metres), indicating that the streams are discharge features for shallow groundwater in the Stage 1 GFDA (Figure 5.3). Only during relatively short periods of high stream levels and flow, associated with rainfall events and floods, that the shallow alluvial groundwater were recharged from the streams.

The conclusions of this report regarding surface and groundwater levels, groundwater-surface water interaction and salinity observations captured in the FY16 monitoring period are consistent with the hydrogeological/ hydrological conceptual model of the Gloucester Basin (Parsons Brinckerhoff 2015g).

Long term impact of the GGP

A review of the groundwater level observation data collected for the 2016 monitoring period, (as is similar in previous years) has shown no attributable impacts from GGP site activities (fracture stimulation or flowback) evident in the monitoring data. Short term decreases in water levels can be seen in monitoring bores completed in the shallow rock, interburden and deeper coal seams and are associated with sampling events from these bores. In each case, the water level returned to pre sampling conditions in all bores for all sampling events.

It is not yet clear if the piezometric level hydrograph traces in the deep groundwater monitoring locations show a response to the Waukivory Pilot Project activities. It is possible that they show delayed pressure effect responses from either fracture stimulation or the commencement of flowback. However, these effects are not obvious and may be due to the low permeability of the interburden adjacent to the coal seams.

Surface water levels and quality have shown seasonal fluctuations in response to climate and have not shown any response that could be attributable to GGP site activities.

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report -Gloucester Gas Project

7. Statement of limitations

7.1 Scope of services

This report has been prepared in accordance with the scope of services set out in the contract, or as otherwise agreed, between the client and Parsons Brinckerhoff (scope of services). In some circumstances the scope of services may have been limited by a range of factors such as time, budget, access and/or site disturbance constraints.

7.2 Reliance on data

In preparing the report, Parsons Brinckerhoff has relied upon data, surveys, plans and other information provided by the client and other individuals and organisations, most of which are referred to in the report (the data). Except as otherwise stated in the report, Parsons Brinckerhoff has not verified the accuracy or completeness of the data. To the extent that the statements, opinions, facts, information, conclusions and/or recommendations in the report (conclusions) are based in whole or part on the data, those conclusions are contingent upon the accuracy and completeness of the data. Parsons Brinckerhoff will not be liable in relation to incorrect conclusions should any data, information or condition be incorrect or have been concealed, withheld, misrepresented or otherwise not fully disclosed to Parsons Brinckerhoff.

7.3 Environmental conclusions

In accordance with the scope of services, Parsons Brinckerhoff has relied upon the data and has conducted environmental field monitoring and/or testing in the preparation of the report. The nature and extent of monitoring and/or testing conducted is described in the report.

On all sites, varying degrees of non-uniformity of the vertical and horizontal soil or groundwater conditions are encountered. Hence no monitoring, common testing or sampling technique can eliminate the possibility that monitoring or testing results/samples are not totally representative of soil and/or groundwater conditions encountered. The conclusions are based upon the data and the environmental field monitoring and/or testing and are therefore merely indicative of the environmental condition of the site at the time of preparing the report, including the presence or otherwise of contaminants or emissions.

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.

7.4 Report for benefit of client

assumes no responsibility and will not be liable to any other person or organisation for or in relation to any matter dealt with or conclusions expressed in the report, or for any loss or damage suffered by any other person or organisation arising from matters dealt with or conclusions expressed in the report (including without limitation matters arising from any negligent act or omission of Parsons Brinckerhoff or for any loss or damage suffered by any other party relying upon the matters dealt with or conclusions expressed in the report). Parties other than the client should not rely upon the report or the accuracy or completeness of any conclusions and should make their own enquiries and obtain independent advice in relation to such matters.

AGL Upstream Investments Pty Ltd 2016 Groundwater and Surface Water Monitoring Status Report - Gloucester Gas Project

7.5 Other limitations

Parsons Brinckerhoff will not be liable to update or revise the report to take into account any events or emergent circumstances or facts occurring or becoming apparent after the date of the report.

The scope of services did not include any assessment of the title to or ownership of the properties, buildings and structures referred to in the report nor the application or interpretation of laws in the jurisdiction in which those properties, buildings and structures are located.

8. References

AECOM (2009) Gloucester Gas Project Environmental Assessment, report prepared for AGL, dated November 2009.

AGL (2015) Weather station data, http://www.agl.com.au/waterportal, accessed 15/07/16.

ANZECC (2000) Australian and New Zealand Guidelines for Fresh and Marine Water Quality Volumes 3 and 4, Australian and New Zealand Environment and Conservation Council & Agriculture and Resource Management Council of Australia and New Zealand, Canberra.

Bureau of Meteorology (BoM) (2016) Climate data, http://www.bom.gov.au/climate/data/, accessed 15/07/16.

EPA (2016). NSW Environment Protection Authority 2015, Licence – 20358, Licence variation notice number 1536852, 4 May 2016.

Hillis, R.R., Meyer, J.J. and Reynolds, S.D. (1998) *The Australian Stress Map.* Exploration Geophysics, 29, 420-427.

Hounslow, A.W. 1995, *Water Quality Data, analysis and interpretation.* CRC Press, Taylor & Francis Group, USA.

Hughes, W.W., Wilcox, R.D. and Wilcock, S.W. (1984) *Regional exploration of the Gloucester Basin*, Report prepared for Esso Australia Ltd.

Lennox, M. (2009) *Stroud Gloucester Trough: Review of the Geology and Coal Development*, Ashley Resources, Sydney, dated January 2009.

Owen, D.D.R., Raiber, M. and Cox, M.E. (2014) *Relationship between major ions in coal seam gas groundwaters: Examples from the Surat and Clarence-Moreton basins*, International Journal of Coal Geology 137, 77-91.

Parsons Brinckerhoff (2012) Phase 2 Groundwater Investigations – Stage 1 Gas Field Development Area, Gloucester Gas Project, dated January 2012, PR_5630.

Parsons Brinckerhoff (2013a) *Hydrogeological Conceptual Model of the Gloucester Basin*, dated June 2013, PR_7266.

Parsons Brinckerhoff (2013b) Parsons Brinckerhoff (2013) 2013 Gloucester Groundwater and Surface Water Monitoring – Annual Status Report, Figure 5.3, 2162406E-RES-RPT-7423 RevA.

Parsons Brinckerhoff (2013c) *Tiedman Irrigation Trial Baseline Water Monitoring Program*, Gloucester Gas Project, 2162406D PR_6306_Rev02, dated January 2013.

Parsons Brinckerhoff (2013d) *Tiedman Irrigation Trial – August 2013 Water Compliance Report*, Gloucester Gas Project, 2162406F-WAT-RPT-7408 RevC, dated August 2013.

Parsons Brinckerhoff (2014a) *Hunter Groundwater and Surface Water Monitoring – Annual Status Report 2014*, Hunter Gas Project, 2201003A-RES-RPT-001 RevD, dated November 2014.

Parsons Brinckerhoff (2014b) 2014 Gloucester Groundwater and Surface Water Monitoring Status Report, Gloucester Gas Project, 2201007A-RES-RPT-001 RevC, dated 20 November 2014

Parsons Brinckerhoff (2015a), *Waukivory Pilot Project – Surface Water and Groundwater Monitoring Report to 31 December 2014,* Gloucester Gas Project, 2268523A-WAT-RPT-001 RevE, dated February 2015.

Parsons Brinckerhoff (2015b), Waukivory Pilot Project – Surface Water and Groundwater Monitoring Report to 31 March 2015, Gloucester Gas Project, 2268523A-WAT-RPT-002 RevD, dated May 2015.

Parsons Brinckerhoff (2015c), Waukivory Pilot Project – Surface Water and Groundwater Monitoring Report to 30 June 2015, Gloucester Gas Project, 2268523A-WAT-RPT-003 RevE, dated August 2015.

Parsons Brinckerhoff (2015d), *Waukivory Pilot Project – Surface Water and Groundwater Monitoring Report to 30 September 2015,* Gloucester Gas Project, 2268523A-WAT-RPT-004 RevB, dated November 2015.

Parsons Brinckerhoff (2015e) *Tiedman Irrigation Program – Water Compliance Report for the period 5 July to 31 December 2014*, Gloucester Gas Project, 2268517A-WAT-RPT-001 RevC, dated February 2015.

Parsons Brinckerhoff (2015f) *Tiedman Irrigation Program – Water Compliance Report for the period 1 January to 30 June 2015*, Gloucester Gas Project, 2268517B-WAT-RPT-001 RevD, dated August 2015.

Parsons Brinckerhoff (2015g) *Updated Conceptual Hydrogeological Model of the Gloucester Basin,* Gloucester Gas Project, in preparation November 2015.

Parsons Brinckerhoff (2015h), *Groundwater and Surface Water Monitoring Status Report to 30 June 2015,* Gloucester Gas Project, 2200566A-WAT-REP-001 RevD, dated December 2015.

Parsons Brinckerhoff (2016a), *Waukivory Pilot Project – Surface Water and Groundwater Monitoring Report to 31 December 2015,* Gloucester Gas Project, 2268523A-WAT-RPT-005 RevC, dated February 2015.

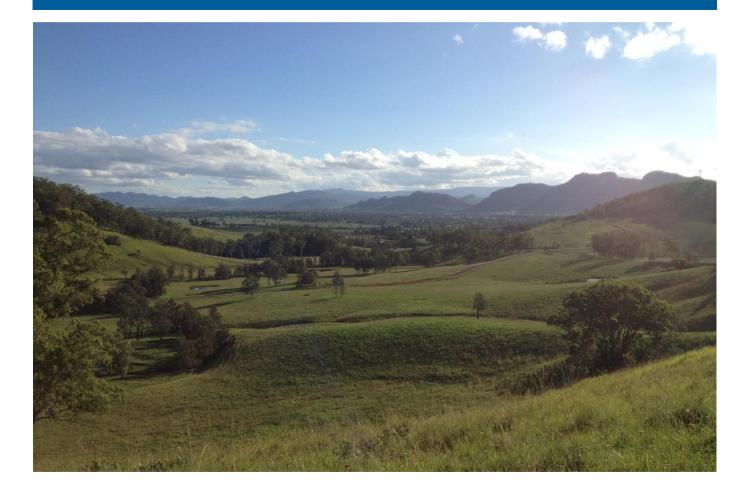
Parsons Brinckerhoff (2016b), *Waukivory Pilot Project – Surface Water and Groundwater Monitoring: Final Report,* Gloucester Gas Project, 2268523A-WAT-RPT-006 RevD, dated July 2016.

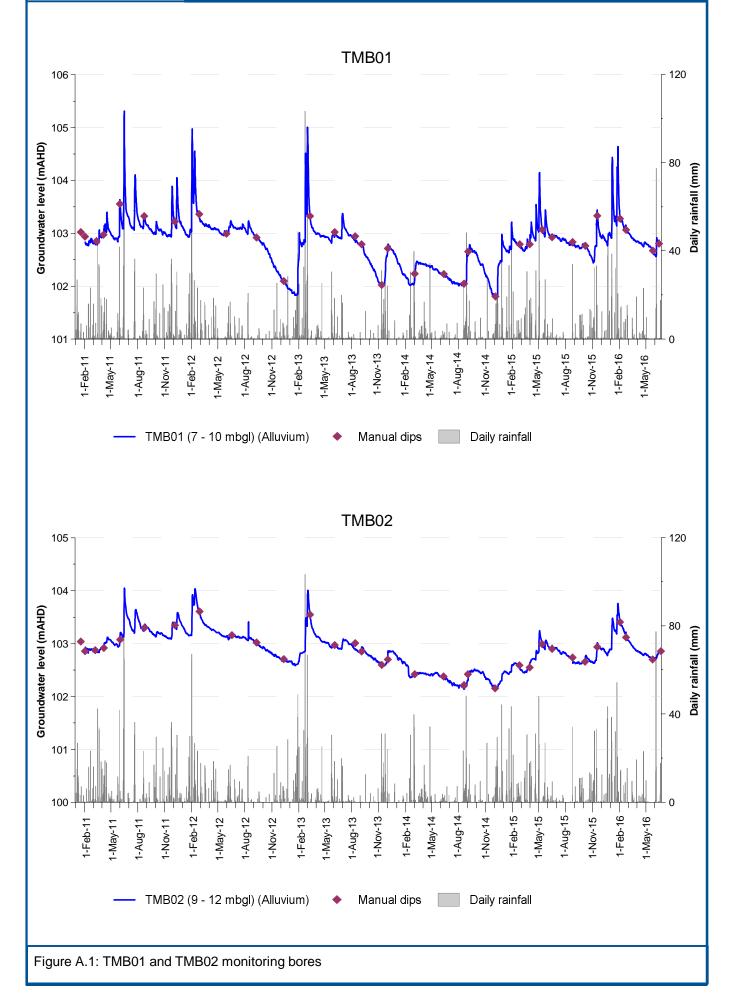
SRK (2005) Gloucester Basin Geological Review, SRK Project Number GBA001.

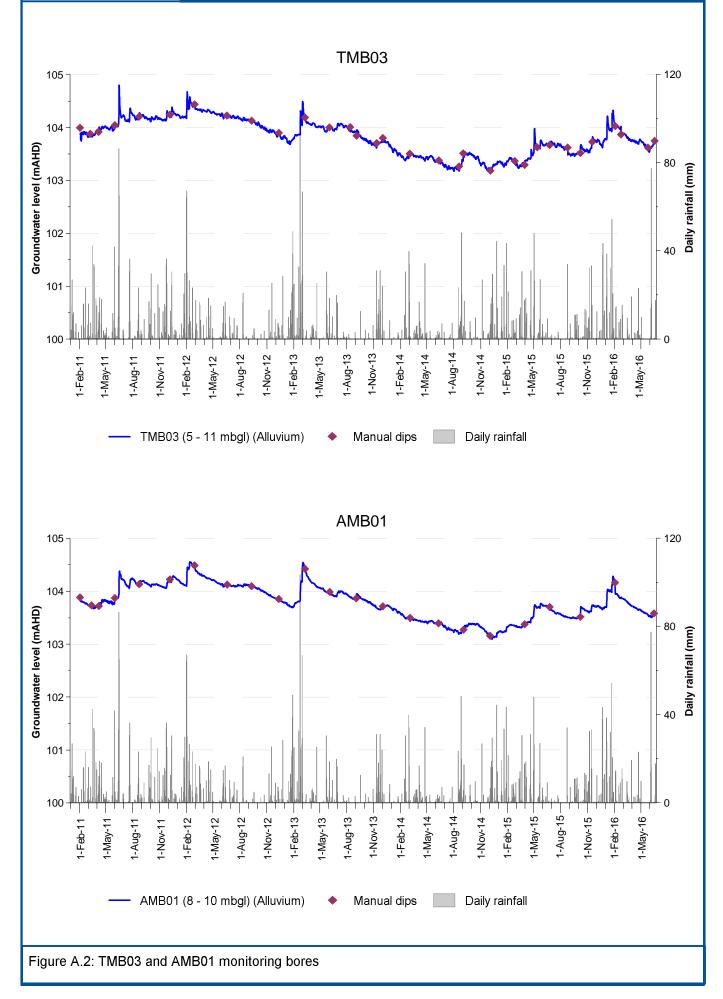
Ventia (2016) Field data sheets. N Drought.

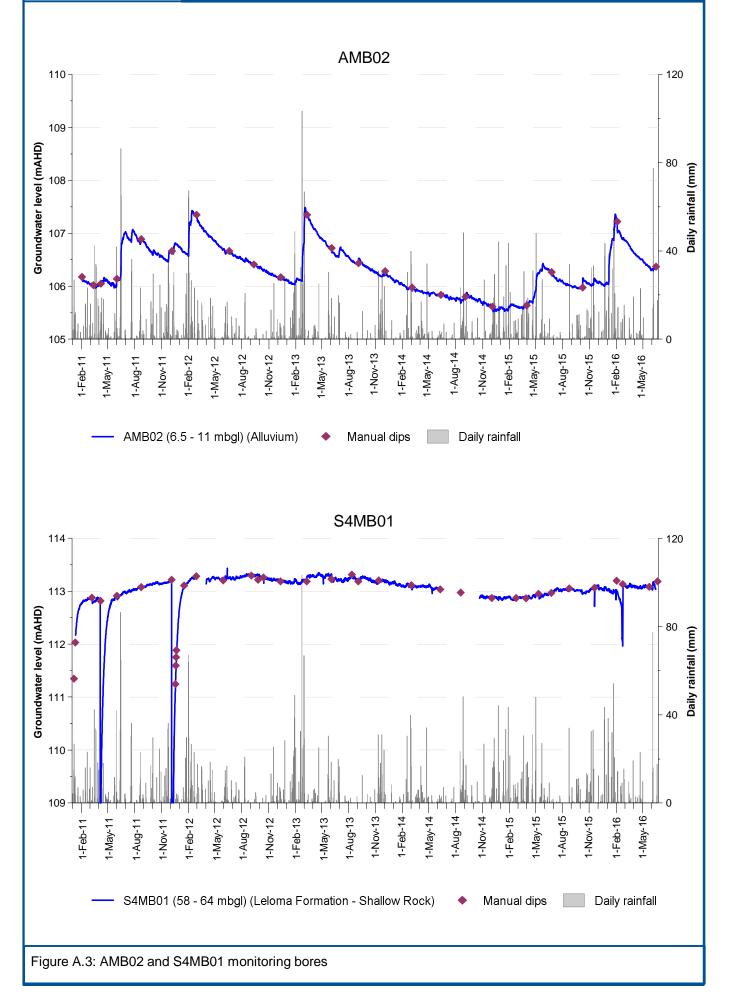
Appendix A

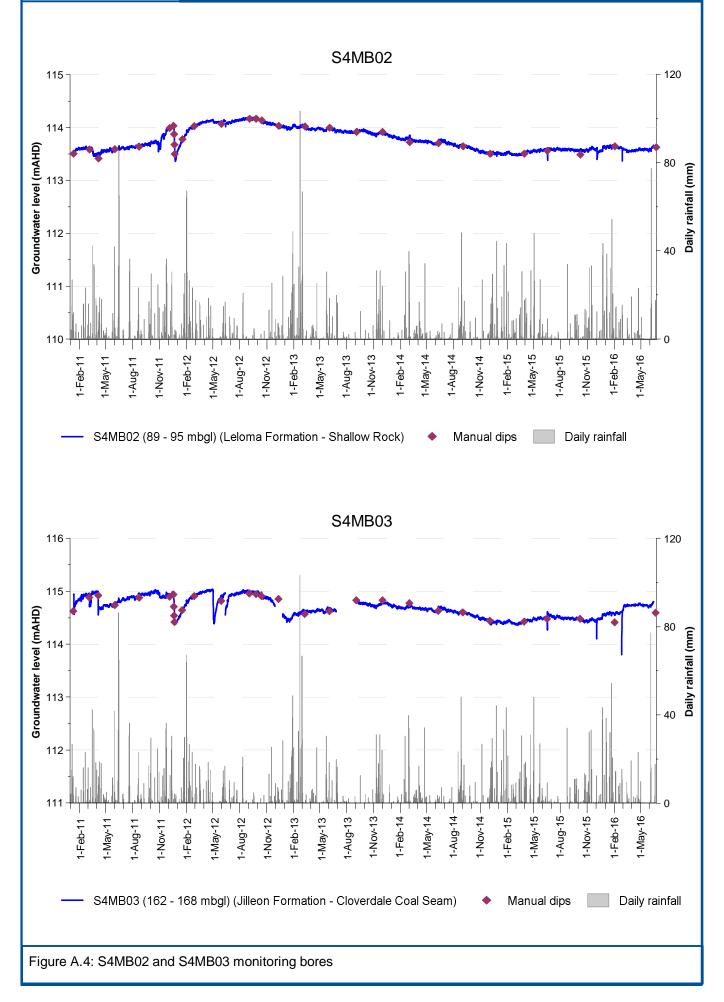
Hydrographs

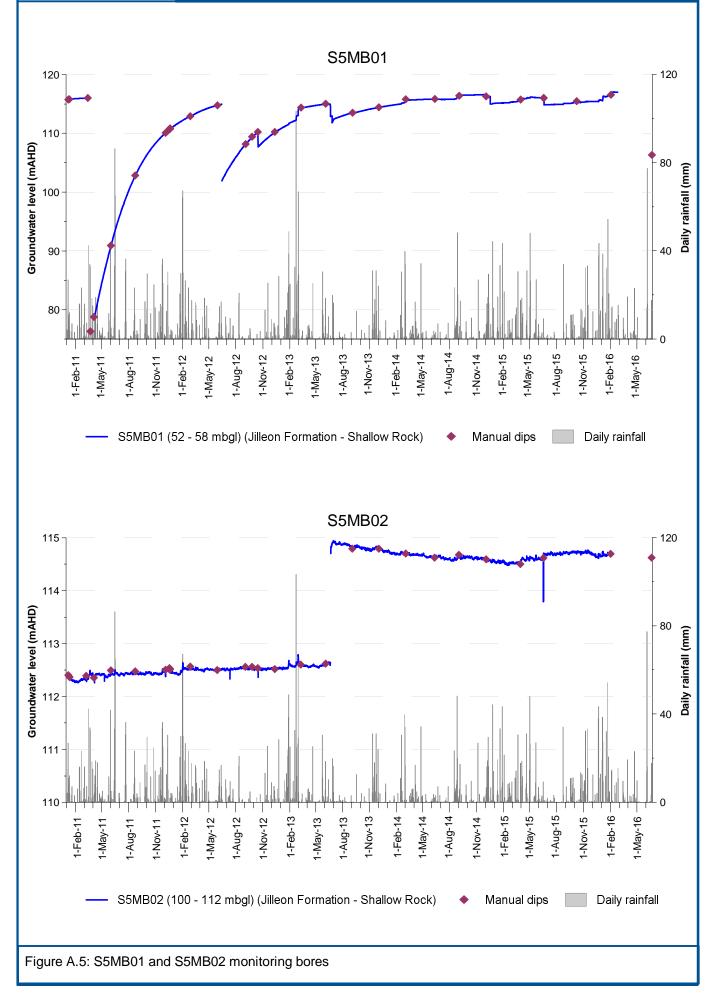


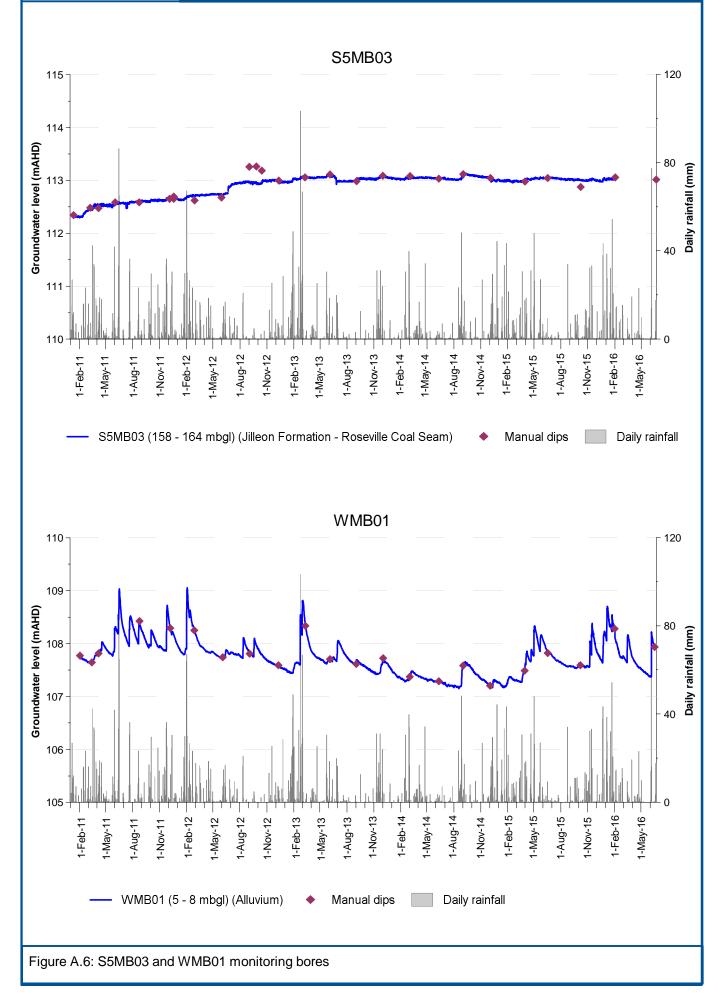


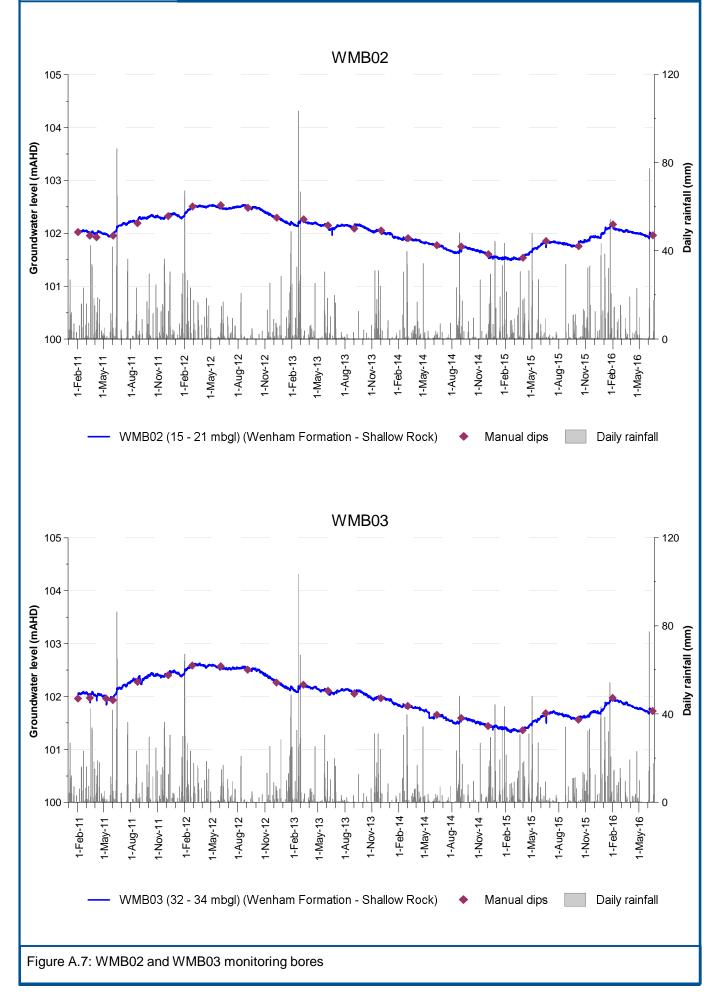


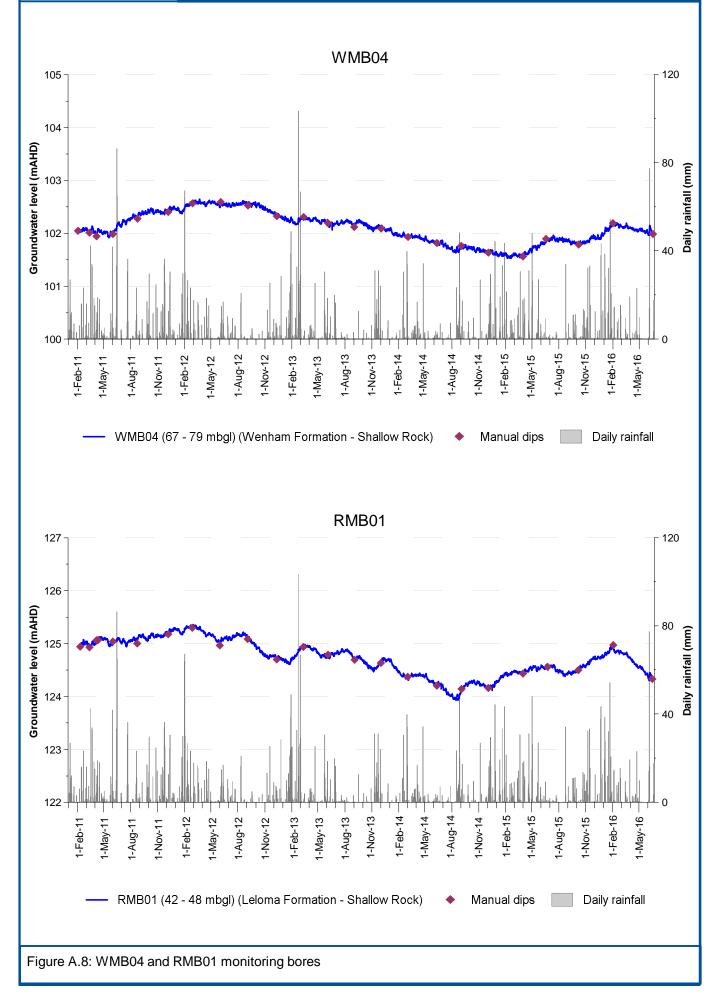


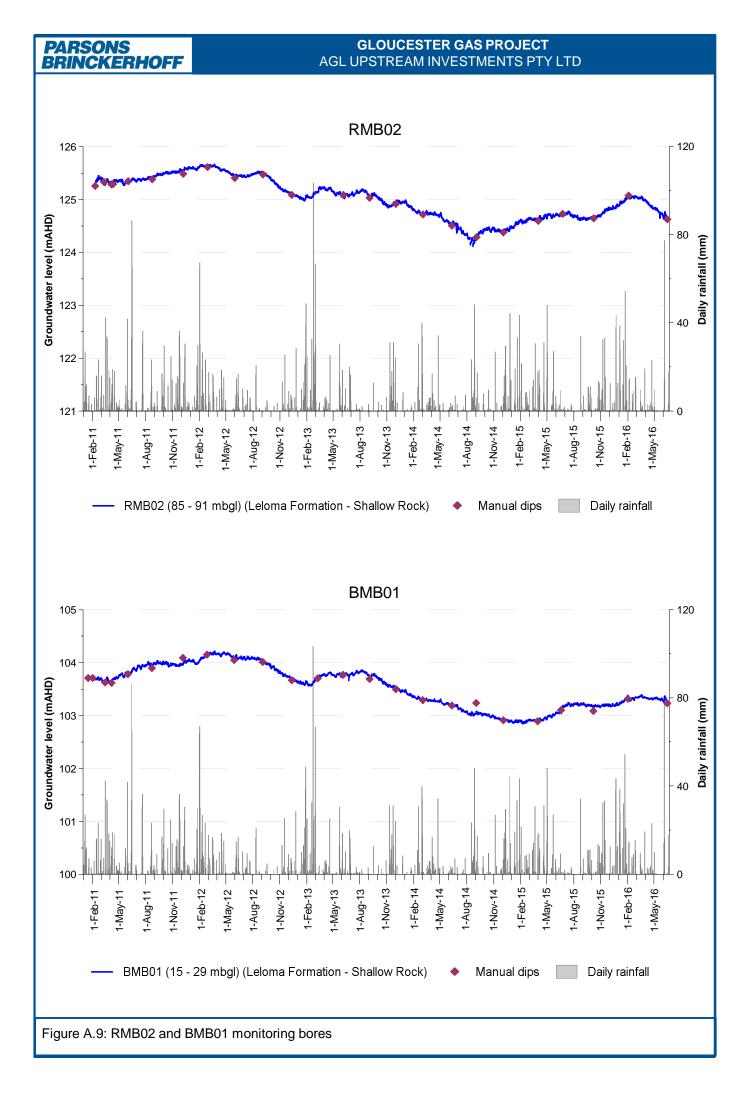


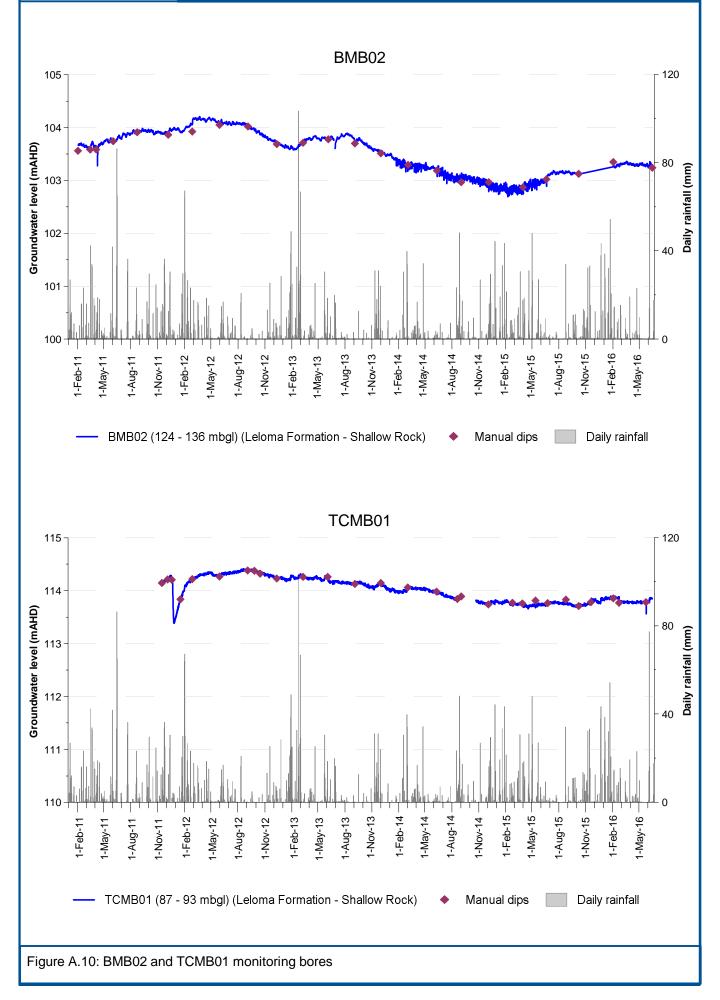


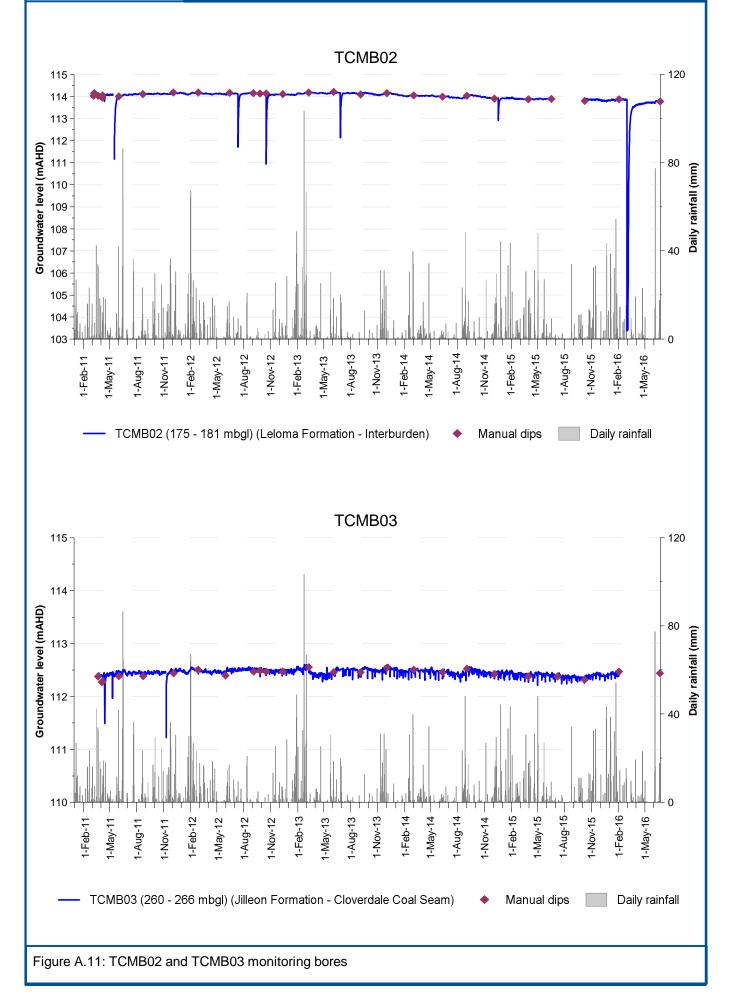


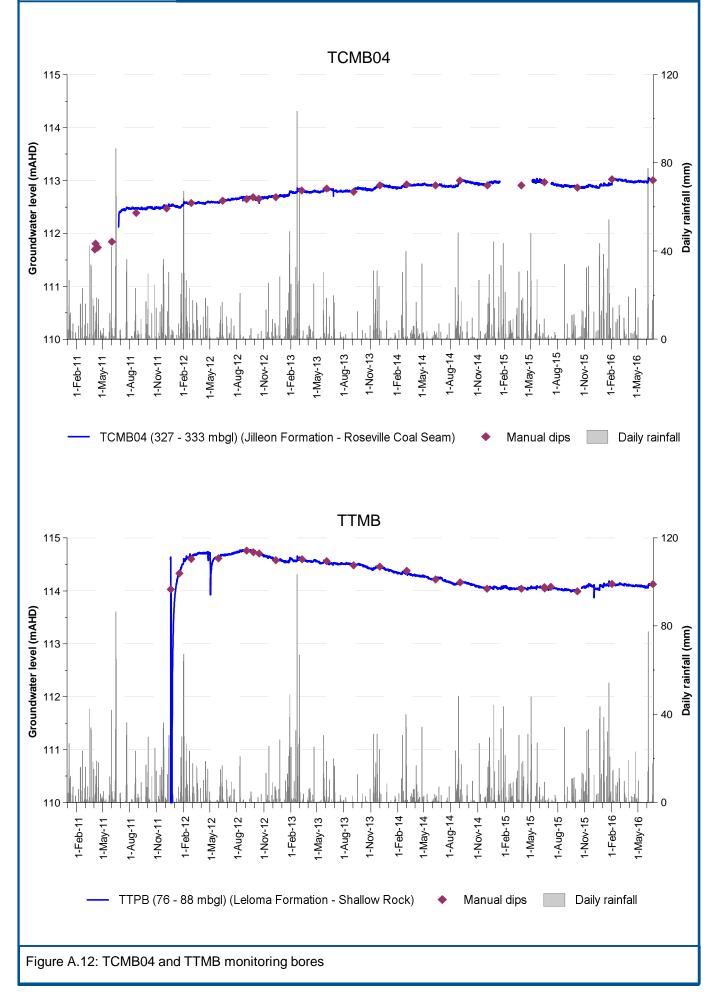












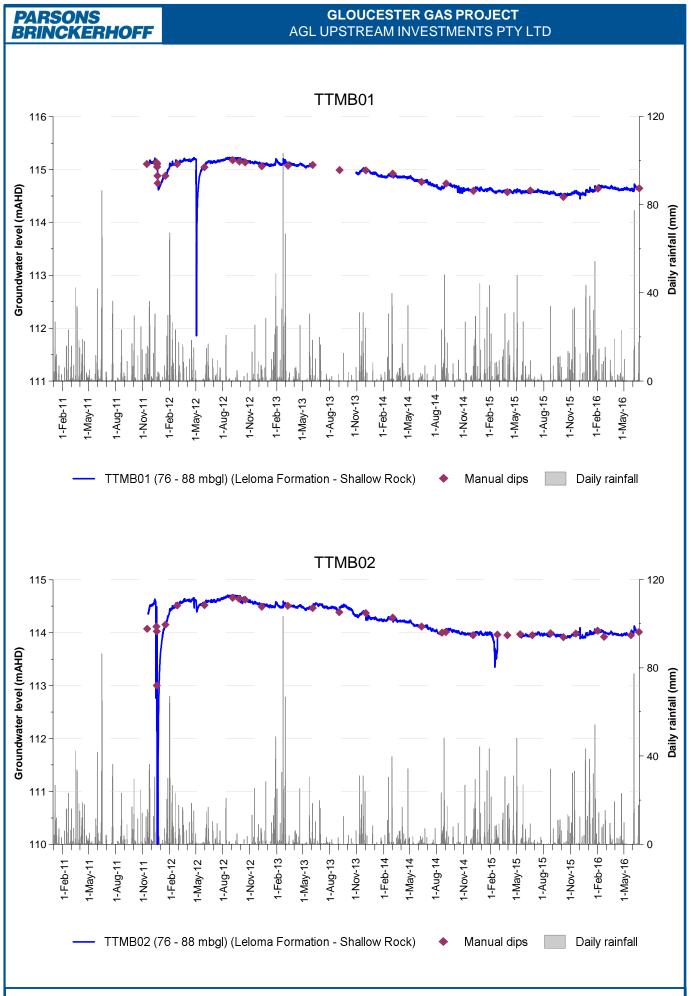
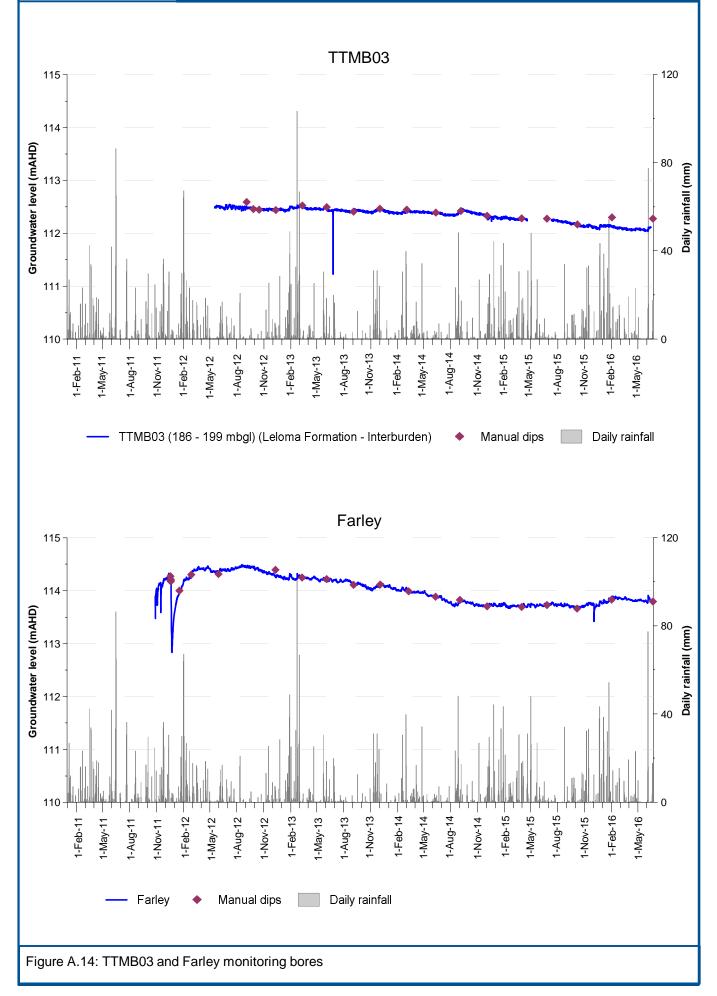
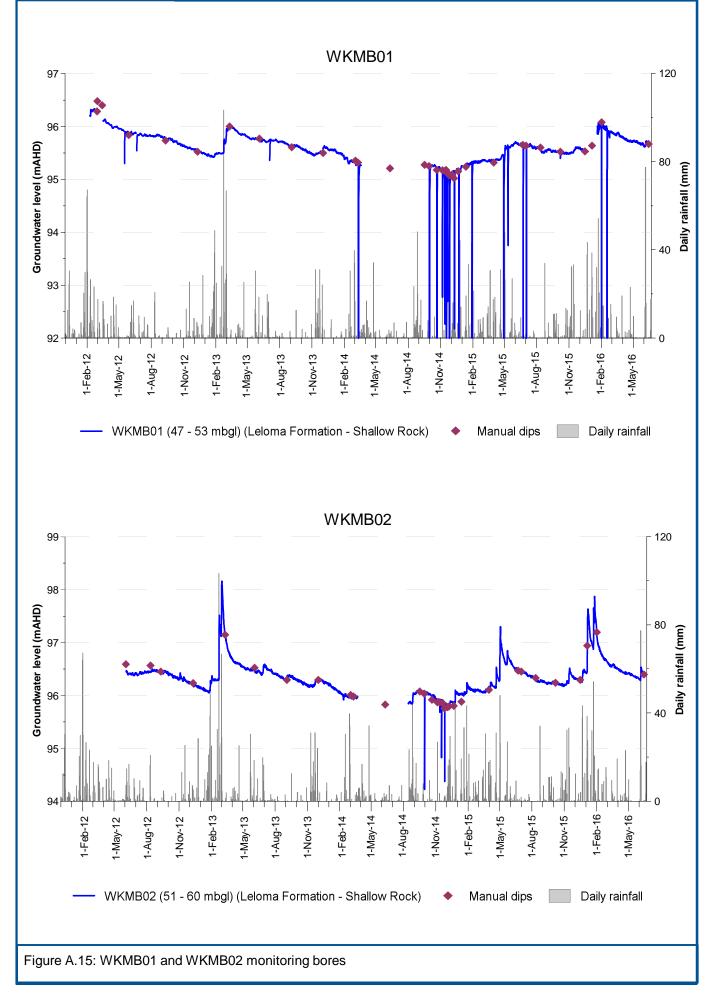


Figure A.13: TTMB01 and TTMB02 monitoring bores





GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD

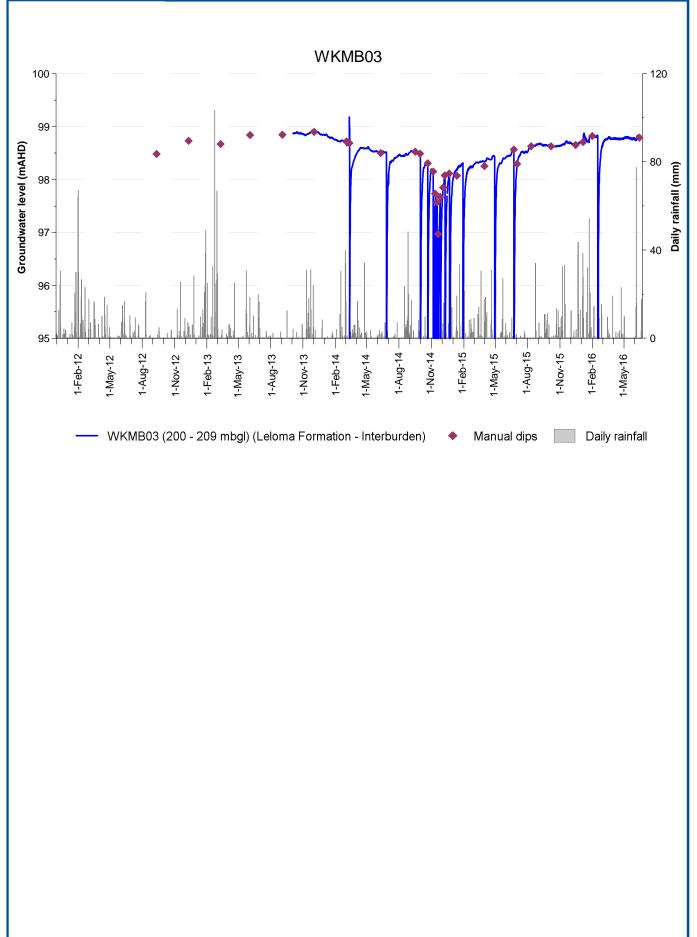
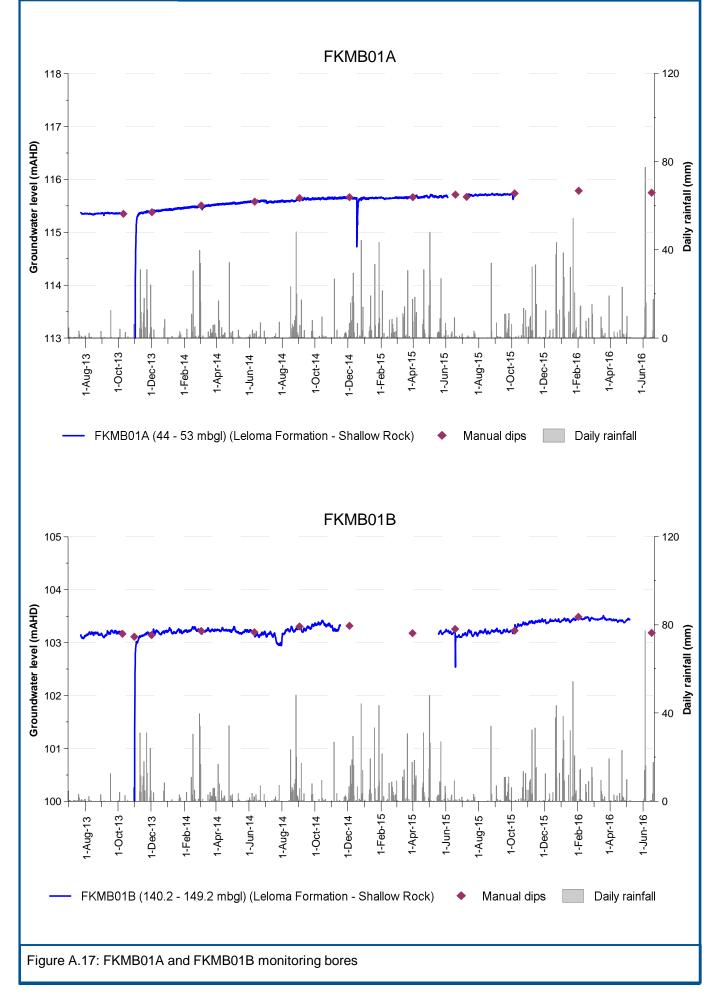
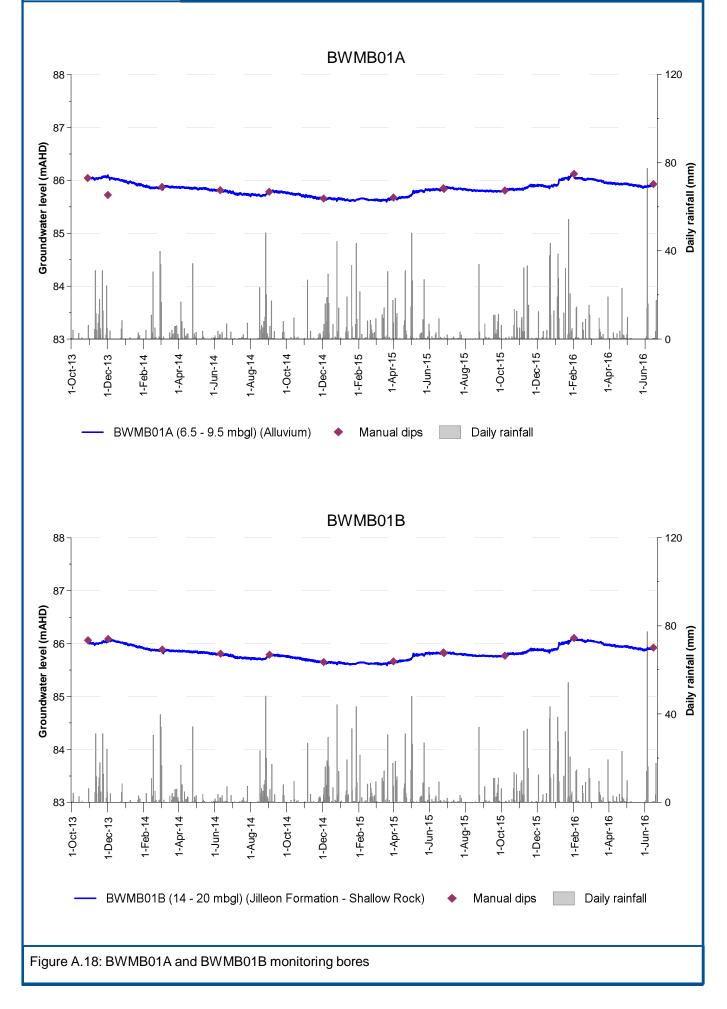
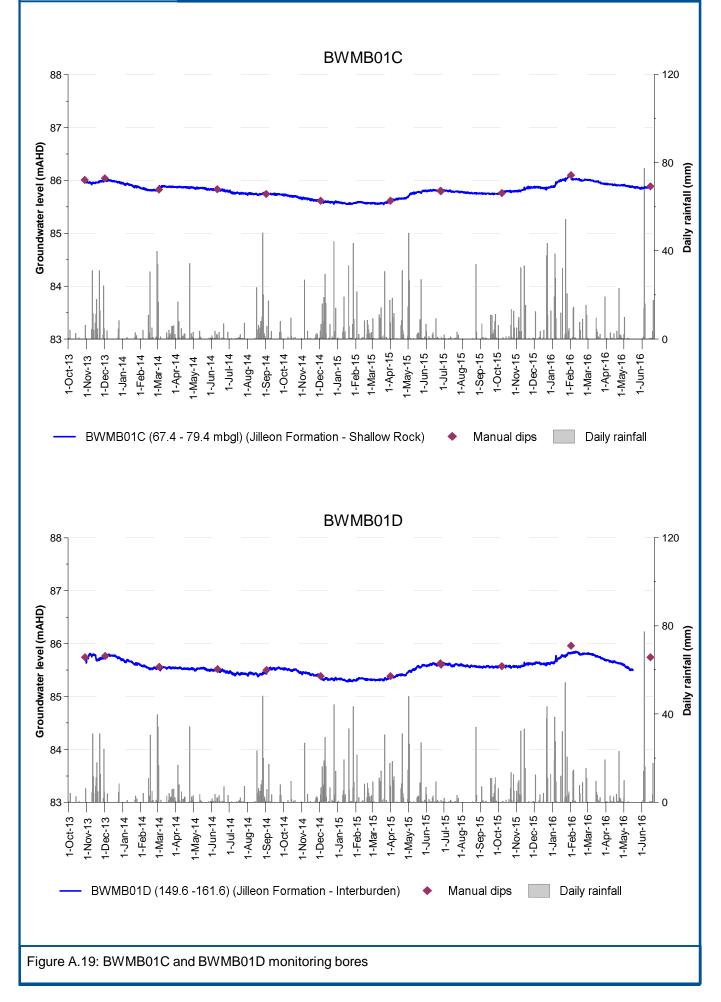
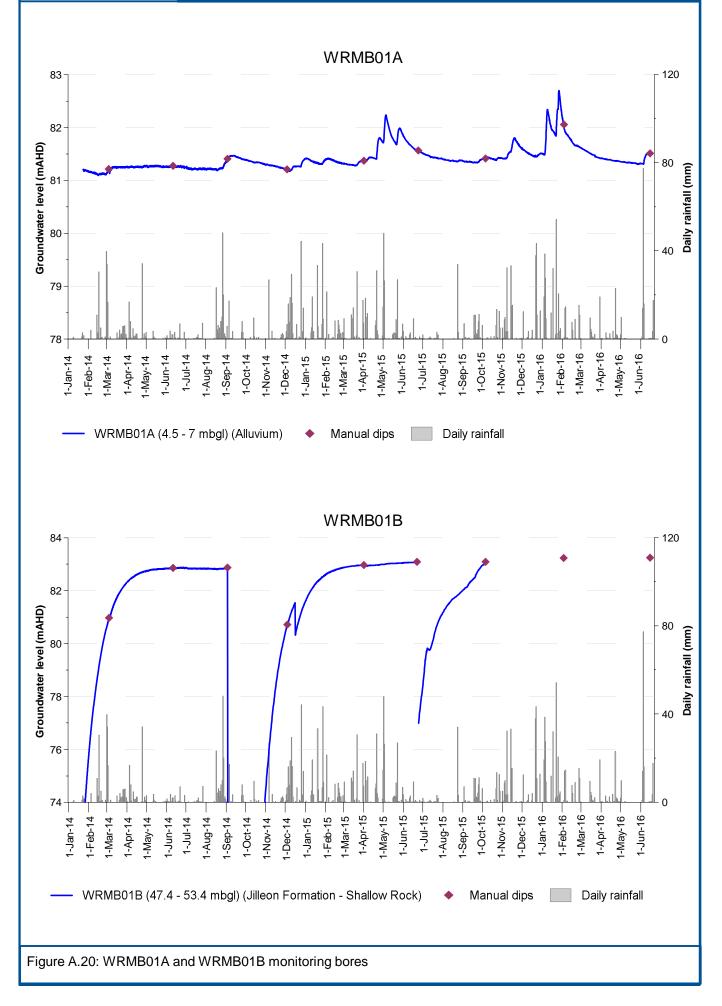


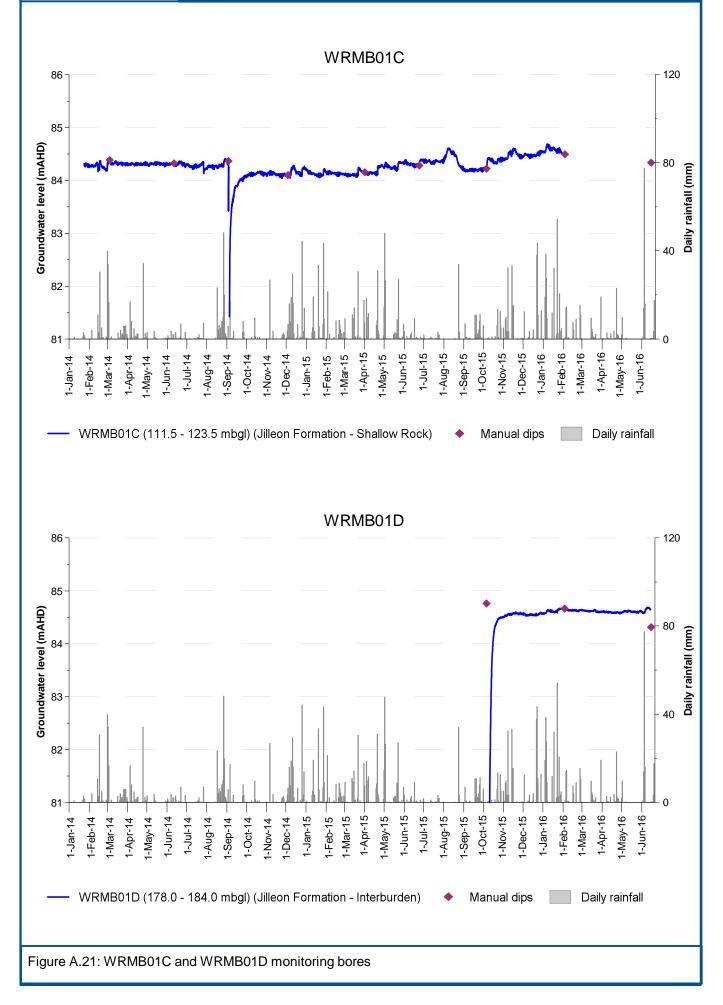
Figure A.16: WKMB03 monitoring bore

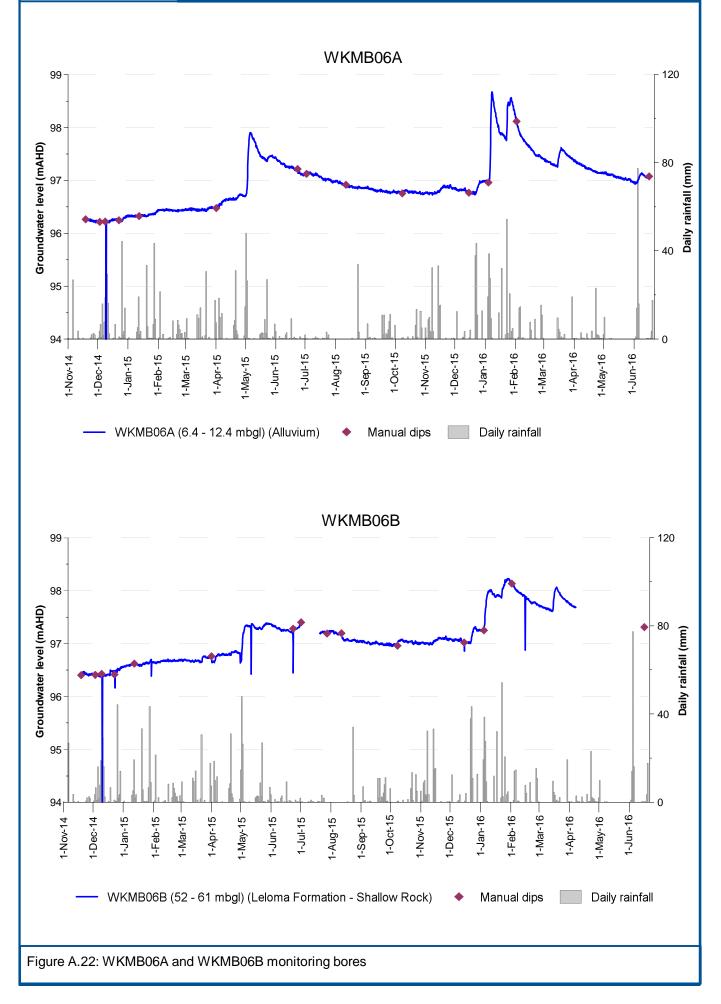


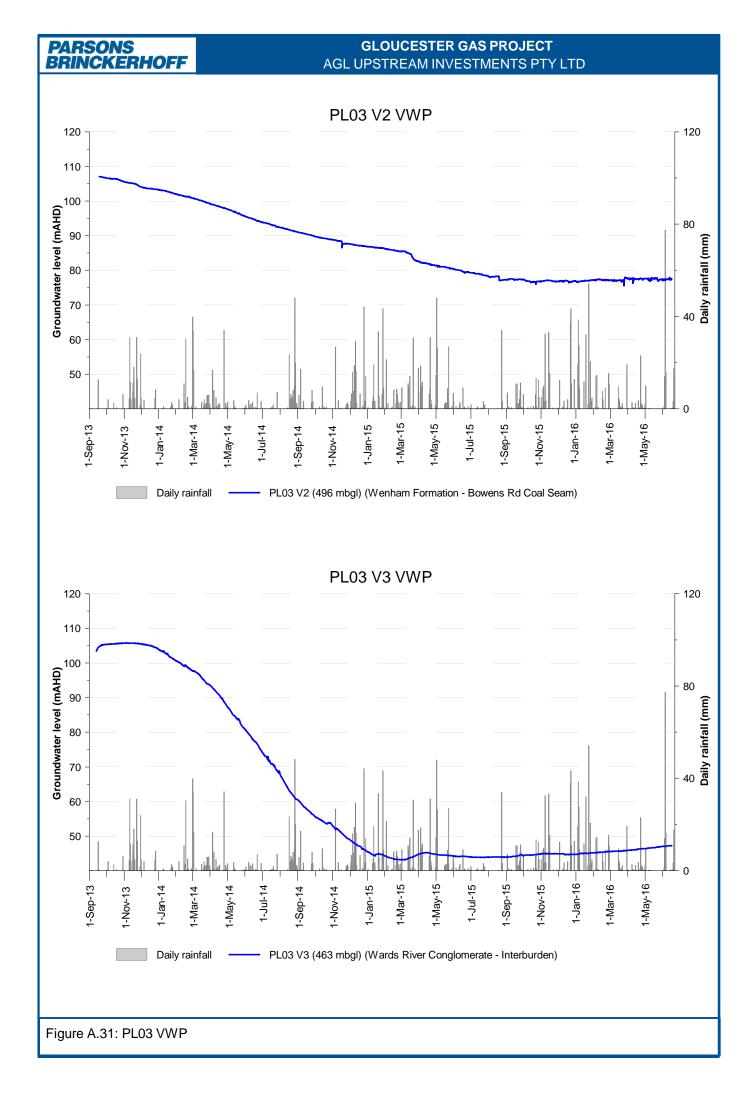


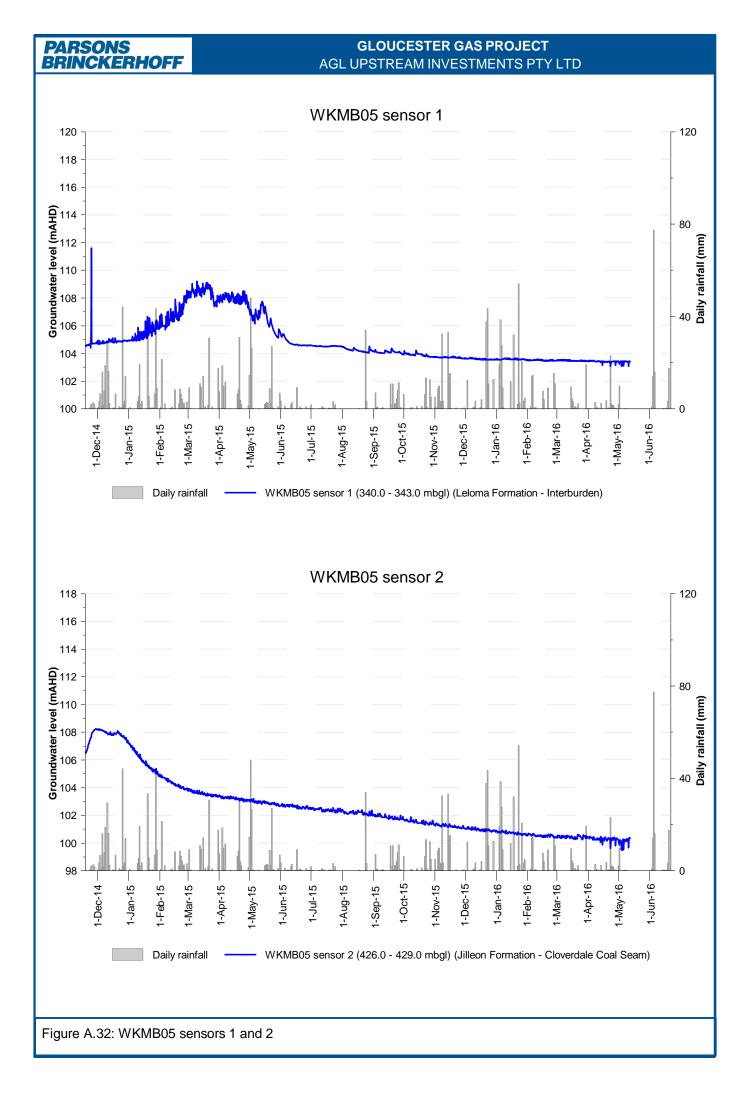








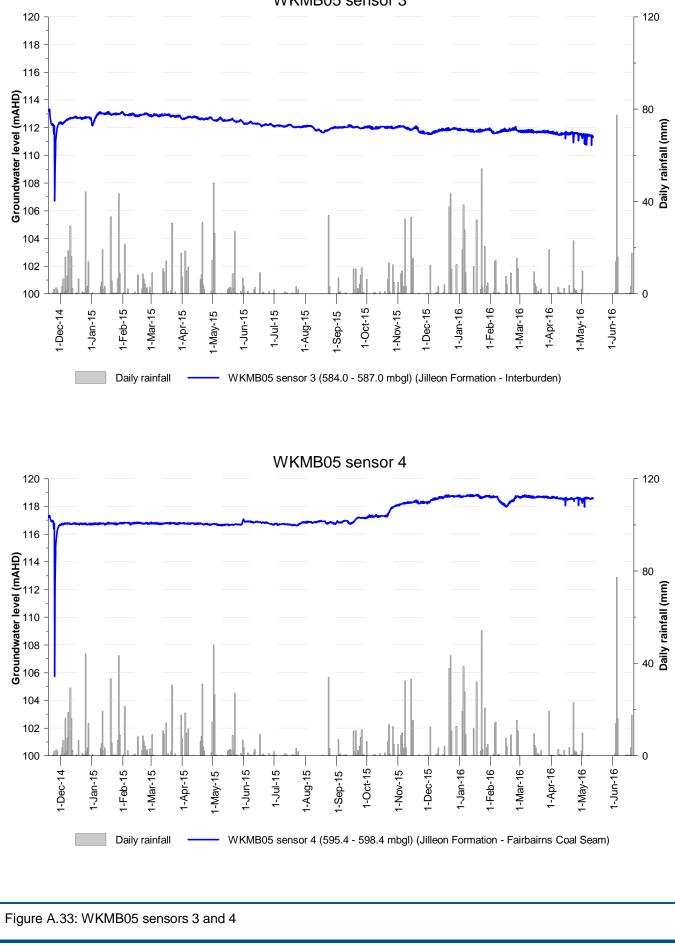






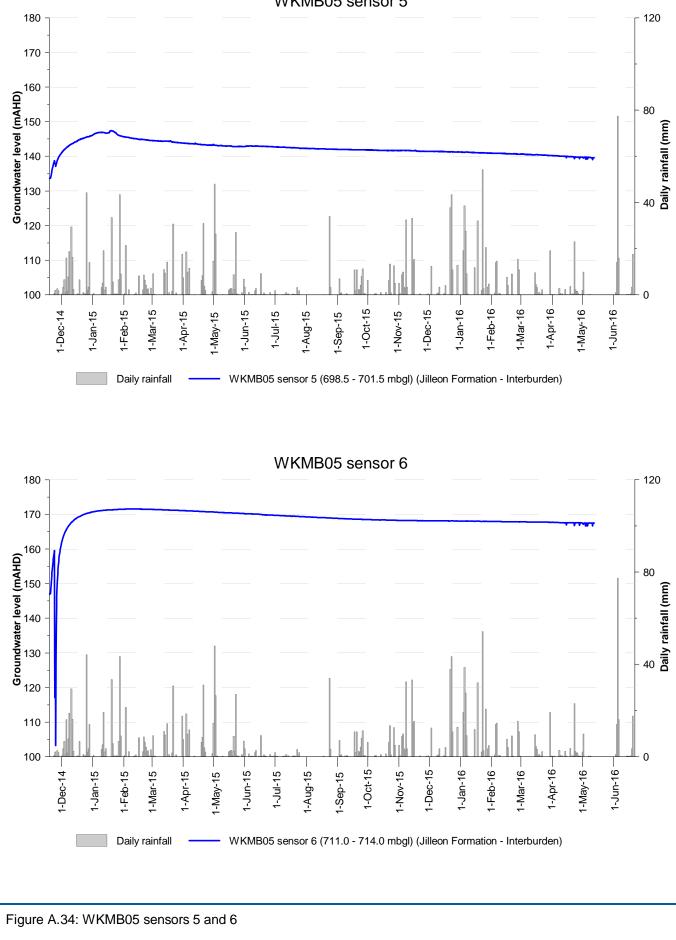
GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD

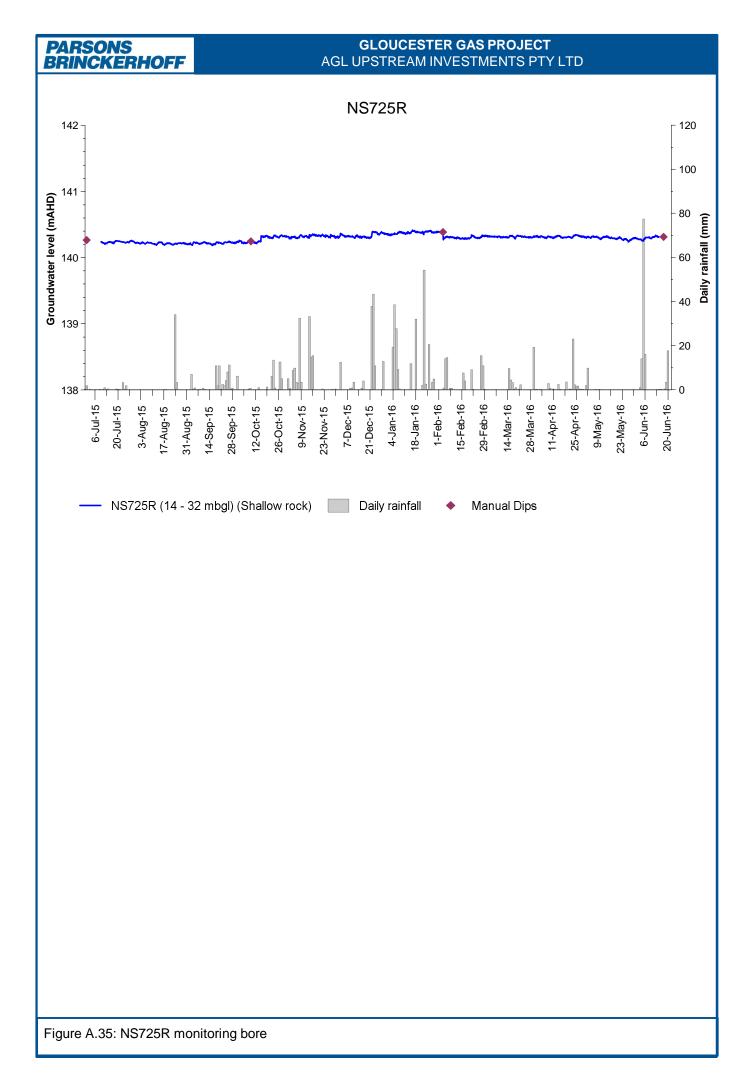
WKMB05 sensor 3



GLOUCESTER GAS PROJECT AGL UPSTREAM INVESTMENTS PTY LTD

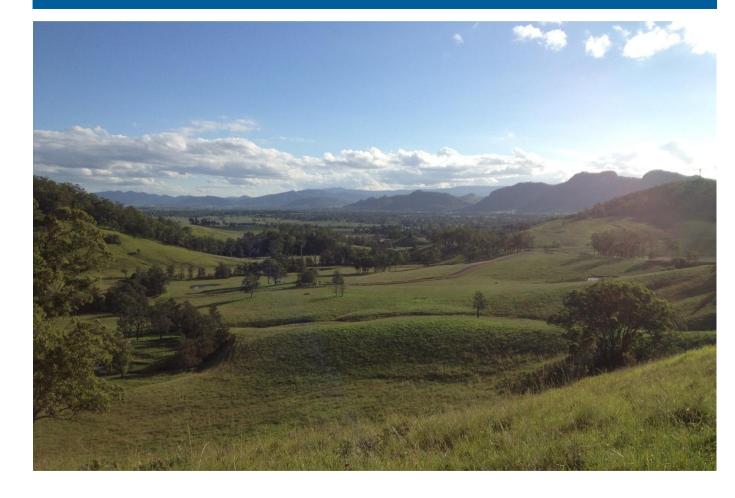
WKMB05 sensor 5





Appendix B

Shallow gas monitoring laboratory results



ISOTECH		
ISOTECH LABORATORIES INC	SATELLITE LABORATORY www.isot	echiabs.com
Isotech Mudgas Data		

Isotech Mudgas Data

Job 32850 Well Parsons CoreTrac AP-76133 Containers IsoTube®(2)

Isotech	Weatherford	Sample	GC	H_2	O ₂ + Ar	CO_2	N_2	СО	C_1	C_2	C_2H_4	C ₃	C ₃ H ₆	iC_4	nC_4	iC_5	nC_5	C_6 +	MS	$\delta^{13}C_1$	$\delta^{13}C_2$	$\delta^{13}C_3$	$\delta^{13}iC_4$	$\delta^{13}nC_4$	δ^{13} iC ₅	$\delta^{13}nC_5$	δDC_1	δDC_2	δDC_3	$\delta^{13}CO_2$	Comments
Lab No.	Sample ID	Name	Date	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	Date	‰	‰	‰	‰	‰	‰	‰	‰	‰	‰	‰	
578312	6122583025	1_GC	8/30/2016	nd	216000	620	783400	nd	4	nd	nd	nd	nd	nd	nd	nd	nd	nd													
578313	6122583027	2 60	8/20/2016	nd	215000	640	783/00	nd	15	nd	nd	nd	nd	nd	nd	nd	nd	nd													

nd = not detected, na = not analyzed

red = components that can likely be obtained without cryogenic enrichment

Bold = dD isotopes may be attempted

blue = components that would require cryogenic enrichment