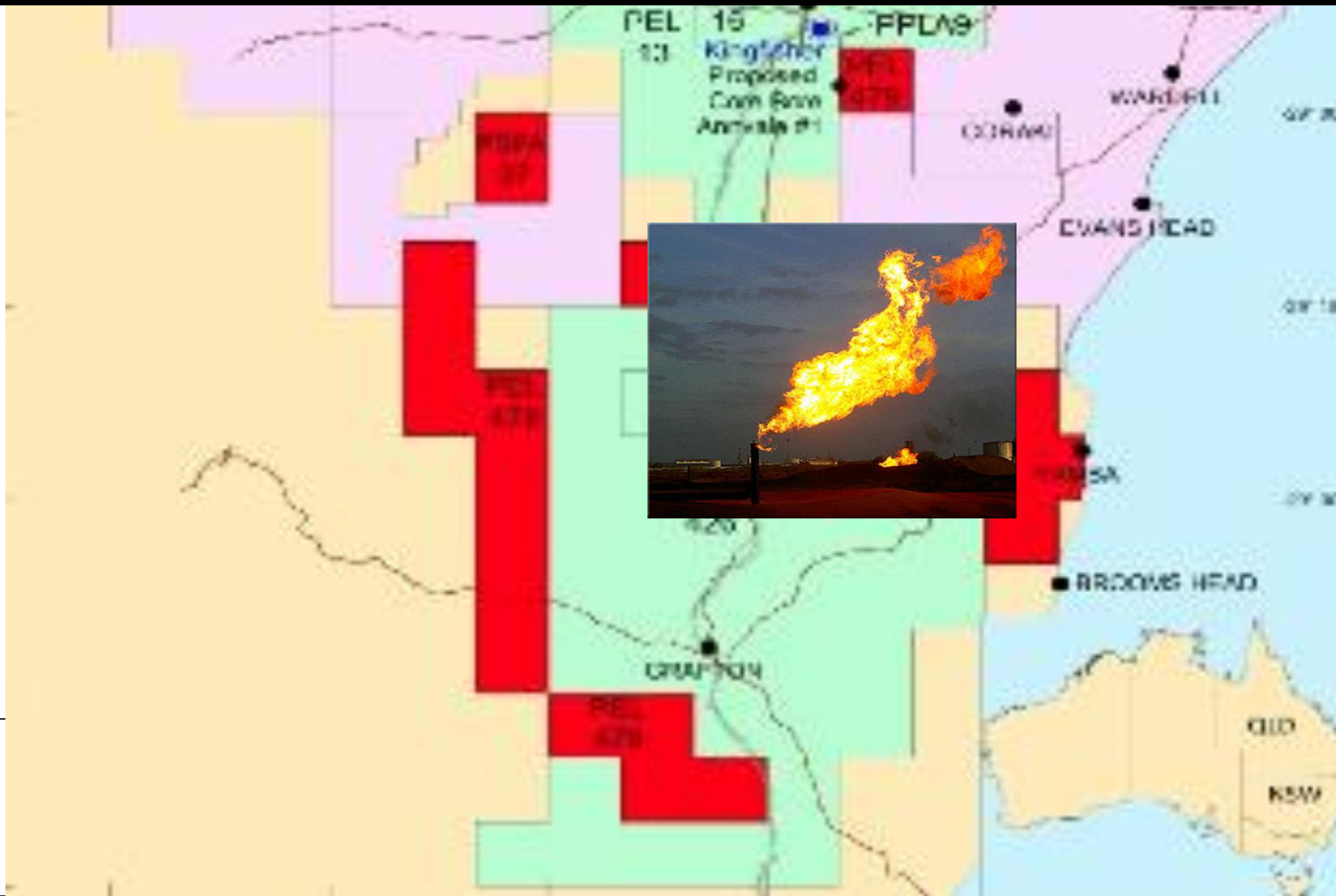


gas exploration + production in the northern rivers



rn rivers

tonight

- What's happening in this area
- Potential environmental impacts
- Approval processes + landholder rights
- Metgasco's current activities + plans

about the edo

Assisting the community to use the law
to protect the environment

- Legal advice and litigation
- Policy and law reform
- Community education
- Scientific assessment and advice

the edo's view

Better regulation would include

- Enshrining the principles of ecologically sustainable development in relevant legislation including
 - Precautionary principle
 - Cumulative impacts
- Moratorium on CSG while statewide strategic plan developed with full community + independent scientific input
- Enshrine public consultation + participation rights in legislation

gloucester csg case

EDO acting for Barrington-Gloucester-Stroud Preservation Alliance in appeal against Planning Assessment Commission approval of concept plan and stage one of AGL Gloucester Gas Project

Key issues

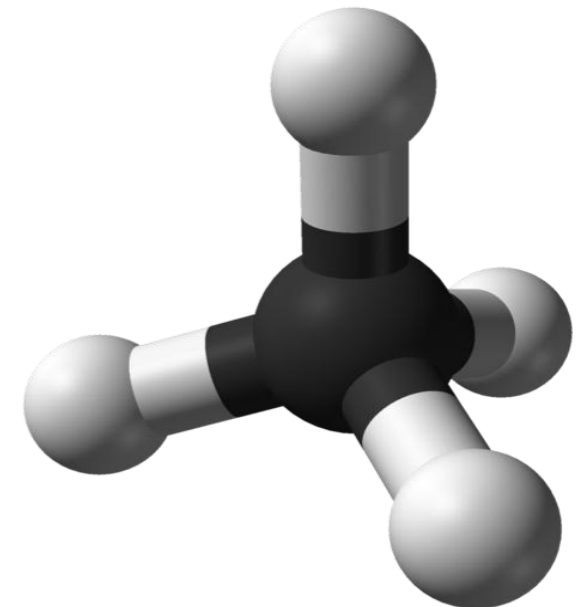
- **Risks to surface and groundwater quality and quantity** when gas wells drilled
- **Lack of data about groundwater impacts** in context of geological environment
- What to do with **polluted waste water**
- Uncertainty about impacts of **chemicals used in the fracking process**

edo northern rivers

- Held 4 public seminars
- Advice to landholders on access rights
- Input into EDONSW policy + law reform submissions
- Preparing fact sheet on gas in NR

techie stuff

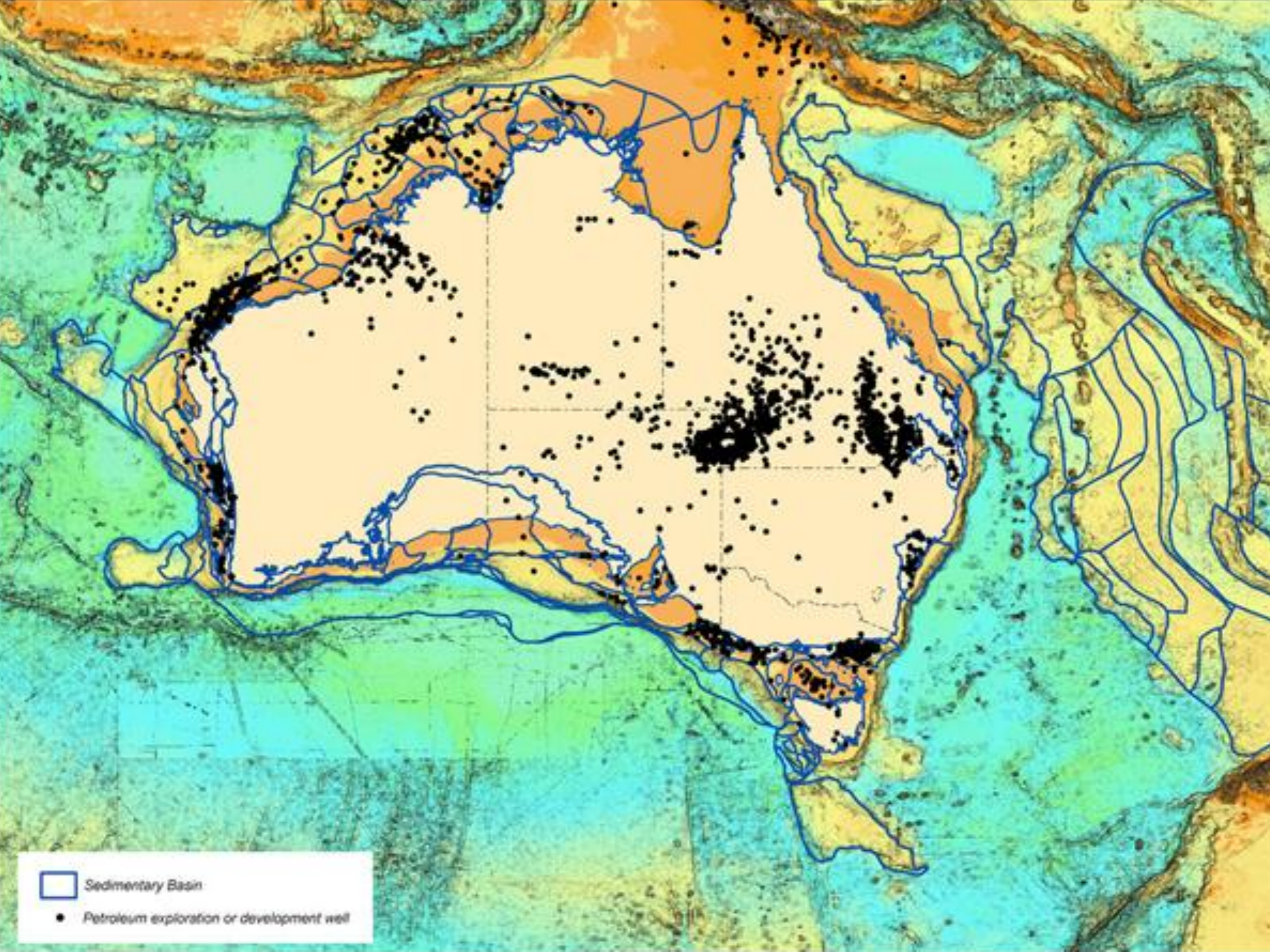
- Coal seam gas + natural gas both mostly methane, CH₄ (+CO₂)
- Reserves
 - 1P = proven (P90)
 - 2P = proven + probable (P50) or 2C = proven + possible contingent
 - 3P = proven + probable + possible (P10)
- Energy units
 - Reserves may be shown in PJ, bcm/bcf/Tcf or mtpa (million tonnes LNG per year)
 - 1 petajoule (PJ) = 10 to power of 15 joules = ~280 MWh (megawatt hours)



Kilo = 1000
Mega = 1 million
Giga = 1000 million
Tera = 1 million million
Peta = 1000 million million

stages

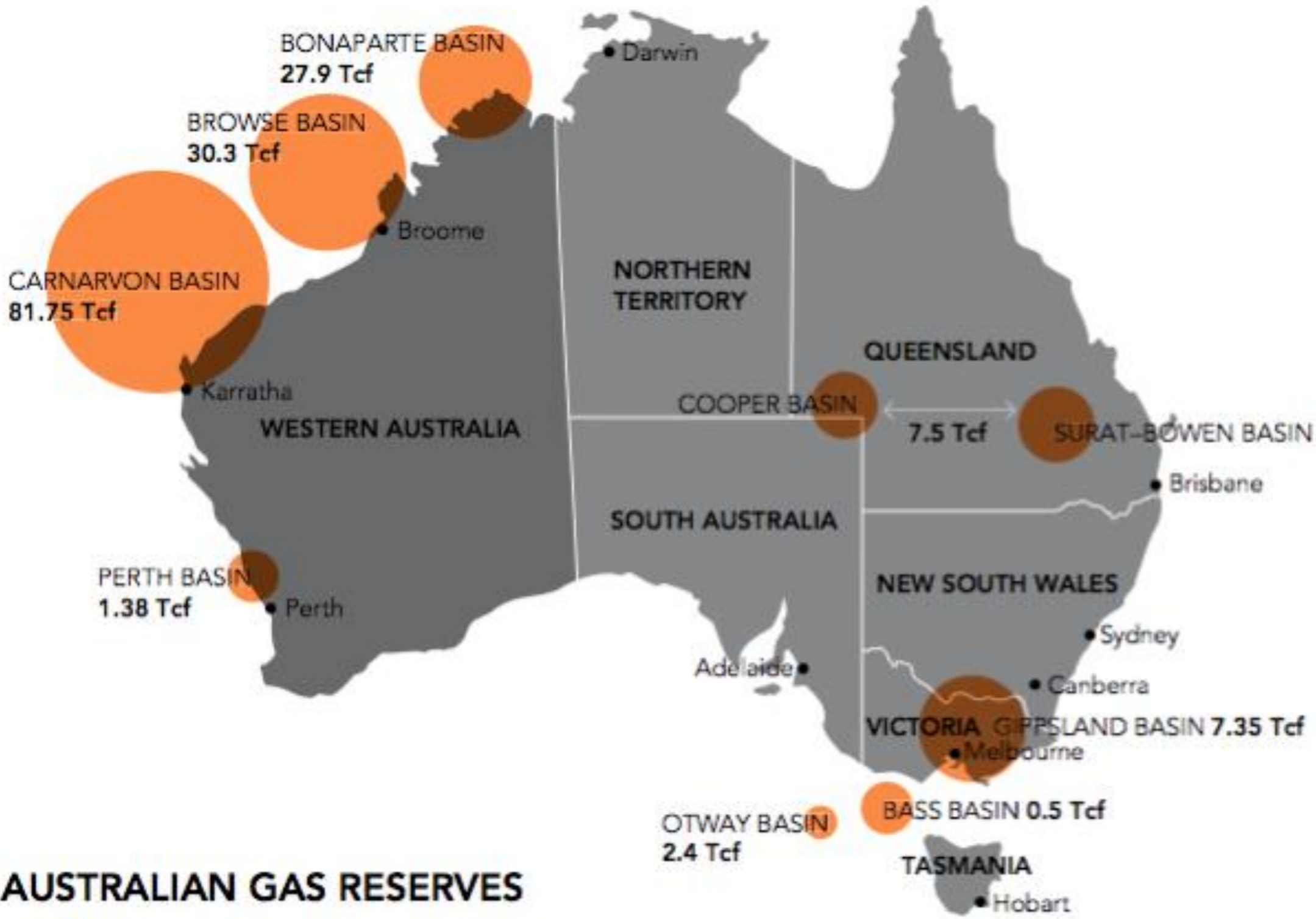
- Prospecting
- Exploration
 - Seismic surveys
 - Stratigraphic drilling
 - Exploration bore drilling
 - Pilot wells
- Production
 - Production wells
 - Pipelines
 - Power stations



Sedimentary Basin

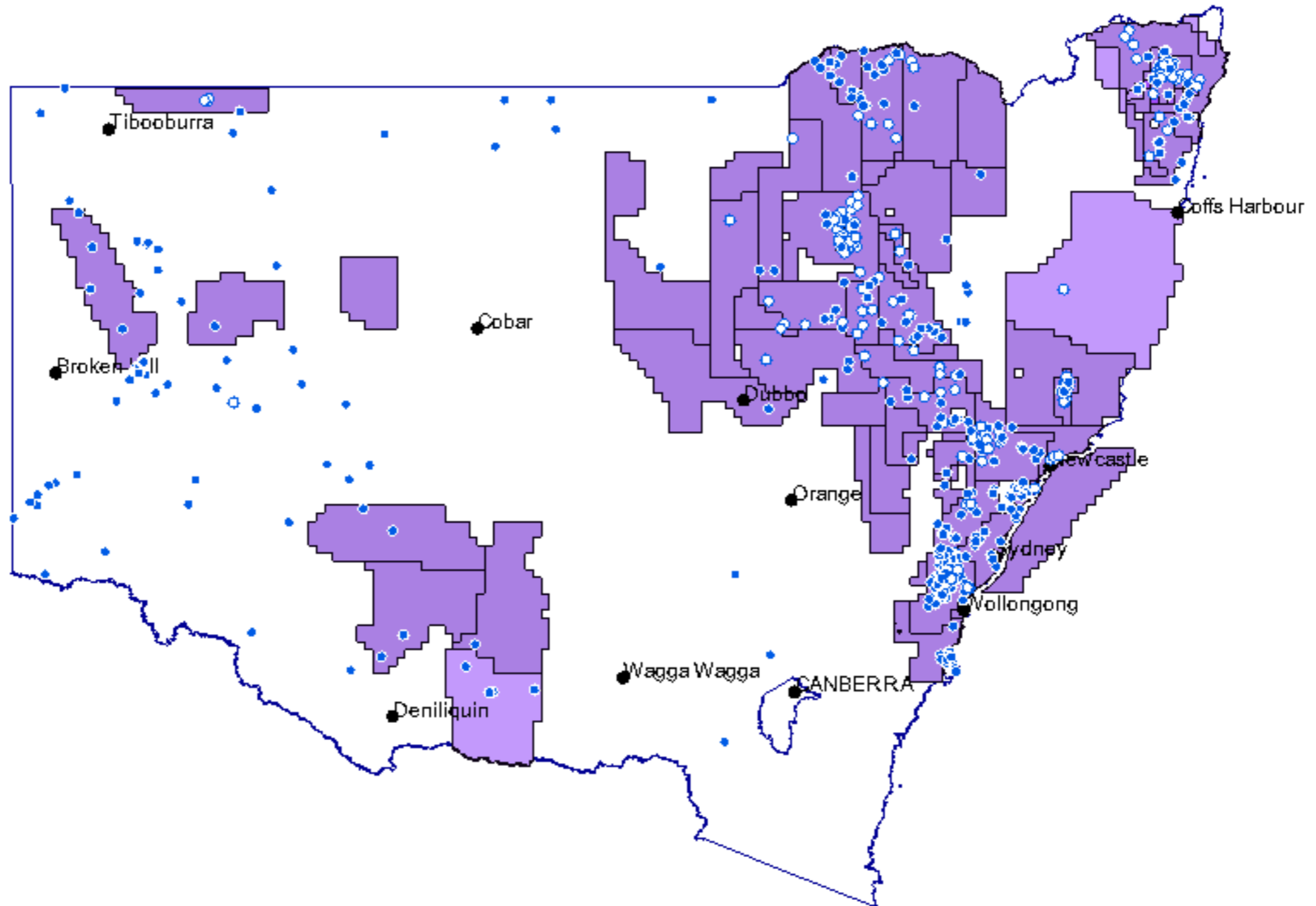


Petroleum exploration or development well

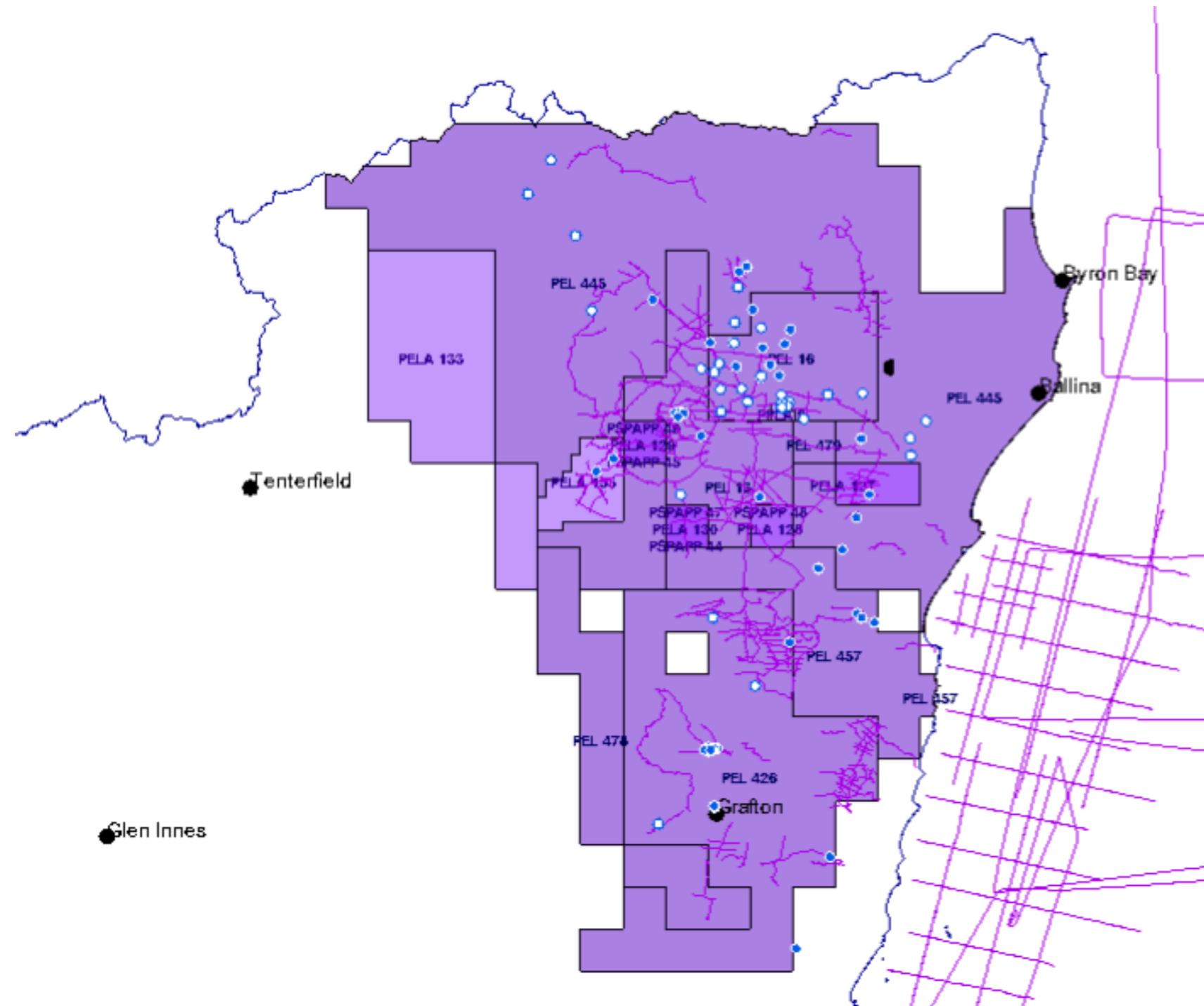


AUSTRALIAN GAS RESERVES

gas titles + bores



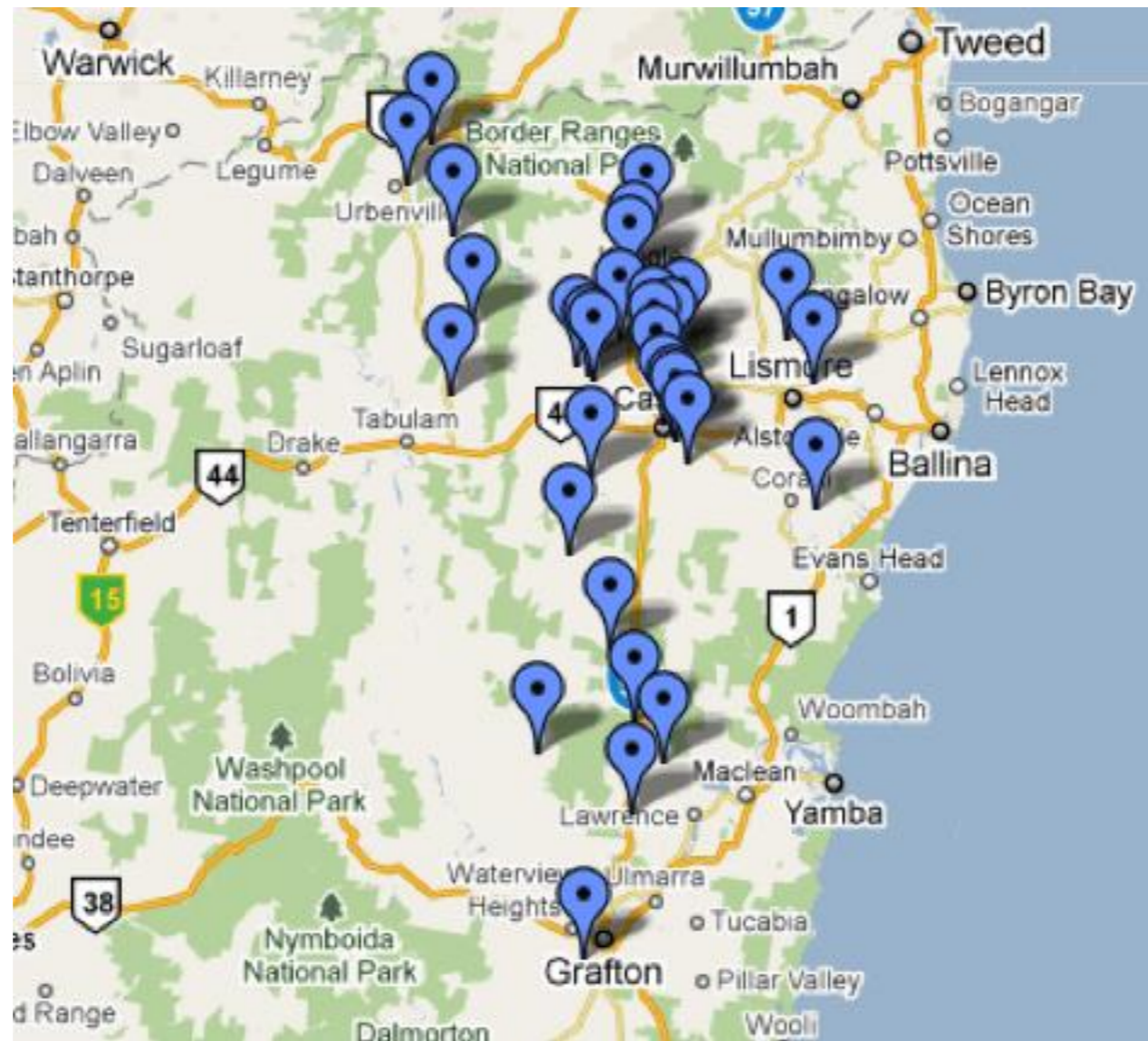
dpi - minview



exploration leases



google map



Gas wells in the Clarence Moreton Basin 2005-10

exploration

- Wells drilled
 - Metgasco - 60
 - Arrow - 9
 - Red Sky Energy - 2
- 2C reserves
 - Metgasco – 2,511 PJ CSG – worth \$?
 - + “enough natural gas to power 30,000 homes for 600 years” = 144 GWh - worth ?
 - Arrow - ?
 - Red Sky Energy – 629 PJ CSG + NG – worth \$4 Billion?

production plans

- Metgasco

- Richmond Valley Power Station (30 MW) including up to 45 wells over 7-12 years + up to 12 ha evaporation ponds
- Lions Way pipeline (Casino-Ipswich)
- 200 MW power station from natural gas deposit under Casino?
- pipelines to Gladstone, Brisbane or NSW north coast for offshore processing?

- Red Sky Energy

- Short term: Summerland Way Power Project (27 MW)
- Longer term: pipe to LNG export facility

what happens next?

Metgasco

- production licence for RVPS
- construction of power station
- exhibition of environmental assessment (EA) for Metgasco Lions Way pipeline
- Red Sky
 - application for planning approval for power station?

recent regional developments

- Pangaea Resources terminated PEL over Lower-Mid North Coast
- Macquarie/Dart Energy withdrew PEL Application 134 over Tweed/Brunswick Valleys

other recent developments

- Senate Inquiry
- NSW Government changes
- NSW Parliamentary Inquiry

new nsw govt reforms

Statutory changes

- Gas production now State Significant Development under Part 4.1 of Environmental Planning and Assessment Act (but Metgasco pipeline to be determined under repealed Part 3A)
- Aquifer Interference Regulation under Water Management Act where prospecting + exploration involves taking > 3 megalitres of water per year

new nsw govt reforms

Policy changes

“New coal and coal seam gas exploration and mining licence applications will be subject to:

- A **ban on the use of BTEX chemicals** (benzene, toluene, ethylbenzene and xylenes) as additives during coal seam gas drilling. The Government’s stakeholder reference group is reviewing this process
- Extended **moratorium** until December 31, 2011, on the use of hydraulic fracturing or “**fracking**” during coal seam gas drilling
- A **regulation** that requires extraction of more than three megalitres per year from **groundwater** sources to hold a water access licence
- A **ban** on the use of **evaporation ponds** relating to coal seam gas
- New **public consultation guidelines** to increase transparency and accountability in consultation with the stakeholder reference group”

parliamentary inquiry

Terms of Reference

- Environmental and health impacts
- Economic and social implications
- The role of CSG in meeting future energy needs
- The interaction of the Petroleum (Onshore) Act with other legislation and regulations
- The impact of similar industries in other jurisdictions

Have your say

- Go to www.parliament.nsw.gov.au - This month in committees
– Inquiry into coal seam gas, closes 7 September

petroleum law basics

- all petroleum (hydrocarbons) on or below surface of land are property of Crown
- regulated by NSW Petroleum (Onshore) Act 1991, administered by DPI + Minister for Resources + Energy
- also subject to NSW EPA Act, C'th EPBC Act + other environmental legislation
- royalties payable to Crown in most cases

titles

- Petroleum Special Prospecting Authorities (PSPA)
- Petroleum Exploration Licences (PEL)
 - up to 140 blocks + 6 years, may be renewed
- Assessment Leases
 - only used where licensee not ready to produce
- Production Leases
 - up to 4 blocks + 21 years
- low impact prospecting titles
 - under C'th Native Title Act

exploration

- Granting of exploration permit subject to Review of Environmental Factors (REF)
- SEPP (Mining, Petroleum Production + Extractive Industries) 2007 says permissible without consent
- Local environmental plans (LEPs) don't apply to exploration licences
- Compliance required with REF including neighbour notifications, monitoring + site rehabilitation

production

- Development consent (where required) under EPA Act must be obtained before production lease can be granted
- Minister for Planning is consent authority for Part 4.1 State Significant Development projects
- Includes consideration of ESD + cumulative impacts
- Involves public exhibition of environmental assessments

environmental protection

- Before deciding to grant a licence or lease, the relevant Minister must take into account “the need to conserve and protect the flora, fauna” etc on the land
- Review of Environmental Factors (REF) usually required under Part 5 of the EPA Act if development consent not required
- Rehabilitation of site usually required (as specified in REF or consent)
- DPI monitors compliance with conditions of licence or lease, may make orders for remediation etc

landholder rights

- Licence holder has no obligation to inform landholders of exploration licence application
- Licence holder must attempt to negotiate access arrangement with landholder; otherwise determined by arbitrator or L+E Court
- Compensation for access payable to landholder
- No mining on cultivated land without consent
- No exploration or mining within 200 metres of house, 50 metres of garden/orchard or on improved land without consent



LOCK the GATE

TO COAL & GAS COMPANIES

WARNING TRESPASS IS AN OFFENCE!

ADMITTANCE TO THIS PROPERTY IS **ONLY** BY INVITATION OR PRIOR APPOINTMENT
AUTHORITY - HIGH COURT OF AUSTRALIA *PLENTY V DILLON (1991) 171 CLR 635 F.C.91/004*

www.lockthegate.org.au

www.northernriversguardians.org