

28 May 2013

Ms R Radford
Chief Administrative Assistant
The NSW Office of the Chief Scientist
GPO Box 5477
SYDNEY NSW 2001

Dear Ms Radford

Review of proposed monitoring programs for the Camden Gas Project

The Camden Gas Project (CGP) involves the extraction of gas from coal seams within the southern coalfields by AGL Upstream Investment (AGL). Campbelltown City Council has continued to comment on issues associated with the CGP and the coal seam gas industry in general and has ongoing concerns regarding the assessment of potential risks to the environment and human health including impacts on groundwater.

At its meeting on 21 May 2013 Council considered a report on a fugitive methane emission monitoring program and expanded groundwater monitoring program for the CGP, recently initiated by AGL, a copy of which is provided as Attachment 1. Council subsequently resolved to send correspondence to AGL that (in part):

Requests that the adequacy of the scientific base for both programs be reviewed by the NSW Office of Chief Scientist and the NSW Environment Protection Authority.

Council is aware that the Office is currently undertaking a 'Review of Coal Seam Gas Activities in NSW' and is of the view that a review of the AGL programs through this process would be appropriate. Notwithstanding this, Council requests that the review be undertaken in consultation with the NSW Environmental Protection Authority (EPA). Correspondence to this affect has also been forwarded to the EPA, a copy of which is provided as Attachment 2.

If you require any further information please contact Council's Senior Environmental Officer (Environment Protection and Management), David Henry, on (02) 4645 4214.

Yours sincerely



Andrew Spooner
Manager Sustainable City and Environment

TITLE AGL's Proposed Fugitive Methane Emission Monitoring Program and Expanded Groundwater Monitoring Program for the Camden Gas Project

Reporting Officer

Manager Sustainable City and Environment

Attachments

1. Map showing current and proposed groundwater monitoring sites (distributed under separate cover)
2. Map showing proposed Methane Monitoring Sites in the Campbelltown LGA (distributed under separate cover)
3. Map showing all proposed Methane Monitoring Sites (distributed under separate cover)

Purpose

1. To inform Council of the proposed fugitive methane emissions and expanded groundwater monitoring program for the Camden Gas Project.
2. To seek endorsement of a recommended Council response to these programs.

History

Council, at its meeting on 18 December 2012, considered a report on the publicly exhibited amended Camden Gas Stage 3 Application. This report outlined (among other matters) a number of deficiencies in the proposed Groundwater Monitoring Plan which was reviewed by Council's independent consultant, being the Water Research Laboratory (the WRL Report). The officer's report to Council also referred to a study intended to be undertaken by AGL into best practice technology that would monitor the level of fugitive greenhouse gas emissions potentially attributable to coal seam gas extraction activities. In this regard, Council resolved at this meeting (in part):

That Council write to the applicant requesting that the intended study into best practices for fugitive emissions occur across Stages 1 and 2 of the Camden Gas Project Area.

That Council request the NSW Government establish an inquiry into fugitive methane emissions associated with the coal seam gas industry by a suitable independent scientific body.

A Planning and Environment Division Councillor weekly memo item (dated 12 March 2013) advised of a fugitive methane emission program and expanded groundwater monitoring plan that were contained in a media release (dated 1 March 2013) issued by AGL. This memo

be noted that the installation of bores to monitor deeper aquifers within the vicinity of the methane resource (approximately 700 metres), are not proposed at this stage.

The hydrogeologist further advised at the workshop that two sites (located within the suspended Stage 3 Project Area) had been retained in the expanded program to allow for a better understanding of groundwater behaviour in a wider lateral context. Officers consider this explanation to be consistent with a recommendation of the WRL report that the location of the monitoring program be structured to obtain an understanding of the groundwater environment in a lateral context. However, staff also consider it appropriate that AGL be advised that any groundwater monitoring at these sites should strictly only be carried out for this stated purpose of obtaining data that would assist in monitoring the performance of wells within the Stage 2 Project Area.

AGL will be required to obtain approval for the additional monitoring site and the additional bores at the existing sites, from the NoW prior to the commencement of drilling. While the program was developed in association with the NoW, it is uncertain whether such approval has been obtained.

c) Comment

The proposed expanded program has been reviewed by Council staff specifically in terms of its adequacy in assessing the risks presented to existing, as well as future, residential areas (such as Menangle Park) by Stage 2 of the Camden Gas Project as approved. This stage (as approved) is comprised of 24 drilled and 8 wells that are yet to be drilled within the Campbelltown LGA. The review of available information identified that the expanded monitoring program will not adequately provide for:

- a comprehensive understanding of the groundwater environment and aquifer behaviour based on inconsistencies with the recommendations of the WRL report such as the absence of monitoring of deep aquifers within the vicinity of the methane gas resource
- a comprehensive and adequate assessment of risks presented to existing as well as future residential areas (such as Menangle Park) by Stage 2 of the Camden Gas Project as approved.

Council's recent submission on the Mining SEPP Amendment concerning coal seam gas, requested that the proposed exclusion zones apply to the eight yet to be drilled wells in the State 2 Project Area, which would have the effect of preventing any production at these sites. In the event of the NSW Government agreeing to this request, the continuation and expansion of the monitoring program is still considered appropriate to allow for the performance of those wells currently operating in the Stage 2 Project Area such as the Mt Taurus gas field (near Menangle Park) to be assessed.

It is considered appropriate that the NSW chief scientist in consultation with the EPA, as the regulatory authority, undertake an independent assessment of the proposed expanded groundwater monitoring program to assess its ability to evaluate potential environmental and human health impacts associated with Stage 2 of the Camden Gas Project, as approved.

2. The Fugitive Emissions Monitoring Program

a) Overview of the proposed program

A representative of Pacific Environment Limited (who were engaged by AGL to develop and implement this program), advised that weekly monitoring of methane emissions would be carried out at 17 selected sites (shown in Attachment 2) over a three month period

In addition, it is suggested that Council recognise the retention of two monitoring sites located within the Stage 3 Project Area as only being appropriate in relation to Stage 2 of the Camden Gas Project, despite the significant implications of the Mining SEPP Amendment to the progression of the application for Stage 3. However, it is also suggested that Council strongly express its viewpoint to AGL that any monitoring carried out at these sites be strictly limited to assist in assessing the performance of wells within the Stage 2 Project Area.

Officer's Recommendation

1. That Council write to AGL:
 - a. advising Council supports in principle the expansion of the groundwater monitoring and initiation of the fugitive methane emission monitoring program
 - b. requests that the adequacy of the scientific base for both programs be reviewed by the chief scientist and the NSW Environment Protection Authority
 - c. requests that any monitoring carried out at the two sites, located within the Stage 3 Project Area, be strictly limited to assist in assessing the performance of wells within the Stage 2 Project Area.
2. That a copy of this report and Council's correspondence to AGL be sent to the NSW Environment Protection Authority.

3 June 2013

Ms G Howard
Director Metropolitan Branch
Environment Protection Authority
PO Box 668
PARRAMATTA NSW 2124

Dear Ms Howard

Camden Gas Project fugitive methane emissions monitoring program and expanded groundwater monitoring program

The Camden Gas Project (CGP) involves the extraction of gas from coal seams within the southern coalfields by AGL Upstream Investment (AGL). Campbelltown City Council has continued to comment on issues associated with the CGP and the coal seam gas industry in general and has ongoing concerns regarding the assessment of potential risks to the environment and human health including impacts on groundwater.

At its meeting on 21 May 2013 Council considered a report on a fugitive methane emission monitoring program and expanded groundwater monitoring program for the CGP, recently initiated by AGL (see Attachment 1). Council has concerns over the scientific adequacy of the programs to effectively monitor the performance of the CGP and associated impacts. Council subsequently resolved to:

1. *Send correspondence to AGL that:*
 - a. *advises Council supports in principle the expansion of the groundwater monitoring and initiation of the fugitive methane emission monitoring program*
 - b. *requests that that the adequacy of the scientific base for both programs be reviewed by the chief scientist and the NSW Environment Protection Authority*
 - c. *requests that any monitoring carried out at the two sites, located within the Stage 3 Project Area, be strictly limited to assist in assessing the performance of wells within the Stage 2 Project Area.*
2. *That a copy of this report and Council's correspondence to AGL be sent to the NSW Environment Protection Authority.*

In accordance with the above resolution, correspondence has been forwarded to AGL requesting that urgent discussions be held with the EPA regarding the scientific base for the

programs. In addition correspondence has also been forwarded to the Office of the Chief Scientist requesting a review of both programs be undertaken through its current 'Review of Coal Seam Gas Activities in NSW'.

If you require any further information please contact Council's Senior Environmental Officer (Environment Protection and Management), David Henry, on (02) 4645 4214.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Spooner', written in a cursive style.

Andrew Spooner
Manager Sustainable and Environment