

ASSESSMENT REPORT

CAMDEN GAS PROJECT Modifications to MP 06_0291, DA 75-4-2005 and DA 246-8-2002-i

1 BACKGROUND

The Camden Gas Project (CGP) is a major coal seam gas project located south of Campbelltown and Camden in the Southern Coalfield, involving the extraction of coal seam gas from the Illawarra Coal Measures. The CGP is operated by AGL Gas Production (Camden) Pty Ltd (AGL).

Stage 1 of the CGP was approved in 2002 and initially comprised 22 gas wells, a gas treatment plant and gas gathering system in the Cawdor area. The Stage 1 wells are still in production, however the gas treatment plant was decommissioned in 2007.

Stage 2 was approved in June 2004 and initially comprised 43 gas wells, a second gas treatment plant at Rosalind Park and additional gas gathering systems in the Razorback, Menangle and Menangle Park areas. Since 2004, Stage 2 has been expanded with additional gas wells and associated gas gathering systems (see Figure 1).

The existing development consents and project approvals for Stage 2 allow for 16 gas well surface locations in Spring Farm and Menangle Park (MP 06_0291), 9 gas well surface locations in Sugarloaf Farm (DA 75-4-2005), 5 gas well surface locations in Kay Park (DA 246-8-2002-i), and associated access roads and gas gathering systems.

2 PROPOSED MODIFICATIONS

AGL has submitted four applications to the Department to modify existing approvals and consents relating to various well fields within the Camden Gas Project under section 75W of the EP&A Act. All four applications are considered in this assessment report. A summary of the proposed modifications, with references to the existing approvals/consents and the relevant well fields, is provided in Table 1 below.

Table 1: Summary of proposed modifications

Existing approval/ consent number	Proposed modification	Well fields (see Figure 1)
DA 75-4-2005 and MP 06_0291	Construction and operation of a gas gathering system between MP22 well and SL02 well.	Menangle Park Stage II and Sugarloaf Farm
MP 06_0291	Relocation of the approved but not yet constructed gas gathering line between MP03 well and MP05 well from the southern side of the Southern Railway to the northern side of the Railway.	Menangle Park Stage II
MP 06_0291	Construction and operation of an access road to MP03 well.	Menangle Park Stage II
DA 246-8-2002-i	Change in well type of the approved but not yet constructed KP06 well from a directional well to a surface to in-seam well.	Kay Park

Further details of the individual proposed modifications are provided below. The layout of the proposed modifications is shown in Figures 2- 6.

Construction and operation of a gas gathering system between MP22 and SL02

- The proposed gas gathering system would provide a link for transportation and distribution of coal seam gas extracted from the Sugarloaf well field in the east to the Menangle Park field in the west (see Figures 2 and 3 below), and then on to the Rosalind Park Gas Plant.
- The current development consent and project approval do not expressly permit such a gas gathering system, although the description of 'proposed development' in DA 75-4-2005 includes "connection of the wells to the Stage 2 of Camden Gas Project Gas Treatment Plant" (at Rosalind Park).
- The proposed gas gathering system would be located within a 50 metre (m) envelope between MP22 and SL02, and would be buried at a depth of 750 - 1,200 millimetres (mm).

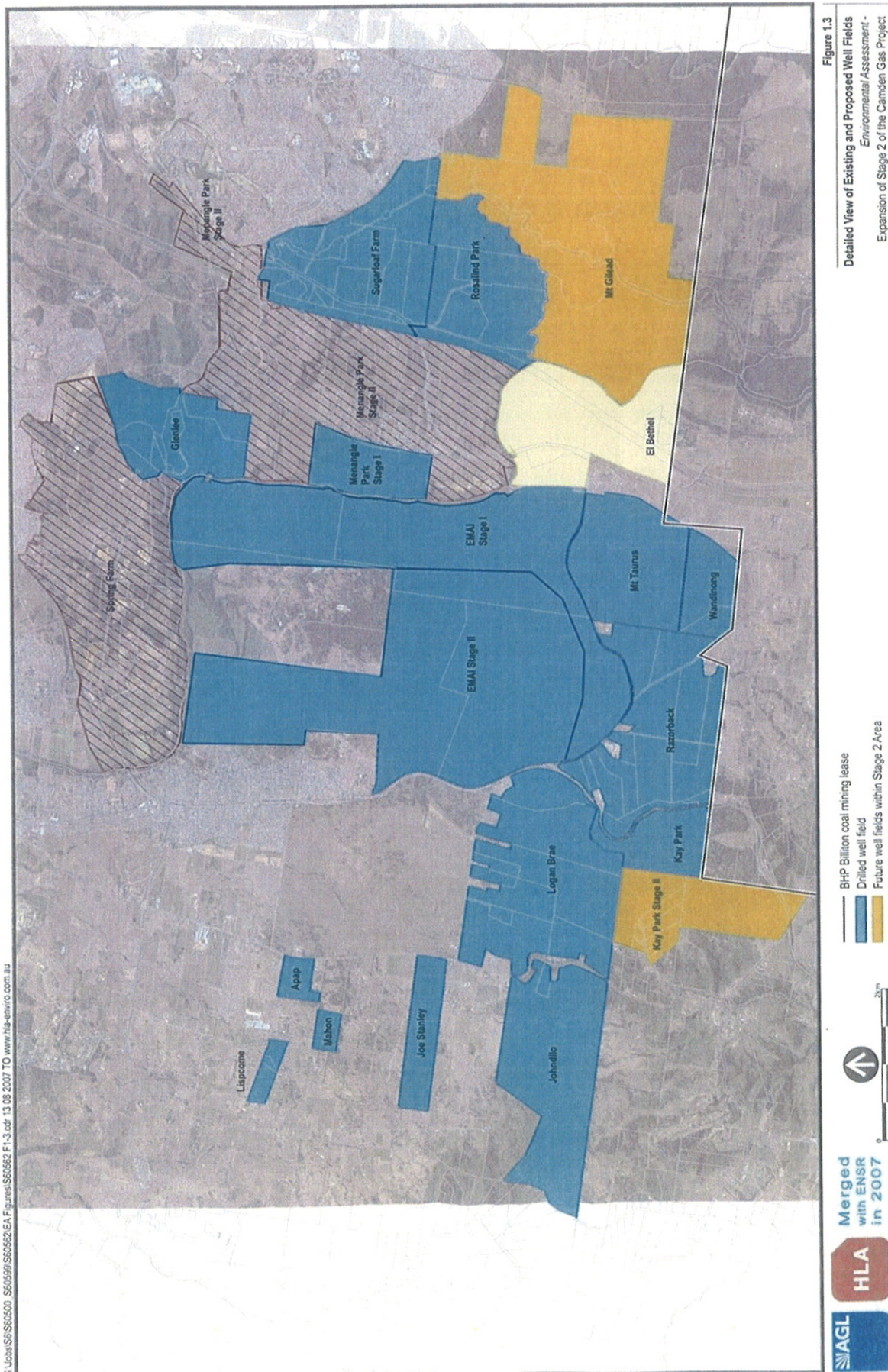


Figure 1.3
Detailed View of Existing and Proposed Well Fields
Environmental Assessment -
Expansion of Stage 2 of the Camden Gas Project

Figure 1: Well fields within the Camden Gas Project Stage 2

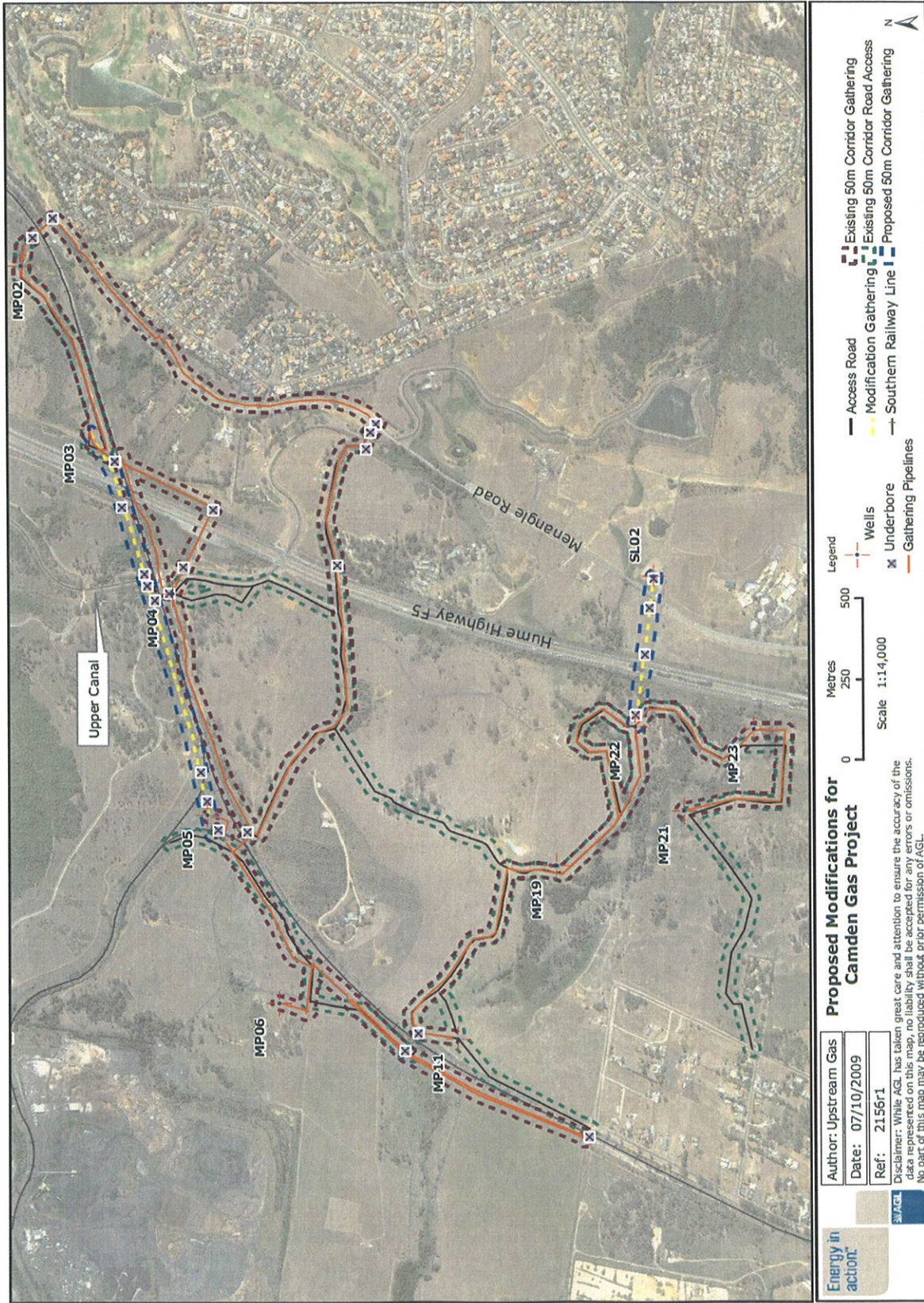


Figure 2: Proposed gas gathering system between MP22 well and SL02 well and proposed relocation of gas gathering line between MP03 well and MP 05 well