



ASSESSMENT REPORT

PROPOSED MODIFICATION CAMDEN GAS PROJECT

1. BACKGROUND

AGL Gas Production (Camden) Pty Ltd and Sydney Gas (Camden) Operations Pty Ltd (the Applicant) are jointly developing a major coal seam methane gas project in the Camden, Wollondilly and Campbelltown local government areas, known as the Camden Gas Project (see Tag A).

Stages 1 and 2 of the project were approved in 2002 and 2004, respectively, and the Minister has subsequently approved 4 extensions of Stage 2. Currently, Stage 1, which is located in the Cawdor area, has 28 wells and a gas treatment plant, and Stage 2, which is located in the Menangle/Gilead/Spring Farm areas, has 81 wells and a gas treatment plant.

The Applicant is now seeking approval for 6 additional wells in Stages 1 and 2 of the project.

2. PROPOSED MODIFICATIONS

On 11 April 2006, the Applicant lodged 3 applications to modify the consents for Stages 1 and Stage 2 of the project. These are:

Application Number	Development Consent	Approval	Proposed Modifications
MOD 53-4-2006 Section 96(1A)	Minister - 23 July 2002 DA 15-1-2002	Stage 1 - 25 wells, gas gathering system and gas treatment plant	1 additional well (LB11) on the Logan Brae property
MOD 52-4-2006 Section 96AA	Land and Environment Court - 16 June 2004 DA 282-6-2003	Stage 2 - 43 wells, gas gathering system and a gas treatment plant	3 additional wells (GL14, GL15 and GL16) on the Glenlee property
MOD 51-4-2006 Section 96(1A)	Minister - 26 May 2005 DA 9-1-2005	Stage 2 extension - 6 wells and gas gathering system	2 additional wells (GL12 and GL13) on the Glenlee property

The proposed modifications involve drilling and then producing gas from 6 additional directional gas wells to supply gas to the existing gas gathering systems for Stages 1 and 2 of the project.

Each new well would be located at an existing well platform and drilled vertically to approximately 100 metres depth. Once it reached this depth it would then be directionally drilled at an angle of 30 degrees until the borehole intersects the coal seam at a depth of approximately 750 metres.

Apart from the drilling activity, and some minor additional equipment attached to the existing well platform, no other surface works would be required for the proposals (see Tag B).

The Applicant has provided a legal opinion which confirms that as the deviated wells will cause no damage to the surface of the land along the drill path, an access agreement with the landowner is not required under the *Petroleum (Onshore) Act 1991*.

The proposals have a capital investment value of \$4.2 million, and would create 8 construction jobs. No additional operational jobs are created by the proposal.

3. STATUTORY FRAMEWORK

Two of the modification applications are seeking to modify Ministerial consents under section 96(1A) of the *Environmental Planning and Assessment Act 1979* (EP&A Act), and the other is seeking to modify a consent issued by the Land and Environment Court under 96AA of the EP&A Act (see table above).

Under section 96(1A), a consent authority may modify a development consent if it is satisfied that:

- (a) *the proposed modification is of minimal environmental impact; and*
- (b) *the development to which the consent as modified relates is substantially the same development as the development for which the consent was originally granted and before that consent as originally granted was modified (if at all)...*

Based on its assessment (see Section 5), the Department is satisfied that the proposed modification would be of minimal environmental impact and that the development, as modified, would be substantially the same development for which consent was originally granted.

Under section 96AA of the EP&A Act, a consent authority may modify a development consent granted by the Court if:

- (a) *it is satisfied that the development to which the consent relates is substantially the same development as the development for which consent was originally granted...; and*
- (b) *it has notified the application in accordance with*
 - i) the regulations, if the regulations so require,...'*
- (c) *it has notified ... each person who made a submission .. on the development application of the proposed modification by... written notice ..; and*
- (d) *it has considered any submissions made concerning the proposed modification ...*

The Minister was the consent authority for the original development application and is therefore the consent authority for the section 96(1A) modification applications. Under section 96(8) of the EP&A Act, the Minister is also the relevant consent authority for the Court granted consent.

On 5 April 2006, the Minister delegated his powers and functions as a consent authority to modify development consents under section 96(1A) and section 96AA of the EP&A Act to the Executive Director, Sustainable Development Assessments. Consequently, the Executive Director may determine the application under delegated authority.

4. CONSULTATION

Under section 96AA of the EP&A Act, a consent authority is required to notify an application to modify a consent granted by the Court, in accordance with the *Environmental Planning and Assessment Regulation 2000* (the Regulation) or any development control plan, and notify each person who made a submission on the original development application.

However, the Department has obtained legal advice (see Tag C), which indicates that if the proposed modification is of minimal environmental impact, then the requirement to notify each person who made a submission on the original development application does not apply. The Department believes the proposal to drill and operate 3 additional wells on the Glenlee property (MOD 52-4-2006) has minimal environmental impact, therefore there is no requirement to notify the proposed modification.

In relation to the applications made under section 96 (1A) of the EP&A Act, there is no requirement in the Regulation for the notification of the proposed modifications.

Notwithstanding, the Department has notified Wollondilly Council, Camden Council and the relevant public authorities (Department of Environment and Conservation and Department of Primary Industries).

The **DEC** has advised that it considers that a number of existing consent conditions and environmental management plans would address the majority of issues associated with the construction and operation of the proposed new wells. However, the DEC has recommended conditions of consent for construction noise and cultural heritage, and further assessment of threatened species.

The **DPI** does not object to the proposals.

No response was received from **Camden Council** and **Wollondilly Council**.

5. KEY ISSUES

The Department has assessed the modification application, environmental assessment documentation, and submissions on the project in accordance with the requirements of section 79C of the EP&A Act. A summary of the Department's assessment of key issues is provided below.

Noise

The Applicant states that drilling of the wells and hydraulic fracturing of the coal seams are expected to be the noisiest activities. Based on its noise assessment of drilling and well completion activities carried out elsewhere in the project, the Applicant states that at distances of 200 metres or more, drilling activities comply with relevant DEC noise criteria.

All the proposed wells are located at least 250 metres from the nearest dwelling, and consequently, the Applicant argues that the proposal would have minimal noise impact on residents in the area. Furthermore, the proposed activities are of short duration, with drilling occurring over 4-5 days and "fracking" (the noisiest activity) at each well occurring over periods of just a few hours. The Applicant states that drilling of the wells would be carried out in accordance with its Environment, Health and Safety Management Plan for the Camden Gas Project which has previously been approved by the Department.

The DEC recommended a condition to deal with construction noise impacts for a proposed well near the Mount Annan residential areas. However, the Department considers the DEC's recommended condition to be unnecessary because the new well is to be drilled at an existing well platform, which is located about 400 metres southwest of the residential area, and the existing conditions of consent for the development already include requirements for managing construction noise under the approved Environment, Health and Safety Management Plan.

In summary, the Department is satisfied that the proposal would have minimal noise impacts, and the existing consent conditions are adequate to manage the potential noise impacts of the proposal.

Flora and Fauna

The DEC noted that the gas gathering system associated with proposed wells GL14 and GL15 on the Glenlee property traverses Alluvial Woodland vegetation which is part of the Sydney Coastal River Flat Forest endangered ecological community, and has recommended that an assessment of significance be prepared for all threatened species and endangered ecological communities.

However, because the proposals would be limited to drilling additional wellheads at existing well platforms, and there would be no surface works along the proposed drill path, the proposal would not require any clearing of native vegetation. Consequently, the Department is satisfied that the proposal would not impact the Alluvial Woodland vegetation and

considers that an additional ecological assessment would not be necessary. The Department is also satisfied that the existing conditions relating to managing flora and fauna impacts and the rehabilitation of well sites are sufficient.

Cultural Heritage

The DEC notes that the Glenlee property contains a number of recorded Aboriginal cultural heritage sites, and that in the absence of an archaeological assessment of the proposal, a condition requiring a section 90 consent under the *National Parks and Wildlife Act, 1974* should be included in any consent. However, the Department does not believe it is necessary to include the recommended condition as the new wells are located at existing well platforms and no surface works are required along the proposed drill paths.

The Department is satisfied that the Applicant has adequately addressed cultural heritage issues and believes the proposals are unlikely to result in any significant impacts on cultural heritage sites. The Department is also satisfied that the existing consent conditions adequately cover cultural heritage matters.

Other Issues

The Department has assessed other environmental issues associated with the proposal, including air and water quality, heritage, traffic, and visual amenity. Following its assessment, the Department is satisfied that the impacts associated with these aspects would be similar to the approved developments, and would be adequately managed through the existing conditions of consent.

6. SECTION 79C CONSIDERATION

Sections 96 and 96AA of the EP&A Act requires a consent authority to have consideration for the matters under section 79C of the EP&A Act when it determines a modification application.

The Department has assessed the proposal against these matters, and is satisfied that:

- the proposals are consistent with the provisions of the relevant planning instruments;
- the proposals have minimal environmental impact;
- the potential impacts of the proposals can either be mitigated or managed;
- the sites are suitable for the development; and
- the proposals are in the public interest.

7. RECOMMENDED CONDITIONS

The Department is satisfied that the existing conditions of consent for the project are generally adequate to manage the development as modified by these applications.

8. CONCLUSION

Following its assessment of the proposal the Department considers that:

- the impacts associated with the proposed modifications would be generally similar to those of the existing approved developments;
- the impacts can be effectively mitigated and/or managed; and
- the proposed modifications are in the public interest because it would provide the opportunity to increase gas production from the Camden Gas Project for the Sydney natural gas market.

For these reasons, the Department believes that the proposed modifications should be approved, subject to conditions.

9. RECOMMENDATION

It is RECOMMENDED that the A/Executive Director exercise the powers and functions delegated to him in the Instrument of Delegation, dated 5 April 2006, and:

- (i) consider the findings and recommendations of this report;
- (ii) determine that the development consents, as modified, would relate to substantially the same development to which consent was originally granted;
- (iii) approve the proposed modification (MOD 52-4-2006) under section 96AA of the *Environmental Planning and Assessment Act 1979*;
- (iv) approve the proposed modifications (MOD 51-4-2006 and MOD 53-4-2006) under section 96(1A) of the *Environmental Planning and Assessment Act 1979* ; and
- (v) sign the attached notices of modification (Tag D).

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15 May 2006

David Kitto
A/Director
Major Development Assessment

Chris Wilson
A/Executive Director
Sustainable Development Assessments

As delegate of the Minister for Planning