

Our ref: HEM:CAA922/648

17 October 2008

Mr S Jeffries
Director Major Project Assessments
NSW Department of Planning
23 - 33 Bridge Street
SYDNEY NSW 2000

www.sparke.com.au

Dear Mr Jeffries

**Queensland Hunter Gas Pipeline Project - Environmental Assessment
Namoi Valley Coal Pty Limited (Namoi Valley Coal)**

We are instructed in this matter by Coal & Allied Operations Pty Limited (CNA). CNA is authorised to act in relation to this matter on behalf of Namoi Valley Coal a Rio Tinto Limited Group Company. Queensland Hunter Gas Pipeline (**Queensland Hunter Gas**) has contacted our client to seek 'feedback' in relation to the Environmental Assessment for its pipeline project (**Pipeline Project**).

We are instructed that CNA objects to the Pipeline Project proposed by Queensland Hunter Gas.

1 Background

1.1 Namoi Valley Coal holds mining tenements CL316 and AUTH406 which relate to Namoi Valley Coal's Vickery Mine. Although the Vickery Mine is not currently operational Namoi Valley Coal has continued to maintain its mining tenements on the basis that future mining of the Vickery Mine can be undertaken with improved mining technology and mining techniques.

1.2 The land owned by Namoi Valley Coal and the affectation of that land by the proposed gas pipeline corridor is shown on the **attached** plan.

2 Pipeline Project

2.1 Namoi Valley Coal has been put to the expense and difficulty of plotting the proposed position of the pipeline as it affects its mining tenements and land as no accurate plans showing the position of the proposed pipeline or the land which it affects have been provided by Queensland Hunter Gas.

- 2.2 Further Queensland Hunter Gas has not provided accurate details of the land holdings affected by the proposed pipelines or the title details for the land to be affected by the Pipeline Project. It is unreasonable to expect Namoi Valley Coal to consent to the proposed Pipeline Project until the exact impact of the Pipeline Project on its land is known to Namoi Valley Coal.
- 2.3 While representatives of Queensland Hunter Gas have met with CNA to conduct discussions in general terms about the Pipeline Project there have been no discussions about the payment of compensation for the proposed easement.
- 2.4 CNA will continue to object to the Pipeline Project until it receives assurances that the location of the proposed pipeline will not sterilise or jeopardise Namoi Valley Coal's mining tenements or those held by any other Rio Tinto Group Company.

3 Easement terms

- 3.1 Queensland Hunter Gas has not provided any details of the terms it proposes for the proposed easement for the Pipeline Project.
- 3.2 The Company is engaged in an industry with a significant risk profile. The Company cannot operate its mining tenements or the Vickery Mine in accordance with the Occupational Health and Safety requirements of the State of New South Wales where third parties may have the power to go on to its land without notice for the purposes of either constructing or accessing the pipeline. CNA and Namoi Valley Coal maintain the highest safety standards and expect that any easement terms will encompass those safety standards and the procedures outlined in CNA policy.
- 3.3 The nature of mining operations is that from time to time Namoi Valley Coal may require the relocation of the pipeline on Namoi Valley Coal's land to give best effect to the mining operations on the land or within the mining tenements. The terms of the easement must be drafted so that the Namoi Valley Coal is permitted to relocate the proposed easement and the pipeline if its mining operations require this.
- 3.4 CNA submits that in accordance with good land management practices any development consent for the Pipeline Project must contain robust environmental conditions and specifications adequately protecting Namoi Valley Coal as the land owner and adjoining land owners.

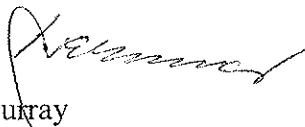
CNA objects to the Pipeline Project proposed by Queensland Hunter Gas on the basis that the following are unknown:

- (1) The exact position of the proposed pipeline;

- (2) The land owned by Namoi Valley Coal or any other Rio Tinto Group Company which will be affected by the proposed pipeline;
- (3) The land owned by adjoining land owners to be affected by the pipeline;
- (4) The proposed terms for the easement for pipeline following construction of the pipeline.
- (5) The methodology for assessment of compensation for land holders affected by the Pipeline Project.

CNA will continue to object to the Pipeline Project until it can establish to its satisfaction the effect the Pipeline Project will have on its ability to carryout mining operations on the land pursuant to CL316 and AUTH406.

Yours faithfully



Helen Murray
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Encl.

**Proposed Old Hunter Gas
Pipe Line Corridor**

Location: Blue Vale
LGA: Gunnedah

Projection: MGA Zone 56
Contour: N/A
Source: N/A

Date: 09/10/08
Plan By: SC
Version: 02

Project: Vick
Layout: A4
Our Ref: P_Vick_Prop Gas Pipe Line Corridor 080403.wor

