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Your Ref: 07_0103 MOD 2
Our Ref: D2012/77306

20 September 2012

Mr Clay Preshaw
Mining and Industry Projects
Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Dear Mr Preshaw

Apex Energy Gas Exploration Project Modification 2 – extension of approval date

I am writing to you in reference to the application by Apex Energy to modify their planning approval under section 75W of the *Environmental Planning and Assessment Act 1979* and your email dated 29 August 2012 notifying the Sydney Catchment Authority (SCA) of this application.

The Apex Energy coal seam gas exploration project proposes four boreholes located on SCA land known as AI10, AI14, AI16, AI19 and additional boreholes on land owned by others located in the SCA Special Areas.

As stated in the modification application, Apex Energy is seeking an extension of time to undertake exploration to "*three years from the commencement of drilling of the first borehole.*" The application does not make reference to when the first exploration borehole is likely to be drilled. In this respect the modification as requested and if approved could become an open ended approval.

Should the Department support the application, the SCA recommends that a fixed period of time be imposed, reflecting the precedent of the previous approvals for this project issued by the Director-General and the Planning Assessment Commission.

Support for a specific expiry date is made for the following reasons:

1. An open ended application limits the ability of the Department of Planning and Infrastructure and also SCA to require the proponent to implement contemporary best management practices.

2. It may allow Apex to circumvent future changes in permissibility and controls that the NSW Government may place on coal seam gas exploration or production in certain areas of the State, such as drinking water catchments if such controls are not applied retrospectively
3. Planning approval for exploration should have a finite time as occurs with Petroleum Exploration Licences. Given there are two separate government agencies involved in the approval of exploration, providing some consistency to expiration dates would have value.

In addition to the above:

- The SCA requests that Apex Energy be required to design, construct, maintain and abandon any boreholes within the Special Areas consistent with the NSW Code of Practice for Coal Seam Gas Well Integrity except where other more detailed requirements in the existing conditions exist or form part of an approved project specific management plan.
- The SCA requests the Department also have regard to any relevant aspect of the NSW Strategic Regional Land Use Policy when assessing the modification application.

The SCA would like to acknowledge the positive changes made by the Planning Assessment Commission to minimise the environmental impact of exploration drilling in Special Areas. The SCA will continue to work with the Department to ensure that water quality and quantity and catchment health are not compromised.

If you have any enquiries in regards to this proposed development please contact Dr Peter Davies, Senior Manager Sustainability on 4724 2391.

Yours sincerely



SARAH DINNING
A/Chief Executive