

24 October 2016

To Whom it May Concern

Thank you for the opportunity to make a submission in relation to Santos' recent Application entitled "Modification 4 – Beneficial Use of Coal Seam Gas from PEL238".

My name is Sarah Ciesiolka. I am a farmer and mother of three, growing food crops for NSW families on the highly productive and highly valuable lands between Narrabri and Wee Waa in North West NSW. Each year, year in, year out, our farm grows enough potatoes for 26 million roast dinners, enough peanuts for 2.4 million packets of beer nuts and 360,000 jars of peanut butter and enough wheat to make 3.3 million loaves of bread. The end-point value of this product is in excess of \$50 million annually, and we also employ up to 20 permanent and seasonal staff. We are completely reliant on our most precious resource, uncontaminated groundwater, for our business and also for drinking and everyday household tasks. My property is located just 6km downstream from Santos' Proposed Stage 1 Narrabri Gas Project and operates utilising water flowing from this potential coal seam gas (CSG) field.

I write to you today in the hope of bringing to your attention several significant failures in regards to Santos' recently submitted "Modification 4 – Beneficial Use of Coal Seam Gas from PEL238".

It is clear that CSG developments represent a substantial industrialisation of a previously rural landscape, and we know first-hand from Queensland the impacts - to the land, the water and to public health - that are likely to occur. Santos, through its incremental development-by-development approach, is leading the NSW Government through a very "non-strategic" approach to what the NSW Government declared as a State Significant Strategic Energy project on the basis of the Memorandum of Understanding signed in February 2014.

This Modification represents yet a further significant expansion of the CSG industry in this region and, indeed, in this State. In fact, nowhere in this Application is there any mention of Santos' plans to drill 850 wells just at Stage 1 throughout the Pilliga State Forest and productive farmland, a project which in production would produce massive quantities of toxic waste, and for which Santos has no clear management plans. **The entire extent of Santos' ambitions and proposed operations in North West NSW, including the 7 gasfields in this region that Santos has already mapped to their investors (November 2014 Investor Seminar, p67, attached), must be considered by the Government in assessing this Modification, and take into consideration the cumulative impacts of a project of this size and scale, rather than the current piecemeal approach to planning and approval.** This must include pipeline routes which are critical to the development.

Santos' referral to the Commonwealth under the EPBC Act (p65) indicates that "an assessment of the Project indicates that the duration and wider geographic extent of depressurisation of groundwater head within the coal seams and adjacent strata will cause a significant impact to the groundwater resources of the Gunnedah-Oxley Basin." The use of the word "will" is definitive - the dewatering of the targeted coal seams will at some point in the future have an impact on the water availability in another basin remote to the area known as the Narrabri Gas Project. Are hydrological, or any other studies for that matter, being undertaken of the cumulative impacts of all these prospective gasfields? Even those not living in or adjacent to a gasfield could potentially be impacted through water loss or pollution, and the changing of the entire region toward gasfield industrialisation.

Through this Modification, Santos is abusing the new provisions for “beneficial use” of gas obtained during exploration. This proposed Modification amounts to nothing more than CSG production by stealth and has the potential, if granted, to enable Santos to use the coal seam gas from exploration wells both existing and ‘future built’ to Santos’ own benefit, and ultimately profit, under the guise that the gas is for so called “beneficial use”. Santos lists 27 wells in PEL238 as being subject of this Application for beneficial use, but notes that “As exploration and appraisal continues within PEL 238 and PAL 2, approval for installation of additional pilot wells and supporting infrastructure may be sought.” It must beg the question, why is further exploration and appraisal activity required in PEL238 if Santos have now applied for, or are in the process of applying for, a production licence?

Section 28B of the Petroleum Onshore Act allows for beneficial use of gas “only if that gas would otherwise have been flared or released into the atmosphere as part of activities under the licence or lease”. However, there is no information provided in this Application about how much gas is likely to be removed and utilised under this application and whether all of this gas would otherwise have been flared or released into the atmosphere.

Likewise, there is no assessment provided of the environmental impact of burning this gas in the power stations relative to flaring or releasing it.

The beneficial use clauses included in the *Petroleum Onshore Regulation 2016* stipulate that “(3) For the purposes of section 28B (2) of the Act, royalty is payable under and in accordance with Part 7 of the Act in respect of any petroleum recovered by the holder of the petroleum title and used beneficially, unless that recovery and use is authorised by a relevant development consent.” This means that the State of NSW will derive no direct financial benefit from the unknown quantity of gas to be extracted and utilised as a result of this Modification.

Despite what Santos will have you believe, there is wide-scale community rejection of the CSG industry in North West NSW, and Santos’ Narrabri Gas Project in particular. Comprehensive community-run door-to-door surveys have been undertaken by over 90 communities completely surrounding the Pilliga Forest, spanning an area of over 3 million hectares to date. These communities have declared their districts Gasfield Free, with an average of **96% of their residents rejecting plans for gasfields in North West NSW**. Many of these communities include large tracts of privately owned, highly productive and highly valuable agricultural land, where landholders have conclusively demonstrated that Santos has no community acceptance.

<http://www.northerndailyleader.com.au/story/3512931/96-communities-say-no-to-coal-seam-gas/>

<http://www.theland.com.au/news/agriculture/general/news/protest-sky-high-at-gunnedah/2726549.aspx>

Approval of this Modification would amount to nothing more than a devious circumvention of proper process by both Santos and the NSW Government, allowing CSG production to occur with little to no environmental assessment or public scrutiny, flying in the face of public sentiment. It will do little to garner community support for an industry that has no social licence to operate anywhere in North West NSW, and will face strident opposition.

Finally, the 2014 NSW Chief Scientist’s report outlined 16 recommendations regarding CSG exploration and extraction in this State. Far from giving this industry the green light, the report highlighted the significant risks posed by CSG extraction and recommended a complete overhaul of the industry in NSW. The Chief Scientist acknowledged that there will be “unintended consequences”, and we will be the families and communities that are directly and negatively impacted. This report alone should be sufficient to indicate the immediate cessation to existing and further CSG activities in NSW. **The Government should NOT be assessing any proposal by Santos, or any other company, until such times as all 16 recommendations of the Chief Scientist are fully implemented for all projects, current or proposed.**

We stand on the precipice. It's five minutes to midnight. Through the disastrous Queensland experience, NSW has seen a tiny glimpse of what the future may hold if the CSG industry establishes a foothold at Narrabri – where people's health has been compromised, productive farmland eroded away and precious aquifers permanently damaged – and from where it will begin to spread its tentacles throughout North West NSW.

Andrew Cuomo, the New York Governor, recently said of unconventional gas development and fracking, **“We cannot afford to make a mistake; the potential risks are too great. In fact, they are not even fully known.”** Currently, our local community can have no faith that our health, our environment, and our water supplies will be safe. It is unthinkable that those elected to represent us would risk “one off” extraction of CSG whilst putting at risk water, air, soil and public health, and risking thousands of hectares across Australia vulnerable to a position that is unviable for life and agriculture. Once our surface and groundwater resources, our soil or our health is contaminated or destroyed, there is no turning back, there is no “make good”.

It is time we prioritised the nation's future food security and water resources above all else because CSG and Santos' Narrabri Gas Project in particular risks the things that are priceless - clean air, clean water, and land to grow clean, healthy food.

I call on the Minister to immediately reject Santos' Application for “Modification 4 – Beneficial Use of Coal Seam Gas in PEL238” in its entirety, and require Santos to fully articulate its plans in the Pilliga, and throughout North West NSW, the quantity of gas it intends to extract and burn, or flare and release, and the length of time it intends to continue expanding its “exploration” activities with little to no environmental and public scrutiny. For approval of this Modification to be granted, especially given the history of contamination and mismanagement in the Pilliga, would be utterly irresponsible, and would potentially expose both Santos and the NSW Government to litigation in the future.

Yours sincerely

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Acreage with potential to underpin NSW Energy Supply

Santos acreage covers seven sub-basins across the Gunnedah Basin

