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Executive Director Resource Assessments Department of Planning & Environment Application Number SSD 14\_6456 GPO Box 39 SYDNEY NSW 2001

Dear Sir or Madame,

We wish to make our submission re the application of Santos Ltd to establish a natural gas facility in the Narrabri area. We make the following points:

#### Location:

The proposed facility will be located in the Pilliga Scrub, west of Narrabri. This location does not involve valuable farming land. The Pilliga land is dry sandy scrub. When white men came to the district, the area was in fact, open woodland. Because the land was not continuously burned by the aboriginals, the pine trees and scrub took over the area.

The facility will not adversely impact the township of Narrabri. This proposed facility is a day's drive from the major NSW cities of Newcastle Sydney and Woollongong, so will not impact the city dwellers of the state.

### **Land Use**

The Pilliga Scrub is a reserve set aside for extractive industries. The land is dry, sandy and unproductive. It does not have a great value for agriculture or any other traditional land use. Some surrounding small farms have the possibility of holding coal seam gas under their land.

### Santos method of dealing with Farmers

Santos has made it clear that it will not enter a farmer's land without their permission. Santos does pay farmers for access to their land for the use of putting in a pipeline or to drill for gas. If a farmer agrees to host drilling rig/s and or wells they are paid very generous compensation for this. The gas wells have a small footprint, are fenced properly, access roads properly maintained. They do not impact livestock or other farming activities. Santos has renewed fencing on many farms that host exploration gas wells or pipelines.

Under current legislation, any mining operation is not required to seek permission to enter a farmer's land, as long as they have a "miner's right" to explore for any mineral or gas. A miner is also not required to pay a farmer to host a mine or gas well. The miner only has to pay compensation for access to the property. Santos has an excellent reputation of dealing very fairly with farmers. Santos goes very much above the current mining requirements.

### **Aboriginal Heritage**

Santos has worked closely with the local Aboriginal people to identify and to protect any sites of cultural significance. More cultural sites (not currently known to the local tribe) have been identified during the process of Santos preparation of their EIS. Santos undertakes to protect and preserve all these sites.

### Geology and drilling process

The geology of the Pilliga area has been found to be excellent for the extraction of coal seam gas. The coal seams are located deep underground, beneath a layer of "aquitard" or impervious rock that separates the relatively shallow aquifers used by farmers from the much deeper coal seams. This means that loss of aquifer water due to coal seam gas extraction is most unlikely. The drilling process is done with great care, the initial borehole is steel cased, then a larger casing filled with cement is installed, this goes right down to the coal seams. A second casing filled with cement is installed down to the impervious rock. Finally, a third casing filled with cement is installed to a depth of 50 to 100 metres. This process ensures that water from the aquifer is protected from loss or pollution.

One huge benefit of the proposed Pilliga gas field is that fracking is not necessary. The coal seams are naturally fractured, meaning that gas can easily be extracted without possible harmful procedures.

### **Environmental Concerns**

Santos has undertaken to totally rehabilitate all gas wells when they are no longer used. The environment will be treated with great respect. Santos has spent considerable time and money rehabilitating sites left by Eastern Star Gas, the previous holder of the exploration licence. There will be maximum effort made to ensure that there are no pollution spills. The industry will produce minor amounts of dust and noise and there will be considerable effort to minimise these. Monitoring systems will be put in place to ensure the strictest standards are maintained. The water that is extracted from the coal seams will be stored at the Leewood plant, where the holding dam has been specially constructed to ensure that there is no leakage of this water. The water will be treated by reverse osmosis to produce high quality water that can be used for irrigation.

# Benefits of a Coal Seam Gas Industry in Narrabri

We ask you to consider the following benefits:

# Increase gas supply in NSW

Currently NSW and other Eastern states have a critical shortage of gas for the domestic market. This means a loss of the ability to generate electricity on demand. A high reliance on renewable energy means a much less reliable supply of electricity. A chain of smaller gas fired power stations that can be fired up quickly to supply electricity when there is peak demand should be an aim of every state government. The price of gas supply for household heating and cooking will be curtailed and supply will naturally become more expensive. Industry will also suffer a shortage of gas at a reasonable price, meaning a curtailment of those industries reliant on a supply of gas. Employment will naturally fall as industries close down and relocate to other countries. This proposed gas plant will supply half of NSW current gas requirements. Surely this is a good thing.

## Increased employment in the Narrabri Area

If this project goes ahead, there will be an increase of jobs during the set up stage, then, there may be 200 permanent jobs created. This will be a huge benefit to Narrabri.

Farmers have been suffering years of drought and agriculture can no longer provide a large number of jobs.

Our young people have to leave the district to seek work. More mining jobs mean extra teachers, health professionals, tradespeople and jobs for many industries not related to the mining industry. This is a boost to the whole district. Santos already employs a large number of local people

### Wealth created from Royalties

All extractive industries must pay royalties to the state and federal government. This means increased income for NSW, especially. Country areas benefit from "Royalties for Regions" funding, this results in increased roads maintenance, more funding for health and education. The whole state of NSW benefits from royalty payments. The end result is less State Debt and more income for the NSW Government. It may also mean better roads for the North West Plains area, this area is usually sadly neglected.

### Care for the Pilliga Scrub

To have a coal seam gas industry in this area will bring some benefits.

- Aboriginal sites are located and protected.
- Existing roads through the area will be maintained to ensure access to gas wells.
- Tourism will also grow in the area because of more improved roads and better access to the area.
- The overall health of the reserve will be closely monitored.
- Bush fires will be easier to fight because of more monitoring and better roads. If a fire starts in the scrub, gas wells can be shut down remotely to ensure that the fire situation does not become more dangerous

# **Conclusion**

We fully support the application of Santos to establish a coal seam gas industry in the Narrabri Pilliga area.

We feel that some disadvantages are greatly outweighed by the advantages of this project. A huge amount of dis-information has been pedalled by various green groups. Unfortunately, this has held up this project by many years. The whole of NSW is now suffering from a shortage of gas.

We do not support gas mining on productive farming land, especially where the geology is not as favourable as it is in the Pilliga.

We have participated in a tour of the Pilliga project, seen pilot gas wells in operation on a farm and visited the Leewood water treatment plant, as well as the Wilga Park power station. The whole set up is excellent. Santos is making a huge effort to create a "gold standard" of environmental protection, worker safety and corporate behaviour.

We hope that your department can see the merits of this proposed project and allow it to proceed as quickly as possible.

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