



Resources & Energy

Our Reference :OUT11/10134

Mr Howard Reed
Manager Mining Projects
Major Development Assessment
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Mr Reed

West Cliff Goaf Drainage Modification No. 3 Project (MP07_0073)

I refer to your email dated 27 May 2011 inviting the Division of Resources & Energy (DRE) of the Department of Trade & Investment, Regional Infrastructure & Services to make a written submission and any recommended conditions of approval on Modification No. 3.

The proposed Modification No. 3 is for the construction over the proposed West Cliff Longwall 35 of either:

- a. up to 18 additional gas extraction wells (12 proposed and 6 contingency), with a mobile gas extraction plant used in up to 3 locations and associated gas gathering pipelines, or;
- b. a Medium Radius Drilling compound and extraction plant with up to 8 gas extraction wells (5 proposed, 3 contingency), with a mobile gas extraction plant located in up to 2 locations and associated gas gathering pipelines.

The purpose of the project modification is to remove methane gas from Longwall 35 in order for it to be mined safely. Recovered gas would be piped to a gas extraction plant via a surface or buried pipeline and flared.

All proposed drilling sites are located in cleared paddocks. No native vegetation clearing is proposed. Each drilling site will require clearing of a 30 by 40 metres area of land and the installation of drilling equipment and site facilities.

Based on the review of proposed Modification No.3, it appears that the proposed changes are generally consistent with the initial approval and that environmental impacts associated with the modification will be acceptable. DRE provides the following comments:

1. Coal Seam Gas recovery and utilisation is in place in many areas of NSW, including at BHP Billiton Illawarra Coal's Appin West Colliery, and provides significant energy generation benefits. The proposal to flare the recovered methane at West Cliff Colliery is seen to be a waste of a resource. It may be appropriate to require the proponent to look at alternative ways of utilising the recovered methane so as to maximise its

benefit. Even if not required for this modification, the proponent should be made aware of the potential requirement that they should address as part of any future modification applications.

2. DRE will require an amendment to the West Cliff Colliery Mining Operations Plan (MOP) once the modification is approved. A corresponding Rehabilitation Cost Estimate, covering the rehabilitation liability associated with the modification (including sealing of gas drainage wells, removal of infrastructure and re-establishment of landform and vegetation), will need to be submitted with the MOP amendment.

Should you have any enquires regarding this matter please contact Vince Fallico, Project Officer on (02) 8289 3930.

Yours sincerely

for  9/6/11
David Agnew
A/Director Industry Coordination