Foreword
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Santos, an Australian energy pioneer, has been working to provide energy to homes and businesses across Australia and Asia for more than 60 years.

Santos is proud of the employment and economic benefits that have flowed from its work, and the strong relationships it has built with landholders and local communities since it was established in Adelaide in 1954.

In NSW, Santos is focused on developing a project based around the abundant natural gas resources located in coal seams around Narrabri in North West NSW. The Narrabri Gas Project could supply up to 50 per cent of the natural gas needs of NSW and deliver substantial benefits to the local community and the state. The natural gas will be made available to the NSW market via a dedicated pipeline to be constructed by APA Group, which will link into the existing Moomba to Sydney Pipeline.

This Environmental Impact Statement (EIS) has been prepared to assess all potential impacts of the project. It incorporates extensive data from detailed environmental, economic and social studies and assessments gathered over many years in the region. This information has been used to identify, quantify and evaluate potential environmental and social impacts of the project and develop strategies to avoid, mitigate and manage potential impacts.

The EIS concludes the project can be developed safely with minimal and manageable risk to the environment.

Over the past two decades, Santos has been safely extracting natural gas from coal seams in Queensland and more than 90 per cent of the natural gas used in that state now comes from coal seams. In NSW, Santos has a similar opportunity to utilise its knowledge and experience to develop the Narrabri Gas Project.

Natural gas is an essential requirement for a strong NSW economy and to support our lifestyles. More than one million NSW homes and 33,000 businesses rely on natural gas as a source of energy. The State Government estimates the top 500 industrial gas users provide more than 300,000 jobs which rely on an affordable, secure supply of natural gas and has recognised the project’s significance, declaring it a Strategic Energy Project.

Despite this obvious need for natural gas, NSW produces less than five per cent of its gas locally and is reliant on interstate contracts which will need to be renegotiated in an increasingly competitive gas market.

In addition to the provision of energy to the state, the project would create approximately 1,300 jobs during the initial construction phase and around 200 ongoing jobs, many of which will be locally based. Over its life, the project will generate around $1.2 billion in State royalties to help provide important services like education, health and transport infrastructure. The local community will also benefit from a Gas Community Benefit Fund totalling up to $120 million which will support local programs and initiatives.

While delivering this much needed gas is vital for NSW, it is equally important that it is developed in a safe and sustainable manner and in a suitable location.

The Narrabri Gas Project area contains an abundance of proven gas reserves and the geology is favourable for gas extraction. The EIS found the project will have minimal risk of impact on agricultural and domestic water sources. The presence of thick geological aquitards between the deep target coal seams and the shallower groundwater sources ensures the project can be carried out without impacting other water users. The water that will be extracted is not water accessed by agricultural or community bores and is not from the Great Artesian Basin. In addition, the project is not located within...
a major recharge zone of the Great Artesian Basin. Due to the geology of the deep coal seams, hydraulic fracturing will not be needed to extract the gas and Santos is not seeking approval to use this technology.

The majority of the project will be located on State forest land within a section of the Pilliga that was set aside by the NSW Government for logging and extractive industries. No areas of National Park are within the project area. Santos is working towards an agreement with traditional owners of the land, the Gomeroi, who have a native title claim extending over the project area.

The areas of private land within the project area are not mapped as Biophysical Strategic Agricultural Land and Santos has committed that it will only seek to place gas wells on private land if the landholder agrees to host these activities. To reiterate this commitment, Santos signed the Agreed Principles of Land Access with a number of key rural stakeholder groups. When Santos works with a landholder, a Farm Management Plan will be developed and agreed which ensures the landholder understands, and is comfortable with, all aspects of Santos’ work. The ability for natural gas development to co-exist with agriculture and other industries is demonstrated by Santos’ Queensland natural gas operations, where it has in excess of 850 agreements in place with more than 300 landholders.

Santos has gained a strong level of support within the broader Narrabri community through its demonstrated commitment to operating safely and its extensive local engagement since acquiring the operations in late 2011. The majority of the Narrabri community recognise that the expansion of this relatively new industry can improve the prosperity of the local area. Santos will continue to build on these relationships over the life of the project to ensure the local community can maximise the significant benefits and opportunities Santos’ activities will deliver.

This EIS will now be comprehensively assessed by both the NSW and Commonwealth Governments to ensure the project meets the highest environmental standards. This assessment process will include opportunities for interested parties and the community to review the document and make submissions.

Santos welcomes this scrutiny and recognises the important role this rigorous assessment process will have in ensuring the project is developed safely, that community, government and stakeholder expectations are met and this much needed energy is delivered to NSW.

Kevin Gallagher
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