

Narrabri CCC Monthly Update

SEPTEMBER 2016

The following is a monthly update for the Narrabri Community Consultative Committee (CCC) regarding activities undertaken by the NSW Environment Protection Authority (EPA) relating to PEL 238, PAL 2 and PPL 3 (Narrabri Gas Project).

It includes activities undertaken relating to Environment Protection Licence (EPL) 20350 and the EPA functions conducted under the NSW Gas Plan.

Attachments to this month's update:

- Running Log – Old Investigations of PEL 238 Outcomes
- Inspections undertaken by EPA – August 2016
- Feature Article – ‘Decommissioning gas wells and rehabilitating the sites’
- EPA Site Inspection Map – August 2016

EPA ACTION ITEMS SINCE LAST NCCC

Presentation on how the EPA regulates (not specifically in relation to gas activities) to be delivered to the Narrabri CCC at the September 2016 meeting – Completed.

INVESTIGATIONS

Background

On 19 February 2013 the EPA became responsible for investigating environmental incidents that occurred during coal seam gas activities under the provisions of the *Protection of the Environment Operations Act 1997* (POEO) and issued Environment Protection Licences (EPL).

On 1 July 2015 the EPA commenced its new role as the lead regulator for compliance with, and enforcement of, conditions of approval for gas activities in NSW. This includes regulating consent conditions and activity approvals issued by other agencies (excluding work health and safety). In carrying out this role the EPA will work with the relevant experts and NSW Government agencies.

Gas activities must comply with a broad range of regulatory controls, including Acts, regulations, codes of practice, titles, approvals and other controls. The prioritisation of investigations is determined using a risk assessment for investigations that considers the level of environmental impact and the likelihood of environmental harm occurring.

Current Incidents

Bohena 2 (PAL0002) – Site inspection 6/7/2016

It was alleged that a Namoi Waste truck was transporting produced water from the Leewood site and using the produced water for the rehabilitation watering at the Bohena 2 rehabilitation site. Santos advised it was potable water from its Leewood site.

The EPA responded by collecting and analysing samples from the coupling where the truck had connected to unload the water, and the sprinklers at Bohena 2. Results indicate that the water in use

is not consistent with produced water. The laboratory used both acid extractable and lab filtered methods to test the samples across a specific test group comprising of pH, electrical conductivity (EC), sodium, metals and nutrients.

A response letter will be sent to the reporters of the incident explaining the outcome of the investigation.

Running Log – Old Investigations PEL 238 Outcomes

Incident	Outcome
March 2013 <u>Bibblewindi Water Treatment Facility</u> Pond liner failure	11 Feb 2014 The EPA issued a Penalty Notice for s120 Pollution of Waters. A Pollution Reduction Program (PRP) was added to EPL 20350 (Environment Protection Licence) requiring the development of a Remediation and Monitoring Plan and the implementation of this plan.
March 2013 <u>Tintsfield Ponds</u> Detection of elevated levels salinity and metals	Insufficient evidence to determine if the changes detected in groundwater were the result of leaks from the Tintsfield ponds or were from natural factors. A PRP was added to EPL 20350. Media release: No environmental harm but improvements needed
February 2014 <u>Namoi Waste</u> Storage of Santos drilling mud onsite	6 May 2014 The EPA issued Namoi Waste Corp with a Penalty Notice for breach of s145 of the POEO Act. Note - The Penalty Notice issued was not related to the original compliant regarding waste from coal seam gas, rather other waste material identified during the course of the investigation. Media release: EPA issues Naracor and Namoi Wastecorp with penalty notices for unlawful waste transport and storage
January 2015 <u>Santos Dewhurst Southern</u> Water flow line	No breach of EPL 20350 identified. Santos varied operational practices for high point vents following negotiations with the EPA. Media release: No environmental harm but improvements needed
September 2015 <u>Bohena Creek</u> Piezometer located in creek	No regulatory action required.
January 2016 <u>Leewood Water Treatment Facility</u> Alleged discharge of sediment laden water	The rainwater discharge followed heavy rain. Santos undertook immediate works to prevent further discharge from the site installing coir mats and construction of bunding. The EPA inspected site and determined no environmental harm had occurred and that no regulatory action was required.
January 2016 <u>Santos Piliga</u> Report a 'foamy caramel coloured' material on the roadside near operation site	The EPA inspected the site and collected samples. Analysis determined it was a natural event, likely due to the decomposition of organic material. No further action was required.

February 2016 <u>Santos Piliga</u> Report of 35,000 litre spill at unmanned Santos facility	Investigations proved minor water run off with no environmental or health risks. Media release: Water Run-off From Leewood Water Treatment Facility in Narrabri Cleaned Up
March 2016 <u>Leewood Pond</u> Alleged leaking	EPA officer inspected storage ponds and met with Santos staff. No evidence that produced water was leaking. No further action was required.
March 2016 <u>Bohena Creek Road</u> Report that a vent had been left open, unattended and emitting methane gas	Santos has approval to vent gas from high and low point vents along the water gathering lines for safety and operational purposes – this is performed manually by a field operator. Santos has amended the manual venting operating procedure. The procedure clearly notes that a high point vent is not operated without an operator present.
March 2016 <u>Santos Piliga</u> Report received that there was a 'foamy residue' left along Beehive Road. A reporter returned to the site some days later with a Geiger counter and recorded a reading allegedly linked to the high and low point vents	EPA Officer spoke to reporter who advised that the location they took the Geiger counter reading was a few kilometres away from the area of concern and there was no evidence to support the initial claim. No further action required.
March 2016 <u>Leewood Water Treatment Facility</u> Report alleging a truck was spraying produced water between the internal fence and the property boundary fence for dust mitigation	EPA Officer viewed available data confirming raw water from an on-site bore was used for dust suppression at the time of the allegation. The EPA supports dust suppression which is a requirement of the Santos EPL. No further action required as at 15 March 2016
April 2016 <u>Bohena Creek Road</u> Methanol Drum on road	Santos staff located a 44 gallon drum labelled 'Methanol' dumped on Bohena Creek Road near the Leewood Water Treatment Facility. Police and HAZMAT attended and secured the item. The drum was not on the Santos site, nor related to its activities as per media Tweet by the EPA.

EPA ACTIVITIES

Inspections undertaken by the EPA – August 2016

Inspections					
Site ID	Date Inspected	Reasons	Action/Outcome	Site Status	Statutory Document
Dewhurst 22	19/8/2016	Complaint Received	No issue determined, no further action required.	Shut in	PEL0238
Dewhurst 28	19/8/2016	Complaint Received	No issue determined, no further action required.	Active	PEL0238
Bohena 2 Legacy Salinity Site	19/8/2016	General Site Inspection	N/A	Rehabilitating	PAL0002
Bohena 7 Legacy Salinity Site	19/8/2016	General Site Inspection	N/A	Rehabilitating	PAL0002

Community Engagement Officer Appointed

The Narrabri office welcomed a new staff member in early September. Bridie George, Community Engagement Officer, will be working on the Connected Communities project within the Community Engagement Team.

Bridie has previously worked at the Gunnedah Shire Council as a Communications Officer. She attended the September CCC meeting and is looking forward to meeting community members and representatives in the Narrabri area.

Bridie's appointment completes the Narrabri team, consisting of herself and two operations officers – Nicholas Payne and Simon Taylor.

FEATURE ARTICLE

Decommissioning gas wells and rehabilitating the sites

At a previous meeting, the Community Consultative Committee requested further information on the regulation of decommissioning and rehabilitation.

The following article summarises the approval and regulatory processes around decommissioning and rehabilitation of gas wells and the surrounding sites.

'Decommissioning' refers to the work required to plug the well and remove well surface infrastructure.

'Rehabilitation' refers to the restoration of the ground surface, including revegetation.

Petroleum title and approvals

This stage involves companies submitting applications to the relevant approving agency. These applications are subject to assessment and approval. Approval documents includes conditions for rehabilitation of disturbed areas and are granted to a titleholder by the Division of Resources and Energy or the Department of Planning.

The EPA under its role as lead regulator for Gas, checks that wells are constructed and operated in accordance with legal requirements imposed on titleholder by the NSW Government.

Security bond

A titleholder must lodge a rehabilitation security bond with Division of Resources and Energy (DRE) which covers the cost of rehabilitation for each well site. The security bond is lodged prior to the commencement of any exploration or production and is continually adjusted to reflect the actual rehabilitation liability throughout the life of a gas site. A release of the security bond is contingent on the title holder demonstrating that the required rehabilitation objectives and completion conditions have been met.

Environment Protection Licence

Titleholders are required to hold an Environment Protection Licence (EPL) for gas activities. EPLs are issued by the EPA and contain conditions that relate to pollution prevention, monitoring, collection of site specific data. EPLs remain in place until after the decommissioning is confirmed to be compliant with legal requirements.

Ongoing reporting and compliance

Titleholders are required to provide annual and final reports which include details of rehabilitation progress and outlook. These reports are assessed by the DRE and the EPA to ensure statutory requirements are being met. Titleholders are also subject to inspections by government agencies to ensure they are compliant with statutory requirements and the conditions attached to its title, approval documents, EPL and other relevant documents.

Decommissioning program

Before a well is decommissioned, the titleholder must submit a High Risk Activity notification to be reviewed and approved by government. The notification submission includes a proposed work program for decommissioning.

Conditions regarding decommissioning are found in petroleum titles (PEL, PPL, PAL), project approval and development consents, water access and work approvals, decommissioning work program and the Well Integrity Code of Practice.

The *Code of Practice for CSG Well Integrity* can be downloaded at the [Code of practice for CSG well integrity](#) page at the NSW Resources and Energy site.

Specialised monitoring and testing data are collected throughout the decommissioning process. This data is scrutinised by specialist government petroleum engineers to ensure compliance.

Rehabilitation

Conditions regarding rehabilitation are found in the petroleum title (PEL, PPL, PAL), development consents, operational plans, project approvals and the Rehabilitation Code of Practice.

The title-holder is required to submit a rehabilitation and relinquishment report to DRE. DRE review this report and provide to the EPA. Trained EPA staff visits each site to inspect surface rehabilitation to confirm that any government requirements have been met and to confirm that the landowner is satisfied with the work. If the EPA, the DRE and the landowner are satisfied the rehabilitation is complete, DRE will return the security bond for the site.

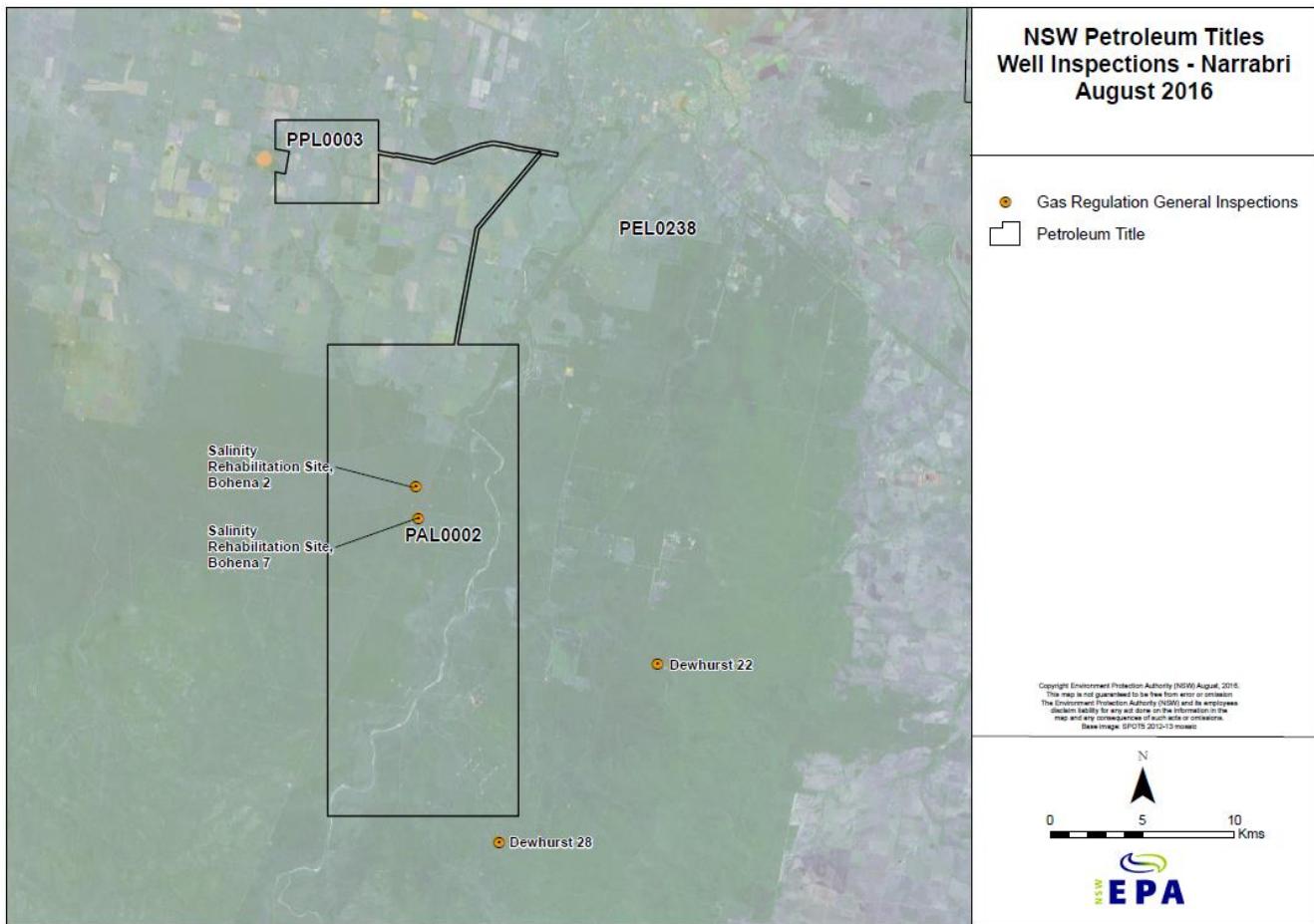
The *Exploration Code of Practice: Rehabilitation* can be downloaded at the [Rehabilitation](#) page at the NSW Resources and Energy site.

Conditions on notices

The EPA can issue a company or title-holder with a range of notices to further protect or rehabilitate the environment, including to direct or require immediate action to reduce an impact or potential impact on the environment.

SITE INSPECTION MAP

EPA site inspections undertaken at Narrabri during August 2016



Every effort has been made to ensure that the information in this document is accurate at the time of publication. However, as appropriate, readers should obtain independent advice before making any decision based on this information.

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