

February 12, 2013

MEETING MINUTES

Minutes: Santos Community Committee – Narrabri Shire
Tuesday, February 12, 2013
Narrabri Shire Council Chambers, Narrabri

Attendance: David Ross (Chair), Tony Pickard, Cate McMahon (Santos), Annie Alexander (Santos), Victoria Hamilton, Doug Main (Santos Program Manager Pilliga Rehabilitation), Gerrit Nehrkorn, Ian Duffy, Brendan Warnock, Jon Marie Baker, Cr John Tough, Ron Campey, Judy Simmonds

Apologises: Michael Guest, Terry Hinch, Lisa Montgomery, Ken Flower.

	Discussion	Action/By Whom
1. Welcome and introductions	The chair opened the meeting at: 5.35pm - Chair welcomed committee.	
2. Update on Pilliga Rehabilitation Doug Main	<i>See Appendix 1 – Presentation on Update on Rehabilitation</i> - Rehab process - Achievements to date - Work in progress – dieback - Future Plans	
	Questions: Chair introduces question time by asking Santos to respond to questions previously brought up by committee regarding the soil used from the contaminated site and the quality of the soil. Santos responds: In all soil sampling and testing that has been done the results indicated that the pH was below normal and the salt content was high. To fix that we use the addition of chemicals like gypsum and sulphur and then organics. In some cases where the soil will not respond or the addition of the chemicals could cause adverse effects Santos would excavate that soil. Committee member asks when you refer to topsoil being laid on excavated sites,	

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where is the retained topsoil from? Santos explains that there is a stockpile of topsoil from Bibblewindi that came from the area. Committee member questions where this soil has been stored as it has seemed to have just appeared since the rehabilitation project has started and no one can explain where it came from. Santos responds the topsoil has been sitting on the site at Bibblewindi since the site was cleared. The site tour drove past it.

Committee member asks what do you contractors that are employed by Santos do? Santos explains that the Santos fleet doesn't include excavators and various machinery; so they bring contractors in to do this work. Committee member would like to know if these contractors are required to clean out their vehicles before they go on site. Santos explains about the Gunnedah Basin plant-vehicle inspection process, which requires any vehicle that has been used on an unsealed road outside the Gunnedah Basin to be washed down before entering the area. Committee member asks if they then have to be washed down before they go off site? Santos explains that in the Pilliga there are not necessarily taps/ hoses that can be used for this, so contractors are required by contract to knock off mud. There is also a wash bay at the operations site. Committee member asks if vehicles are taking contaminated soil off site into other areas of the Pilliga? Santos responds that the intent of the wash down procedure is more about minimising the risk of pest and weeds. The contaminated soil is salty but cross contamination of the soil in terms of a bit of mud dropping off vehicles onto a road is not an issue.

Chair raises that a Committee member has passed around examples of some soil, Chair invites committee member to explain. Committee member explains that the soil sample is jet black, and that the sample has been taken from the Bibblewindi treatment facility area. Committee member would like to ask Santos what the black substance on the top of the soil is and if and can it be analysed? Santos responds; this would have to be sent away, and it has no chain of custody. Committee member suggests for Santos to collect the samples themselves. Committee member explains

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that it is also available at other sites. It is happening wherever a spill has occurred and the ground has been disturbed. Santos believes from their understanding that the black stuff coming up could be tannins.

Committee member explains that early test results show C34 Hydrocarbon content. But the committee member would like Santos to supply results on exactly what the oily black tar substance is. Santos asks if committee member has conducted controlled sampling in other areas to rule out the substance occurring naturally, Committee member has not found the substance anywhere but contaminated sites. Chair asks is it possible to take committee member out to the site to show Santos where it has come from. Chair suggests committee member to share previous soil analysis of the area with Santos to help with results.

ACTION: Santos / Chair to work with committee member to figure out a way forward. (Regarding identification of black substance on soil sample)

Committee member asks how is the rehabilitation going in terms of working with private landholders that have had a test well on their property? Committee member has seen a site that seems to have been rehabilitated and believes it is not growing anything. Santos is not familiar with the site, and believes that they haven't done rehabilitation on private land in the last 6 months. Committee member wants to make a point that when Santos is dealing with private property it can be just as vital to the public as the Pilliga area. Santos responds that they will have to get back to the committee regarding this site as they have only done rehabilitation on one private landholder's site and this isn't in the area being referred to. So unsure of what has been done on this site. Santos continues to explain to committee while raising this point that one of the approaches that Santos takes with rehabilitation depends on the landowner's requests and how they want the area rehabilitated.

ACTION: For Doug Main to find out more about the rehabilitation at this site and get back to Committee.

4. The CCC, itself - What is our purpose and scope?

Chair addresses committee about the purpose and scope of the committee. Asks is the committee using their time as effectively as possible. Reminds members about the terms of reference that were produced in the first meeting for Santos, the Chair and the Committee Members and what expectations are placed on everyone. This

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- What will ensure we are as effective as possible?

committee is an opportunity for a two-way conversation, allowing the committee to speak to Santos and explain concerns. Also for Santos to give committee information to take back to their community. Committee agrees with this.

- Scope: Chair asks what is the committee focussing on? Are we focusing on Santos or Eastern Star Gas and how far back do we take that? Committee member responds that they believe Eastern Star Gas is relevant to the conversation. Because we are speaking about the role of gas exploration and development and Eastern Star Gas has been part of this process and they are part of their footprint. This does not chain the committee to where we want to be in the future regarding scope. A second committee member explains that the committee wants to know in detail what the risks involved are. And how well Santos can manage these risks and what the potential outcomes could be if things go wrong and what Santos capacity is to manage these risks. Chair suggests committee should be mindful about what has happened with Eastern Star Gas and not forget that, but committee should focus on the future and move forward. Committee member explains that the PEL and licences are still under Eastern Star Gas. (They are still a company under the Santos Banner). Another committee member comments that whatever damage has been done is done and the rehabilitation will take time, so let's move forward and keep the community informed with future information. Another committee member comments that if the well integrity is kept and there is no fracking, that it is now in Santos' best interest to do the right thing, and Government legislation is a lot stricter, so they will have to.

Chair explains to committee that a summary of the Gateway Process and Aquifer interference policy has been summarised by Chair for Upper Hunter CCC and can be made available to committee members.

ACTION: Chair to provide to committee with summary.

- Effectiveness of Committee: Chair asks committee if it is feasible for all committee members to be given two questions. Committee member believes if there is the

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opportunity to raise questions even if it isn't during the meeting to Santos that would be beneficial. Committee member wants to know if this committee is a "feel good" committee for Santos public relations and what is being achieved by coming to these meetings. Santos explains that information and questions that are discussed at the meeting are taken back to the organisation and are being used as suggestions in everyday business. Santos uses example of meeting with technical staff last week, where community feedback was being discussed in this meeting. Committee member comments that they believe the committee's role is not just to get information but to take the concerns and raise them at the meeting so Santos can answer these questions.

Chair asks Santos if there are more site tours coming up in the future. Santos says yes there is one on 27th Feb, more to come and we can organise it so a drill rig can be seen in operation, Committee to organise suitable time to attend.

ACTION: Santos to identify options for the committee to be taken for further site visits

Santos representative suggests that the CCC meetings are designed to benefit the community but Santos does receive benefits as well. Therefore the committee decides the direction of the meetings. Chair refers to the baseline water data sub committee that is happening in the Upper Hunter CCC as an example of what is possible, Committee member asks if that is happening in our area as well and Santos responds that it is, there are future plans. Committee member asks do you expect from that data to create a model of how the aquifers behave. Santos responds that they collect baseline data by setting up numerous data collection points and collect and monitor that data over a period of time.

Committee member believes that as part of the consultative process we are hoping to prevent unintended risk, can Santos assure the committee that they are managing the risks. Committee member comments that Santos cannot necessarily guarantee what will or won't go wrong in the future. Another committee member responds that he would like to know what the base rate probability of an occurrence would be, and see facts and figures from examples of places where analysis has been done. As long as

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Santos can show us that they are aware of the risk and that they have done the research into what can go wrong.

Committee member raises the issue of honesty, and expresses an issue with Santos not accepting proof that committee member supplied, without a chain of custody. Santos apologises and explains that the intention was not to infer that the committee member was lying. Explains that the lab will not accept soil without a chain of custody. Committee member suggests that there are so many unknowns about the industry and the committee's role is to find out more information about the unknown of processes and risks etc. Committee member explains that he has invested personal money in two water studies and Santos has refused to allowing testing on Dewhurst 8 even though I had indicated I would pay for the testing the requests go back to August 2012. The committee has asked for Santos to provide a full analysis of the Bibblewindi ponds, and this has not been provided, they have only provided a fraction of the information. Committee member says that Santos had previously told the committee member that more testing would be done on the bore located on his property. Committee member would like an Independent to present at a meeting about Sulphate Reducing bacteria. Committee member would also like another person to be present when the testing is done on Dewhurst 8 location, which is part of another water related study. Another Committee member suggests that in the future we get a presenter to speak on water issues like the hydrology and provide information about other places where coal seam gas is established that are similar to our area. What is in the coal seam water, what does that mean and what are the risks. Chair suggests that next meeting hydrology or water to be presented. Chair is reminded by the committee that suggestions have also been made about a driller to present.

ACTION: By the next meeting Santos to work out an approach for the resolution of the water analysis issue for committee member.

Chair addresses the committee about making the meetings more time effective. Introduces the yellow card, which will be waved in the future if people are rambling or exhibit behaviour not in line with committee's ground rules.

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The chair would also like to suggest a new method for the meetings, after a presentation the committee is broken into small groups where they can discuss, clarify and construct questions together and then bring those questions back to the wider group. Committee member believes that all individuals have separate questions. Chair responds that perhaps we are not asking the important questions. Santos has also offered to take questions away and answer them after the meeting. Committee would like to receive the slides for the presentations prior to the meetings, Santos agrees that this is appropriate and will be able to supply where possible the presentation slides on the Monday before the meeting. Committee suggests that a background briefing paper to be supplied prior to a meeting, to allow committee to research and think of questions before the meeting. Committee agrees to trial group work, to be supplied with slides and briefing paper before meetings.

ACTION: Committee to be supplied with slides and one page briefing paper before meetings. (Where possible)

Chair speaks about acceptable behaviour during meetings. Committee agrees that they are happy to trial the yellow card approach. They will speak through the chair to allow all members to hear the discussion.

5. General Business

Community Information Evening

Community supplied with handout from Santos outlining the information provided at the Community information evening last month. *(See Appendix 2)*
Committee member comments that information on the sheet is incorrect. Dewhurst 3, 5, 7 are not on private land but in the Pilliga State Forest. Dewhurst 7 is on Monument Road. Dewhurst 3, 5 are on Beehive Road.

ACTION: Santos to check and change this information if incorrect.

Santos explains the notes provided give an update of Santos plans for the next 6months (note this could change).

- **Next meeting:** Committee agrees that they should aim to source an independent ACTION: Chair to speak with

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water speaker for the future. This could take time to source the right person. Committee member suggests Pete Baker who is the chief scientist from the Federal Government who is a ground water hydrologist, in charge of research being undertaken for the mining, rent and resources tax.

- For the next meeting if Santos could aim to source a driller to present. Chair to speak with Victoria on what specific questions she may have for the Driller. Committee suggests Santos driller that they have heard speak before would be a good presenter.

Next Meeting: Tues 12th March.

committee member to get contact details for hydrologist Pete Baker.

ACTION: Chair to speak with Victoria about questions and topics for driller to present on.

ACTION: Chair will email the committee a list of proposed dates for future meetings

Meeting Closed: 7: 37pm

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Attachment 1. Actions

Action Raised	Date Raised	Progress Made
Santos to organise a driller to present at future meeting	11 th September	In progress
Organise an expert to respond to questions about Sulpha Bacteria, organise independent ex CSIRO Hydro geochemist to present at future meeting.	9 th October	Ongoing – Glenn Toogood
Santos to provide response to questions on Namoi Water Study	9 th October	Ongoing – Glenn Toogood
Santos to find out for Peter whom the most senior executive at community meetings when ESG staff retention was discussed before Santos take over.	14 th November	On going – this information will be discussed with John Tough
Santos to give committee removal rates of membranes during the reverse osmosis process and compare this to different water guidelines so that committee is comfortable with the process.	11 th December	
Santos to follow up to see if they are obtaining a mining licence under the mining act in regarding to the mining of sodium.	11th December	
Santos to provide committee with a copy of Water Management Strategy.	11th December	
Action for Santos to provide committee with full soil analysis including analysis of bacteria of the Leewood site next year when it is available. As well as providing regular soil checks to ensure no contamination is occurring.	11th December	
Specialist to answer questions on aquifer monitoring research that is being conducted.	11th December	
Santos to provide evaluation and commitment plan, Evaluation of water (full water analysis including bacteria but also escaped gases etc)	11th December	
Committee to read the presentation on land compensation and see if they are happy with the explanations.	11th December	Ongoing.
Santos to provide full bacterial analysis of 3 dams at Biblewindi.	11th December	Ongoing
Santos / Chair to work with committee member to figure out a way forward. (Regarding identification of black substance on soil sample)	12 th February	
Doug Main to find out more about the rehabilitation at this site and get back to Committee.	12 th February	
Chair to supply committee with summary of Gateway Process and aquifer interference policy	12 th February	
Committee to be supplied with presentation slides and Briefing sheet prior to future meetings	12 th February	

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Cate to check information on handout from Santos Info Session regarding incorrect information.	12 th February	
Chair to contact committee member and get contact details for water specialist	12 th February	
Chair to speak with committee member regarding questions and topics for Driller to present on	12 th February	
Chair to email proposed dates for future meetings in 2013	12 th February	

Appendix 1: Update on Pilliga Rehabilitation

Appendix 2: Outline of Community Information Session.

SANTOS UPDATE

Proposed upcoming work program – Narrabri area

Much of this work will take place over the next few months, but exact time frames for some of the schedule is dependent on factors like approval times and rig availability.

Decommissioning of wells:

- Bibblewindi 1 and 2 in the Pilliga State Forest
- Dewhurst 3,5 and 7 in the Pilliga State Forest
- Wilga Park 1,2,4 & 5 on private land
- Coonarah 1,3,4,5,6,7,8 on private land

Workovers, or modifications and upgrades, to existing wells:

- Bibblewindi 12 and 13 in the Pilliga State Forest
- Tintfield 2, 5, 6, 7 on private land
- Dewhurst 13, 14, 15 on private land. The workover of these vertical wells will involve section milling. This will allow them to be modified to horizontally intersect existing wells

Drilling of exploration core holes:

- Bibblewindi 30 in the Pilliga State Forest
- Kiandool on private land. Rather than being plugged when the core has been extracted, as would usually occur, this core hole will be converted to a deep aquifer monitoring bore to gather and monitor baseline water data. An additional shallow aquifer monitoring bore will also be drilled at the site to assist with data gathering
- Dewhurst 8A on private land. This core hole will also be converted to a monitoring bore
- Narrabri West on private land

Drilling of appraisal or pilot wells:

- Two pilots will be drilled in the Pilliga State Forest. Each pilot will consist of four wells to be known as Dewhurst 22,23,24,25 and Dewhurst 26,27,28,29

Other work:

- Seismic surveys - approval will be sought to conduct this work in and around the Pilliga
- Managed Aquifer Recharge surveying along the Bohena Creek
- Surveying and reviewing of flowlines in and around the Pilliga and of the existing Bibblewindi to Wilga Park flowline

- Establishment of a camp on private land at McFarlane's Rd to provide intermittent accommodation for workers when drilling is underway
- Expansion of facilities at the Narrabri Operations Centre once Council approval is granted

Pilliga rehabilitation

In the past six months:

- More than 30 ha of land in the Pilliga have undergone some kind of rehabilitation.
- This is comprised of 37 sites. Five of these have undergone a full rehabilitation
- Four ponds and nine sumps have been emptied, backfilled and undergone soil treatment
- To view images of our rehabilitation work visit:
<http://www.santos.com/exploration-acreage/nsw-csg/pilliga-rehabilitation.aspx>

Over the next few months rehabilitation will be ongoing:

- Decommissioning and rehabilitation of selected wells
- Continued work at the sites that have been partially rehabilitated to date
- Assisted vegetation and irrigation will continue

Site visits:

We will be holding the first of our community site visits to the Pilliga on February 27. To register your interest in attending, please contact Annie Alexander at our Narrabri office on 02 6729035 by February 20.