
MINUTES: SANTOS COMMUNITY COMMITTEE – UPPER HUNTER
Tuesday, **January 24, 2012**
Barry Rose Room, UHSC.

Attendance: Graeme Brown, Cate McMahon, Murray James, Cr Michael Johnsen, Wayne Bedggood, Peter Bishop, Peter Miller, David Ross, Kathy Burns, Don Eather and Stephen Tapsall.

Apology: Steve Guihot, Sam Crafter and Paula Stevenson.



	Discussion	Action/By Whom
1. Welcome, apologies and introductions	<p>The Chair opened the meeting at 6:10pm.</p> <ul style="list-style-type: none">Chair gave an apology for Steve Guihot and introduced and welcomed Don Eather, the alternative representative for the Save Bunnan group, Kathy Burns as a permanent member who was unable to attend the first meeting and Stephen Tapsall who would be presenting on Santos' approach to water bore testing.The Chair thanked the Committee for their behavior at the first meeting and appreciated that, whilst there was robust dialogue, it was always respectful and constructive.	

2. Review of the minutes

- The Chair asked if the Committee was happy to accept the minutes.
- Peter Bishop asked if there was an appropriate **protocol** in place for the review of minutes before they are circulated. Chair said the approval process would be discussed in general business.
- Kathy Burns did not receive a copy of the minutes.
- Chair raised the issue of **Mr White's application** for the Committee not being received by Santos and asked Cate McMahon for an update on the matter. Cate McMahon said she had referred the matter to the IT department for investigation and it was found Mr White's email was quarantined by the Santos email system as being SPAM or containing a virus. After 30 days the email was then deleted and a copy never reached the Gunnedah team.

Chair will forward Kathy a copy of the previous minutes.

Cate highlighted the issue was one faced by all large companies and said Santos receive approximately 2.7 million emails per month of which 95% are identified as SPAM or containing viruses. As a solution the IT department would set up a web form on the Santos internet site to accept applications, as this system would ensure it would reach the intended recipient. Cate advised that Mr White had been advised in writing from the Santos IT department what had occurred and was called personally by Sam Crafter to discuss the matter. The Chair asked if the security in place which stopped the email from getting through would still be an issue with the website. Cate said the web form would not have the same issues as the email system and would be properly received. Wayne Bedggood asked how his application was sent and Cate confirmed it was by email, but Wayne had sent it directly to her email address.

Wayne also asked how this matter affects the makeup of the Committee members with respect to representation from the Save Bunnan group. Cate confirmed Santos would be happy to have either Dennis, Paula or Don as a representative on the Committee and it was a decision for the group to make. Michael asked if Dennis should be the alternative for Bunnan. The Chair said he had spoken with Paula with regards to the incident related to Dennis' application. Paula, the Chair noted, had explained that Dennis was very supportive of Paula and Don, as an alternative. Wayne said it would be important to only have two people, as was pointed out was the case with Upper Hunter Councillors where Michael was the primary contact and Pam Seccombe was the alternative, instead of three or more in terms of continuity for the Committee.

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- The Chair asked if anyone had anything else to raise with the minutes. Don Eather said the process seems to be working well, as the minutes were received promptly and were thorough. Don said the prompt send out of the previous minutes made it straight forward for Paula to hand over for him to attend the meeting.
 - The Committee accepted the minutes.
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3. Presentation on Santos' local water bore testing

- Chair said there was always the potential that there won't be the time to ask all the questions we may like on any given topic and asked the Committee to keep questions until the end and raise key issues. If questions can't be answered tonight, Steve would provide answers through the Chair.
 - Stephen Tapsall, water team leader from Santos, gave a presentation on Local Water Bore Testing. The Committee was given copies of the presentation.
 - **Questions following the presentation:**
 - The Chair asked for a response from Santos with respect to the information Graeme Brown had requested in the previous meeting about the crops grown from treated coal seam gas water in Queensland. Cate spoke to the Queensland operation of Santos and said the **type of crops planted** was decided in consultation with the landholder and community. In Injune they planted leucaena, which is salt tolerant. Steve Tapsall, said the water used on the crops had to be of drinking water quality. Graeme suggested the crop was grown because it was salt tolerant and not a crop commonly grown. Steve said it is grown throughout northern Australia. He said in previous employment he had worked with the beef industry and there were many communities trialing the crop and it's not necessarily because of salt, but a range of factors, including leaving a legacy crop after the CSG water has finished. Graeme said it would be a problem doing that everywhere. The Chair questioned if Santos intended to plant leucaena on other areas. Cate said no, the crop chosen is whatever the landholders want. Steve also discussed trialing timber crops and a number of other crops including oats and sorghum. Cate provided fact sheets showing the salinity levels of treated CSG water and cropping information.
 - Don Eather said in the Wybong Valley they have a **salt problem**, especially with water in lower sections. He asked how Santos intended to control it so there wouldn't be a salt problem. Steve said all activities with water need to be contained, any water produced needs to be held on site in a bund enclosure. Graeme said with rainfall in the area the bunds may not hold the water. The Chair said it was important to focus on the water bore testing tonight and address
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broader concerns more comprehensively in future meetings. Steve also suggested a government department representative may be able to speak further to the Committee about how water needed to be managed by CSG companies.

- Michael Johnsen asked as you **drill through the community aquifer**, how do you guarantee it does not impact on an aquifer? Steve noted that this occurs at the drilling stage. (He drew a diagram on the whiteboard to illustrate his explanation). Casing is put down to past the deepest community aquifers, one locally is down further than 280 metres or so. Steve described the layers of steel and cement casing and how the casing is pressure tested to ensure the casing is bonded to the strata and effectively seals the community aquifers and other strata. Steve said he was not an engineer to be able to provide further detail but Santos would be able to send a drilling expert to discuss this process.
- Wayne Bedggood asked what percentage of **farm bores may already be producing gas**. Steve noted that it is very common and you tend to see many in coal mining areas, where the coal seams are close to the surface. It is because the coal seams are shallow and the water bore intersects the coal seam. Steve drew a diagram to explain. The coal seams intersected by water bores are not the ones we are targeting for coal seam gas. The seams to be targeted are much deeper. Wayne asked if there can be leaks in the well of the core hole? Steve said there are pressure tests to ensure that the casing has formed a seal and an engineer can discuss how that is done in more detail. Peter Bishop asked what the chemistry of the casing was. Steve said that is also something an engineer would need to discuss as it was not his expertise.
- Don Eather asked with earth movement how can a **rigid structure hold solid**? Steve said the concrete chosen is specific to the substrate. They may even do the casing in stages with different concrete to match the changing levels of strata. Don explained a local neighbor has had a problem with their casing being crushed by the movement of the earth. Steve said a core hole is only a temporary structure and once complete is backfilled with concrete on completion, so no void or hole would be left behind, unlike the structure of a water bore.
- Peter Bishop asked why can't you **test for water when you take a core sample**? We don't get enough water from the coal sample to be able to test the water. Peter said there need to be some positives, not just detriment for the landholder and if an industry like this gets up quality water, this would be a positive. Steve agreed, but said Santos was in the gas business not the water business and is not interested in selling the water, but yes, the water could be used by the community. Peter asked if Santos has any figures on what it costs to run a desalination plant. Cate said she would find out.

Cate to source information on costs of running a desalination plant.

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- Graeme mentioned there was a program on the ABC about a **power station** that was built in Queensland that used salty water, but the power station had to be rebuilt because of the salt.
 - Peter Bishop asked if a water bore needs to be **registered** to take water samples? Steve said it did. Michael asked if there was any obligation for Santos to report unregistered bores? He was speculating that perhaps there is fear in the community because people don't want their unregistered bores to be found. Steve said unless the landholder says it is a registered bore he can't take water from their bore for testing, adding he had not been advised that he has an obligation to report unregistered bores. Michael stated perhaps the government needs to implement an amnesty for people with unregistered bores to register them.
 - Murray: you say it is critical for the coal seams to be **sealed from other water sources**, how do you know and how long does it take to know? Steve: pressure sensors are the most accurate, notably highly sensitive quartz pressure sensors. They are continuously monitoring local water bores and that data is used to populate the groundwater impact study. As soon as there is a change in pressure it is an instantaneous response and as yet we have not seen any pressure changes, which is a good sign.
 - Graeme: **which companies do the testing?** Steve: At the moment we are using Golder's, although we would like to use someone locally if we could. We do about 18 bottles per sample, which is very thorough, but as long as the testing companies are operating at industry standards we would consider using them. Graeme: Are you insisting on qualifications and standards? Steve: Yes, qualifications, standards and experience. There's the industry standards and qualifications, then the Santos standards in addition to those. Chair: are you comfortable to take advice from the Committee on a company to use? Cate: Yes, but any suppliers would have to meet Santos' pre-qualifications. Graeme: There is new legislation coming out and it is coming in because people who have been doing water studies are not qualified and this legislation is to stop that from happening. Steve: I can't comment on the legislation until we have seen it, but we absolutely require qualifications and we exceed all of the current legislation with our water testing.
 - Murray: Sam mentioned someone from my department could **observe the sampling**. Are we able to do that? Steve: Yes, that is fine, as long as the landowner is happy. Murray: Are you getting access locally to do the testing? Steve: It is variable. Murray: So you really need the access to get the data? Steve: Yes, we would like access, but it is voluntary so we will take what we can, when landholders allow us. Murray: How long does the testing take? Steve: About an hour, sometimes two.
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- Wayne: We recently did a bore inventory and the information on the **government website** was appalling and needs updating. Don added that the map of the Bunnan area looks about 10 or 20 years out of date. Steve: We'd welcome any input into updating the information. The more information we gather, the more accurate those records will be. Wayne: Just to point out that is the government website information, not the Santos site.

4. General business

Pilliga Scrub

- Graeme Brown tabled photos of the CSG operations in the **Pilliga Scrub**. Cate said as many people would have seen on the news there was coverage of a spill in the Pilliga. We recently purchased Eastern Star Gas (ESG) and prior to us purchasing there was a leak and we are currently investigating this thoroughly. Peter Miller questioned Graeme: Did you take the picture? Where did you get the picture from? Why did you get the pictures? Graeme said it was given to him by a local landholder who had taken the photos. Peter said this was an ESG incident so what did it have to do with Santos? Graeme said there had actually been two spills which were recent. Cate said Santos did now own the site and was responsible for bringing the site up to standard. She looked at the picture and said she had seen the photo, which was of the site she saw that had a spill in June. Steve said Santos was not walking away from it, was taking responsibility for the spill's cleanup and said it is a bit like buying a house; you have an inspection to tell you the building is sound, but once you move in we find things are not done to our specifications and some renovations are needed. This spill is probably the worst example and since we have identified it and reported it we have had independent consultants investigate the environment, the soil water people conduct assessments and we are reviewing all of the facilities, systems and all sites of ESG. There are two things we are looking at, the root cause and ESG's systems. We are looking at the extent of what happened and what we need to do to ensure it never happens again. Chair: Could we have someone report back to us on the results of the investigation? Cate: Yes, absolutely. We are awaiting results and we are happy to report those. Graeme: There were glaring engineering problems on that site. I was annoyed I didn't take samples of the things I saw. Steve: We would welcome your input on what you saw and your views on our work after this and I'd be surprised if you'd find anything then. You would be welcome to come out to the site with us. Graeme: That's what we want to know; we need to know that what happened in the Pilliga will not happen at Bunnan or Merriwa. Is the prosecution going ahead do you know? Cate: I am not sure.
- Wayne: There seems to be incident after incident with the **coal seam gas industry**. As the larger companies keep buying up the smaller companies is it to be assumed those larger

Santos to report back to the Committee on the findings of the investigation in to spill

Santos to report back on whether a prosecution is to go ahead

companies will adhere to the proper standards and stomp this out? It's really up to you guys to better self-regulate, why aren't you making other operators adhere to it? Why hasn't such a large industry already got on top of this? Cate: Santos have a code of practice, a long history and it's like you own a business across the street and I go to you and say we'd like you to improve; unfortunately it is totally up to you if you do, because it is your business. We are a member of APPEA and we are trying to push for higher standards for the whole industry. Steve: We do get criticism for our water monitoring, but we are setting the higher standards and challenge others to do the same. Wayne: That is one thing where Santos is ahead of the game.

- Peter Miller: **How many wells would Santos have drilled** and how many would you have had a problem with? Cate: There would be hundreds and a good reference in terms of our well integrity is the recent audit done by the Queensland government of all gas wells in Queensland. Peter: Santos does have a good track record and hopefully it keeps operating at that level so that ESG style things don't happen again. Kathy: Hopefully it is a learning curve for Santos and next time they purchase a company they do better research.
- Michael: On March 12 AGL are having a **community forum on the water process**. I suggested AGL and Santos do it together. Cate: I've been in touch with John Ross from AGL and we will look at doing that together.
- Don: Why don't they **name the core holes** something we know what it is, like a core hole called Kars Springs being in Bunnan. It makes no sense and they need to name it something related to Bunnan or the area it is actually in. Cate: In the future the geologists will be speaking with us before naming them to try and resolve that community confusion.

Cate to describe process on this at the February CCC meeting

External parties and handling of the minutes

- The Chair asked if people's names should be included in the minutes, or only reference to discussions? Michael: If you are not able to stand behind your comments, you should not be on the Committee. Peter Miller: I wholeheartedly agree and I want the minutes out as soon as possible. Wayne: I would not like them sent out though until we have all seen them, because misinterpretation can occur. Peter B: I agree we need to review them before the information is disseminated. If we email them out it will leak like it did last time. Minutes should be adopted at the end of each meeting, in person. Murray: We can use a disclaimer of a draft, if we want to send them out for discussion for approval I can see a bit of a mess there. They are ratified at the next meeting anyway. Chair: I'd like you to think about consensus. There will be

times you may not agree with something, but I want you to think can you live with it? One option is you each get a chance to read them, but rather than 5 days to review and finalise, I'd be asking you to do that within 2-3 days. But I would still include Murray's suggestion that the minutes are formalised at the upcoming meeting. Kathy: Who are the third parties who want to see the minutes? Chair: The groups represented here such as Save Bunnan and the thoroughbred industry, the media, there are other water keepers groups interested and I think we owe it to the community we represent to be transparent and timely. Graeme: So would they be ratified after those three days? Chair: Tentatively ratified, with disclaimer, then formerly ratified at the next meeting. One to two days to get the minutes out, then one to two days for your review. Graeme: I think we should have a seven day turn around, other groups take five days to get them out, five days to review, that's ten days and I think that is reasonable. Michael: I would prefer five days in total. Peter B: I'm not comfortable with it, but I can live with it.

Minutes to be provided to members within one to two days and members then to have five days in which to provide comments back to the Chair.

Next meeting date

Chair: I'd like to look at the second last Tuesday of each month. So I propose Feb 21 or Feb 28. There was some discussion about availability. The Chair will contact the Committee to confirm the date.

Main issue for the next meeting

Chair: is there a particular issue you want to cover at the next meeting? The Committee reviewed the list of topics outlined in the first meeting. Graeme: On the business about the costs to the community, has Santos said they will put money into the community? Cate: In Roma we have invested in the airport, housing, education and so forth. Graeme: People want industry to put money into the infrastructure, because they don't put money into roads and things that are needed. Cate: As an example, in Roma we do maintain some of the roads we use, for the Council. Graeme: I'd like to know from head office how Santos will pay for roads, which are being destroyed by mining and gas industry traffic, without it coming out of the ratepayers pockets. Michael: Do Santos enter into voluntary arrangements for these things? While it may not be relevant until production it would be good to know. Cate: I will find out more and report back. Peter Miller: The industry will also contribute money to the local community as they are going by buying their lunches, accommodation and those things the workers need all bring more revenue. Kathy: I'd like to see the drillers talk about well design and what they do. (There was general consensus). Peter

Cate to report back on Santos' policy on community investment

B: Something to say what the shape of this whole thing will be would be good to take and say where things could be in 15 years, what the visual impact will be, I'd like to see that being added to the list. Chair: Does the Committee agree we would like drilling to be the next topic presented? The Committee agreed.

Santos to provide a presentation, at the next committee meeting, on drilling

The Chair closed the meeting at **8:20pm**

Attachment 1. Issues prioritised by the Committee Members and progress made

	Issue Prioritised	Progress Made
1.	Understanding the impacts of the coal seam gas industry drilling and fracture stimulation techniques on water	To be presented on at February meeting
2.	Identifying the need for independent peer reviews of water monitoring	
3.	Better communication with the community	
4.	Providing timelines for proposed activities, including Santos activities, commercial in confidence matters and regulatory changes	
5.	Providing better education on the process and impacts of coal seam gas	
6.	An understanding of the cost of the industry to the community and how this may be recovered	
7.	Establishing baseline data of local aquifers	
8.	The need for independent specialists such as hydrologists and geologists to provide information	
9.	Understanding how value can be added to the community through this process	

Attachment 2. Actions raised by Committee Members and progress made

Action Raised	Date Raised	Progress Made
1. Committee to ensure that all communication is distributed through DR rather than through any other individual(s)	29 th November 2011	
2. Alternates to be briefed by their colleagues before attending any meetings, as required	29 th November 2011	
3. SC to provide DR with copy of presentation to go out with minutes	29 th November 2011	Completed
4. Santos to present on legislative approvals process at a future meeting	29 th November 2011	
5. SC to provide information on crops grown (at site in presentation) and the details of the water content of the treated water	29 th November 2011	Completed
6. Santos to invite water specialist to present at next meeting	29 th November 2011	Ongoing
7. SC to table an REF at a future meeting	29 th November 2011	
8. DR to contact Committee members to determine the date for the next meeting .	29 th November 2011	
9. SC to present at a later date on the Eastern Star Gas pipeline projects once the business plan has been completed	29 th November 2011	
10. DR to provide Committee Members with copies of future media releases	29 th November 2011	
11. DR to forward Kathy a copy of the previous minutes	24 th January 2012	
12. CM to source information on costs of running a desalination plant	24 th January 2012	
13. Santos to report back to the Committee on the findings of the investigation in to spill	24 th January 2012	
14. Santos to report back on whether a prosecution is to go ahead	24 th January 2012	
15. CM to report back on progress on joint water forum	24 th January 2012	
16. Minutes to be provided to members within one to two days and members then to have five days in which to provide comments back to the Chair	24 th January 2012	
17. CM to report back on Santos' policy on community investment	24 th January 2012	
18. Santos to present on well integrity at next meeting	24 th January 2012	
19. DR to contact Committee members to determine the date for the next meeting	24 th January 2012	

