

Dewhurst Gas Exploration Pilot Expansion (SSD-6038)

Modification supporting information

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1. Introduction

The Dewhurst Gas Exploration Pilot Expansion is located within Petroleum Exploration Licence (PEL) 238 in the Narrabri region of NSW. Santos NSW (Eastern) Pty Ltd (Santos) is the operator of PEL 238.

The Dewhurst pilot wells 26, 27, 28 and 29 were constructed in accordance with an approval granted by the (then) NSW Office of Coal Seam Gas under Condition 2 of PEL 238 on 16 August 2013 under the *Petroleum (Onshore) Act (1991)*. The Dewhurst 26-29 pilot wells have been operational since early 2015. The Dewhurst 13-18 pilot wells were approved by the Department of Primary Industries in July 2009, but are not currently operating.

On 18 July 2014 the Planning Assessment Commission approved the Dewhurst Gas Exploration Pilot Expansion project under Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) (SSD-6038) (the project approval). The approval was subject to a number of conditions that were set out in Schedules 2 – 5 of the project approval.

The approved development includes the operation of the Dewhurst 13-18 Pilot and the Dewhurst 26-29 Pilot, including the Dewhurst 13-18 Extension and Dewhurst 30 and 31 Extension and associated infrastructure. Construction of the expansion development commenced in November 2014.

2. Proposed modification

Modification of condition 5 of Schedule 2 of the approval is requested to extend the period of time that the existing wells in the development may be operated for a further three years. The modification is proposed under section 96 (1A) of the EP&A Act.

3. Justification for modification

The proposed modification is to enable the ongoing assessment and appraisal of gas from the existing Dewhurst pilot wells. The ongoing assessment and appraisal of gas from the existing wells will assist in determining the suitability of the resource for development and production and informing decisions around the proposed Narrabri Gas Project.

Applications for four petroleum production leases over an area within PEL 238 including the areas covered by the Dewhurst pilots were lodged in 2014 and a development application and associated Environmental Impact Statement for the Narrabri Gas Project is currently under assessment under the EP&A Act.

4. Planning and approvals

Under section 96 (1A) of the EP&A Act, a proponent may request the consent authority to modify a development consent granted by it. This document supports a request for a modification of the project approval SSD-6038 as outlined above.

5. Consideration of potential impacts and mitigation

The modification application proposes the ongoing assessment and appraisal of the gas from the Dewhurst pilot wells for a further three years.

The proposed modification would be of minimal environmental impact, being simply a continuation of the same development for a further three years. There is no further disturbance involved. Gas and produced water management would continue consistent with current operations. Standard operational and maintenance work

associated with the ongoing operation of the pilot wells would continue to occur, consistent with current activity levels. As such, it is considered the modification would result in minimal environmental impacts.

The operations would continue to be carried out in accordance with the project approval conditions as well as the Environment Protection Licence that applies to the activities.

6. Conclusion

The proposed modification is minor in nature and of minimal environmental impact, being the continuation of the same development for a further three years.

The ongoing operation of the activity would allow the continued assessment and appraisal of natural gas from wells within the Dewhurst pilots.

The proposed modification would allow the following benefits of the project to continue:

- further developed understanding of the gas resource in the existing Dewhurst pilots to determine its suitability for development and production
- ongoing provision of social and economic benefits to the Narrabri local government area
- continued operation of the Dewhurst pilot in accordance with the terms and conditions of the approval and the Environment Protection Licence