

Narrabri Gas Project Community Consultative Committee

Meeting 39 – July 2019

Action Item 39.1_Response to Questions from PFTP directed to Santos

Question 1

A response is being prepared for Question 1.

Question 2

2. Question based on the following extract is from the Santos PWMP of 2018 as found on pages 17 & 18

“Santos is exploring opportunities to beneficially reuse brine from its water treatment operations.

Over the next approximately 12 months, Santos is planning to transfer a quantity of brine stored at Leewood to a third party mine for use in site trials as an alkalising agent. The third party mine operator is required to obtain all necessary approvals to use the brine. Transfer of the brine would be in accordance the Protection of the Environment Operations (Waste) Regulation 2014 requirements including waste tracking.”

Q2. As the above supply of brine from Santos’ Leewood operation is mentioned in a publically available document listed on the Santos web site, Santos is asked to explain how exactly the brine will be used , on what waste or other material will the brine be used and what safeguards are in place by Santos, to protect the environment bearing in mind that Santos could be held partially responsible should any environmental or other damage occur, ie, Human or animal health, loss of income to irrigators, etc. should a leakage from the ‘trial’ or from any future supply of brine, enter the Namoi River or any aquifer which is used for town or stock and domestic water supplies.

RESPONSE:

As noted in the question, Santos is exploring opportunities to beneficially reuse brine from our water treatment operations.

The proposed trial using brine as an alkalising agent at a third party mine is progressing but has not yet been finalised.

Any transfer of brine to a third party by Santos will be completed in full compliance with the *Protection of the Environment Operations (Waste) Regulation 2014*. Use of the material at the mine site will also be subject to relevant approvals and must be conducted by the mine operator in accordance with relevant regulatory conditions including any monitoring requirements.

Question 3

3. Questions based on the gas quality and Reserves of the gas wells, pilots & coal seams that are supplying gas to Wilga Park and the Flares.

Q3. In light of recent press by Santos that appraisal of the coal seam gas seams in PAL 2 and in PEL 238 is still ongoing, will Santos provide the NGPCCC with most recent gas compositional and reserves breakdown for the gas extracted from the Hoskissons, Black Jack & Maules Creek formations that the company intends to target for their proposed Narrabri Gas Project?

Can this breakdown be done Pilot by Pilot. Eg-Bibblewindi West, Dewhurst South, Tintfield and Bibblewindi East (sometimes referred to as Bibblewindi Laterals Pilot).

RESPONSE:

The data requested is valuable commercial data which will be released in accordance with the timelines provided in Part 13 of the *Petroleum (Onshore) Act 1991*. Gas production and gas testing results for well assessment remain confidential while a petroleum title is in force.

Further information on data reporting is provided in the NSW government's *Onshore Petroleum Reporting and Data Submission* guidelines 'Reporting Guidelines', Item 9 'Confidentiality and the release of information' available at:

https://resourcesandgeoscience.nsw.gov.au/data/assets/pdf_file/0004/596227/Onshore-petroleum-reporting-and-data-submission-240216.PDF.

Question 4

4. Question based on information to hand that there was a recent incident (20190701) involving a broken gas line that closed the Strzelecki Track (see attached article).

Q4a. Will Santos explain the type of pipeline construction material, the circumstances of the cause of the rupture, the resultant damage both to the pipeline and to any public infrastructure and the action taken by Santos in relation to the incident?

Q4b. And if the gas line had gas flowing through it, what was the pressure and how long did it take to shut the gas flow down and empty the pipeline of all residual gas?

Q4c. In regard to the proposed Narrabri Gas Field. What safety measures do Santos in place with regard to interrupted gas flow and sudden loss of pipeline pressure?

(Reason for questions are because one of the doubts that the community have is Santos ability to avoid such an event in the Narrabri Gas Project Area and with any gas well or pilot that may in the future have gas transmission lines that leave the confines of the well pad).

Q4d. What safety measures does Santos currently have to prevent such an event from happening with the gas flow lines associated with the current operations in PEL238, Pal2 and PPL3, including does Santos currently have an automatic as well as a manual shut-down on the flow lines should there be a sudden loss of gas flow line pressure due to a rupture or leak?

Q4e. Are the local Emergency Services and Santos field Staff adequately trained, staffed and equipped with respect to all types of gas related incidents? Fire, leaks large volume spillages, etc..

Q4d. Does Santos have an inert gas system located in Narrabri, for the Narrabri Operation which can be attached at points along their existing gas transmission pipe lines in order to reduce or prevent gas explosions or fires and "make safe" for repairs, should a gas transmission pipe line leak or rupture?

RESPONSE:

During scheduled maintenance works at our Cooper Basin operations in June, a gas release occurred from a pipeline. The gas line was safely depressured and no harm was caused to people, the environment or property. Repair works have now been successfully completed.

Santos constructs, operates and maintains all gas pipelines in accordance with relevant Australian and industry standards. A comprehensive hazard and risk assessment is included in the Narrabri Gas Project EIS and demonstrates the overall risk of associated with the release of gas is very low.

Further information is available in Chapter 25 and Appendix S of the EIS which is available from the Department of Planning and Environment Major Projects website at:

<https://www.planningportal.nsw.gov.au/major-projects/project/10716>

Question 5

5. General questions.

Q5. Has Santos ever had cause to place tracking devices on any vehicle visiting the proposed NGP area, other than Santos own vehicles?

RESPONSE:

Vehicles driven in the field by Santos employees and our contractors as they conduct works on behalf of Santos within the NGP Operational area must have an in vehicle monitoring system (IVMS) fitted. This

system is in place to provide feedback on driving performance and is used to improve the safety of our employees and contractors.

Santos does not place tracking devices on any other vehicles.

Question 6

6. Special Question on how will the supply of gas from the NGP lower all energy consumption costs including households.

Even though the following question is the last the people I represent are confused as to how the gas from the Narrabri Gas Project will reduce their energy bills given that Santos has stated that is a wholesaler of gas and not a retailer and that there still has to be a pipeline constructed to transport the gas to NSW Market, added to this there is the absence of any current Application for a large power station infrastructure build for the Narrabri Area using gas as the primary fuel which has been quoted to assist in driving down electricity cost.

The 2019070 interview on Sky News of the APPEA staff, along with recent remarks by some Politicians and the Newspaper Reports have all fuelled this confusion, while all through this Santos has remained very quiet on detail on this very subject.

It has been recently quoted that Narrabri Gas is currently cheaper to produce than Queensland Gas.

But what about the costs to get this gas to the end consumer and households, how do these costs affect the final price. Well head price is one thing; the actual cost to the eventual consumer including households using all forms of energy derived from gas usage is another.

Q6. Given the current economic climate that exists in NSW, will Santos explain exactly how the gas from the Narrabri Gas Project will put downward pressure on gas prices in NSW and as a result will reduce the cost of household energy bills, that is, gas and electricity, should the Narrabri Gas Project be approved?

RESPONSE:

The Narrabri Gas Project could produce enough gas to supply up to half NSW's needs, with more and more manufacturers supporting it because they recognise the advantages of having a reliable and competitively-priced source of gas in NSW.

Santos has already signed non-binding memoranda of understanding with Brickworks and Weston Energy for the supply of natural gas from Narrabri. Santos has also signed a memorandum of understanding and subsequent heads of agreement for the supply of natural gas to Perdaman's proposed ammonium nitrate plant near Narrabri.

Santos will bring to Narrabri our experience in Queensland where we have reduced connected well costs by a massive 84 per cent since 2015. Keeping the cost of supply down is a very good way to keep gas prices down.

The ACCC has also said gas customers in southern markets pay \$2 to \$4 per gigajoule more than they would if gas was developed locally and didn't have to come all the way from Queensland or South Australia.

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ENDS