



Mr Tim Donnan
Environmental Officer
Eastern Star gas Limited
GPO Box 4526
Sydney NSW 2001

Dear Sir,

**PEL238: 2009 Narrabri Coal Seam Gas Program,
Approval to Conduct Tintsville Production Pilot**

In accordance with Condition 1 of PEL 238 granted under the provisions of the *Petroleum (Onshore) Act 1991*, the titleholder is granted approval to conduct six boreholes drilling and production pilot activities subject to the conditions set out below. These conditions relate specifically to this approval and are in addition to those previously attached to PEL 238. A breach of conditions is an offence under the *Petroleum (Onshore) Act 1991*.

CONDITIONS

General

- 1) The activity must be carried out generally in accordance with the:
 - a) Eastern Star Gas letter of application dated 30 October 2009;
 - b) *Review of Environmental Factors Tintsville CSG Pilot, Narrabri Coal Seam Gas Project* submitted by Eastern Star Gas Limited, November 2009, Rev 03;
 - c) *Tintsville CSG Pilot Noise Management Plan*, December 2009, Rev 03; and,
 - d) Conditions of this approval.

If there is any inconsistency between the above documents, the most recent document prevails to the extent of the inconsistency.

Other

- 2) A Water Management Plan for the operation of the Tintsville CSG Production Pilot is to be submitted for assessment and approval prior to gas and water production commencing.
- 3) Construction and drilling activities are not permitted on public holidays.
- 4) A community contact telephone number is to be available for the receiving of complaints during construction and drilling operations.
 - a) Any complaints must be reported to I&I NSW within 24 hours of the complaint being received.

- b) For each complaint, a report on consultations and investigations undertaken with the complainant and proposed mitigation measures must be provided to I&I NSW for approval within 48 hours of the complaint being received.

An additional security of \$110,000 is required to be lodged to cover the rehabilitation liabilities associated with the activities under this approval. You will be contacted by the Department's Titles Unit regarding this requirement.

Should you wish to discuss any details of this approval, please contact Greg Summerhayes directly on (02) 4931 6705

Yours Sincerely,



Michael McFadyen
Manager Environmental Operations
Date: 22 DEC 09,