

JANUARY & FEBRUARY 2017

The following is a monthly update for the Narrabri Community Consultative Committee (CCC) regarding activities undertaken by the NSW Environment Protection Authority (EPA) relating to PEL 238, PAL 2 and PPL 3 (Narrabri Gas Project).

It includes activities undertaken relating to regulation of Environment Protection Licence (EPL) 20350 and the EPA functions conducted under the NSW Gas Plan.

Attachments to this month's update:

- Running Log – Old Investigations of PEL 238 Outcomes
- Inspections undertaken by EPA – January & February 2017
- EPA Site Inspection Map – January & February 2017
- Feature Article – Stakeholder workshops were just the first step in the Environmental Liabilities Project.
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EPA ACTION ITEMS SINCE LAST NCCC

None. All completed previously.

INVESTIGATIONS

Background

On 19 February 2013 the EPA became responsible for investigating environmental incidents that occurred during coal seam gas activities under the provisions of the *Protection of the Environment Operations Act 1997* (POEO) and issuing Environment Protection Licences (EPL).

On 1 July 2015 the EPA commenced its new role as the lead regulator for compliance with, and enforcement of, conditions of approval for gas activities in NSW. This includes regulating consent conditions and activity approvals issued by other agencies (excluding work health and safety). In carrying out this role the EPA will work with the relevant experts and NSW Government agencies.

Gas activities must comply with a broad range of regulatory controls, including Acts, regulations, codes of practice, titles, approvals and other controls.

The prioritisation of investigations is determined using a risk assessment for investigations that considers the level of environmental impact and the likelihood of environmental harm occurring.

Current Investigations

Tintsfield Flare

On 24 February 2017 the EPA was notified by Santos that its Tintsfield Flare had been run over by a motor vehicle.

EPA officers attended the site and conducted an inspection. It was observed that a vehicle had driven through the boundary fence, through the main gate of the Tintsfield flare, through an internal fence that was around the flare stack and into the flare stack as well as other infrastructure. The flare stack was operating at the time it was hit. Santos employees discovered the damaged equipment and immediately shut off the flare using a remote control. The flare separator was isolated and the site was made safe.

There was no unintended gas release and no other environmental harm resultant of this incident. The Tintsfield wells have been shut in until the flare can be repaired.

NSW Police are conducting an investigation and Santos are compiling a full report that will be forwarded to the EPA.

Running Log – Old Investigations PEL 238 Outcomes

Incident	Outcome
<p>December 2016 <u>Leewood Northern Sediment Dam</u> EPA Officers Investigated Leewood Northern Sediment Dam following an Environment Line call alleging an overflow incident from Leewood Ponds Water Treatment Facility.</p>	<p>Incident was investigated and samples taken, with lab results confirming no BTEX present and the materials classed as organic; dried sun bleached algae; and a naturally occurring protozoa. Investigation finalised, with no issues identified.</p>
<p>November 2016 <u>Bohena Creek</u> Report alleging that Bohena Creek was impacted by the Bibblewindi Water Treatment Plant and gas wells.</p>	<p>EPA officers visited the area of Bohena Creek that the reporter referenced. There was no evidence that environmental harm has occurred.</p>
<p>September 2016 <u>Leewood (PAL002)</u> Report alleging Leewood produced water dams were overflowing.</p>	<p>The EPA officers visited the site and all ponds were observed to be operating with adequate freeboard. There was no evidence of any overflow or spill from the ponds.</p>
<p>September 2016 <u>Bohena 2</u> Report alleging Santos were using produced water from Leewood for watering program at Bohena 2 salinity site.</p>	<p>Environment Line complaint alleging Santos were using produced water from Leewood for the watering program at Bohena 2 salinity site following a Namoi Waste truck seen leaving Leewood and heading to Bohena 2 salinity site. EPA Officers attended the site, investigated and took water samples. Lab results indicate that the source of water is not consistent with produced water. The EPA sent a response letter to complainant advising this.</p>
<p>April 2016 <u>Bohena Creek Road</u> Methanol Drum on road.</p>	<p>Santos staff located a 44 gallon drum labelled "Methanol" dumped on Bohena Creek Road near the Leewood Water Treatment Facility. Police and HAZMAT attended and secured the item. The drum was not on the Santos site, nor related to its activities as per media Tweet by the EPA.</p>

<p>March 2016 <u>Leewood Pond</u> Alleged leaking.</p>	<p>EPA officer inspected storage ponds and met with Santos staff. No evidence that produced water was leaking. No further action was required.</p>
<p>March 2016 <u>Bohena Creek Road</u> Report that a vent had been left open, unattended and emitting methane gas.</p>	<p>Santos has approval to vent gas from high and low point vents along the water gathering lines for safety and operational purposes – this is performed manually by a field operator. Santos has amended the manual venting operating procedure. The procedure clearly notes that a high point vent is not operated without an operator present.</p>
<p>March 2016 <u>Santos Pilliga</u> Report received that there was a 'foamy residue' left along Beehive Road. The complainant returned to the site some days later with a Geiger counter and recorded a reading allegedly linked to the high and low point vents.</p>	<p>An EPA Officer spoke to the complainant who advised that the location they took the Geiger counter reading was a few kilometres away from the area of concern and there was no evidence to support the initial claim. No further action required.</p>
<p>March 2016 <u>Leewood Water Treatment Facility</u> Report alleging a truck was spraying produced water between the internal fence and the property boundary fence for dust mitigation.</p>	<p>An EPA Officer viewed available data confirming raw water from an on-site bore was used for dust suppression at the time of the allegation. The EPA supports dust suppression which is a requirement of the Santos EPL. No further action required as at 15 March 2016.</p>
<p>February 2016 <u>Santos Pilliga</u> Report of 35,000 litre spill at unmanned Santos facility.</p>	<p>Investigations proved minor water run off with no environmental or health risks. Media release: Water Run-off From Leewood Water Treatment Facility in Narrabri Cleaned Up</p>
<p>January 2016 <u>Leewood Water Treatment Facility</u> Alleged discharge of sediment laden water.</p>	<p>The rainwater discharge followed heavy rain. Santos undertook immediate works to prevent further discharge from the site installing coir mats and construction of bunding. The EPA inspected site and determined no environmental harm had occurred and that no regulatory action was required.</p>
<p>January 2016 <u>Santos Pilliga</u> Report a 'foamy caramel coloured' material on the roadside near operation site.</p>	<p>The EPA inspected the site and collected samples. Analysis determined it was a natural event, likely due to the decomposition of organic material. No further action was required.</p>
<p>September 2015 <u>Bohena Creek</u> Piezometer located in creek.</p>	<p>No regulatory action required.</p>
<p>January 2015 <u>Santos Dewhurst Southern</u> Water flow line.</p>	<p>No breach of EPL 20350 identified. Santos varied operational practices for high point vents following negotiations with the EPA. Media release: No environmental harm but improvements needed</p>

<p>February 2014 <u>Namoi Waste</u> Storage of Santos drilling mud onsite.</p>	<p>6 May 2014 The EPA issued Namoi Waste Corp with a Penalty Notice for breach of s145 of the POEO Act. Note - The Penalty Notice issued was not related to the original compliant regarding waste from coal seam gas, rather other waste material identified during the course of the investigation. Media release: EPA issues Naracor and Namoi Wastecorp with penalty notices for unlawful waste transport and storage</p>
<p>March 2013 <u>Biblewindi Water Treatment Facility</u> Pond liner failure.</p>	<p>11 Feb 2014 The EPA issued a Penalty Notice for s120 Pollution of Waters. A Pollution Reduction Program (PRP) was added to EPL 20350 (Environment Protection Licence) requiring the development of a Remediation and Monitoring Plan and the implementation of this plan.</p>
<p>March 2013 <u>Tintfield Ponds</u> Detection of elevated levels salinity and metals.</p>	<p>Insufficient evidence to determine if the changes detected in groundwater were the result of leaks from the Tintfield ponds or were from natural factors. A PRP was added to EPL 20350. Media release: No environmental harm but improvements needed</p>

Inspections undertaken by the EPA – January 2017

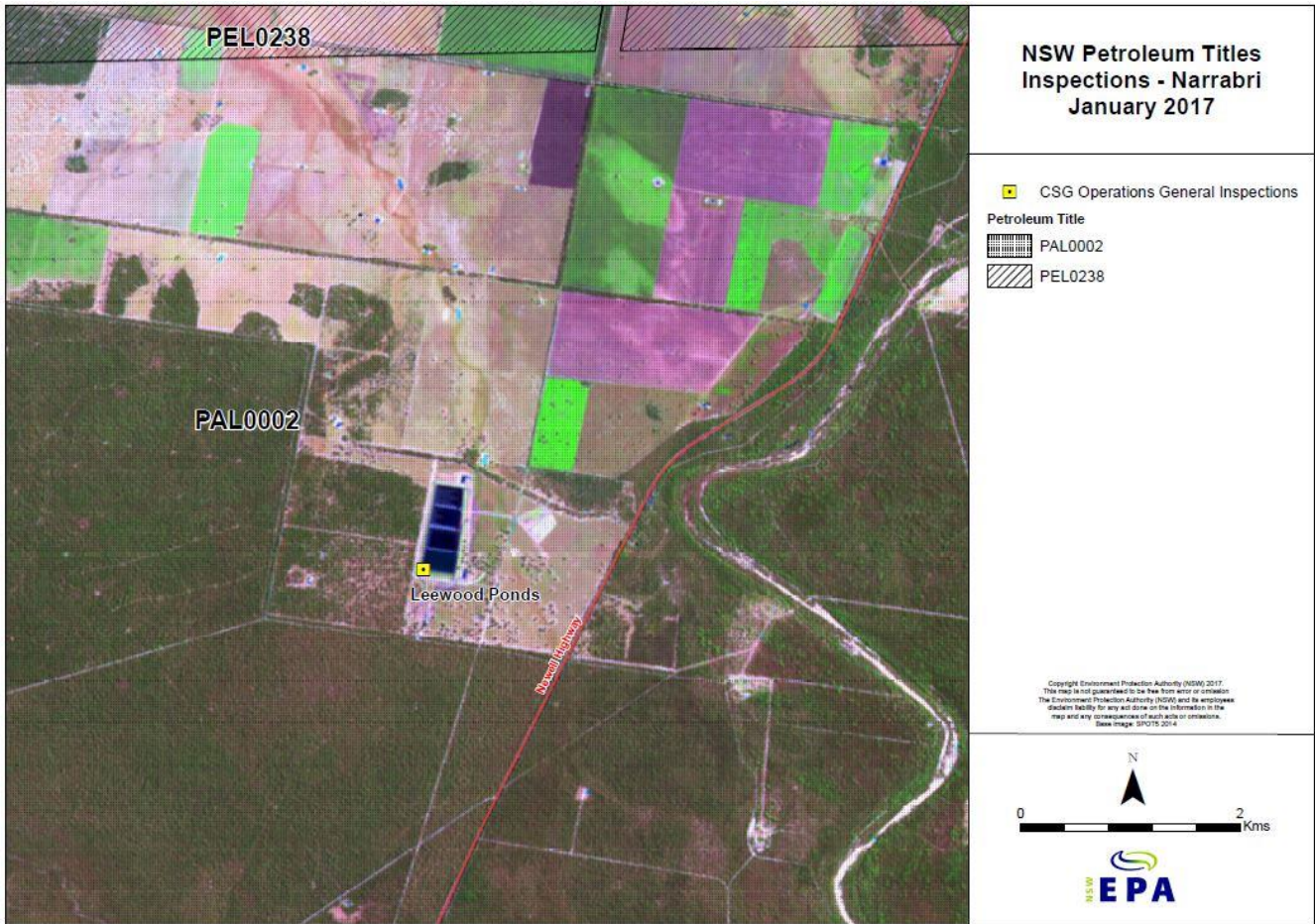
Inspections					
Site ID	Date Inspected	Reasons	Action/Outcome	Site Status	Statutory Document
Leewood Ponds & Irrigation Area	30 January 2017	General inspection maintenance works at ponds and irrigation area works	Follow-up inspection at completion of works	n/a	EPL 20350

Inspections undertaken by the EPA – February 2017

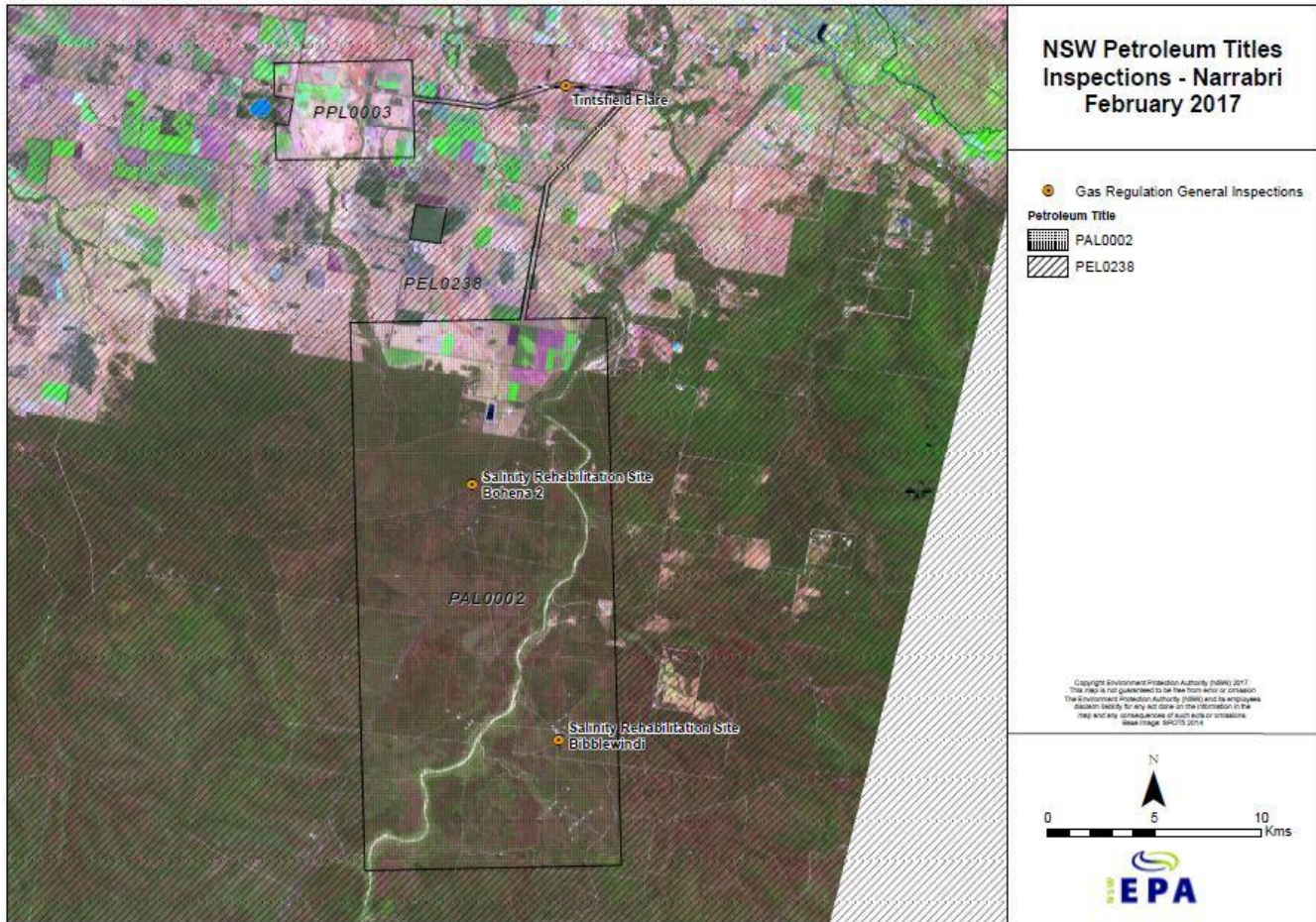
Inspections					
Site ID	Date Inspected	Reasons	Action/Outcome	Site Status	Statutory Document
Biblewindi impact site	8 February 2017	General inspection	Ongoing	Rehabilitating	PEL 238
Bohena 2 impact site	8 February 2017	General inspection	Ongoing	Rehabilitating	PAL 2
Tintfield Flare	24 February 2017	Investigation	Ongoing	Shut In	PAL 2

SITE INSPECTION MAP

EPA site inspections undertaken at Narrabri during January 2017



EPA site inspections undertaken at Narrabri during February 2017



FEATURE ARTICLE

Stakeholder workshops just the first step in the Environmental Liabilities Project.

Examining various approaches to the provision of ‘*appropriate insurance and environmental risk coverage of the CSG industry to ensure financial protection short and long term*’ was a recommendation of the 2014 NSW Chief Scientist and Engineer’s Final Report of the Independent Review of Coal Seam Gas Activities in NSW.

Over the past four months, the EPA has delivered workshops in Narrabri and Sydney on mechanisms to manage financial risks associated with environmental liabilities in the NSW gas sector. Ideas, opinions and concerns were captured at each workshop, collated, summarised and distributed to the workshop attendees. The EPA learned a lot from everyone in the recent workshops and values the contribution that all workshop participants have made in the early stages of the work to address this recommendation.

The EPA values the insights offered by close and early consultation with community representatives. Stakeholders involved in the workshops said they welcomed the opportunity to learn more about existing liabilities legislation and discuss concerns and options for the future before a policy was developed. With this commitment to this project in mind, the EPA will continue to work with the stakeholders as this project progresses.

The next stage is to compile the ideas captured in the workshops into options. We will consult with workshop attendees again to make sure the options capture what is needed from this project. This consultation is expected to occur around the middle of 2017.

Thank you again to everyone who has contributed so far.

Every effort has been made to ensure that the information in this document is accurate at the time of publication. However, as appropriate, readers should obtain independent advice before making any decision based on this information.

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