



## Presentation to the Standing Committee on Environment and Public Affairs

### Inquiry into the Implications for Western Australia of Hydraulic Fracturing for Unconventional Gas

Mr Chairman, Good afternoon and thankyou for this opportunity to present our concerns to the committee in person.

The unconventional gas industry has the potential to have a very large impact on our central west region. This is the area between Gingin and Dongara. We believe that there has already been a significant amount of planning done and that the exploration wells are the precursor to the beginning of full scale drilling and production. Fracking is only one facet of our concerns. The real concern is the number of wells in the area directly affected by the industry.

Risks. We are told by the Industry, the Government, the DMP and now by the EPA that risks are very low, even negligible. Lately we have seen Exxon Mobil acknowledge that there are risks with fracking (The West Australian Oct 2 2014) and closer to home we have David Guise the Western Region manager for AWE conceding there are risks. (At a meeting with Greenhead residents). We say that nobody should put at risk our valuable pristine water without giving appropriate guarantees. In short there is no way that they should be allowed to drill or do any work without properly indemnifying others against their actions. We are told that CRA (now called Rio Tinto) was prepared guarantee the ground water for land owners in the area surrounding the coal mine and power station that they proposed to build in the Lesueur National Park. The same area that the Drovers No.1 exploration well is located.

On re-reading our submission we agree with and standby the statements we have made with a few corrections where we have understated some figures: On the 2<sup>nd</sup> & 7<sup>th</sup> page where we have stated reports of initial well failures of 5%, a Society of Petroleum Engineers report quotes initial wells failures as high as 18%. (In correspondence the DMP has acknowledged this Report) That is not to say that many of the initial failures cannot be rectified but some in the end must be abandoned. One can well imagine that when the more complicated horizontal and multiple well technology is used that the risks from well failure will only increase. On page 4 half way down, talking about seismic surveys we are quote the use of grid patterns on 1 to 2 kms. In fact the seismic survey north of the Arrowsmith River is planned to be carried out on a grid pattern of 400 metres. If you were to devise a system for spreading weeds or disease through an area of bushland you could work hard to find a better one. The quarantine measures would need to be strictly enforced and properly carried out. At the bottom page 4, again we have understated a figure although at the time we were only speculating. We said that the explorers stated that they only needed about two hectares of land, at Drovers No 1 the property owner required that the explorer fenced off all land that they required for that well and that they were not to go outside of that fenced area. They fenced off 15ha. The

gasfield referred to on page 5 as being north east of Badgingarra is in fact the Warro Gasfield. There were in fact two wells that encountered the deep foul water aquifer which were, as we understand allowed to flow for several months while decisions were made on what to do. Refer to PESA Warro sheet.

There has since the writing of our submission been more information that has come out.

- 1) In the US the Pennsylvanian Department of Environment Protection has released details of 243 cases where private water bores have been contaminated by companies prospecting for oil and gas in the Marcellus Shale. This was in the period 2008 to 2014 when 6000 wells were drilled. Pennsylvania's Auditor General stated that the handling of the complaints were "woefully inadequate". This sits very well with other anecdotal information we hear that from the US and Queensland that in the haste to get this industry up and running impacts and people's legitimate rights are being disregarded.
- 2) The unexpected does happen. We have mentioned in our submission about the Montara Platform and the Varanus Island Plant, also the Warro Gasfield. With each of these there were mistakes made and errors of judgement. We also know that there has been a very limited amount of accountability with these incidents. We shudder to think how a property owner could possibly attain reasonable justice if the State Government cannot, should an incident happen on private property or to a town water supply.
- 3) Drovers No1 is located 4kms from the Greenhead/Leeman water supply and is also located in an area where there are numerous faultlines. This is hardly the ideal area to be kick starting an unconventional gasfield. One well may be low risk but every subsequent well increases the risk so that if you drill one hundred wells in the catchment the risk is one hundred times greater. I am sure that the Coorow Shire has covered most of the ground with regards the water supply to Greenhead and Leeman.
- 4) Drovers No.1 Eric Holmes together with his parents are the owners and the occupiers of the land on which Drovers No.1 was drilled, he can give you firsthand information on how the access agreements are negotiated, how the legal officer advised them and how the explorers treated them. Then he can tell you how they found their way through it. I can tell you it took more than two years of negotiations and it took a terrible toll Eric's parents and no people should have to be put through that. AWE have admitted that they handled the negotiation badly and have virtually apologised but NOT to the Holmes. I submit to you that they were well aware of what they were doing and were using the well-worn tactics that had been used in Queensland for a number of years and caused much anxiety and animosity. Resulting in the Qld Government embarking on an education program in 2010 and have recently created the Gasfields Commission to try to bring some reasonableness to the table. When AWE did this to the Holmes AWE knew exactly what they were doing. We can go into a lot more detail if you wish.
- 5) Freehold Title and the rights attached to holding the highest level of land ownership in WA. Our understanding is that freehold title gives the owners exclusive possession, occupation, use and enjoyment to at least the land surface. Some say three feet (900mm) and there is some suggestion of hundred feet. In any event there is little information out there, particularly in DMP and other "official" publications informing property owners on their rights. Where on the other hand you have the explorers who have lawyers and a trained

negotiating team dealing with unprepared people who understand little about law but a lot about honesty and integrity. We would be very happy to discuss this further.

- 6) The Environment: This is a particularly unique part of the world, arguably the most diverse on earth. Has several rare and endangered species of both flora and fauna. It has wetlands and caves systems and the areas surrounding Beekeepers Nature Reserve and Mt Lesueur National Park still have their natural eco systems intact. This needs to be carefully protected.
- 7) As mentioned earlier conducting seismic surveys, such as the one proceeding north of the Arrowsmith river, with its grid pattern of 400 metres across 100 sq kms of mainly heathland is perfect a way to introduce weeds and disease. Decontamination procedures are only as good as the people who carrying them out. (100 sq kms equals five times the size of the Mines Minister's Electorate and four times the size of the Premier's Electorate)
- 8) Density of Wells: To get most of the gas you must fracture most of the ground. Therefore there must be a lot of wells drilled. We can only speculate, but even with multiple wells from central pads there will be very significant disruption to land use. At the start Bill Tinapple announced "I hope we have a fracking frenzy and there is 10,000 wells between Eneabba and Dongara". Eneabba Forum June 2012
- 9) The ethos of these exploration companies that we have experienced suggest to us that they, like many large companies are driven for one reason and one reason alone, that is to make money and very large amounts of it. This is epitomised by a company offering five thousand dollars a year for an exploration well for exploration and production phases.(Exploration and fracking trial should be only a few months). This equates to two to three weeks wages for a drill worker. This is for an exploration well with a budgeted figure of around ten million dollars. (Approximately half of that figure is the fracking component.) Refer to West Australian article How black gold is making Texas richer.

#### Conclusions:

- 1) Water must be Guaranteed, otherwise assurances are worth nothing.
- 2) Land Access. There must greater definition and education and equity.
- 3) Environment. Needs proper protection. This area has been rejected for two coal mine and power station proposals. Rejected as an area that could have a large power transmission line running across it. And was subject to very stringent limitations and rehabilitation for a relatively small area for mining of mineral sands. It is very interesting that for this industry the EPA has very little interest.