

Plan to drill 150 gas wells across water catchment

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THE NSW government is considering a bold plan that would lead to hundreds of coal seam gas wells being drilled across Sydney's drinking water catchment, supplying a fifth of the city's gas.

Apex Energy has a vision that amounts to industrialisation of near-pristine bushland - more than 150 commercial gas wells sprinkled across the catchment area between Sydney and Wollongong.

It is asking the Department of Planning to modify its permission to drill an initial 16 wells to test for coal seam gas, because its current licence expires on September 22.

The company would have to apply for further consent for a full-scale commercial development. Stiff opposition is likely from residents and the Greens, who say intensive drilling over the proposed 25-year period could contaminate Sydney's clean water.

"Ultimately the project is likely to be somewhere in the 150 to 200-well range," said Apex Energy's corporate development manager, Chris Lawrence.

"Once we've got the data from the next two test wells, we can start working on a production plan, but that might take one to five years to get through - you tell me."

In its plan, Apex Energy blames the Part 3A planning process and a lack of investment cash for the project's slow progress up until now. It also says "the rapid emergence of the anti-gas movement and sway of public opinion against the industry, and a new state government eager to allay those concerns by regulation, have all conspired to bring the CSG industry in NSW to a standstill".

Apex has entered a joint venture with Ormil Energy, which has agreed to pay for the drilling of the test wells, should the government approve them.

The Planning Minister, Brad Hazzard, said the original approval to drill in the drinking water catchment was granted by the previous government in 2009.

"The department has assured me it will not recommend anything for approval which has the potential to damage Sydney's



"The department has assured me it will not recommend anything for approval which has the potential to damage Sydney's drinking water supplies" ... Planning Minister Brad Hazzard. *Photo: Jon Reid*

drinking water supplies," he said. If necessary, a decision on the Apex plan would be made by the independent Planning Assessment Commission.

The jury is out on the potential damage that coal seam gas drilling and hydraulic fracturing, or fracking, can cause to underground water supplies.

The coal seam gas industry body, the Australian Petroleum Production and Exploration Association, was forced to defend a TV advertising campaign this week after the CSIRO said it was incorrect.

The ads claim the CSIRO had declared gas drilling to be safe but the national science organisation said it had never stated that gas drilling would not contaminate water. The association agreed to take the CSIRO point of view "on board".

The Greens urged the government to stop any further drilling approvals in the catchment area.

"Barry O'Farrell has a critical decision to make: approve the development of poisonous coal seam gas wells in our drinking water catchments and suburbs, or reject Apex's extension and protect these areas," said Greens MP Jeremy Buckingham.

The Department of Planning is calling for public submissions on the Apex Energy plans, to be lodged by September 14.

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