

Paynes Crossing progress

The drill rig has begun drilling at the Paynes Crossing site. Since we are using a new drilling rig we will be conducting a noise study to assess the noise level during operations and we will be considering how we can further reduce the impact of noise. We will notify you when coring has begun.

Core hole logic

We have heard figures quoted that there is a 50 percent chance that we will find suitable gas reserves for production in Wollombi. It is highly unlikely that we will find a suitable gas field in this area.

So why are we doing core holes in the area if we do not expect to find a gas field suitable for production?

Geologically we are examining a 10,000 square kilometre area. In examining that area we are looking to gain a further understanding of the exiting geological information on the Hunter. Information such as where the edges of a gas field may be and where a coal seam is no longer viable for production is just as critical in forming a complete geological picture of potential gas reserves in the region, as determining the best places for production.

Only after we have done complete exploration in the area can we confirm the overall picture.

300 well, well, wells?

Speculation that Wollombi will have 300 well heads is just that, complete speculation.

Mark Harper, general manager for Sydney Gas was asked at the Wollombi Chamber of Commerce meeting that if Wollombi was hypothetically a gas field, how many wells could be present? His answer was strictly couched in the parameters that this was purely speculative and that we did not want to infer that there would be gas production in Wollombi, but was happy to describe a large scale gas field. The figure of 300 wells he explained was a standard figure discussed for a gas field; which is now less with new drilling technology. While he emphasised that any gas plant in the Hunter would be in an existing industrial area and that we had no expectations for production in Wollombi, this is not the way it has been portrayed.

WAGE

We recently sent a letter to the newly formed Wollombi Valley Against Gas Extraction (WAGE) group, who have said they have formed to "fight Sydney Gas and AGL". We offered to provide information, answer questions, make a presentation, meet with their appointed leaders and generally open communications. We even offered to present or address any topics at Saturday's meeting, but WAGE responded that this would not be necessary.

Some senior staff from Sydney Gas will still attend as members of the audience to listen to the facts presented and community concerns. Please be assured we are not interested in "fighting" or "waging" war with anyone. We simply plan on drilling two temporary four inch holes. We will continue to keep you updated with all of our activities.

If you would like any further information, or any clarification on any of our activities we are available to answer your questions.

Colin Stace, land and community advisor, m: 0448 453 310, e: colin.stace@sydneygas.com

Dana Hollis, landholder relations manager, t: 02 9253 5555, e: dana.hollis@sydneygas.com

We also have a free all-hours community information line: 1300 85 84 74.