

February 11, 2003

Southern Rural Water  
[REDACTED]

For the urgent attention of the Officer In Charge of Groundwater

Dear Sir/Madam  
[REDACTED]

**Re: proposed gas drilling operation in the vicinity of East Bairnsdale**

As you know we have developed and are the operators of a deep water bore which is used for irrigation and stock water 3.5 Km East of Bairnsdale. This resource has been in constant use for thirty years.

During this time our bore has gone from an artesian bore delivering water to the surface under its own pressure to one that can no longer be effectively pumped from the surface.

It has been estimated that the static water level is falling 1 meter/year on the Gippsland coast due to the extraction of fluid (oil, water and gas) being greater than the recharge.

A published report [DNRE Permissible Annual Volume Project January 1998 Sinclair Knight Mertz] has estimated the major discharge from the Secombe GMA Latrobe aquifer is the offshore ESSO/BHP extraction of around 75, 000 ML/year of fluid (oil gas and water) (others say the offshore extraction is 100 0000 ML/year or more). Open cuts in the Latrobe Valley use 25, 000 ML and in addition there are some irrigation bores (precise volume unknown). As the recharge is optimistically estimated at 100.000ML/ year the aquifer is already being over-harvested.

This is not a sustainable situation and we understand that for this reason there has been a restriction on the drilling of new deep bores in the Latrobe aquifer for some time.

As a consequence of the deterioration in our bore, and an urgent need for water in the drought, last week we had to install a new submersible pumping system at considerable expense. We have also installed an airline, consequently we can measure both static and drawdown levels at any time, and we are logging both these measurements regularly.

Coincidentally, and to our alarm, the day after we installed the pump the local paper announced a proposed drilling operation close by. Further information we found available on the public domain (attached) shows that the target appears to be the Latrobe aquifer.

There have been several recent public relation releases concerning the proposed well, PEP 156 "Patties Pies No 1," to be drilled by Lakes Oil NL and AusAm [an unlisted company]

3km East of Bairnsdale. There is mention of our well and supposed gas supplies. The release also mentions they intend to drill in **March**.

Last year Lakes Oil Operations manager called and asked us about our bore. At no time did we say there was any commercial amount of methane gas in our water only intermittent hydrogen sulfide bubbles. They did not inform us then that they intended to drill in the area. We did not factor their drilling into our decision to invest in a new pump.

Given the dramatic impact of offshore drilling to the health and sustainability of groundwater supply in our region, the Government has now the opportunity to make sure the same mistakes are not repeated with an already dwindling resource.

It seems unfair that the main extraction of water affecting the aquifer is merely a by-product of oil/gas drilling and coal mining operations while the careful water user is the loser.

As the authority responsible for the administration of our water Licence and the sustainable use of the resource I firstly am writing to draw your attention to this significant and urgent matter.

And I ask you, as the responsible authority and representative of the Government, the following:

- Is there still a moratorium on establishing new groundwater bores in the Latrobe system and do the same restrictions apply to gas/oil bores? (If there is a restriction then the Company intending to drill needs to be notified urgently.)
- Would the Government be requiring an Environmental Impact Statement before any test bore/or bore is drilled? (This I believe is essential given that the resource is already under pressure).
- Could you please forward any relevant up to date data on the levels and extractions from the aquifer? (e.g. figures and estimates from observation bores and other sources).

As the State Government has already committed to supporting a reticulated gas supply to Bairnsdale and other towns in East Gippsland (sourced from gas in the commercial gas main nearby), we see no value in allowing this bore to go ahead given the possible impacts it may have on an already stressed aquifer.

We are looking forward to a prompt and full reply to our concerns, as we are a long-standing customer of Southern Rural Water, and the continued functioning of our bore is integral to our farming operation. Please confirm your receipt of this correspondence on 5152 4317.



**Robert Foard**  
Managing Director

