



ENVIRONMENT PROTECTION AUTHORITY

Our reference: DOC12/22738  
Contact: Robert Donohoe (02) 6640 2518

Ms Sue Higginson  
Senior Solicitor  
NSW Environmental Defender's Office  
PO Box 868  
LISMORE NSW 2480

Dear Ms Higginson

**Re: Metgasco's Disposal of Produced Water – Casino STP**

Thank you for your email of 15 May 2012 in relation to Metgasco's disposal of water from its coal seam gas exploration activities via the Casino sewage treatment plant (STP). Please accept my apologies for the delay in responding.

The Environment Protection Authority (EPA) was first notified by Richmond Valley Council (RVC) on 2 April 2012 that Casino STP had accepted and treated water from Metgasco's coal seam gas exploration activities. In the initial notification, RVC provided details of the dates and volumes of water received and water analysis and bioassay reports. For the period 3 May 2011 to 9 March 2012, it was reported that a total of 1.36ML of produced water was disposed of via the STP.

The Casino STP is licensed by the EPA (refer Environment Protection Licence No 585) and the acceptance of this produced water does not comply with condition L5.3 of the licence. The non-compliance results from the water not meeting the EPA's Group C waste classification (that is, it is not human septage/effluent).

In response to this notification, the EPA advised RVC on the 11 April 2012 that it must not permit the disposal of any water from Metgasco's operation at any of its STPs. This has been confirmed in writing to Council.

Concurrently, the EPA liaised with the NSW Office of Water (NoW) regarding the disposal of produced water at the STP. NoW has recently confirmed that it views the disposal of produced water via any STP as inappropriate and that it would be unlikely to provide approval for this disposal pathway. You may wish to contact Mr Glenn George, Regional Manager - North with the Office of Water on (02) 6653 0127 to obtain further advice on that agency's position on this matter.

Metgasco has also been advised that the water contained in its storage ponds cannot be disposed of via a STP. Further, the produced water needs to be assessed against the EPA's Solid and Liquid Waste Classification Guidelines to identify lawful disposal pathways.

As you are aware, the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) is the appropriate regulatory authority for Metgasco's coal seam gas exploration activities, including related water management. As such, you may wish to contact Mr Stephen Barry Director Environmental Sustainability with DTIRIS on (02) 4931 6608 to discuss Metgasco's Draft Water Management Plan, which is currently under review. The EPA is working with DTIRIS and NoW to ensure that Metgasco's Water Management Plan manages all of the company's waste water in a sustainable and lawful manner.


I do note that if coal seam gas produce water is managed appropriately and not cross-contaminated with drilling fluids or other related compounds there is potential for this water to be sustainably utilised as a resource for agricultural irrigation. The produced water would need to be analysed to ensure it consistently meets ANZECC Water Quality Guidelines for agricultural purposes.

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In conclusion, the EPA investigated the water disposal issue via the STP and found that no environmental harm or disruption to the sewage treatment process was evident. The EPA has therefore formally cautioned RVC over this licence non-compliance and instructed the Council to cease accepting any coal seam gas related water at any of its STPs.

If you have any further enquiries on these matters, please contact the EPA's Mr Robert Donohoe, Acting Head Environmental Management on (02) 6640 2518.

Yours sincerely



**BRETT NUDD**  
**Manager North Coast Region**  
**Environment Protection Authority**

Cc DTIRIS and NoW

7 JUNE 2012