

# LNG wells threaten Murray

## Farmers fear gas plants will blight land

ANDREW FRASER  
ROSANNE BARRETT

DISCHARGE water from coal-seam gas wells throughout southern Queensland will be released into the head of the Murray-Darling River system, fuelling concerns about contamination following the discovery of more carcinogenic chemicals from exploration wells in the Surat Basin.

The discovery of BTEX chemicals in eight wells around Miles, about 700km west of Brisbane, adds pressure on Environment Minister Tony Burke, who will determine the fate of the controversial burgeoning industry in Queensland tomorrow.

Energy company Origin filed a statement to the ASX on Tuesday night in which it said that small traces of benzene, toluene, ethylbenzene, and xylene, a compound known as BTEX, had been found in eight exploration wells of 17 tested in its holdings near Miles on the western Darling Downs, about 350km west of Brisbane.

The wells are part of a joint venture between Origin and multinational Conoco-Phillips known as Australia Pacific LNG. The company claimed the highest reading of the BTEX chemicals in any of the wells was 100 parts per billion, or the equivalent of half a cup in an Olympic swimming pool.

But the Queensland Government has ordered independent tests, and the results of these are not expected before Mr Burke's decision tomorrow.

Former environment minister Peter Garrett delayed approvals on the future of the industry until after the election following protests by environmental and farming groups.

Queensland's peak farming

body as well as the peak conservation group both immediately called for a moratorium on future development of the CSG industry yesterday in the light of the admission, but a spokesman for Mr Burke said yesterday that the timetable was unaltered.

Australia Pacific LNG general manager Paul Zealand said the company had reported the presence of the BTEX chemicals as soon as it became aware of them.

"I don't think you can translate this event to a major industry problem. It's a localised problem and we will take any action that the regulator says we should take."

"The community should have confidence in the processes we've put in place, as soon as there are issues we inform the regulator."

The BTEX chemicals were found in water associated with the company's exploration program rather than its production program, and as such the water was not released into the general river system or consumed by animals but was kept in a secure pond.

AgForce Queensland president Brent Finlay said there should be a moratorium on further development until the state and federal governments devised a comprehensive framework for the operation of the industry.

He said the growth of the mining industry in rural Queensland meant "the framework through which these industries are held accountable for their cumulative on-ground impacts is lacking".

While the Queensland and federal governments are mindful of a possible backlash against the industry, it has economic pull, with the possibility of 18,000 jobs and investment of \$40 billion and for the state government, an increase of \$3bn in gross state product and \$850 million in royalties each year.



Scott and Kate Lloyd at a gas well on their property at Chinchilla, on Queensland's Darling Downs

JOHN WILSON

ROSANNE BARRETT

WHEN Scott and Kate Lloyd took over the family property in Chinchilla last year, it coincided with the "nightmare" growth of exploration and development of coal seam gas in the region.

With three energy company leases over their 3200ha, the Lloyd's cattle and feedlot property on the Darling Downs has been dotted with wells for the burgeoning industry said to benefit

Queensland's economic future.

But for the young family, it has meant depleted water in their bores, locked gates to their own property and land locked off for the sinking of wells.

Yesterday representatives of the multi-billion Australia Pacific LNG project hit the phones to contact worried residents in the Chinchilla area, after the discovery of toxic BTEX chemicals in eight wells.

BTEX compounds — benzene, toluene, ethylbenzene and xylene

— are known carcinogens and were two weeks ago banned from use in Queensland.

Ms Lloyd said it was concerning that the chemicals were turning up in the waterways.

"We're in the early days of these projects," she said.

"To have these things popping up, it does concern us. Everything that will impact on your home, your business and your livelihood — it all needs protection."

The Lloyds have 18 production wells, pumping out gas for the na-

tional market, and three exploration wells on their property.

And despite company statements there would be either no impact or a negligible impact on groundwater, Ms Lloyd said one bore had dropped 10m since the well was sunk about five years ago.

Origin has defended its project, saying the BTEX compounds did not arise from its operations and it does not use them in production.

The coal seam gas to liquefied natural gas industry is a potential boon for the Queensland govern-

ment, which will benefit from the billions of dollars in inflows and about 10,000 jobs.

Under Queensland legislation the gas from the coal seam is owned by the government, and the mining company needs to get an authority to prospect the area.

The mining company then needs to contact the landowner and reach a compensation agreement, but if this cannot be reached, the matter can be referred to the Land Court and an agreement can be enforced.