

Dear Inquiry members,

SUBMISSION IN SUPPORT OF FRACCCING

My name is Bruce Rudeforth. I live in Broome and am also a Yawuru native title holder. I am employed by Buru Energy and am involved in ensuring the company does not damage aboriginal sites of significance and in compliance with the *Aboriginal Heritage Act 1972*.

Summary

- **Hydraulic fracture stimulation is a mature technology and is safe.**
- **Activist groups like Lock the Gate need to be accountable and transparent.**
- **DMIRS is a competent and appropriate regulator.**
- **The current legal framework regulating hydraulic fracture stimulation is relevant and appropriate.**

I state upfront that I support hydraulic fracturing and have no concerns with the process creating major threats to aquifer contamination or to the environment. The impact and risks of fracking are comparable to a conventional petroleum well and there are significant benefits that the creation of an onshore gas industry could have for all residents of the Kimberley.

Hydraulic fracturing is not a new technology. The process was commonly used by 1950 in the United States. The Society of Petroleum Engineers estimates that 2.5 million fraccs have occurred world wide, with over 1 million of these being in the US, including underneath densely populated cities.

As pointed out in the background papers to this Inquiry, in Western Australia, more than 600 wells have undergone hydraulic fracture stimulation in conventional reservoirs since 1958. The first hydraulic fracture stimulation in Western Australia was conducted in that year on the Goldwyer 1 well. Fracture stimulation or re-fracturing has been conducted on 563 wells on Barrow Island since 1965. More recently in the Kimberley Buru Energy used hydraulic fracture stimulation the Yulleroo 2 well in 2010, and the Valhalla North 1 and Asgard 1 wells near the Noonkanbah community. A photograph of the Yulleroo 2 well is shown below. This photo was taken in February 2018. It can be seen that the vegetation around the well is very healthy and that the well is located in a remote area, away from human habitation.

Aboriginal Heritage

In the Kimberley most petroleum exploration occurs in areas with native title.

Petroleum explorers and native title groups have Heritage Protection Agreements (HPA's) that protect aboriginal sites of significance.

These agreements are entered into under the expedited procedure of the *Native Title Act 1993* for the granting of exploration permits under the Mining Act 1978 (WA). These HPA's

set out procedures and the requirements for heritage surveys to occur to avoid destruction of aboriginal sites under the *Aboriginal Heritage Act 1972* (WA).

Prior to new exploration activities occurring, Buru Energy consults with and conducts a heritage survey with relevant Native Title groups from where proposed activities will occur, to avoid damaging any sites of significance.

Details of the proposed exploration activities are provided to the representatives of the particular native title group. Buru Energy representatives also meet with the Native Title group representatives to provide more detail of the activities and address any concerns, before a heritage survey is organised.

Heritage surveys are organised by the representatives of the Native Title groups, and will involve an anthropologist, logistics staff, native title holders familiar with the survey area and Buru Energy representatives. The heritage survey team will camp next to the location of the activities, and will walk, drive, and/or helicopter over the activity locations. This allows the native title holders to assess if the proposed activities will have an impact on sites of significance. If required, amendments to the exploration activities will be made in consultation between Buru Energy representatives and Traditional Owners.

Legal Environment

Anyone who has worked in the resources industry would be aware of how highly regulated the industry is. There are over 22 Acts plus associated regulations and government agency policies to be complied with. This regulatory environment ensures the hydraulic fracturing, and resource development in general, is carried out in a manner that protects the environment while benefitting the State and Western Australians.

The regulations require the explorer to gain DMIRS approval for, and comply with, an approved Environment Plan (EP). In order to be approved, an EP must meet legislative requirements and DMP expectations, be appropriate for the nature and scale of the activity, and reduce all potential impacts and risks to as low as reasonably practical and acceptable levels.

The *Petroleum and Geothermal Energy Resources (Environment) Regulations 2012*, the *Petroleum (Submerged Lands) (Environment) Regulations 2012* and the *Petroleum Pipelines (Environment) Regulations 2012* are regulations to the main petroleum legislation in Western Australia and provide specific environmental requirements for operators to comply with.

Under regulation 8, an activity must not continue if a significant new or increased environmental impact or environmental risk is identified. In these circumstances a revised EP must be submitted and approved by DMIRS prior to continuing the activity

It is an offence under the Regulations if an activity is carried out in a way that is contrary to the EP approved by DMIRS.

Amenity of Land

The area near Broome where hydraulic fracturing could be used to extract tight gas is remote. There is no human habitation and the area does not have any tourism appeal. I regularly visit these well pads and note that they have a very small footprint, especially when compared to the surrounding landscape. The Yulleroo 2 well pad below is approximately 150m x 100m.

Fracking occurred at this wellsite in 2010, and if the process was as environmentally destructive as activists claim, there would have been ample time for problems to present for all residents to see.



Yulleroo 2 well, 26 February 2018

Except for activist groups, I have not seen any tourists in the area as there is nothing to attract tourists. Accordingly it will not impact the tourism industry in the Kimberley or have a large impact due to clearing.

Should Buru Energy's onshore gas project at Yulleroo proceed it is expected that around 8 well pads would be required. Using directional drilling, multiple wells would be drilled on each well pad. This is a small land use and would not affect other industries operating in the region, yet it would have a significant positive economic and employment impact.

Positive Benefits to the Kimberley

There are estimates that there are up to 1000 TCF of natural gas in the Canning Basin, with a recent review estimating that there is in excess of 700 PJ of contingent resources in the immediate Yulleroo area. The gas in the Yulleroo area could sustain a 20 year project and the Canning Basin potentially a 40 year project.

This gas is mostly described as 'tight' gas, requiring hydraulic fracturing to release the gas. The gas in the Canning Basin is typically located between 2.5 – 3.5km below the surface, well away from any potable aquifer.

The Kimberley has the highest unemployment rate in Western Australia and faces significant social challenges, many of which will take decades to address. A lot of these social issues are best addressed by providing people with meaningful employment. The unemployment rate in the Kimberley grew to 12.2% in 2015 which is double the State unemployment rate.

Only 29% of Indigenous adults are in real employment in the Kimberley, compared to 75% for non-Indigenous adults.¹ One reason for this is because there is no private sector economy operating near indigenous communities.

The resource industry is one industry which operates in remote regions and has the ability train locals to service the needs of the industry. Buru Energy's 2015 tight gas program near Noonkanbah delivered considerable benefits to the nearby Noonkanbah community. For example, employment was provided to 33 workers from Noonkanbah community during the program with more than 14,000 hours worked.

The oil and gas industry will be an important contributor to providing jobs and benefits to the region. The Broome office of Buru Energy employs 13 full time staff, much of this employment revolves around servicing a small oilfield approximately 100km east of Broome. The development of the Yulleroo gas field will require more employees and contractors; it is my observation that Buru Energy employs and engages contractors locally as a preference.

The resource industry has been a positive influence in the region. By default employing locals and using local goods and services is benefit to any town and has a positive effect on the local economy. However, I am also aware that the resources industry sponsors many groups and events in the region that simply would not occur except for sponsorship. The expansion of the industry in the Kimberley can only have a positive impact.

Regulation Needed for Activists

I have been appalled and intimidated by that tactics used by activist groups.

The community impact of hydraulic fracturing has been positive, whereas the community impact of these activist groups who claim to be experts on hydraulic fracturing is negative. I request that the Inquiry recognise that the negative reputation of fraccing is largely because of activist groups, who are able to get away with various behaviour because they are barely regulated and do not suffer any real consequences for misleading the public, which is the opposite of what would occur should to an ASX listed oil and gas explorer if it were to engage in similar behaviour.

I have noted that the opponents of the industry largely source their information from anecdotal evidence of things that were supposed to have happened in the United States, and in particular based on poorly researched and emotive films such as 'Gaslands'. A common myth is that water taps will catch on fire due to fraccing. This myth has been proven to be wrong yet the activists are not required to correct it.

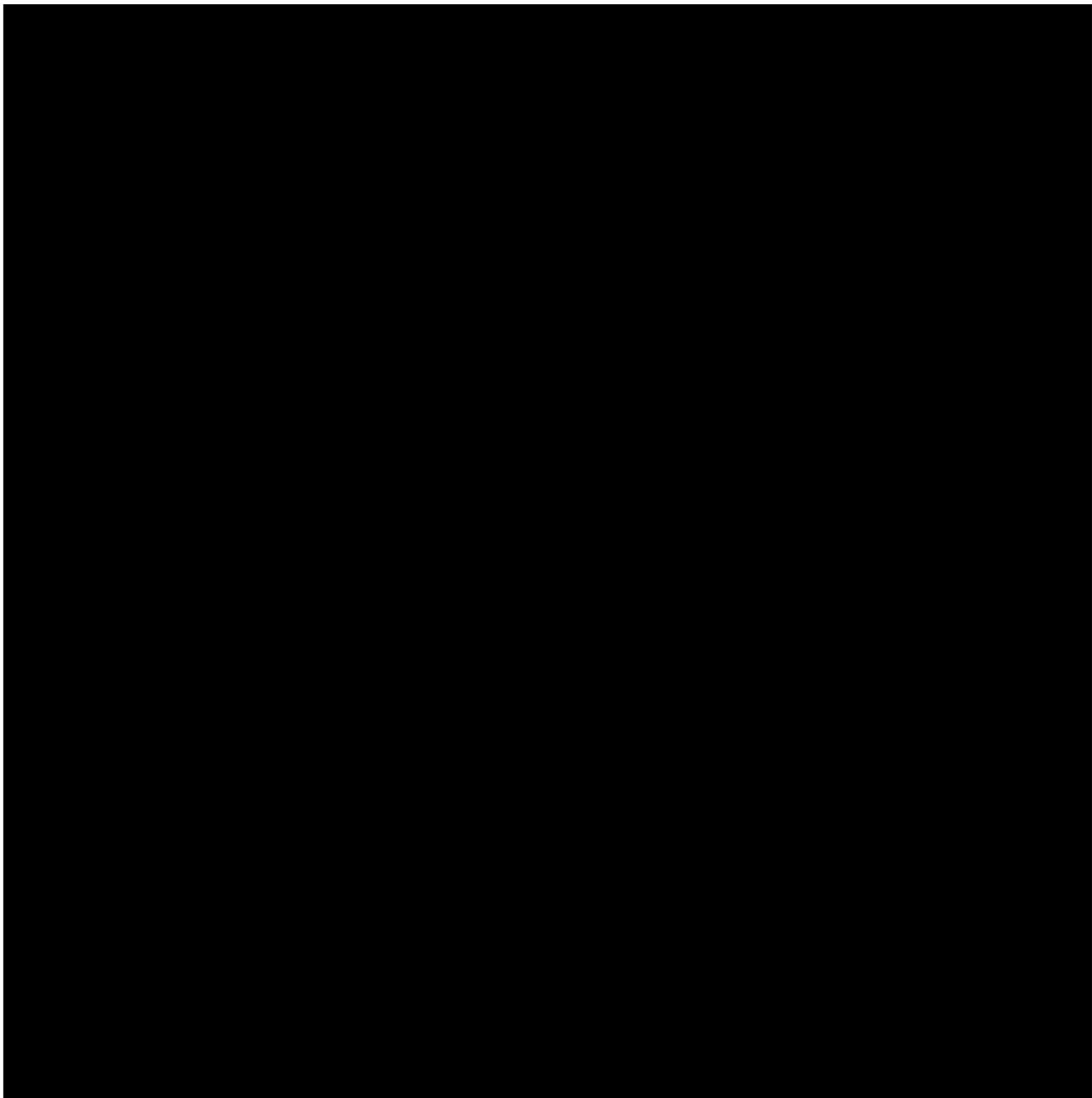
¹ <https://kdc.wa.gov.au/wp-content/uploads/2016/08/3-Aboriginal-Wellbeing-A-Census-Analysis.pdf>

These groups deliberately mislead the public, causing delays and additional costs to resource projects, or deterring investment in resource projects all together. For example, Lock the Gate have consistently claimed that there would be more than 40,000 fracking wells in the Kimberley. This is a deliberate misrepresentation by Lock the Gate to create fear about the industry and its impact on land.

I have been physically and verbally abused by representatives of these activist groups, including being prevented from carrying out my lawful employment duties. Examples include:

- being threatened by a Lock the Gate representative that he would smash my head in with a rock;
- being pushed around by a Lock the Gate representative;
- blocked from carrying out my employment by Lock the Gate and Environs Kimberley representatives.

Photos identifying individuals have been removed





Resource projects are major employers and investors in regional areas; these activist groups are not. They do not pay taxes or royalties, but they are often the recipients of large government grants. Their donors, who often live in comfortable suburbs in well serviced cities received a tax deduction for their donation to these groups. While the donors have all the benefits of a modern city, those of us in regional areas do not.

It is my opinion that it is essential that activist groups like Lock the Gate:

- should be liable for disruption that they cause to companies;
- should have to declare their large donors, similar to ASX listed companies having to declare their largest shareholders;
- should have to pay for corrective advertising when they mislead the public;
- should lose their charitable status when they engage in poor or illegal behaviour.

The activities of activist groups leaves the state government to fund employment programs and fund infrastructure in regional areas that otherwise could be funded by the private sector.

Conclusion

I am satisfied that given the high level of environmental scrutiny applied to the resources industry in the Kimberley. Fracking can be carried out in this region without having any detrimental effect on the environment. The development of the onshore gas industry will be a positive influence for the Kimberley region, providing long term employment for residents and supporting local businesses.

Regards

Bruce Rudeforth
Broome