

25th May 2012

Dear Mr Chamberlain (Chief Executive), Mr McLay (Director- Resource Management), and Mr Bedford (Director- Environment Quality)

Taranaki Regional Council

Thank you for your responses of 11th, 14th, and 15th May to earlier emails.

1. We believe flaring is not lawfully occurring under discharge consents to air 4729-1, 4729-2, 6813-1 and 7906-1 at Cheal. **We would appreciate Taranaki Regional Council (TRC) providing copies of the consents which allow flaring to occur continuously for 24 hours a day for months next to our houses and local school.** The fact TAG Oil is looking at ways of reducing/eliminating the flare is a moot point. We believe they have been breaching the consents for months potentially contaminating us, our communities, and environment.

Mr Drew Cadenhead of TAG Oil gave evidence as an expert under oath to the Commissioner at the Cheal hearing last November. He stated flaring was only required under emergencies. However the Cheal Gas Flare Report December 2011 to April 2012 provided by TRC states the reason for flaring for this entire five month period as the inability to export gas to Waihapa.

There is only one report (over a 24 hour period in January) provided for this five month period commenting on chemical content of the flare for carbon-monoxide. It does not include testing for any other substances they are combusting. This does not meet the requirement of the consent conditions which are to provide monthly reports and report on carbon-monoxide and nitrogen dioxide, fine particles, and sulphur dioxide. The flaring logs and monitoring data sent to us separately (14th May/15th May) after the TRC letter (11th May) are attached.

We request TRC please provide copies of the consents allowing New Zealand Energy Corporation at Copper- Moki and Bridge Petroleum at Radnor wellsites to flare for 24 hours a day for months, their flaring logs and

monitoring data.

Flaring pits are illegal in British Columbia, Canada, according to an international speaker at a recent public meeting in Porangahau, where TAG Oil and Apache oil companies are considering drilling. Mr Alex Ferguson, CEO of Apache (in New Zealand) had also spoken to local affected landowners on the East Coast informing them flaring pits were abhorrent and not considered industry best practice. They would not be using this practice on the East Coast. This is TAG Oil's business partner. **Please could TRC explain to our family and community how Taranaki Regional Council determine it is safe for TAG Oil, New Zealand Energy Corporation and Bridge Petroleum to continuously flare in flare pits next to us in Taranaki?**

2. **We would like to know what steps Taranaki Regional Council (TRC) are taking regarding New Zealand Energy Corporation (NZEC) polluting Ngaere Stream with crude oil.** Why were NZEC putting oil in a flare pit? How did it get in the stream? Why were the public not informed of this contamination? There are many downstream users of this "nearby creek". What are the consequences to the oil company for breaching their consents?

<http://oilandgas.co.nz/News/NZEC-Spill-Suspends-Production/>

3. **Taranaki Regional Council (TRC) discharge consents for Cheal A and B, including discharges to air, are extremely problematic. We invite Taranaki Regional Council to comment on these serious concerns.**

Discharge consents were passed by TRC in August and November 2011 before the Stratford District Council (SDC) had passed their land-use consents. These latter consents include the SDC Assessment of Environmental Effects (AEE) hazard plan with the substantial chemical list to be used in the drilling, fracking and producing process at the wellsites.

Many of these chemicals are extremely toxic to humans. We wrote to TRC last year

asking them to hold a joint hearing between themselves and SDC as they were considering the same activity and the councils' consents significantly impacted on the other. They refused. As a consequence there is no reference or consideration of these chemicals in the discharge consents for flaring (to air), to land, or to water.

It appears TRC are purposefully managing the consenting and monitoring process in this manner. Cheal A discharge consents (10/11/11) were granted by Mr McLay (TRC Director- Resource Management) the day prior to the hearing at Stratford District Council (11/11/11). Mr Avery, Director Community and Environmental Services (SDC), announced this at the beginning of the hearing. Cheal A consents had been lodged in late 2010. As a consequence we were not able to appropriately refer to the impacts of these consents in the hearing.

There was a recent hearing (15/05/2012) at New Plymouth District Council (NPDC) for land-use consents between TAG Oil (Sidewinder well sites) and affected landowners who live nearby and have not given written consent. It appears Taranaki Regional Council (TRC) and NPDC are considering consents separately for the same activity at Sidewinder similar to Cheal. Similar processes are being conducted by TRC and the Stratford District Council for TAG Oil (Cheal-C wellsites) currently.

Shell Todd (Kapuni) is applying for new consents for extending their gas field. TRC have granted consents to discharge contaminants associated with hydraulic fracturing activities on April 5th at several Kapuni wellsites. It is our understanding South Taranaki District Council land-use consents have not been passed including the hazard plan and list of chemicals.

We feel local authorities South Taranaki District Council, Stratford District Council, and New Plymouth District Council are complicit by association in this maneuvering. Taranaki Regional Council are considering the consents separately, forcing the district councils to do the same however the latter councils have an ethical and moral obligation to inform the public this is occurring.

We believe effects-based environmental legislation only works if you measure the environmental effects effectively. Environmental effects cannot be effectively determined as all the discharge and land-use consents have not been appropriately considered and granted. We believe the environmental monitoring by TRC is seriously inadequate therefore the measuring of environmental effects is also seriously inadequate. This is extremely concerning for the safety of people and the environment in Taranaki.

4. Water testing at Cheal had been requested by our family since August 2011 as we were extremely concerned about the quality of water. We were even more concerned when council officers informed us there had been no water testing at Cheal B since 2006 when the wellsites were first commissioned. There was no groundwater testing at Cheal A after the well-casing failures of Cheal A3 and A4 with the loss of an undetermined amount of power fluid underground for 2 years from 2007 to 2009.

We believe water testing for all chemicals used in the drilling, fracking and production process should be carried out frequently at all well sites, before, during and after drilling and production. Water testing should not be only occurring at a wellsite where there is a complaint. This pattern of limited or no water testing has occurred all over Taranaki.

There are many Taranaki Regional Council (TRC) environmental monitoring reports recording good to high levels of environmental performance and compliance with consents in their executive summaries with limited or no scientific water testing; only visual inspections of well sites and production stations. There are very few consequences for the oil and gas companies as a result. Even when there are significant breaches of consent including contaminating land and water there are frequently no consequences. We have attached a review of TRC reports which serve to highlight these concerns. **It is our understanding Taranaki Regional Council policy places much of the compliance monitoring costs back to the Companies so why are these scientific tests not occurring?**

In concluding, it is our belief spending \$25,000 on investigating legitimate safety and environmental concerns and doing the regulating properly is warranted. We would like TRC to explain to us how they came to determine the cost when a lot of what we requested was for them to regulate and monitor compliance to consents appropriately, in other words to do their job.

Yours sincerely,

Sarah Roberts and David Morrison

Affected landowners

Michael Self

South Taranaki District Councilor