



LakeCoal

Manager and Agent of the Wallarah Coal Joint Venture
ABN 46 094 084 787

Chain Valley Colliery

LakeCoal Pty Limited

Submission to

Coal & Allied Gwandalan Concept Plan Environmental Assessment MP10_0084

As acknowledged in the Concept Plan, Chain Valley Colliery has mined in the Wallarah and the Great Northern seams beneath the proposed area. The un mined economically viable Fassifern seam is beneath the mentioned seams within the proposed development footprint. **Chain Valley intends to mine the Fassifern seam in the proposed area.**

Chain Valley Colliery has been in operation since the early 1960's when it was owned by J & A Brown and then by Coal & Allied until the mid 1990's when they sold the mine to Coal Operation Australia Limited. The mine has been subject to further ownership changes until LDO Coal Pty Limited purchased Lakecoal Pty Limited, the managing agent of Chain Valley Colliery, from Peabody Energy in November 2009.

LDO have committed to a major capital injection to purchase equipment and to build infrastructure for the mine in order to conduct Mini Wall mining. LDO plans to continue mining for at least another 21 years in both the Fassifern and Great Northern seam.

LakeCoal have NSW mining leases in the proposed development area, being CCL706 and CCL707. Refer to Appendix 1. These have expiry dates of 2022 and 2023 respectively. The lease particulars are for "surface land and coal to unlimited depth" and it is the responsibility of the leaseholder to maximise extraction of the coal resources within the boundaries of the mining lease

Fundamentally, LakeCoal opposes the development. The areas of concern are as follows:

LOSS OF RECOVERABLE RESERVES

LakeCoal currently plan to extract coal from the Fassifern seam using the miniwall technique across the majority of its lease, including in the proposed residential development footprint. While the subsidence generated from the miniwall extraction will be less than subsidence generated from longwall or bord and pillar extraction, the overall subsidence level will be dependant on the stability of the overlying workings in the Great Northern and Wallarah seam

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To achieve the mine plan the coal needs to be extracted before the residential development otherwise there will be a loss of coal reserves possibly leading to the sterilisation of larger reserves in this area.

It would be impractical, costly and untenable to develop the residential precinct and then mine the area to achieve the resource recovery LakeCoal are entitled to

Like most mining operations, Chain Valley, especially in the Fassifern seam, relies on secondary extraction, in order to remain viable. If there is infrastructure in place which prohibits secondary extraction then the production rates for first workings would be insufficient to develop the area profitably, thus sterilising the coal.

The mine has been operating for nearly 50 years providing employment, local, state and national rates, royalties and taxes and resources for power generation. Any sterilisation of coal will reduce the life of the mine and the impacts on employment and the local and state economy will be considerable.

The mine has committed to the capital required for the Mini wall mining method, on the basis of full extraction, where possible, within the lease. Full extraction of the reserves in the proposed residential area has been considered in this decision and the extraction of these reserves will ensure the continuation of employment for the mines 120 employees, the benefit of the resource and the flow on employment from the mining operation, generally estimated at the ratio of 3 to 1 mine employee

PAST AGENCY PLANNING AGREEMENTS

In the mid 1980's the mine worked closely with government departments and agencies to develop a mine plan which recognised the need for both residential development and sufficient full extraction areas for the mine. It was under Coal and Allied's tenure that an agreement was reached where by the townships of Gwandalan and Summerland Point, identified as Precinct No1, could be developed and the mine would only partially extract the coal beneath in order to limit the subsidence. This agreement relied on other parts of the peninsula to remaining undeveloped so the mine would be able to fully extract the coal resource.

The agreement was borne out of the NSW Environmental and Assessment Act, 1979 titled Draft Sydney Regional Plan – Wyong Development Areas and Coal Mining where the aims were to

- (a) to identify medium-long term urban development areas within the shire of Wyong for inclusion in the Sydney Region Urban Development Program
- (b) to maximise the potential for the recovery of major coal resources of economic significance to the state
- (c) to guide Wyong Shire Council in the preparation of local government plans; and

(d) to rezone certain land to which the plan applies for certain purposes

Ironically this area for the proposed Gwandalan residential development is the very area where Coal and Allied originally negotiated for full extraction to take place.

Section 6.5 Mining Activities Mine Subsidence and Future Mining Activities contains no reference to any future mining in the Fassifern seam or on any studies on the resultant subsidence from full extraction in this area. Annexure H states no modelling has been assessed for Fassifern seam workings. At this point in time therefore the mine would therefore have to design workings to suit the development. This would result in the loss of coal resources

It is noted the proponent will undertake further geotechnical assessments prior to any development commencing on the site. It would make sense for the proposed residential development to commence after all mining is completed in the area and the ground has settled. This would allow for a greater range of one and two storey development and the coal reserve would be fully utilised

While LakeCoal were omitted from the initial stakeholder consultation, in subsequent conversations with LakeCoal, Coal and Allied were made aware of the Fassifern seam resources and future mining in the proposed area. As an original owner of the lease Coal and Allied are aware of the Fassifern seam reserves but have not conducted any modelling on Fassifern seam workings

With regard to Appendix H Geotechnical and Mine Subsidence Assessment it should be noted the following corrections-

- Table of Contents
Drawing 8 – Mining Constraints overlain on ~~Wallarrah~~ Chain Valley Colliery - Wallarah Seam Workings
Drawing 8a – Mining Constraints overlain on ~~Chain Valley~~ Wallarah Colliery – ~~Wallarrah~~ Wallarah Seam Workings
- Plan 8 Title Block - RT OF WALLARAH SEAM WORKINGS ~~WALLARAH-CHAIN VALLEY COLLIERY~~

Douglas Partners have made assessments of pillar stability of areas in both the existing workings of the Wallarah and Great Northern seams of both Chain Valley and Wallarah Colliery on a stand alone basis. There has been no geotechnical assessment of pillar stability where both seams have been extracted in the same area and of their combined impacts and subsidence results. Such combined effects may be significantly greater than the individual estimates

The presumption of subsidence impacts and expected housing development has been based on the parameters used in the Gwandalan and Summerland Point Precincts. This was a strategy agreed to by

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Coal and Allied and government agencies in the mid 1980's. It was a strategy where the mine would limit extraction levels and houses would be designed to sustain that level of subsidence. **LakeCoal has no plans to limit extraction levels in the proposed area.**

Housing for the proposed development in this area of the mining lease would need to be designed to withstand subsidence associated with full extraction panels in a 3m seam, in the order of 1.5m or to wait until the area was been mined. This would obviously allow for a greater scope for design

As noted by Douglas Partners on page 38 of their report, LakeCoal have lodged a Preliminary Environmental Assessment with the Department of Planning for underground mining operations in the underlying Fassifern seam. The proposed mining extends beneath the proposed Gwandalan site. Mining is also proposed under the existing Gwandalan and Summerland Point residential development. The workings there will be designed to be long term stable.

The assumption by Douglass Partners that a similar mining layout is planned by LakeCoal for the proposed residential development is incorrect as full extraction is planned.

CONSERVATION LAND

Coal and Allied are proposing to gift the government, areas of land for the purpose of Conservation. It is understood this bequest would be added to the existing Lake Macquarie State Conservation Area.

LakeCoal would be opposed to this rezoning, if such rezoning resulted in additional controls being applied to currently planned mining activities. Any such additional controls should not result in any reduction in recovery rates or extraction levels or sterilisation of reserves.

LakeCoal is seeking confirmation that any rezoning meets the above criteria.



David McConnell
Manager of Mining Engineering
Chain Valley Colliery
PO Box 7115
Mannering Park
NSW 2259
0243580800
DMcConnell@ldo.com.au

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Appendix 1

INSTRUMENT OF RENEWAL

LEASE: Consolidated Coal Lease No 706 (Act 1973)

HOLDER: Lakecoal Pty Ltd ACN 094 084 787
Catherine Hill Resources Pty Limited
ACN 063 050 680

DATE OF LEASE: 24 January 1990

EXPIRY DATE OF LEASE: 29 April 2006

PERIOD OF RENEWAL UNTIL: 29 April 2022

AREA: 840 hectares
AS SHOWN BY PLAN NO M27011

DEPTH RESTRICTION: Various as per plan

SURFACE EXCEPTION: Various as per plan

MINERALS: Coal

ROYALTY PAYABLE: At the rate which, from time to time,
may be proscribed.

AMENDMENTS TO THE CONDITIONS OF THE LEASE:

- (a) All the Conditions contained in the lease prior to the renewal have been deleted.
- (b) The lease is now subject to the attached Mining Lease Conditions 2004 numbered:
1-21 (inclusive), 23, 24, 26 and 28-31 (inclusive).

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INSTRUMENT OF RENEWAL

LEASE: Consolidated Coal Lease No 707 (Act 1973)

HOLDER: Lakecoal Pty Ltd ACN 094 084 787
Catherine Hill Resources Pty Limited
ACN 063 050 680

DATE OF LEASE: 3 July 1989

EXPIRY DATE OF LEASE: 30 December 2002

PERIOD OF RENEWAL UNTIL: 30 December 2023

AREA: 1056 hectares
AS SHOWN BY PLAN NO D 6056

DEPTH RESTRICTION: Various as per plan

SURFACE EXCEPTION: Various as per plan

MINERALS: Coal

ROYALTY PAYABLE: At the rate which, from time to time,
may be prescribed.

AMENDMENTS TO THE CONDITIONS OF THE LEASE:

- (a) All the Conditions contained in the lease prior to the renewal have been deleted.
- (b) The lease is now subject to the attached Mining Lease Conditions 2004 numbered:
1-21 (inclusive), 23, 24, 26, 28 and 29.