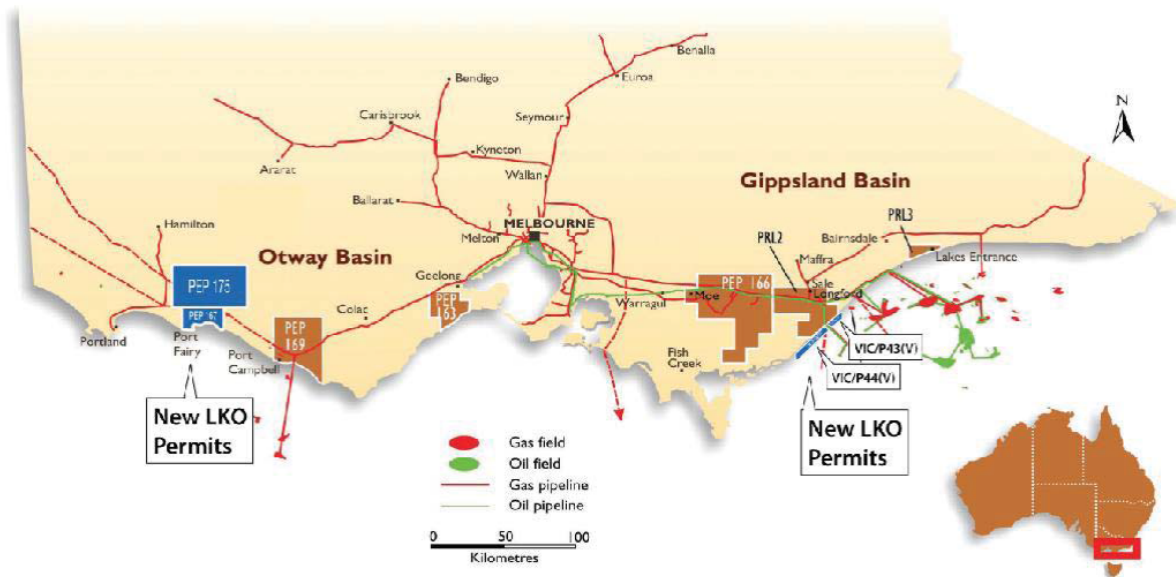


Submission from Wendy Klason

Australian Tribunal into the Human Rights Impacts of Unconventional Gas

My name is Wendy Klason (also known as Wendy Matthews) and I live on a wilderness acreage near Seaspray Gippsland Victoria. Junior miner, Lakes Oil, has held numerous permit licences over the Gippsland region for decades. <http://lakesoil.net.au/>



Lakes Oil permit areas- Source Lakes Oil Submission 510
Victorian Onshore Unconventional Gas Inquiry

My home is in close proximity to the Lakes Oil Wombat field; Wombat 3 well being approximately 600 metres from my home. I have lived on this property since the early 1980s. During this time I have farmed, taught in secondary schools and the community, raised my two children, gardened, studied the diverse ecosystem, been an active community member, completed a Postgraduate Diploma in Psychology, qualified as a grief and bereavement counsellor, and worked in this field. My property is currently a place where individuals and groups visit in order to be in pristine nature, to learn about the ecosystems here, and for respite and healing.

Oil and gas exploration has been a part of the history of my property, and adjacent Matthews family farms, for over 60 years; however it was Lakes Oil's approach, in the early 2000s, to explore for tight gas that has been most concerning, particularly regarding flaring from their gas wells.

In this testimonial, I will **focus directly on the non-disclosure of risks from onshore unconventional gas activities - to public health, the environment, and land productivity.** To put these risks into perspective, the following is from Lakes Oil 2012 Issue Prospectus -

LAKES OIL NL

ABN 62 004 247 214 LISTED UNSECURED CONVERTING NOTES 10% INTEREST PER ANNUM RIGHTS ISSUE PROSPECTUS

2. (g) **Operating Risk:** *Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to Lakes Oil due to injury or loss of life, severe damage to, or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations, the occurrence of any of which could result in substantial losses to Lakes Oil. Damages occurring as a result of such risks may give rise to claims against Lakes Oil.*

The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations of Lakes Oil. (<http://www.asx.com.au/asxpdf/20121023/pdf/429kzh03vm3gl3.pdf>) p10

Disclosure of Risks

When it comes to disclosing risks, **at no point had Lakes Oil ensured that my family were made aware of those risks noted above,** yet shareholders were warned.

I question why the Victorian State government treat land access consent as benign, whilst blindly granting work programs to drill unconventional wells **in the absence of sensitive environmental considerations.**

Matthews family members have signed legally-binding contracts without understanding that our property, health, finances and communities could suffer harm.

A licensee must affect my surface rights in order to access their subsurface rights, as conferred to them with the granting of an exploration licence; therefore, all risks should be stated conspicuously, to ensure full compliance with contractual obligations. This was not initially disclosed, and to my knowledge never has been disclosed, by Lakes Oil to this family, or with any other landholders in Lakes' permit areas.

In the six and a half decades that oil and gas exploration has occurred on our family land, we were led to believe that we had no alternative but to sign the contracts which gave consent for land access.

The significance of a peat wetland located within a gasfield

Farrell Wetland, commonly known as Farrell Swamp is located in the Seaspray area, adjacent to Lakes Oil's Wombat field. It is 10 kilometres WNW of Lake Reeve (western tip at Seaspray), and so adjacent to the Gippsland Lakes System.

Historically, Farrell swamp was a thriving wetland, with water-level variable, but typically one metre deep. When I first moved to live next door to Farrell Wetland in the early 1980s, it was the frequent home of many waterbirds, including ducks, and sometimes black swans; wombats, wallabies, koalas, emus and other native animals were generally to be seen near its shores. This bushland is also home to Lace Monitors (goannas), which are a threatened species, and are affected by disturbance of their habitats.

Farrell Wetland dried up in the drought of the 1990s and early 2000s. Despite many years without drought, Farrell Wetland has not refilled. This may possibly have been caused by a lowering of the water table, which sometimes results from the **de-pressurising associated with offshore gas/oil extraction.**

Lower water tables have affected local farmers (Yarram area), who have needed to drill deeper and deeper water bores. I have also speculated whether onshore exploration activities might have also contributed to disturbance of underground water systems. Moreover, it is of **vital concern that continued exploration drilling and possible onshore production may pose significant risks** to this and other wetlands.

Currently, **Farrell Wetland is a huge, dry peat lake**, approximately 32 hectares in area. It is flanked by three Ecological Vegetation Classes, two of which are locally vulnerable. Whilst Lakes Oil holds title to most of the land Farrell Wetland is on, a small part is publicly owned land.

Close proximity (potentially as little as a few hundred metres for the proposed Wombat 5) of gas wells to an extremely large peat lake **presents an unacceptably enormous fire risk.**



Google Earth image of Farrell Wetland, Wombat 3 (top right), Wombat 2 (centre right) and surrounding area that was burnt .

In 2010 a **flare** from Wombat 2, about 1km East of Farrell Wetland, **set fire to a paddock**, burning 10 hectares of vegetation and some pine trees. Lakes Oil had not been adequately equipped for this occurrence, and the attendance of CFA units were required to **prevent the fire spreading to bushland, pine plantations and my home.**

Wombat 2 is 1km East of 'Farrells' with a pine plantation and a large tract of bush in between. It is well documented that gas well operations present fire risk. It is also **a common experience in our area that fires in peat are almost impossible to extinguish**, creating ongoing **severe air pollution, with consequent dire health effects for humans and animals, including native fauna.** Should another fire occur and the peat in Farrell Wetland be ignited, we may face effects similar to those from the Morwell mine fire of 2014; as well as extensive loss of the surrounding bushland.



Concern: A satellite photo details the path of a 10 hectare grass fire which ignited after an ember from a tight gas flaring operation landed in nearby pastures.

Aerial photograph of burnt area north of Wombat 2 (from the newspaper article "Dangerous Risk" LaTrobe Valley Express Jan 14 2013 -attached below)

Noise associated with Drilling and Flaring operations

Physical risks to human health include the intrusive and debilitating noise from drilling and flaring, which needed to be endured by my family members. This was because State Government regulations allow the siting of a well under licence to be as close as 100 metres from a dwelling. I recall that my mother in-law, who was in her nineties at the time, and whose home was approximately 200m from Wombat 2, experienced great difficulty sleeping during the entire time that the drilling of Wombat 2 took place. When she explained this to Lakes Oil, they replied that the ONLY thing they could do to help her was to pay for her to reallocate to a regional motel unit 30km away. This was not a viable option for an elderly woman, leaving her with no choice but to wait out the drilling period, with sleepless nights.



Gas flow from the Strzelecki Formation at Wombat-2
Source: Lakes Oil Submission -510 to Victorian Onshore Unconventional Gas Inquiry

Infrastructure siting of gas wells

Farrell Wetland has significant ecological value. This is supported by the findings of a desktop study by the Department of Environment Land Water & Planning (DELWP), documented in this excerpt from a letter to me from DELWP regarding Farrell Wetland (full letter attached below)

The property and the local area have a range of biodiversity values from remnant vegetation and the presence of native plants and animals. It is adjacent to the Giffard Bushland Reserve and, with adjacent properties, forms part of a link of more or less continuous native vegetation from the Mullungdung State Forest to the coast near Seaspray.

The property is mapped as supporting three Ecological Vegetation Classes - Sedge Wetland and Lowland Forest/Heathy Woodland Mosaic, which are regarded as locally vulnerable, and Heathy Woodland, which is locally common. Most of the southern section of the property is pasture. There are no records of threatened species recorded on department databases from the property itself, but this probably reflects a lack of survey. Three threatened animal species are recorded within about 3 km of the property; Lace Monitor, White-bellied Sea Eagle and Southern Toadlet. No threatened plants are recorded close by. Farrell Wetland is not itself listed in the *Directory of Important Wetlands in Australia*, however several wetlands in the broader area are listed included Jack Smith Lake and Wellington Wetlands.

Lakes Oil's unconventional gas permit falls under the Victorian Petroleum Act 1998. My concern with the regulations regarding siting of gas infrastructure is relevant to the fact that the approval of a workplan by Victorian State Government does not take account of the key determinants within a typical rural landscape, which should be factored in, to prevent any obvious risks. **Why was the siting of gas infrastructure approved by our Government in total disregard of a nearby, potentially flammable, environment**, thus increasing risks of physical and psychological harm to my family? This incident certainly did not get the media attention that it deserved. This was partly because of the promise that the local CFA, which attended the fire, would be suitably reimbursed.

I would like to offer my support to the Permanent Peoples' Tribunal Session on the Human Rights Impacts of Fracking.

Yours sincerely,



Wendy Klason

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Seaspray, Victoria.