

## Agenda Memorandum

Date 28 August 2012



Memorandum to  
Chairperson and Members  
Consents and Regulatory Committee

**Subject:** Update on Council response to  
allegations re monitoring of fracturing  
activities

**Item:** 5

**Approved by:** A D McLay, Director-Resource Management  
G K Bedford, Director-Environment Quality  
B G Chamberlain, Chief Executive

**Document:** 1085723

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### Purpose

The purpose of this memorandum is to provide an update on the Council's response to continued correspondence from Ms Roberts, Mr Morrison and Mr Self, together with further information concerning the Council's monitoring of fracturing activities within the region.

### Executive summary

A letter from Ms Roberts on behalf of herself, Mr Morrison and Mr Self, recently appeared in the Daily News. It had been distributed to a number of parties, including media, members of Parliament, and Councillors. More recently, a further letter, from Ms E Bailey has described the Council's use of biomonitoring as 'political'.

This memorandum sets out why staff reject the assertions of both letters.

Councillors are further advised that a letter has been forwarded to Ms Roberts, Mr Morrison and Mr Self advising that the Council has, after reviewing their latest misplaced 'concerns' and previous complaints and allegations, concluded that their actions can only be considered deliberately mischievous and plainly vexacious.

It is apparent that Ms Roberts, Mr Morrison and Mr Self have consistently misinterpreted and misrepresented information associated with hydraulic fracturing in Taranaki. These actions of misinterpretation and misrepresentation have now been so numerous and consistent that they cannot be considered as either innocently naïve or simply incompetent. On occasions, they have also been shamefully and offensively directed at the professional integrity of the Council and its officers.

It is believed that the Council has exercised full and professional courtesy in its dealings with Ms Roberts and Messrs Morrison and Self over the last ten months, and engaged in considerable time and effort at a substantial cost to the Council and by extension to Taranaki ratepayers.

Council staff have now been advised to desist from spending further amounts of time in response to any future queries from these parties, similar to those already received, and that further queries will be simply acknowledged and filed.

## Recommendations

That the Taranaki Regional Council:

1. receives the memorandum
2. notes the information within this memorandum substantiating the Council's position and public statements relating to its management of monitoring of fracturing activities
3. notes that any future queries from Ms Roberts, Mr Morrison and Mr Self will be acknowledged and filed.

## Background

A letter from Ms Roberts on behalf of herself, Mr Morrison and Mr Self, was recently (5 August) distributed to Councillors of this Council, senior staff, various Members of Parliament, the media, and the Parliamentary Commissioner for the Environment. The letter was published in the *Daily News* on 7 August. The thrust of the letter was to criticise Mr Bedford, the Council's Director Environment Quality, and statements he had made as reported by the *Daily News* on 4 August.

More recently (20 August) a letter from Ms Emily Bailey was published, expressing criticism of a feature article describing the Council's use of biomonitoring to determine the state of the region's waterways.

It is considered useful for the Council to be informed of the degree of misinterpretation and misrepresentation in both cases. Details are therefore given below.

## Discussion

The claims made by Ms Roberts are listed below. An analysis of each claim is presented for the information of Councillors. Matters raised by Ms E Bailey are addressed further below.

### 1. Date of fracturing of Ngatoro 1

**Claim:** *fractured 7 Feb 2001, not 1993 as stated by G Bedford*

**Fact:** The date of fracture of Ngatoro 1 was provided to TRC by Ministry of Economic Development, during the process of ensuring the Council's hydrogeological assessment has a comprehensive catalogue of fracturing events in Taranaki. Mr Bedford accurately and reliably reported to the *Daily News* the date for the fracturing of Ngatoro 1 that was contained within the text of a Council memorandum (Policy and Planning agenda 7 June 2012). The text contained an error at this point. The report publicly presented to the Council

for adoption referenced the correct date (Table 5). This report is publicly available per the Council's website. It should be noted that Ms Roberts herself is wrong when she asserts Ngatoro 1 was fractured in 2001. It was in fact fractured in 2002.

The actual date of the fracturing is simply immaterial in any case to the fundamental issue at hand. The argument over which precise date is correct misses the key point- which is that the Council has been comprehensively monitoring (and publicly reporting) the Ngatoro sites since 1990, by regular site inspections, sampling and chemical analysis of both discharge and receiving waters, and by regular biomonitoring of the ecology of the streams. In other words, there has been comprehensive environmental monitoring and reporting for over 20 years, including throughout the period of any fracturing.

The annual reports detailing the monitoring are available on the Council's website.

## 2. Location of the discharge from the Ngatoro A wellsite licensed by Consent 4073-2.

**Claim:** *discharges directly into the Ngatoro Stream above the intake for the Inglewood water supply, not into a tributary that joins the Ngatoro Stream below the water intake as stated by Mr Bedford*

**Fact:** Ms Roberts is simply wrong as a matter of record. Consent 4073-2 was granted in February 1998. Had she taken the time to read the Council report for consent 4073, in the second paragraph she would have read: *'The wellsite discharge initially enters a drain-like unnamed tributary and travels approximately 300 metres before entering the Ngatoro Stream'*. (The first page of the officer's report in question is attached to this memorandum). Officers of the Council have been inspecting the wellsite 4- 6 times per year since 1990. The discharge system has therefore been checked some 50 times since 1998. It discharges to the tributary exactly as stated by Mr Bedford, and as the Council stated in the consent report and has stated in every annual report since 1998.

The monitoring data for 2010-2011 is included in the report for the Kaimiro and Ngatoro Production stations that is available on the Council's website for public reading. This shows that the quality of the Ngatoro Stream flowing past the Inglewood water supply intake is high and that there is no evidence of any contamination from the Ngatoro A wellsite. Even after the inflow of the tributary carrying the discharge from the Ngatoro A wellsite into the Ngatoro Stream further downstream, the chloride concentration in the Ngatoro Stream (chloride is the significant contaminant in produced water discharging from a well) remains at or below 20% of the NZ Drinking Water Standard- ie even if the Ngatoro A wellsite did discharge into the Ngatoro Stream above the water intake (which it doesn't), water quality for supply purposes would not be compromised.

## 3. Location of sampling points at Ngatoro A wellsite

**Claim:** *the sampling points are hundreds of metres below the legally consented discharge point.*

**Fact:** the sampling points that are in the tributary and Ngatoro Stream are indeed hundreds of metres below the discharge point. But Ms Roberts conveniently fails to mention that the discharge from the wellsite itself is also routinely sampled and assessed for compliance against the consent.

#### 4. Monitoring of fracked wells

**Claim:** *Many wells do not have comprehensive environmental reports; often there is only 'visual monitoring'*

**Fact:** this statement ignores both the extent of the biomonitoring and physicochemical sampling and analysis conducted by the Council, and also the fundamental and widely recognised value of a rigorous and comprehensive inspection regime. Inspection and examination of wellsites is a fundamental and effective means of monitoring. The Council's inspections are based on best-practice internationally recognised and endorsed wellsite monitoring checklists developed by the Alberta Energy Resources Conservation Board and the USEPA. By the time Council inspectors have on each visit checked matters such as bunds, perimeter drains, skimmer/sedimentation pits, site layout, placement of drilling equipment, storage facilities, flarepits, piping, staff amenities, the state of any surface waters in the vicinity, separation distances to offsite surface water and nearby residences, contingency plans, and operational records, and have observed any discharges and receiving waters for odour (a marker for any hydrocarbon contamination) and appearance (slicks for hydrocarbons, cloudiness for suspended solids), a robust and comprehensive evaluation of compliance has been delivered.

With the exception of fisheries officers living 24 hours a day on foreign fishing vessels for catch monitoring, it is suggested the weekly inspection regime implemented by the Council in respect of wellsite activity is perhaps the most intensive for any activity under any statutory regime by any authority in New Zealand.

But in any case, in the last 7 months the Council has also collected 49 water samples from shallow groundwater near sites that have been or are being fractured. The samples have been cumulatively been subjected to 2,920 analyses. Not a single result shows evidence of any contamination by fracturing activity. And as noted above, in the particular case of the Ngatoro wellsites, which the Daily News had asked Mr Bedford to provide specific comment on, some 250 water quality samples have been collected and analysed, and more than 20 biomonitoring surveys conducted in the Ngatoro Stream, over the monitoring record. This record is a matter of public record and is publicly available through the annual compliance reports on the Council's website.

#### 5. Feature article on the use of biomonitoring by the Council (letter from Ms Bailey)

**Claim:** *'given the frack story on the next page it was obviously a political move from Council'*

**Fact:** the feature was conceived, initiated, scoped, and drafted by a reporter from the Daily News, not by the Council. Following the reporter's investigative interviews, only once the feature was drafted was it provided to Council staff for review of factual accuracy. Content and direction were entirely determined by the *Daily News* at all points, and Council staff had no say in its content, timing, or placement. There was not a single mention of fracturing, drilling, or any other aspect of hydrocarbon exploration anywhere in the article.

**Claim:** *'what the MCI test showed was that once discharge of drilling wastes was stopped, the stream health picked up again'*

**Fact:** The example (of the Kurapete Stream) has no connection at all with any discharge of any drilling wastes, and proves nothing of the sort of the claim made. The Kurapete Stream shows biological health improvement related to the removal of the Inglewood domestic treated wastes discharge [diverted to NP wastewater treatment plant].

**Claim:** *'water tests the council use also do not test for all known chemicals going into our waterways...the council often doesn't know what chemicals are being discharged anyway'*

**Fact:** All hazardous chemicals to be used in NZ have to be first approved by the EPA, who require full disclosure. Further, the Council itself has actually received comprehensive disclosure of the chemicals to be used in fracturing within the region. The water tests conducted by the Council are as comprehensive as and in accordance with best practice from overseas regulatory regimes, and cover all the significant (according to volume/proportion, frequency of use, reported contamination events from overseas, and/or hazardous characteristic) chemicals used in fracturing.

## **Conclusions**

The letter from Ms Roberts is but the latest in an on-going sequence that are characteristically vague, devoid of any supporting substantiation, and highly repetitive in the allegations contained therein. Staff must at all times seek to ensure Council activities are conducted to the highest professional standard, and review and reflection are appropriate. The Council can never consider itself above criticism. However, the nature of the allegations and criticisms being made by a few, as outlined above, go beyond justification, and contribute nothing to a meaningful discussion either of the place and nature of fracturing and hydrocarbon exploration and production more widely, or of the performance of the Council. Hence staff have now taken the position set out in the Executive Summary above, for future dealings with the correspondents in question.

## **Decision-making considerations**

Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this Agenda item. The recommendations made in this item comply with the decision-making obligations of the Act.

## **Financial considerations—Long-Term Plan**

This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

## **Policy considerations**

This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act and the Resource Management Act 1991.

## **Legal considerations**

This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

**Appendix**

Document 12294 (Extract): Council officer report for Consent 4073-2

## Memorandum

**To** Consents Manager, A D [Fred] McLay  
**From** Consents Officer, R R [Bob] Penter  
**File** TRK984073 089  
**Date** 10 December 1997

**Renewal of consent TRK924073—to discharge up to 100 cubic metres/day of treated stormwater, treated production water and treated wastewater from oil well drilling and production operations and a truck turning area into the Ngatoro Stream a tributary of the Manganui River in the Waitara catchment**

<b>Applicant</b>	NZOG SERVICES LIMITED
<b>Postal address</b>	PO Box 3198, Shortland Street, Auckland
<b>Site location</b>	Ngatoro-1 wellsite, Dudley Road, Inglewood [property owner: E I and E E Jones]
<b>Grid reference</b>	Q19:110-217
<b>Legal description</b>	SEC 11 PT SECT 17 BLK VIII EGMONT SD
<b>Catchment</b>	Waitara 395.000
<b>Tributary</b>	Manganui 395.040 Ngatoro 395.045
<b>Volume</b>	100 cubic metres/day
<b>Review date(s)</b>	June 2003 and June 2009
<b>Expiry date</b>	1 June 2015

## 1. Introduction

NZOG Services Limited (NZOG) has applied to renew consent TRK924073 to discharge up to 100 cubic metres/day of treated stormwater, treated production water and treated wastewater from oil well drilling operations and a truck turning area into the Ngatoro Stream a tributary of the Manganui River in the Waitara catchment. The discharge is from the Ngatoro-1 wellsite, which is located on the property of E I and E E Jones, Dudley Road, Inglewood.

The wellsite discharge initially enters a drain-like unnamed tributary and travels approximately 300 metres before entering the Ngatoro Stream.

The area is part of the high rainfall Taranaki ring plain, which is the area of land drained by waterways originating on the slopes of Mt Egmont and its associated ranges. The Ngatoro Stream is one of the many streams which make up the radial drainage pattern emanating from the mountain peak.

The Ngatoro-1 well was drilled by Fletcher Challenge Energy Taranaki (FCET), then known as Petrocorp Exploration Limited, in the mid 1980s and subsequently abandoned as a dry well. NZOG acquired the petroleum prospecting licence, and in 1992 re-entered this well and began oil production from a zone higher in the well. Later NZOG bought an interest in the Ngatoro field, and NZOG are the operators of this wellsite.

NZOG, for clarity, have requested a change to nomenclature of its wells, so that the Ngatoro-1 well is now known as the Ngatoro-A wellsite. The renaming process began last year with the renewal of the air discharge permit (TRK964848) for the wellsite.