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Our Ref: S07/00120

Dear Mr Baker

## Metropolitan Coal Project (MP 08\_0149) Extraction Plan and Catchment Monitoring Program

I refer to the Extraction Plan (EP) and the Catchment Monitoring Program (CMP) required from Helensburgh Coal Pty Ltd (HCPL) under the project approval for the Metropolitan Coal Project. The EP includes the following components:

- Water Management Plan;
- Biodiversity Management Plan;
- Land Management Plan;
- Heritage Management Plan;
- Built Features Management Plan;
- Public Safety Management Plan.
- Subsidence Monitoring Program;
- Coal Resource Recovery Plan; and
- revised predictions of subsidence impacts.

Under condition 6(e) of schedule 3 of the project approval, the last three of these must be prepared to the satisfaction of the Department of Industry and Investment (DII).

The EP and CMP were discussed at a meeting between agency representatives from Department of Planning, Department of Environment Climate Change and Water and Sydney Catchment Authority, HCPL's Dr Greg Tarrant and Ms Stacy Braund and Mr Josh Hunt from Resource Strategies, on Thursday 13<sup>th</sup> May 2010.

As advised at that meeting, some agencies still have some issues of concern relating to the CMP, the Water Management Plan and the Biodiversity Management Plan. However, these issues are not of such significance as to prevent approval by the Department of the EP and the CMP.

DII has also advised the Department that the EP includes to its satisfaction a Subsidence Monitoring Program, Coal Resource Recovery Plan and revised predictions of subsidence impacts. I note also that DII wrote to HCPL on 30 April regarding additional requirements for the Subsidence Monitoring Program which are able to be implemented during extraction of Longwalls 20-22.

Consequently, I would like to advise you that the Director-General is satisfied with and has approved the current versions of the EP and CMP.

I would also like to confirm advice provided at the meeting that the Department will use the processes embedded in the approval to provide for ongoing review and refinement of the plans to ensure the environmental performance of the project continues to be to the satisfaction of the Director-General.

In this respect the company is directed to continue to consult with affected agencies over the coming months in order to identify additional improvements to the EP and CMP (and other relevant plans) prior to the annual review required by 31 October 2010 (see condition 3 of schedule 7). The Department expects that the plans will be formally reviewed and revised during the revision of plans and programs then required under condition 4 of schedule 7.

The Department requests that particular attention be given during this process to the development of measures to:

- provide ongoing calibration and verification of the groundwater model;
- incorporate any additional agreed monitoring points and/or criteria; and
- incorporate the results of increasing baseline datasets, where appropriate.

Future annual reviews may also be used, in consultation with other agencies, to make further improvements to the management plans.

Could you please arrange for the current versions of the EP and CMP to be made publicly available on your company's website.

Yours sincerely

18Kitto 14/5/10

David Kitto

**Director Major Development Assessment**as delegate for the Director-General

cc Sima Williamson - Manager Systems and Processes, Department of Industry and Investment