

2 September 2011



Ian Hayllor  
Basin Sustainability Alliance  
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Dalby Qld 4405

Dear Ian,

Thank you for your letter of 4 August 2011 in which you seek a clear and definitive response on pipeline burial depths.

We are conditioned under our environmental approvals to bury pipelines to the following depths:

- Wells to field compressor stations – 1000mm (1m);
- Field compressor stations to central processing plants – more than 900mm;
- Central processing plants to the collection header for our export pipeline – more than 900mm; and
- Collection header and export pipeline – more than 750mm in general and between 900mm and 1200mm (1.2m) on cultivated agricultural land.

On agricultural land QGC buries all pipe with the exception of parts of the collection header and export pipeline, with at least 1200mm of cover.

The relevant standards are the *Australian Standard for Pipelines – Gas and Liquid Petroleum (AS 2885)* and the Australian Pipeline Industry Association (APIA) code of practice: *Upstream Polyethylene Gathering Networks – CSG Industry*. These require at least 750mm of cover except in areas of rock, where 450mm is possible.

It is unclear why a contractor would inquire about burying pipe on agricultural land to only 600mm and, therefore, I would appreciate further advice so I may investigate fully.

A key factor in deciding the most suitable location for our wells and associated infrastructure such as pipelines is our ability to minimise impact on individual landholders.

In line with this commitment, the presence of QGC pipelines under agricultural land is extremely unlikely to constrain farming practices in terms of the weight of equipment, primarily because QGC works with landholders during initial site surveys to ascertain current and potential property uses and requirements.

This information is considered during a safety management study, which is undertaken for every pipeline. This includes a metre-by-metre review of the design as part of a risk assessment.

We factor all of this information into our field infrastructure layout – including pipeline designs.

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Our engineers design pipelines to take into account the weight of equipment likely to be used on a property as well as other factors such as topography and geology, cultural heritage and environmental constraints. Designs are approved by an RPEQ (Registered Professional Engineer of Queensland).

Where recommended as an outcome of the risk assessment, heavy-wall pipe can be used where the risk of any impact is considered highest; pipe can be buried deeper; and special crossing points can be installed. High-grade coatings are used to prevent corrosion of steel pipe.

Where possible and in most cases, gathering lines (those from wells to field compressor stations) are placed next to access tracks or along property boundaries. There have been many instances where QGC has taken account of landholder interests by modifying the routes of other pipelines.

Natural gas and water pipelines are built to strict standards in Australia.

They are made from high-grade steel or high-density polyethylene that are tested to withstand high levels of stress.

Gas pipelines made of steel are constructed under AS 2885, a world-recognised standard that stipulates:

- A risk assessment be undertaken as part of a safety management study;
- Pipelines must be buried to depths greater than those likely to be reached by common land use;
- Marker posts are placed within sight of each other the entire length of the pipeline; and
- Before operations, pipelines are fully pressure tested to ensure they are safe.

The same methodology is applied to the construction of gas and water pipelines made of high-density polyethylene which is determined by the APIA code of practice.

Once pipelines are constructed, QGC employs quality assurance professionals to ensure that work meets specifications.

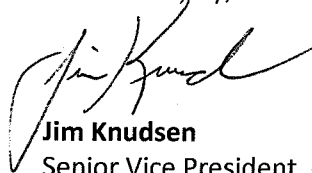
The operation and maintenance of pipelines is done in accordance with a safety and operating plan that is continually reviewed, regulated by legislation and audited by the Queensland Department of Employment, Economic Development and Innovation.

Landholders are subject to minor constraints at close proximity to pipelines regarding, for example, excavation, blasting and construction of buildings. We make landowners aware of this and other relevant information throughout the process of construction.

I assure you that we are committed to managing our landholder relationships well and to fostering good communication so that each party is aware of any activity that may have an impact on the other's operations.

I trust this information helps to allay your concerns.

Yours sincerely,



**Jim Knudsen**  
Senior Vice President, QGC