

18 December 2006



The General Manager  
Wyong Shire Council  
16 Hely St  
Wyong NSW 2259

25 Bryant Drive  
Tuggerah, NSW 2259

PO Box 43  
Wyong, NSW 2259

Phone: 02 4352 7500  
Fax: 02 4353 5699  
Email: info@wallarah.com.au

Dear Sir

Re: Proposed Monitoring Bores – Wallarah 2 Coal Project

In compliance with directions provided by the NSW Department of Natural Resources (DNR), we wish to proceed with the establishment of a long term strategic groundwater monitoring program comprising several monitoring bores in roadside locations in the Dooralong Valley. We now seek a letter from Wyong Shire Council to accompany our application to DNR for monitoring bore licences. All monitoring bores are required to be licensed with the Department of Natural Resources (DNR).

Specifically, the Wallarah 2 Coal Project seeks Council to provide us a letter stating its non-objection to the installation of monitoring bores at the sites listed and described in **Table 1** and **Plates 1, 2 and 3** attached. The proposed locations are shown in **Figures 1, 2 and 3** and are within road reserves associated with Jilliby Road and a secondary gazetted road, Durren Road.

While the work will be undertaken within the area of the Exploration Licence EL 4911 and Authorisation A405 issued by the Minister for Mineral Resources, we note that the roadside locations are areas in which Council has some degree of interest. As part of the agreed working arrangements between the company and Council, and to continue constructive information sharing, we would be happy to provide Council with copies of any data submitted to the DNR from the monitoring program.

We appreciate the Council's assistance in this information gathering initiative and look forward to receiving your letter as soon as practicable so that the Government's directions can be implemented. We expect to be in a position to commence drilling work from late January 2007.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Smith', is written over a circular stamp or seal.

Peter Smith  
Environment and Community Manager

[www.wallarrah.com.au](http://www.wallarrah.com.au)

... sustaining energy for the future

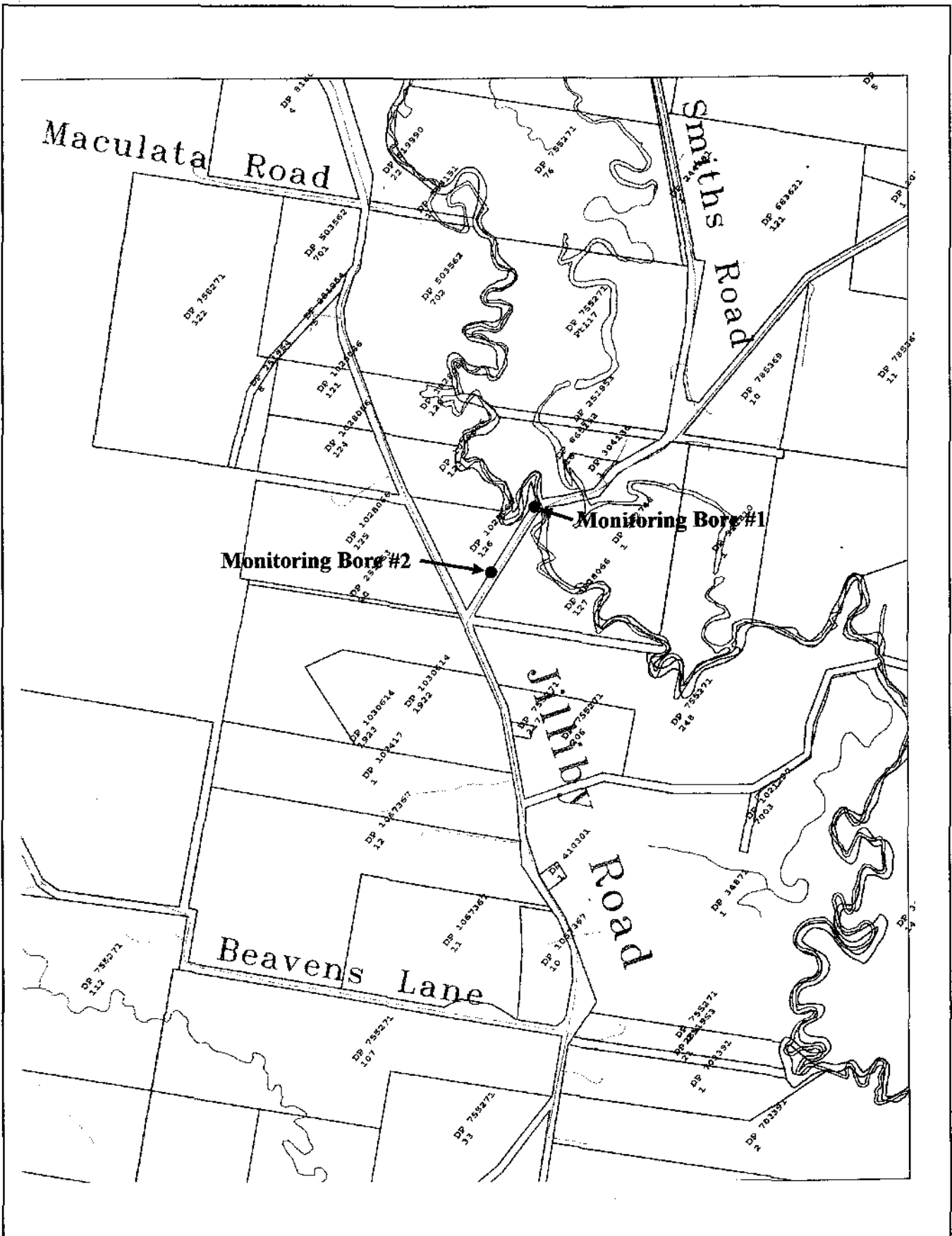
**Table 1  
Register of Proposed Monitoring Bores in Dooralong Valley**

Proposed Monitoring Bore	1:25000 Scale Topographic Sheet	Approximate Coordinates (MGA Grid)		Road	Adjacent Land	Reference Figure
		Easting	Northin g			
1	Dooralong 9131-1S	348660	63230858	Durren Road	Lot 126 DP1028065	1
2	Dooralong 9131-1S	348560	6322940	Durren Road	Lot 126 DP1028065	1
3	Dooralong 9131-1S	348900	6321440	Jilliby Road	Lot 4 DP806729	2
4	Dooralong 9131-1S	348990	6321240	Jilliby Road	Lot 4 DP806729	2
5	Wyong 9131-2N	349440	6319400	Jilliby Road	Lot 147 DP665506	3
6	Wyong 9131-2N	349460	6319150	Jilliby Road	Lot 147 DP665506	3
7	Wyong 9131-2N	349960	6319010	Jilliby Road	Lot 44 DP1090449	3
8	Wyong 9131-2N	350150	6318740	Jilliby Road	Lot 31 DP832967	3
9	Wyong 9131-2N	350325	6318675	Jilliby Road	Lot 47 DP790874	3

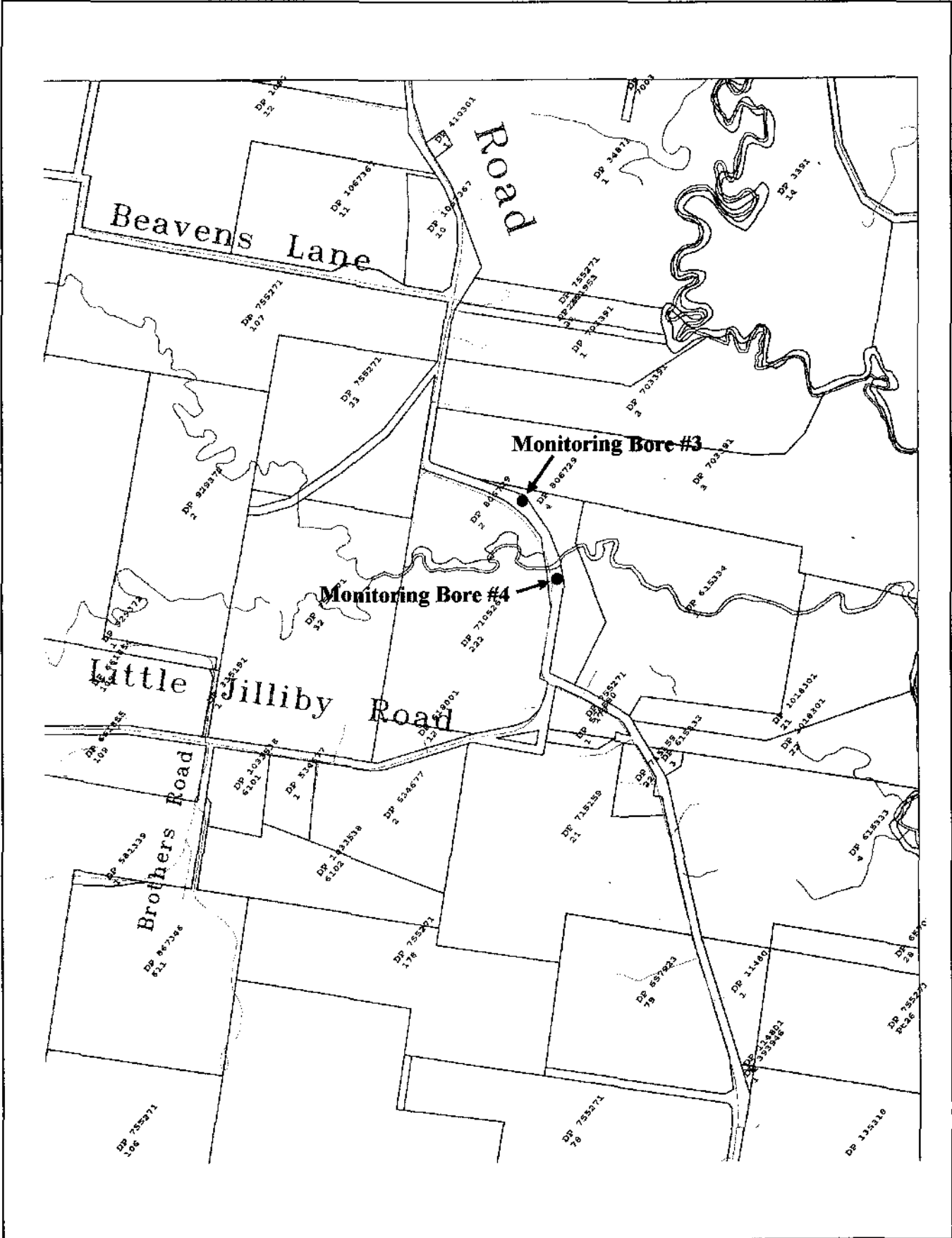
In summary, monitoring bore construction will be achieved using industry accepted 50mm-diameter blank Class 18 uPVC, machine slotted uPVC screen with 0.4mm apertures (slots) and rubber ringed screw fittings, basecaps, commercial 8/16 gravel pack (1.2-2.0mm), bentonite pellets, cement and a lockable steel monument. Photos showing two typical designs for a monument with a completed internal piezometer or bundled piezometers are shown in Plates 1, 2 and 3. The monitoring bores will be located away from the road shoulder in a safe and non-obtrusive location. Positions near property boundary fences are often the most appropriate sites. An extensive network of monitoring bores of this same design have been recently installed by the Gosford-Wyong Councils Water Authority in similar safe locations in both local government areas.


The main purpose of the monitoring bores is to enable the measurement and recording of any fluctuations in the water table at that location. Water level measurements can be carried out manually or automatically using automated water level data loggers.

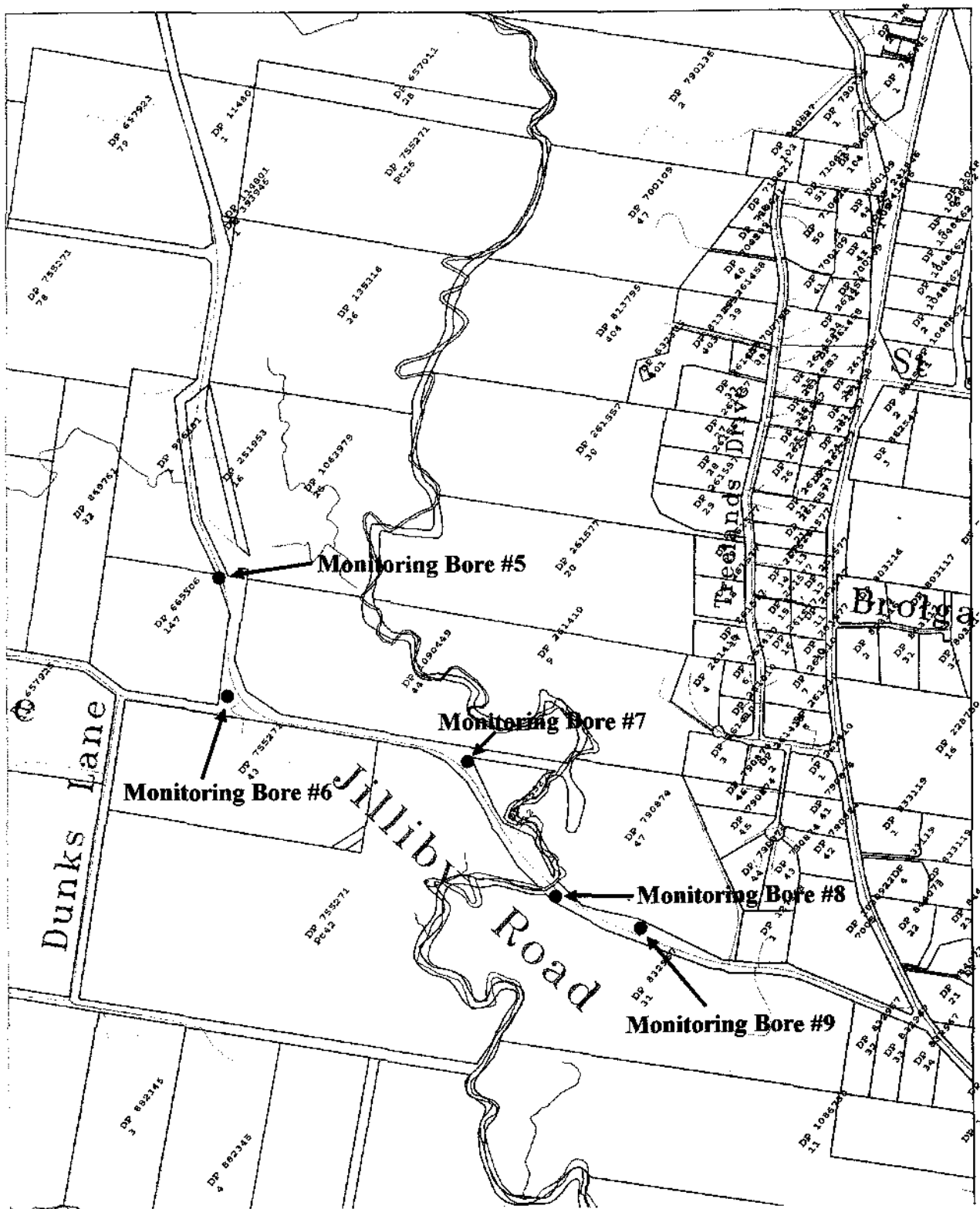




<p><b>N</b> ↑</p>	<p><b>Doralong Valley</b></p>	<p>Scale:</p>
	<p><b>Location of Proposed Monitoring Bores</b></p>	<p><b>FIGURE 1</b></p>



	Doralong Valley	Scale:
	Location of Proposed Monitoring Bores	<b>FIGURE 2</b>



Dooralong Valley

Scale:

Location of Proposed Monitoring Bores

**FIGURE 3**