

Major Projects Assessment Mining & Industry

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Mr Michael Moore Approvals Manager Ashton Coal Operations Pty Limited PO Box 699 SINGLETON NSW 2330

Dear Michael

Ashton Coal Project (DA 309-11-2001-i) Pikes Gully Seam Longwall 6B (PG LW6B) Extraction Plan

I refer to the draft Extraction Plan for the Ashton Coal Project titled Ashton Coal Extraction Plan – Pikes Gully Seam Longwall Panel 6B, including revisions up to and including that dated 30 April 2013.

The Department has reviewed the draft Extraction Plan as required under condition 3.12 of the development consent for the mine, including the separate management plans provided in the appendices which include the:

- Coal Resource Recovery Plan (condition 3.12(g));
- Subsidence Monitoring Program (condition 3.12 (g));
- Built Features Management Plan (condition 3.12 (g));
- Public Safety Management Plan (condition 3.12(g));
- Rehabilitation Management Plan (conditions 3.12(g) and 3.51);
- Water Management Plan (conditions 3.12(h) and 4.7);
- Biodiversity Management Plan (conditions 3.12(h) and 3.46);
- Land Management Plan (conditions 3.12(h) and 3.58); and
- Heritage Management Plan (conditions 3.12(h) and 3.36).

The Department is satisfied that the Extraction Plan meets the requirements of the above conditions of the development consent, insofar as it relates to Longwall 6B. Consequently, I hereby approve the plan on behalf of the Director-General.

The Department notes that Ashton Coal is currently in the process of finalising a tripartite agreement with Ravensworth Operations and Singleton Council regarding the management and remediation of subsidence impacts on Lemington Road, in accordance with the road realignment requirements of conditions 7.14 and 7.15 of the development consent. The Department encourages Ashton Coal to finalise this agreement as soon as possible.

The Department also takes this opportunity to remind Ashton Coal of its requirement to comply with the subsidence performance criteria in the development consent which, amongst other things, require no greater subsidence impacts or environmental consequences on Bowmans Creek and its alluvium than those predicted in the Bowmans Creek Diversion Environmental Assessment (EA). As previously advised in its approval of the Upper Liddell Seam LW1-4 Extraction Plan, the Department will be monitoring this issue closely as mining progresses through the Upper Liddell and Pikes Gully Seam longwalls in the vicinity of the creek.

As you are aware, the NSW Office of Water (NOW) has made a number of recommendations in relation to the Bowmans Creek diversions and the Bowmans Creek alluvial water source. The Department is satisfied that all key issues regarding management of Bowmans Creek and its alluvium have been adequately addressed in the mine's development consent, Extraction Plan, Water Management Plan and/or the Bowmans Creek Diversion Management Plan. Nevertheless, it expects that Ashton Coal will continue to consult closely with NOW in the ongoing implementation, rehabilitation and performance monitoring of the creek diversions. The Department will continue to monitor the effectiveness of the diversions over time.

Should you have any enquiries in relation to the above, please contact Phil Jones on 9228 6331.

Yours sincerely

Howard Reed

Manager Mining Projects

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as nominee of the Director-General