



## Waterberg Bewaringsforum / Waterberg Conservation Forum

*"Hier leef ons Bewaring!" / "Where the conservation-conscious meet!"*

[www.waterbergconservationforum.co.za](http://www.waterbergconservationforum.co.za)

### Memorandum of concern and objection addressed to the following entities

- 1. UMBONO CBM SPRINGBOK FLATS (PTY) LTD**  
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- 5. The Minister of Mineral Resources, South Africa.** Ngoako Ramathlodi  
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**APPLICATION BY UMBONO CBM SPRINGBOK FLATS (Pty) Ltd for an EXPLORATION RIGHT FOR PETROLEUM (CBM) in terms of SECTION 79 OF THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT 2002 (ACT 28 OF 2002) IN RESPECT OF 69 FARMS, comprising of hundreds of subdivisions, around BELA-BELA IN LIMPOPO and the extreme northern part of NORTH WEST PROVINCE. Ref 12/3/280**

1. The above application refers.

**Point of departure**

2. The **Waterberg Conservation Forum** is a community based and widely supported forum aiming at balanced and sustainable, while mutually beneficial, interaction between man and the environment through enlightened socio-economic choices. We are an Interested and Affected Party to the above application, and attended the public meeting in Bela-Bela on 16 April 2014.
3. The **Waterberg Conservation Forum** supports the South African Government's approach that the resources of our country must be responsibly exploited and developed towards the long term sustainable advantage of the country, its ecology and its people. Present legislation patently bears witness to this intention.
4. The **Waterberg Conservation Forum** contends that the above ends can only be achieved by good governance and exemplary statesmanship at all levels.
5. We respect the applicant's right to its entrepreneurial dream and therefore respectfully request everyone involved to apply their minds fully and to try to understand our considered concerns regardless of whatever advantages each one may have in mind if the present undertaking is to proceed.
6. We trust that good leadership and integrity will urge you to reconsider should you find our concerns valid, worthy and conducive to the longer term healthy symbiosis between our community and the environment, as also with the bigger whole.

**Background**

7. The socio-economic fabric of the area is a finely balanced example of diligent enterprise in agriculture, tourism, small business, home and light industry, and employees of all ranks. This includes the very necessary reinvestment through local capital formation and whatever capital influx from far and wide seeking and finding investment opportunities in bigger nationwide retail outlets locally as well as the tourism industry.
8. This wholesome and well-adjusted dispensation will only survive if its inherent energy and industry remains directed to, capitalises on and respects the area's human and natural assets. If any, even if only one, element of that which makes it work and keeps it going is sidetracked or disrupted, removed or abused, the system will implode, affecting upwards of a hundred thousand people. Any replacement system will take generations to mature in regard to balance, longevity and sustainability.
9. It goes without gainsay that any new enterprise that enters this picture without the necessary respect for the natural and socio-economic environment will disrupt relationships between man and nature, and also between man and man, and thereby irreparably jeopardise any hope of long term sustainability and stability at a wholesome, healthy and productive level.

10. It is thus a given that any would be entrant in the equation will have to add value too and amongst others have to be carefully evaluated in regard to its capacity to more or less seamlessly integrate with the present dispensation as a going concern.

### **The possibility of production of petroleum from CBM**

11. We fully appreciate that the country's wheels are made to turn by the availability of energy. This goes for our area as well, where presently all energy products derived from fossil fuel are sourced from outside.
12. The question before us all is whether the short term advantage of the production of petroleum products from a viable find, as hoped for by the present exploration application, will far outweigh the negative impacts it will have on the present system. Will these expected benefits ensure sufficiently that the end result will be bigger than the sum of the old plus the new? This is what real progress and healthy development is about.
13. If we judge this wrongly it may be a negligible loss for the investor. But for the community and the area it will mean irreparable loss of that which works for them and destruction of that which made it work.

### **Judgement by sound minds**

14. We trust you to think this through together with us and to share the responsibility for the outcome – each according to the choices we now make. That means to be prepared to stand accountable to the generations to come, jointly and severally.

### **The application and its foreseeable outcome evaluated jointly**

15. We accept and understand that *exploration* (for the product) and *production* (of the product) are two separate and consecutive processes. Both are needed to get to the benefits of the product – two processes, both administratively and in business and physical exploitation terms.
16. We refuse however to be sidetracked by this coincidental distinction. The success of the one being a necessary prerequisite for the next, together they lead step by step to the outcome, good or bad, which the area and the community will have to contend with ultimately and live with indefinitely.
17. Such untoward outcome is the more unacceptable as fracking is a real and unavoidable part of the process to successfully produce the product, and to date without any guarantee of being harmless.

### **Sense of place**

18. The success of the farming and tourism industries in this particular area, as joint drivers of the present economy of the area, depend both on the imagery, in the mind as well as physically, of a pristine environment. Mining/production/heavy industry will put a different cast to the perspective on the area. It will change the whole image of the area in the hearts and minds of inhabitants and visitors alike, as well as investors.
19. If the equilibrium between man's present industry and nature is to be maintained any would-be industrial, mining or production industry would have to respect that and bow to it. This is an absolute prerequisite for future beneficial investment and to prevent the flight of development capital already invested.

20. The community has already publicly on the 16<sup>th</sup> of April 2014 demonstrated their distaste for and rejection of the end result of the “two-step” process.

### **Water**

21. Every litre of water in the area is already spoken for. There is just no surplus or “free” water available.

In South Africa, the fracking process can require around 20 million litres of fresh water to frack one well. Up to 1% of the volume could be chemical additives - that is up to 200 000 liters of chemical additives per well. **According to Shell**, there can be as many as 32 wells on one well pad. This would mean that about 640 million litres will be used to frack 32 wells (for only one well pad). Each well pad can be between one and two and a half hectares in size.

There can be four to six well pads in an area of 10 km<sup>2</sup>. The well pads can be spaced two to three kilometres apart. This would relate to up to almost four billion litres of water that can be used per 10 square kilometres. Especially due to the water restricted nature of this area around Bela Bela, this is alarming.

Vid. <http://www.treasurethekaroo.co.za/fracking-facts>

We accordingly query where this water for mining is to come from, and how the local community will suffer if their present limited water supplies dry up or are contaminated.

### **Water and tourism**

22. The town of Bela-Bela originated and developed over time around the local hot mineral springs. It was thus called “bela-bela” after the image of water boiling from the earth amongst the lush reeds and other greenery, and at a time “Warmbaths”. Although developed according to modern man’s taste the spring has been meticulously protected and preserved and to date its broader and true aquifer linkages remain a mystery. It would be foolish to toy with it without thorough in depth knowledge of this unique part of the country’s natural heritage.
23. Bela-Bela has been the drawing card, together with its natural surroundings, for the billions of rand investment in the area around it in the presently flourishing tourism industry, the prime driver of the local economy.
24. Sundil Ramluggan, operations manager of Umbono, has publicly promised “that geohydrological studies will have to be undertaken before drilling may commence”.
25. The community has every right to insist on this being a binding undertaking and that should the exploration right be granted it be formally put to paper before the geohydrological research process starts and that the process will be open and transparent along every step of the way.

### **Water – agriculture and domestic**

26. The whole population, urban and rural as well as agriculture, depends on water from boreholes as there is no perennial open water in the area. Such water as there is, is already at a premium. A dedicated pipeline from Gauteng already supplements the available limited water supply at Bela-Bela.

27. All known water reserves have been accessed and are being used. In some limited areas the ground water supports extensive irrigation projects which required huge financial investment, while in others it barely provides enough potable water for household use and animals.
28. It stands to reason that any untoward impact on the quality or quantity of the water resource will be unacceptable.

### **Water – Geohydrology**

29. The applicant asserts that exploration drilling itself uses relatively small amounts of water and contamination or depletion of the resource will not be an issue as the upper aquifer zones will be cased and grouted in.
30. Sundil Ramluggan indicated that, in the production phase, one would typically have to pump out water from the coal seam to release the gases, and that fracking may be a possibility. However, aquifer zones will be cased and grouted in.
31. The applicant's initial request is for 5 holes to be drilled to determine the CBM potential of the area. They aver that "the vertical exploration holes will have a very limited effect in terms of area – in the order of 10's of metres, and will be fully cemented up to the surface upon completion."
32. As shown earlier Sundil Ramluggan indicated that detailed geohydrological studies will have to be undertaken before drilling may commence in this vicinity and would be needed to inform the process further.
33. It would appear further that beneath the Springbok Flats the coal is close to the fresh water aquifers, which situation increases the risk of contamination and draining.
34. We contend that there is no proven way whereby any borehole can be isolated from its surroundings or sealed by grouting or any other way during the drilling process. If it can be done, even if from top to bottom afterwards, it would be like locking the stable door after the horse has bolted, because the harm would then already have been done.
35. It is only fair to expect the applicant to provide proof of the practicality and economic viability of the safeguards they promise, before the harm is done.

### **Uranium and radon**

36. The challenge of safely separating the uranium and radon from the coal of the Springbok Flats has long been a deterrent to exploiting the coal and or uranium.
37. Minutes of the consultation meeting on the 16<sup>th</sup> of April 2014 as provided by the applicant states the following:

*"The presence of Uranium and Radon gas in the coal was raised. Guarantees were requested that (1) Umbono can separate these harmful gases from CBM and prevent environmental contamination, and (2) guarantee that there is a process to extract the gas free from Radon or Uranium.*

*We are aware of studies that report Uranium content in the coal but this has not been assessed in terms of CBM extractions, and we will have to do these tests in due course. We will report the results of the research and show that, should the gas include the Radon/Uranium combination, we will produce scientific proof that it can be separated."*

38. In the interest of both the applicant and the local community we hereby have to insist that (a) the tests be done and the outcome reported and (b) the scientific proof of a doable and economically affordable separation process at production scale be provided in full detail before the right is granted.

### Ownership of the product

39. The minutes report as follows: Asked if President Zuma “has a cut on this”, the facilitator replied that “the State owns the resource, and the Applicant is entitled to extract the resource on behalf of the State. It was clarified that Umbono was the original applicant and holder of the right, and Sunbird subsequently acquired a 74% interest in it”.
40. Umbono/Sunbird rather vaguely refers to exploiting the resource for the Government. Towards greater transparency we shall appreciate it if this could be clarified by outlining whatever the financial relationship and/or part-ownership between the entrepreneurs and the State, other political entities like the ANC and financial entities like Chancellor House is.
41. The following statement as per the minutes,  
*“It was clarified that Umbono was the original applicant and **holder of the right**, and Sunbird subsequently acquired a 74% interest in it”*,  
begs the question: How can Umbono already be the “holder” of the right if it has not yet been granted the right?
42. We have perused the draft Environmental Management Programme Report dated 13<sup>th</sup> May 2014, and are expressing our concerns as we were invited to do, by the 9<sup>th</sup> June, 2014.

We most anxiously await your response in regard to our specific requests.

Regards,

CHRIS WAGNER



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The minutes of the meeting of 16 April 2014 we attended are attached for your information.