

Dubio s gas rights deal

One-man firm gets huge exploration rights

AMIL UMRAW, VUSI MTHALANE and JONATHAN ERASMUS

A ONE-MAN show run from a shared office block in Cape Town has obtained the largest exploration rights in KwaZulu-Natal.

Rhino Oil and Gas Exploration South Africa, which has its corporate office in the known tax haven of the British Virgin Islands, and with no known black economic empowerment partner, has landed not only a 1.5-million hectare exploration right in KZN, but similar rights in the Free State and Eastern Cape covering 73 876 km². The company also boasts off-shore rights in Namibia, the Western Cape and Senegal.

With the multinational subsidiary's notice of application for environmental authorisation lambasted in the media recently, environmentalists have hit back, citing the vagueness surrounding the exploration as a major cause of concern. *The Witness* has since found that Rhino Oil and Gas Exploration South African director Phillip Steyn operates from a single office in Cape Town's Icon Building, with no secretary and works off a Gmail account.

The Witness tried to contact Steyn several times via telephone, SMS and e-mail over a period of three days. However, he could not be reached. The company had recently lodged an application for an exploration right with Petroleum Agency South Africa (Pasa).

Oil, gas, condensate, coal bed methane, helium and biogenic gas are some of the minerals the exploration hopes to uncover through seismic surveys and drilling planned for three years.

The company has maintained that fracking is not envisaged.

Pasa was contacted and after initially apologising for not answering several questions, no response was submitted before print deadline yesterday. The Department for Mineral Resources also referred *The Witness's* queries from one person to another, and they too could not meet the deadline for response.

The exploration in KZN will include approximately 10 000 farms in areas like Richmond, Ladysmith, Dumee, Mooi River, Estcourt, New Hanover, Ashburton, Ulundi and Nkandla.

Environmentalists have slammed the move over concerns of potential fracking that may lead to widespread damage to the ecosystem. KZN-based NPO groundWork's Bobby Peek said Rhino Oil and Gas Exploration have been "minimalistic" on what they intend to do if valuable minerals are found in KZN. "They [Rhino] might say there is no possibility of fracking, but what they are looking for could be fracked in the future," Peek said.

Peek added even though farmers have a say in terms of negotiating drilling on their farms, farmers who have not applied for the rights to mine on their farms or have not used their right, could be overpowered by anyone who obtains the permission to do so.

Acting chair of the Midlands Conservancy Forum Sarah Allan said they are concerned about the affect of the exploration on key water resources in KZN.

"The drilling has potential for a huge impact on the quality and quantity of underground water resources which will in turn have a catastrophic impact on local agriculture," Allan said.

SCARCE WATER VERSUS JOBS

The Umzimvubu Catchment Partnership (UCP), an alliance of 34 local communities with straddles KZN and the Eastern Cape says it believes if Rhino Oil and Gas Exploration South Africa is granted permission to proceed with the early-phase exploration, it will lead to hydrological fracturing.

"We need farming, not fracking," said UCP secretary Nicky McLeod, who is also an environmental scientist.

The mountains where the exploration is set to take place form part of the Drakensberg range bordering Lesotho. According to the map that is part of Rhino's application, the area to be explored goes right up to the Ongeluk Wetlands which McLeod says replenish underground water for boreholes that supply water to local communities and also feed into the uMzimvubu River, providing water to many people downstream.

"The uMzimvubu system has been earmarked for a major water storage initiative and potentially even hydroelectric capacity. Unfortunately fracking and water conservation do not work together. The fracking process needs up to 20 million litres of water per fracking well," she said.

McLeod says studies done in countries where fracking has taken place show the negatives far out-weigh the benefits.

Tello Leputhling is one of the people who support the idea of mining as he says it will provide employment and other benefits to the mostly rural communities.

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NEW GAS, OIL EXPLORATION BID

Fracking near KZN border feared

Tony Carnie

A TEXAS petroleum exploration company with prospecting rights over huge chunks of KwaZulu-Natal and other parts of South Africa has begun its attempt to find gas and oil in the mountains near Matatiele.

Although the company insists that the latest exploration bid will not involve any fracking at this stage, agriculture and environmental watchdog groups fear that any discovery of large shale gas and methane reserves would inevitably trigger the use of risky and unconventional extraction methods such as hydraulic fracturing (fracking).

Rhino Resources, which has offices in Texas, Cape Town and the British Virgin Islands, is negotiating to acquire oil and gas concessions in seven African countries.

Its local subsidiary company has already started the environmental authorisation process to hunt for oil in the sea off Cape Town, and more recently it launched a similar application to search for gas and oil on nearly 240 farms in the Eastern Cape, just south of the KZN border near Matatiele.

Drilling

The company's environmental consultants said the initial three-year exploration phase would involve "non-invasive techniques", seismic surveys and drilling up to 10 rock core samples.

The parent company is headed by Dallas-based attorney and petroleum investor Patrick Mulligan. He is also a member of the Texas Oil and Gas Association and board member of a Louisiana fuel distributor.

The local subsidiary company Rhino Oil and Gas Exploration South Africa (Pty) Ltd, is

Large areas in KZN targeted

THE two largest exploration areas in Rhino Resource's sights are in KZN. The largest exploration zone stretches from Pietermaritzburg to just south of Vryheid, including the coal-rich Glencoe/Dundee area.

The Petroleum Agency of South Africa has also granted Rhino a technical co-operation permit for a much larger belt of land that stretches from Newcastle in the east to Kosi Bay in the north.

According to the company's website, Rhino has been granted technical co-operation permits or exploration rights over more than 28 000km² in the sea off Cape Town, along with almost 74 000 km² of land in KwaZulu-Natal, the Free State and the Eastern Cape. - Tony Carnie

ABSOLUTE



All set for Sunday's Distinguished Gentleman's Ride in Durban. David Laing and Benjamin Bayman. More than 30 000 smartly are expected to turn out on custom and classic motorcycles for help fund research for its cure. The Durban ride will begin at Du proceed through the northern suburbs to the city centre and return.

Strike lifted as city and

Sphelele Ngubane and ANA

A FOUR-day strike by Durban's taxi industry was suspended after an agreement was reached between the taxi industry and the municipality, KwaZulu-Natal Transport Alliance chairman Henry Mbatha said last night.

Mbatha said the municipality had agreed to release all the minibus taxis and a R1 500 fine would be levied in respect of each of them.

Initially, the eThekwin Municipality had said a taxi without a permit would be released after payment of a R3 000 fine, and would not be allowed back on the road until it had an operating licence from the provincial Transport Department.

Mbatha said that at 9am

today the taxi owners and their lawyer would be at the old Durban drive-in site to take possession of their vehicles.

He said the agreement was signed by city manager S'bu Sithole and other senior officials from the KZN Transport Alliance.

MEC Willie Mchunu was also expected to sign the agreement today, he said.

Workshops

"Those without permits will be allowed to continue operating. But on October 2, the Transport Department will have workshops to educate the taxi industry about permit applications, and also help those who had previously applied for permits but had problems," he said.

Rugby players are more lik

SPRINGBOK Bryan Habana parts in football.

The pros and cons of drilling 1,5 mln hectares

A REPORT released by SLR Consulting, the independent environmental assessment practitioner for the project, shows the following preliminary issues and potential impacts have been identified and will be investigated as part of the environmental assessment process.

- Farm safety – access by unknown persons to farms has the potential to cause security risks on farms. Operating heavy vehicles and equipment may pose safety risks. Runaway fires may present a potential safety risks for both people and livestock.
- Farm infrastructure – farms roads, gates and fences may be damaged during exploration activity.
- Soil and land capability – activities at the seismic and drill sites may affect soils and land capability if poorly regulated and not rehabilitated.
- Biodiversity – activities at the seismic and drill sites have the potential to disturb and or destroy vegetation, habitat units and related ecosystem functionality, including the disturbance of protected species.
- Surface water – the proposed activities at the seismic and drill sites has the potential to pollute surface water resources through consumptive use and the discharge of contaminants.
- Groundwater – the proposed drilling has the potential to consume and contaminate groundwater resources, which could impact availability to other groundwater users and the ecosystem.
- Air – the proposed project has the potential to contribute to air pollution, particularly through dust emissions from vehicles on gravel roads and the release of gas from boreholes.
- Noise and vibrations – the proposed project has the potential to cause noise pollution during drilling activities. Seismic surveys may cause damage to structures and disturb livestock and wildlife.
- Socio-economic – the project has very limited potential to contribute towards socio-economic impacts, mainly because local people do not have the scarce skills required and migrant labour will have to be imported.

While positive impacts include job creation and stimulation of the local and regional economy, the potential negative socio-economic impacts include the

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