

Coalbed Methane/Natural Gas in Coal Multi-Stakeholder Advisory Committee II (the MAC II)
Meeting Minutes

1. Room 111, Red Deer Provincial Building
December 1, 2006
10:00 to 2:10

In attendance:

David Breakwell (<i>chair</i>)	Alberta Energy
Ken Hoppins	Alberta Association of Municipal Districts & Counties
Rich Smith	Alberta Beef Producers
Bob Willard	Alberta Energy & Utilities Board (EUB)
Walter Ceroici (<i>alternate</i>)	Alberta Environment (AENV)
Sharil Baumgardner	Alberta Environmentally Sustainable Agriculture Committee
Tom Nahirniak	Alberta Surface Rights Federation
Don Bester	Butte Action Committee
Deryl Hurl	Canadian Association of Petroleum Landmen
Mike Gatens	Canadian Association of Petroleum Producers/Small Explorers and Producers Association of Canada
John Squarek	Canadian Association of Petroleum Producers/Small Explorers and Producers Association of Canada
Else Pedersen	Freehold Petroleum & Natural Gas Owners Association (FHOA)
Tom Hegan (<i>alternate</i>)	Rimby and District Clean Air People (RADCAP)
Craig Quintilio	Sustainable Resource Development (SRD)
<i>Others</i>	
Karen Henderson (<i>secretary</i>)	Alberta Energy
Sharla Rauschnig (<i>facilitator/presenter</i>)	Alberta Energy
Tom Byrnes (<i>observer</i>)	EUB
Andy Warren (<i>observer</i>)	EUB
Glen Norman (<i>observer</i>)	
Karl Zajes (<i>observer</i>)	Alberta Surface Rights Federation
<i>Absent</i>	
John Hermans	Alberta Agriculture, Food and Rural Development
Bev Yee (<i>co-chair</i>)	Alberta Environment (AENV)
Gene Roach (<i>facilitator</i>)	Community Development
Mary Griffiths	The Pembina Institute
Allen Wright	Coal Association of Canada

Welcome

The meeting started at 10:00. Sharla facilitated the meeting.

Review/Ratification of September Minutes

Some changes and additions were made to the draft minutes.

ACTION

- *Karen will incorporate the changes and circulate to MAC II members for ratification.*

Follow-up on Items from Previous Meeting

Follow up items from AENV

Walter Ceroici of AENV advised a scientific panel, composed mainly of academics from the University of Alberta, University of Calgary, the Alberta Research Council and Alberta Geological Survey (AGS) is in place to review baseline water data. The committee is co-chaired by Dr. Kevin Parks of AGS and Shannon Flint of AENV. The first meeting is scheduled for December 8 in Red Deer. The committee will be looking at all of the baseline information gathered to date. They will also be reviewing comments received from landowners. The committee's review will include looking at the adequacy of sampling requirements in the standard (e.g., should dissolved gas analysis be required?). Walter suggested Dr. Parks provide the MAC II members with an update at a future meeting. A MAC II member requested a copy of the committee's Terms of Reference (ToR). One observer asked if the committee is looking at diamondoids - Walter will raise the question with the committee. The MAC II members discussed the use of untreated water in well drilling and updates will be provided on this.

ACTION

- *AENV will provide a copy of the scientific panel committee's ToR for distribution to the MAC II members.*

With regards to a water sampling protocol, companies who collect water samples typically have a protocol in place to ensure representative samples are collected. Walter indicated it is very important to ensure a well is properly purged to ensure the water sample collected is representative of aquifer water. He indicated that a well is properly purged when time-sensitive parameters like temperature, specific conductance and pH in water, stabilize. Research has shown these parameters typically stabilize when three well volumes of water are removed.

The Base of Groundwater Protection (BGWP) in Alberta has been in place for about 15 years. During this period, the method to select the BGWP has varied resulting in information which is not always consistent. Consequently, AENV has contracted the AGS to update BGWP production data for the province. AGS is expected to complete their work by March 31, 2007. Walter suggested the AGS could present their findings at a future MAC II meeting.

ACTION

- *AENV will follow up with the project team to see when they could provide an update at a future MAC II meeting.*

Walter advised isotopic testing of gas samples is done at a number of universities including the University of Alberta, University of Calgary, University of Waterloo and University of British Columbia. The University of Waterloo has the ability to analyze for hydrogen isotopes in addition to carbon isotopes. It costs about \$150 to test for carbon isotopes and about \$400 to test for other isotopes. The universities constantly test their protocols to those established by the International Atomic Energy Industry to ensure consistency. To date, the labs have been able to handle the volume of test samples submitted under the baseline testing program.

Walter confirmed the timeline for starting on recommendation 3.5.1, beneficial use of produced non-saline water, has been moved up and work has started.

AENV is collecting water and gas (if available) samples from approximately 80 monitoring wells in the provincial monitoring well network for analysis. Forty wells are located in CBM areas. A study was conducted to select the 40 wells. To date, twelve wells have been sampled. Virtually all twelve wells contained gas - methane was the predominant gas in eleven of the samples. Two wells in the Warner area, which contained the highest levels of methane gas, were furthest away from industry activity. Other gases in the samples included carbon dioxide and hydrogen. A MAC II member would like to know where the CBM monitoring wells are located.

The wells in the provincial observation well network have been monitored predominantly for water level fluctuation – some have chemical analysis for water. Historically, gas composition has not been monitored in the wells.

AENV will be adding new wells to the provincial observation well system with one already located near Drayton Valley. AENV will also review potential partnerships with industry so that, for example, rather than abandoning a well, it can be incorporated into the provincial observation wells system. Most of the wells are located on Crown land as they are easier to access. A MAC II member commented the University of Lethbridge is undertaking research and development in relation to baseline testing and is also getting information from the United States. There may be value in AENV working with the University. AENV will continue to sample next year and into the future.

Walter also reported that the University of Alberta has analyzed approximately 200 gas samples submitted by industry under CBM baseline testing requirements to date. Methane was found to be the predominant gas in 50 of the 200 samples.

ACTION

- *AENV will provide a map for the next MAC II meeting identifying the location of the monitoring wells in CBM areas.*

Industry is reporting baseline data using a template on AENV's website. The information is being entered into an electronic database. A project manager has been retained by AENV to develop a more permanent database that can be publicly accessed. It is expected the public database will be completed by spring/summer of 2007.

Don noted there was a literature review conducted by EUB staff on treated and untreated water.

Follow up items from EUB

Bob provided a handout listing the multi-stakeholder members on the Shallow Fracturing Steering Committee, noting two public MAC II members were on the committee. Bob confirmed he also passed the general question concerning public access to the Workplace Hazardous Materials Information System (WHMIS) on to the EUB Manager of Environment group for future consideration after MAC priority issues are addressed. Bob suggested if a landowner has a concern or question, they should approach the company directly. A MAC II member commented not all companies are willing to listen, which is why they felt the EUB should create regulations requiring the report be made publicly available. Bob advised the information is available on the EUB well records, although it may be somewhat technical in nature. Another MAC II member suggested perhaps, in the future, the EUB website could be enhanced to make WHMIS information more accessible.

Recommendation Implementation Review

DoE Update

Sharla provided MAC II members with a handout updating progress on the eight recommendations they are leading; of these, work has started on seven of them. On 5.2.3, use of saline water in enhanced oil recovery, DoE will be working with the consultant AENV hired to undertake similar research. Work on recommendations has been delayed on 6.3.1 and 6.5.1 but the internal consultation portion is expected to be completed by fiscal year end. The MAC II continues to meet and review progress, as outlined by recommendation 7.6.1. A web prototype for P&NG sales data has been developed and demonstrated to DoE staff for feedback. DoE would like to demonstrate the site at a future MAC II meeting; a MAC II member suggested the presentation be user friendly for those who are not entirely computer literate.

ACTION

- *Karen will add demonstration of the P&NG sales data prototype to a future MAC II agenda item.*

Work has not been completed on recommendation 9.4.2. Existing instructions on information searches for DoE's website are being reviewed for opportunities to simplify them.

Sharla highlighted work completed on the risks and associated impacts of split title ownership (recommendation 6.2.1). The DoE has prepared a draft document addressing these issues which will be posted to their website and would also like FHOA to post to their website if they think it appropriate. The document is being reviewed for final editing and is expected to be added to DoE's website by the end of the year.

ACTION

- *Sharla will bring a copy of the final web document to the next MAC II meeting.*

Else provided a copy of FHOA's current newsletter available on their website.

ACTION

- *Karen will provide electronic copies of the newsletter to the MAC II.*

AENV Update

Walter provided a handout updating AENV progress on recommendation 3.3.2, which focuses on ensuring additional protection for produced non-saline water. A stakeholder workshop will be held on December 14 to review concepts in the proposed Code of Practice and to discuss a process for reviewing/validating threshold values.

AENV started work on examining beneficial uses of produced water ahead of the schedule identified in recommendation 3.5.1 in the final report. AENV has partnered with the Petroleum Technology Alliance Canada, the DoE and Innovation and Science to look at beneficial produced water rules and existing regulations in other provinces as well as in the U.S. The project will also study the risks, liabilities and benefits of using this water. Bill Berzins of Fossil Water is the contractor. Also on the team are a hydrogeologist and a lawyer. Work will start on a developing a report with a tentative deadline of late February 2007. This report will form the basis of six workshops AENV plans to hold throughout the province in April 2007. Regarding recommendation 3.3.3, the 2004 water diversion guideline will be updated once the Code of Practice and beneficial use policy are completed.

A MAC II member asked if a scientific committee had been established to look at establishment of threshold volumes for produced non-saline water (recommendation 3.3.1). Walter said not at this point, although a scientific committee may be established later in the process. He would get clarification on the process.

ACTION

- *AENV will provide an update on the December 14 Code of Practice workshop. Recommendation 3.3.1 in the action plan will be revised by deleting the first sentence of results achieved.*

Regarding recommendation 3.3.6, the target date for posting a public registry is some time next year. Work on recommendation 3.4.2E has started but may not be quite completed by fiscal year end.

SRD Update

Craig provided the MAC II members with a handout on Integrated Land Management (ILM). There is a significant amount of information available on their website. The six groups working on aspects of ILM have not yet worked together. A workshop is scheduled for January 22 to look at ILM related issues with plans to release progress reports next spring.

EUB Update

Bob gave the MAC II members a handout highlighting two new examples of the information/knowledge work undertaken by EUB. He noted many of the MAC recommendations are dependant on the availability of solid, reliable information. EUB Directive 43 came into effect December 1, 2006, requiring the surface casing intervals of all new wells to be logged. This type of information will provide missing information on very shallow lithology (sand, shale and coal) that will support studies on potential impacts, mapping and water well investigations. The new log information will be included in the normal public information base.

Directive 44 issued October 31, 2006, outlined the increased surveillance and tracking of all wells producing water with cross references to perforation. Directive 44 also provides a protocol for accurate and consistent sampling of produced water. This information will support the work by AENV to enhance water diversion applications, Code of Practice and future work on beneficial use of water. Initial data are spreadsheet-based and multi-user data bases remain long term goals.

Together with comments on the main action report, Bob noted that several working groups at EUB are addressing MAC issues involving a cross-section of staff and expertise throughout the organization.

Public Status Report

Karen previously sent out report style templates for the MAC II to consider. Based on feedback, David advised there were aspects of each report style members liked and he provided a handout providing a sample as to how the MAC II report may be formatted. The members agreed the template was acceptable with a few modifications.

The updates provided have to be accurate and correctly reflect progress made to date. David would like the report released in April or May 2007, around the first anniversary of the release of the MAC final report. The report would be presented in two parts - a table with a quantitative update on the recommendations and a section with qualitative input from the MAC II members. Some of the recommendations will be implemented in phases so there may need to be a subset to update progress on this as well as providing details as to what the phase includes. Under "Action Taken" it may help to break down information on milestones in order to provide better information. Also, the header "Description of Recommendation" will be used in the table.

The MAC II discussed the merits of establishing a small writing team to prepare a draft of the qualitative input section but decided against forming a writing team. Instead, each stakeholder group will be responsible for submitting comments which will be forwarded to the writer to collate and provide a draft for review by the MAC II. It was agreed that comments will be based on March 31 2007 action plan results. Initial feedback from each of the members should be submitted by January 31, 2007; this information will be and refined based on the writer's draft and updated action plan results.

The template will be updated and distributed to MAC II members by end of December. The MAC II members will provide their written comments, which will then be forwarded to Karen by January 31, 2007. Members are asked to be candid in their feedback, as the intent is not to necessarily reach consensus. Comments will be compiled into a report by the writer and a draft will be presented at the next MAC II meeting for review.

ACTION

- *The template will be modified to reflect suggested changes of MAC II members and then distributed.*
- *All MAC II members are to have their comments on recommendation implementation to Karen by January 31, 2007.*

Other Items

Deryl advised the first exams for the Professional Landmen Surface Land Certification will be held in January and will cost \$250 to write. The manual for professionals is currently being updated and will be released in June 2007.

Next Meeting

- The next MAC II meeting will be held at the Red Deer Provincial Building on March 2, 2007. Agenda items will include
 - Update on items from previous meetings
 - Review of draft recommendation implementation report
 - Departmental recommendation implementation updates

The MAC II adjourned at 2:15.