

Coalbed Methane/Natural Gas in Coal Multi-Stakeholder Advisory Committee (the Committee)
Meeting Minutes
Red Deer Room, Red Deer Lodge
September 13, 2004
9:30 to 2:30

In attendance:

Mike Ekelund (chair)	Department of Energy
John Hermans	Alberta Agriculture, Food and Rural Development
Phyllis Kobasiuk	Alberta Association of Municipal Districts & Counties
Mary Griffiths	Alberta Environmental Network Society
Sharil Baumgardner	Alberta Environmentally Sustainable Agriculture Committee
Tom Byrnes (alternate)	Alberta Energy & Utilities Board
Tom Nahirniak	Alberta Surface Rights Federation
Don Bester	Butte Action Committee/Rimbey & District Clean Air People
Deryl Hurl	Canadian Association of Petroleum Landmen
Mike Gatens	Canadian Association of Petroleum Producers / Canadian Society for Unconventional Gas / Small Explorers and Producers Association of Canada
John Squarek	Canadian Association of Petroleum Producers / Canadian Society for Unconventional Gas / Small Explorers and Producers Association of Canada
Else Pedersen (alternate)	Freehold Petroleum & Natural Gas Owners Association
Gene Roach (facilitator)	Community Development
Karen Henderson (secretary)	Alberta Energy
Sharla Rauschning (presenter)	Alberta Energy
Audrey Murray (presenter)	Alberta Energy
Barrie Harrison (presenter)	Alberta Energy
Dave Trew (alternate)	Alberta Environment
Barry Cole (alternate)	Sustainable Resource Development
Absent:	
Gene Rawe	Alberta Beef Producers
Bob Willard	Alberta Energy & Utilities Board
Peter Watson (co-chair)	Alberta Environment
Nga de la Cruz	Alberta Environment
Brad Murray	Freehold Petroleum & Natural Gas Owners Association
Dave Bartesko (alternate)	Sustainable Resource Development
Robert Donick	The Coal Association of Canada

Welcome and Introductions

The meeting started at 9:30.

Review/Ratification of Documents

ACTION

- *Minutes from August 16 were accepted.*

Remuneration for travel to future Public Meetings

Mike advised the current Ministerial Order would allow remuneration for travel time incurred by members representing the MAC at future public meetings.

DECISION

- *MAC members who make presentations at public meetings on behalf of the committee will receive remuneration for their travel time.*

Remuneration for Preparation Time

Don Bester asked that Surface/Air working group members receive compensation (\$72) for preparation time for each meeting day. Currently, a working group member receives the same amount for a one day or two day meeting.

ACTION

- *Mike Ekelund will review and provide a decision to the MAC.*

Information Summary Document

Sharla advised the MAC that the initial summary of questions and answers from the information sessions is complete, although wording is still being finalized. A copy of the final draft will be provided to the MAC for review within the next few weeks and once approved, will be added to the NGC website.

EUB Information Item Update

Tom Byrnes advised there are no specific EUB requirements regarding the composition of mud used in shallow well drilling. There are some requirements for testing the composition of drilling mud but only at the start of the process. There are no restrictions regarding use of slough water to drill through the aquifers.

ACTION

- *The issue of water type used for shallow NGC well drilling will be referred to the Water Issues Working Group.*
- *The issue of increasing the frequency of testing drilling mud will be referred to the Surface/Air Issues Working Group (SAWG).*

Surface/Air Issues Working Group (SAWG)

Barry Cole advised the SAWG met last week and work continues on draft recommendations. Another meeting will be held on October 27 and 28 and they plan to have their draft report to the MAC by November 29. There were questions as to what working group members could share with their own organizations. The MAC is responsible for all draft and final recommendation documents including the working group recommendations being developed for MAC consideration. Any such documents should not be disseminated until after the MAC has reviewed and ratified them.

Also discussed was how working groups were to address lack of consensus on a particular issue. The SAWG spent part of their meeting discussing whether to use stronger language in a

recommendation (“must”) or more of a “best practices” or suggestion (“may”). The MAC agreed that the working groups should examine and prioritize issues and provide outcomes, consistent with the matrix provided at a previous meeting. Issues specific to NGC should be given the highest priority. Issues that are not NGC specific but are general to natural gas development should still be reviewed; the MAC will consider all recommendations forwarded by the working groups.

The Flaring and Venting Team of Clean Air Strategic Alliance expects to present their draft recommendations to their board in November.

ACTION

- *All draft recommendations will come to the MAC for review prior to being shared with working group member’s own organizations. MAC and working group members can request advice and direction from their associations /organizations on an informal basis, but are not to provide paper or electronic version of the working group draft documents.*
- *An e-mail will be sent to the working group Chairs reminding them to use the six NGC issue categories to help facilitate their review process.*
- *The MAC will review all recommendations put forward by the working groups.*
- *Barry Cole will provide an update from the September 8th SAWG meeting to the MAC. In addition, he will provide a one to two page status update on their meeting to be held September 27-28, including; highlights of their progress; issues under discussion; a summary of issues/recommendations developed and any minutes/documents from the working group at the next MAC meeting.*

Expanded Land Tenure Working Group

Audrey Murray reviewed the updated list of draft recommendations sent out to the MAC last week. Two of the recommendations (notification of development after the sales process; tenure system become more adaptable and flexible) were previously identified. A new recommendation relates to notifying coal owners about development. Although the current process is working, the working group felt it would be useful to update DoE Information Letter 80-11 regarding the identification of coal permit areas in public offering notices of Crown P & NG rights. The Coal Association also recognised they need to work with the EUB regarding this issue.

They will meet again on Wednesday, September 25, to review the draft report they plan to have to the MAC in October.

ACTION

- *The Chair will update the summary and provide it to the MAC for the next meeting.*
- *Once the working group’s draft report is complete, formatted and approved by the MAC, it will be shared with the other Chairs as an example as to how the reports are to be written.*
- *If possible, it will also be shared with the MAC in advance of the next meeting.*

Royalty Working Group

Karen Henderson provided an update on behalf of the working group Chair. Further information has been requested from industry, with responses due September 30. The working group has held further discussions respecting the Mannville data previously presented and have resolved discrepancies. One other company has recently offered to share additional Mannville data with the working group. They are investigating water-handling costs. Another meeting of the working group is planned for the end of September.

ACTION

- *A status update on the Royalty Working Group will be provided at the next MAC meeting, including highlights of their progress, any areas of concern or issues on which consensus has not been reached. The MAC will be provided with a one to two page summary of issues/recommendations and any minutes/documents from the working group.*
- *An alternate will provide the update to the MAC if the Chair is unable to attend.*

Water Issues Working Group

Dave Trew provided a PowerPoint presentation updating the status of the working group. They have held five meetings so far and have also established a writing sub-committee. They have outlined some preliminary assumptions, main concerns and developed issues categories. They will include background regarding water and hydrogeology in their draft report.

ACTION

- *The working groups will outline issues and the MAC will develop recommendations regarding how the issue could be addressed.*
- *A status update on the Water Issues Working Group will be provided at the next MAC meeting, including highlights of their progress, any areas of concern or issues on which consensus has not been reached. The MAC will be provided with a one to two page summary of issues/recommendations and any minutes/documents from the working group.*

Communications Plan

Barrie Harrison reviewed a draft communications plan with the MAC. An outstanding question is whether “recommendations” or “preliminary findings” should be used. Print advertising will be used in all eight locations where the information sessions were held. The MAC wants press releases to include both the acronym “CBM” and “NGC”. Communications will contact rural newspapers, including both paid and unpaid subscriptions, as they tend to have different audiences. Agrinews, the Western Star, the Western Producer and radio shows such as “Call of the Land” will also be contacted. The MAC discussed expectations of presenters speaking to groups on behalf of the MAC regarding the draft report. They want to ensure that Municipal Affairs is up-to-date regarding the consultation process, as some of the recommendations may impact them. Mike Ekelund advised the MAC that he and Peter Watson have been invited to speak about the consultation process at the 6th Annual Unconventional Gas Conference, hosted by the Canadian Society for Unconventional Gas, on November 19.

ACTION

- *Grande Prairie will be added to the list of locations where print media will be used to communicate the draft recommendations.*
- *Both the acronyms CBM and NGC will be included in all media releases.*
- *Communications will outline expectations when someone is presenting information on the draft recommendations to a community group or organization.*
- *Under “Background/History” the term “freehold owners” will be added to the first bullet.*
- *Under “Audiences” include “surface/sub-surface owners”.*
- *Sharla Rauschnig will advise Municipal Affairs of the CBM/NGC consultation process and current timelines.*
- *Changes/additions to the communications plan will be provided at the next MAC meeting.*
- *“Next steps” will be added to the Communications Plan to outlined how additional feedback will be incorporated into the final report.*
- *Key messages for the presentation at the CSUG conference will be shared with the MAC prior to November 19.*

Terms of Reference

Some of the working groups require additional time to submit their recommendations to the MAC to ensure all issues and concerns are addressed. Also, current timelines may be impacted based on feedback received from the NGC website and community meetings. The MAC plans to have the final report to government no later than summer 2005. The MAC discussed how these changes would impact the current Terms of Reference. Also discussed was potentially identifying if an issue would need policy, regulatory or legislative change in order to be implemented.

ACTION

- *Sharla Rauschnig will provide information on the legislative process.*
- *A decision will be made at the next MAC meeting regarding a timeline change in the ToR.*

Request for Moratorium

Don Bester advised the MAC that Alberta Energy, Sustainable Resource Development and Environment did not support the Butte Action Committee's request for a moratorium on development of NGC in areas of potential fresh water development. Don explained they were not requesting that drilling stop but that there should be no production in areas with fresh water until the MAC delivers its recommendations to government. Mary Griffiths advised that the Alberta Environmental Network had met earlier this year and had also requested a moratorium on NGC development in areas of potential fresh water development.

Use of Drinking Water in Drilling Wells

Tom Narhirniak spoke about a letter he received from Dr. Lorne Taylor, Minister, Alberta Environment, regarding the use of drinking water in drilling gas wells.

ACTION

- *Tom will provide a letter to the Chair of the Water Issues working group for their review and to see if they need to develop any recommendations pursuant to the letter.*

Ownership of Crown/Freehold Mineral Resources

A MAC member wanted to ensure that the potential checkerboard development of NGC was being addressed. Lack of certainty of ownership rights on land with split title is a concern for industry.

ACTION

- *The Expanded Mineral Land Tenure Working group has already agreed not to provide a formal recommendation regarding ownership of NGC on land with split title, but will be asked to comment on this issue in their draft report to the MAC.*

Meeting Times

Although it is anticipated future meetings will start to get longer as draft reports are presented to the MAC, the meeting start time will remain at 9:30 a.m. until otherwise indicated.

Future Agenda Items

- Working group status updates.
- An update communications plan for the draft recommendations.
- Changes to the Terms of Reference timelines.

Next Meeting (9:30 October 4, Red Deer Lodge)

Future Meetings

October 25
November 1
November 8
December 6
January 10
February 7
March 7