

## Minutes

Coalbed Methane/Natural Gas in Coal Multi-Stakeholder Advisory Committee (the Committee)  
Meeting Minutes  
Red Deer Room, Red Deer Lodge  
October 4, 2004  
9:30 to 1:30

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### In attendance:

Mike Ekelund (chair)	Department of Energy
Peter Watson (co-chair)	Alberta Environment
John Hermans	Alberta Agriculture, Food and Rural Development
Tom Hegan (alternate)	Alberta Environmental Network Society
Tom Byrnes	Alberta Energy & Utilities Board
Bob Willard	Alberta Energy & Utilities Board
Karl Zajes (alternate)	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
Cam Cline	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
Karen Henderson (secretary)	Alberta Energy
Barrie Harrison (presenter)	Alberta Energy
Nga de la Cruz	Alberta Environment
David Helmer (presenter)	Alberta Environment
Dave Bartesko (alternate)	Sustainable Resource Development
Keith Beraska (alternate)	Sustainable Resource Development
Barry Cole (alternate)	Sustainable Resource Development
Absent:	
Gene Rawe	Alberta Beef Producers
Phyllis Kobasiuk	Alberta Association of Municipal Districts & Counties
Mary Griffiths	The Pembina Institute
Sharil Baumgardner	Alberta Environmentally Sustainable Agriculture Committee
Tom Nahirniak	Alberta Surface Rights Federation
Gene Roach (facilitator)	Community Development
Robert Donick	The Coal Association of Canada

## **Welcome and Introductions**

The meeting started at 9:30.

## **Review/Ratification of Documents**

### ***ACTION***

- *Minutes from September 13 were accepted.*

## **Remuneration for Preparation Time**

### ***DECISION***

- *Mike Ekelund approved remuneration for up to four hours preparation time for each day of working group meetings held since March 2004.*
- *Dave Bartesko will advise members of the Surface/Air working group (SAWG) of this change and to submit requests for remuneration to the Department of Energy.*

## **Non-Saline Water Question**

A question was raised at the last MAC meeting as to whether diversion permit applications had been submitted to Alberta Environment for all NGC operations that may produce non-saline water. Peter Watson advised that AENV reviewed all well data received from the EUB and David Helmer had followed up with the companies to ensure they were in compliance. In the next few weeks, AENV will likely issue public notices on 11 of the 18 applications. The remaining wells are either shut in or have suspended production. It appears some of the companies were not familiar with the requirements as they had not previously encountered the production of non-saline water; ongoing communication and co-operation are essential to the process. They will continue to monitor the situation, taking action where appropriate.

### ***ACTION***

- *The Water working group will consider if there is a feasible administrative solution, to be immediately implemented, that would advise companies on what they need to do if non-saline water production may be produced from a well. This would include when non-saline water production is anticipated, when it may be encountered and when it is not anticipated and non-saline water production occurs.*
- *The Water working group will provide an update on this issue at the next MAC meeting.*

## **Information Summary Document**

Karen advised the initial summary of questions and answers from the information sessions is in the process of being prepared. A copy of the final draft will be provided to the MAC for review and, once approved, will be posted to the NGC website.

## **Surface/Air Issues Working Group (SAWG)**

Dave Bartesko advised the SAWG met September 27 and 28. The overarching issue identified in the summary document provided to the MAC is “land use management” with all other issues falling under this category e.g. communications, quality of life and land management. The working group did not identify any “NGC specific” issues; all issues are either “NGC general but strongly related” or a “general natural gas issue” as per the issues matrix. The writing team expects to have a draft to SAWG by October 15 and it will include all issues they have reviewed. Additional meetings are scheduled for October 21, 26 and 27. Presentation of the report to MAC is planned either for November 29 or December 10. After the report has been submitted to MAC, Keith Beraska will take over from Dave Bartesko as Chair of the working group.

### ***ACTION***

- *A status update on the SAWG 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.*
- *The SAWG Chair will review their action items identified in previous MAC minutes to ensure they have been communicated to the working group members and actioned as required.*
- *The working group will review their recommendations and identify those requiring legislative, regulatory or policy changes.*

### **Expanded Land Tenure Working Group**

Karen advised that the Expanded Land Tenure working group is working on their report and plan to provide it to the MAC in advance of the November 1 meeting.

### ***ACTION***

- *Distribute the report for MAC review prior to November 1 MAC meeting, where it will be presented by the working group Chair.*
- *The working group will review their recommendations and identify those requiring legislative, regulatory or policy changes.*

### **Water Working Group**

Peter Watson provided a copy of draft issues, key recommendations and actions from the Water working group for MAC review. The working group has identified four key issues; impact to groundwater and surface water from NGC development; management of produced water; seepage of methane in aquifers, and; adequate information about NGC practices, potential benefits and impacts. They are about halfway through their review process and plan on providing recommendations to MAC by the end of November. They may work on a “best practices” document as well, but this could take another few months to complete.

The document presented to MAC was a rough draft completed via a conference call and may not contain all issues. Peter would like feedback on the document as well as identification of any issues the MAC feels have not been addressed.

### ***ACTION***

- *The MAC is to provide comments to Dave Trew on the Water working group document by October 8, if possible, or October 12 at the latest.*
- *A status update on the Water 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.*
- *The working group will review their recommendations and identify those requiring legislative, regulatory or policy changes.*

### **Royalty Working Group**

Mike Ekelund provided an update on behalf of the working group Chair. The Royalty working group undertook an initial review of industry information and is currently reviewing more up-to-date data that has since been provided. Some companies may be prepared to share further data on their actual costs. One of the issues under review is the cost of handling produced water and if changes are needed to the current royalty regime. The Department of Energy undertakes modelling of economic changes and impacts of different scenarios with regards to royalty. Any changes to the current royalty regime would require justification.

## ***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 and when recommendations to the MAC are anticipated. The MAC will be provided with a one to two page summary of issues/recommendations and any minutes/documents from the working group.*
- *The working group will review their recommendations and identify those requiring legislative, regulatory or policy changes.*

## **MAC Terms of Reference (ToR)**

The current ToR says “*All recommendations will be forwarded to the ADM Sponsor Committee by November 1, 2004*”. This original timeline has been extended to allow sufficient time to ensure a thorough review of issues and development of appropriate recommendations. The MAC deferred changing the date in the ToR until the timelines in the Communications plan have been approved.

Mike Ekelund provided an overview as to the three types of changes that can be implemented:

- **Legislation** – after receiving appropriate approvals, a bill is submitted into the Legislative Assembly, where it will become law after proceeding successfully through three readings, during which the bill is debated and is then given royal assent. Consequently, changes to legislation take the most time. Because it is necessary to schedule time for debate in the Legislative Assembly, the earliest request for change in existing legislation would be 2006.
- **Regulation** – the time necessary to prepare and approve regulation amendments will depend on the scope and complexity of drafting the proposed change, but generally takes two to five months.
- **Policy** – a departmental policy change could be implemented within a few months or less, depending on the complexity of the policy and potential impacts to other departments or agencies.

The “*Miscellaneous Statutes Amendments Act*” was mentioned as a way of implementing legislative changes in a timelier manner; however, this Act is intended to address “housekeeping” issues and requires consensus of all MLA’s in order to be accepted.

## ***ACTION***

- *At the next MAC meeting, Alberta Environment will provide a short presentation on which of the Water working group recommendations would require legislative, regulatory or policy change in relation to the Water Act.*

## **Communications Plan**

Barrie Harrison outlined the revised Communications plan. Changes and additions discussed in the last MAC meeting have been incorporated into the plan.

## ***ACTION***

- *On the second page, change “The advisory committee” to “The MAC”.*
- *On the second page, change “The MAC wants to address all of the issues and concerns” to “The MAC wants to address all of the NGC issues and concerns.”*
- *On the third page, extend January 17 deadline for “launch for preliminary findings” to March 1, 2005.*
- *Ensure the acronym “CBM/NGC” is incorporated where appropriate.*

The MAC recommended some of the meetings scheduled for 2004 be deferred until early 2005, to allow time for working groups to complete and submit their recommendations to MAC.

The November 1 meeting will start at 9:30 but may end later than some of the more recent MAC meetings.

The revised meeting schedule is as follows:

*October 25 - cancelled*  
November 1  
*November 8 - cancelled*  
December 6  
January 10, 2005  
*January 24 – new meeting*  
February 7  
*February 22 – new meeting*  
March 7

#### **Upcoming Canadian Society for Unconventional Gas Conference (November 17 to 19)**

The MAC discussed the possibility of Alberta Energy, Alberta Environment and Alberta Energy and Utilities Board or the MAC having a booth to disseminate information at the conference.

#### ***ACTION***

- *Mike Gatens will follow up on this and communicate his findings to Mike Ekelund and Peter Watson.*

#### **Future Agenda Items**

- Working group status updates.
- Change to the Terms of Reference timeline.
- Update Communications plan
- Review Mineral Land Tenure working group recommendations

**Next Meeting (9:30 November 1, Red Deer Lodge)**

#### **Future Meetings**

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*November 8 - cancelled*  
December 6  
January 10, 2005  
January 24  
February 7  
February 22  
March 7