

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

Room 206, Red Deer Provincial Building
March 2, 2007
10:00 a.m. to 2:50 p.m.

In attendance:

John Hermans	Alberta Agriculture and Food
Bob Willard	Alberta Energy & Utilities Board (EUB)
Sharla Rauschnig	Alberta Energy
John Knapp	Alberta Environment (AENV)
Bev Yee (<i>co-chair</i>)	Alberta Environment
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
John Squarek	Canadian Association of Petroleum Producers/Small Explorers and Producers Association of Canada
Else Pedersen	Freehold Petroleum & Natural Gas Owners Association (FHOA)
Mary Griffiths	The Pembina Institute
Craig Quintilio	Sustainable Resource Development (SRD)
<i>Others</i>	
Karen Henderson (<i>secretary</i>)	Alberta Energy
Doug Lammie (<i>observer</i>)	Alberta Energy
Gene Roach (<i>facilitator</i>)	Alberta Tourism, Parks, Recreation & Culture
Tom Byrnes (<i>observer</i>)	EUB
Tony Lemay (<i>presenter</i>)	Alberta Geological Survey (AGS)
Walter Ceroici (<i>alternate</i>)	Alberta Environment (AENV)
Glen Norman (<i>observer</i>)	
Karl Zajes (<i>observer</i>)	Alberta Surface Rights Federation
Sari Shernofsky (<i>writer</i>)	
<i>Absent</i>	
Ken Hoppins	Alberta Association of Municipal Districts & Counties
Rich Smith	Alberta Beef Producers
David Breakwell (<i>chair</i>)	Alberta Energy
Mike Gatens	Canadian Association of Petroleum Producers/Small Explorers and Producers Association of Canada
Allen Wright	Coal Association of Canada

Welcome

The meeting started at 10:00 a.m. Bev chaired the meeting in the morning and Sharla chaired in the afternoon. Bev introduced John Knapp, Assistant Deputy Minister, Environmental Assurance, AENV, who will be taking over Bev's role on the MAC II. Bev advised the MAC II members that the issue of groundwater will be getting a higher profile in 'Water for Life'. The Rosenberg Forum report on water policy to Alberta Environment can be viewed at <http://rosenberg.ucanr.org/documents/RegRoseAlbertaFinalRpt.pdf>

Review/Ratification of December Minutes

Some changes and additions were made to the draft minutes.

ACTION

- *Karen will incorporate the changes and post the meeting minutes on the website*

Follow-up on Items from Previous Meeting

Follow up items from AENV

Walter Ceroici of AENV provided a copy of the Draft Terms of Reference for the Baseline Water Well Scientific Review Panel, which included a backgrounder on the committee members. Walter also provided a map showing the location of wells in the provincial observation well network that have been sampled in the past year and the location of new wells added to the provincial network.

Tony Lemay provided the MAC II members with a presentation entitled "Completion of Base of Groundwater Protection (BGWP) Mapping". Water with total dissolved solids of less than 4000 milligrams per litre is considered non-saline water and must be protected. In their studies, AGS found no clear regional relationship between depth, elevation and total dissolved solids. The six steps in their process included compiling, screening, analyzing and mapping data, then determining the quality of the mapping estimates and finally comparing the new results to existing values. They are gathering data from across the province and are finding current and previous values tend to be in close proximity to each other. The next steps will include creation of an updated database, which will be maintained by the EUB and eventually made available to the public to access the information on-line. The process will update ST55: Alberta's Usable Groundwater Base of Groundwater Protection Information. One of the MAC II members feels the counties will also need to update their information to be consistent with what is contained in ST55. There are a number of issues which will be discussed through "Water for Life", including reviewing the BGWP value (i.e. 4000 mg/l total dissolved solids) and potential uses of produced water.

AENV Recommendation Profile

Walter provided a handout updating work on Recommendation 3.2.1, which included some background on the provincial Groundwater Observation Well Network. Water levels in the observation wells are monitored by AENV staff who enter the data into a database, which is publicly accessible through the AENV website (<http://www.3.gov.ab.ca/env/water/gwsw/quantity/waterdata/gwdatafront.asp>). AENV has added four observation wells in the Drayton Valley area as well as three wells at two locations in the Rosebud area. Approximately 40 wells in the observation well network are being sampled this year for water and gas analysis. Of the 33 wells sampled so far, most have been found to contain gas. Methane gas is common in the wells that are completed in coal or carbonaceous shale. Work is continuing to enhance the provincial observation well network by adding more wells and conducting more sampling of water and gas for analysis.

ACTION

- *Walter will provide the legal land descriptions of the wells from the provincial observation well network that have been sampled this past year for water and gas analysis to the MAC II members.*

Walter provided a handout updating work on Recommendation 7.5.5. AENV, in partnership with the EUB, industry and the Farmers' Advocate held a series of well attended workshops in June 2006 at thirteen locations to provide information on water issues related to CBM activity. The presentations used at the sessions and Q & A's from the sessions were posted on the AENV website. Also posted on the website is the fact sheet on the response process for water well complaints. (http://www.waterforlie.gov.ab.ca/coal/docs/Water_Well_Investigations.pdf). Alberta Environment is continuing to work with the EUB, Sustainable Resource Development and the Farmers' Advocate to enhance the complaint response process for water wells.

Alberta Environment partnered with Alberta Agriculture and Food and others to develop a water well information (construction, maintenance, etc.) workshop. The first workshop in Hinton on February 22 was well received by participants. More workshops are planned.

SRD Recommendation Profile

Craig Quntillio advised SRD held an ILM workshop in Edmonton from January 23 to 25, 2007, with about 150 people in attendance.

Alberta Energy Recommendation Profile

Sharla provided a handout updating the status of energy's recommendations. Work has been completed on recommendation 6.2.1 on split title and work is on schedule to continue addressing the remaining recommendations. One of the MAC II members wanted to know why work on Recommendation 6.5.1 wasn't scheduled to be completed until the 2009/10 fiscal period. Sharla will get further information.

ACTION

- *Sharla will obtain further details regarding work being done on Recommendation 6.5.1 and provide an update to the MAC II.*

EUB Recommendation Profile

Tom Byrnes provided updates on select recommendations and general CBM activities. He advised there have been about 1200 CBM wells subject to AENV's baseline water well testing program since May 1, 2006. These wells have all been audited pursuant to EUB Directive 35 with a very high level of compliance.

Activity tracking of CBM wells to year end 2006 is being tabulated. Early estimates show a cumulative number of close to 10,500 CBM wells.

EUB Directive 44, 'Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed above the Base of Groundwater Protection (BGWP)' was profiled in the last MAC II meeting. Tom noted the data gathering system has been tested since October 2006 when the directive was issued. Wells suspected of producing non-saline water above 5m³/month are being confirmed with companies and mitigative measures discussed. Bob estimated these would be discussed with AENV in about a month.

A definition of wells per section per pool has been added to the EUB website for the spacing project FAQ. This addresses MAC recommendation 7.5.3.

Tom noted the EUB land pilots for Carstairs and Innisfail (Aberdeen) had completed its multi-stakeholder review of potential CBM development and were in various stages of following up on select actions. The EUB's Land Challenge Pilot Initiative is in response to a number of government and stakeholder reports and feedback, including comments from the MAC. The Land Challenge Pilot Initiative is not limited to CBM as it is expected to target all intense development, which may include a single well in an environmentally sensitive area to a few hundred CBM wells in a community. Bob noted the initiative identified CBM as the resource for its first two pilots and in areas which were in or close to the high CBM activity areas.

The MAC II members had a number of questions about the pilots, focusing primarily on program objectives and locations. These questions were addressed by Bob, who participated in the Carstairs project, and the responses are summarized below. The EUB is reviewing and testing different approaches to promote project planning, better coordination of multi-company activities and increased engagement, understanding and response to community concerns. Each pilot was one township (TWP) in size and was unique in the issues on which the parties focussed and solutions that were identified. The size of the pilots reflected a workable base to deliver timely results. The EUB is aware some parties outside the pilot boundaries expressed disappointment over their inability to participate. The pilots were deliberately given a defined short time line and were expected to identify and address the key issues, not intended to cover every issue or item. The EUB's Resource Group selected the specific pilot areas as they appeared to have good CBM resource potential. Companies subsequently confirmed short term interest in making CBM applications and indicated their support for participating in a pilot review. Support for the pilots was also received from the respective counties. A selection of landowner representatives were part of a public meeting, which introduced the pilot concept and confirmed local support.

In the Carstairs pilot, Bob described the first recommendation as a consultation protocol where companies have agreed to collaboratively engage a community in a preliminary meeting to gather information on what is important to the community. A second community meeting would provide project plans showing landowners how their feedback has been incorporated. There would then be one-on-one discussions on site-specific details with a landowner or occupant. The second priority recommendation addressed the county's commitment to work with companies on a road use project plan instead of a single well at a time. This would potentially benefit both companies and residents. The pilot participants wrote a list of recommendations that reflected their needs and interests. Their list had some similarity to the list created by CAPP.

As noted in the MAC II action plan, the EUB is using the land pilot type projects, including a project previously undertaken at Battle Lake, as its response to the MAC recommendations #7.2.1., 7.3.1 and 4.2.1. The EUB believes there are opportunities to learn, test and implement new approaches from actual pilot testing.

ACTION

- *Karen will provide MAC II members with the web link and a copy of the FAQ.*

Review of Draft Public MAC II Report

Sharla reviewed the draft public report, which is currently in the following three parts: the government update, non-provincial government member update, and progress table. It was suggested the progress summary include reference to the specific recommendations. Also, the work of the EUB pilot projects, which came about as a result of the MAC final report, should be included.

ACTION

- *Bob will develop wording regarding the EUB pilot projects and provide to Karen to forward on to the writer.*

The report has a statement that water wells have to be sampled, but this should also include a farmer's ability to choose not to get testing done. ILM currently focuses on public land but may look at private lands at some point in the future and this should be included in the report. Overall, the MAC II members would like to have more headings added and more cross referencing to the recommendation numbers. The FHOA would like a review to occur sooner than the three year period as outlined in recommendation 7.6.1.

ACTION

- *John Squarek will provide Sari with wording regarding CBM activities undertaken by industry.*

One of the MAC II members asked to see the questionnaires completed by other members, however as the questionnaires were prepared and submitted as confidential information, members who agree to share their information with others will advise Karen accordingly. Sari would also appreciate further feedback from MAC II members. Information should be provided to Karen by March 16 and she will forward on to Sari.

ACTION

- *Additional MAC II feedback needs to be given to Karen by March 16.*

The MAC II had an opportunity to review the report prior to the meeting. MAC II members were pleased with the content of the Non-Government Summary Section and felt it appropriately reflected their earlier feedback and completed questionnaires. A request was made by Industry members to sub-divide the Non-Government Summary Section into two sections (e.g. non-provincial government members and industry members). The MAC II also approved the format/structure of the report. The MAC II will have until March 11, 2007 to provide final feedback, comments, and/or completed questionnaires. Final approval of the document will likely be completed through email.

Next Meeting

- If possible, the MAC II would like to complete work on the public report through e-mail. If necessary, a final meeting will be held on April 26 in Red Deer.

The MAC II adjourned at 2:50 p.m.