

Natural Gas in Coal (NGC) Consultation Update

December 2003

The NGC consultation is a cross-government effort to determine if changes to the regulatory framework are required for responsible NGC development. Highlights from the review and planned consultation will be periodically posted on the web at <www.energy.gov.ab.ca> (click on Natural Gas, and follow the link to Natural Gas in Coal).¹

Consultation plans – Advisory Committee

In response to advice from stakeholders, an advisory committee is being set up to guide the consultation process. Members will include a mix of stakeholders and government representatives. Its mandate will include:

- advising on the consultation process design and setting milestones,
- advising on the scope of the issues to be addressed,
- keeping the consultation focused on issues related to NGC development, and
- co-ordinating and consolidating possible regulatory changes to government.

A number of organizations have been invited to sit on the committee. The first meeting is scheduled for January 14, 2004.

NGC drilling activity

Interest in NGC has grown substantially over the last couple years. In 2000, there were fewer than 50 NGC wells drilled in Alberta. As of October 2003, the number had grown to approximately 500 wells drilled. Of those, about 180 are producing. This is also up from the 400 wells drilled (about 100 producing) by the end of May 2003.

Alberta Surface Rights Federation – public meeting

Government representatives attended the Alberta Surface Rights Federation's annual meeting to discuss NGC regulations and plans for the upcoming public consultation. About 160 people attended the meeting, which was held in Camrose on December 4, 2003.

Government staff made presentations outlining the role of the upcoming advisory committee, and regulations for water use, well licences, and well drilling. A representative from the Canadian Society for Unconventional Gas (CSUG) gave an overview of what happens to water wells when coal seams are dewatered. Attendees were also able to ask questions and relay any comments or concerns.

Alberta Geological Survey studies released

In October 2003, the Alberta Geological Survey (AGS) released two scientific reports relating to NGC production in Alberta.

Production Potential of Coalbed Methane Resources in Alberta estimates about 500 trillion cubic feet (Tcf) of natural gas is trapped in Alberta's coal seams. It is not yet known how much of the 500 Tcf can be produced based on current technology and economic conditions.

Chemical and Physical Hydrology of Coal, Mixed Coal-Sandstone and Sandstone Aquifers from Coal-Bearing Formations in the Alberta Plains Region and Production Potential of Coalbed Methane Resources in Alberta found water quality in wells completed in shallow coal, mixed coal-sandstone and sandstone aquifers in Alberta generally meet Canadian water quality guidelines. It also found some individual chemicals in groundwater from coal may exceed

¹ Note: Natural Gas in Coal (NGC) is also called Coalbed Methane (CBM).

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drinking water guidelines that would limit the re-use of produced water from shallow NGC reservoirs.

The Alberta Energy Research Institute (AERI) and the Alberta Energy and Utilities Board (EUB) provided funding for the studies.