

# **Coalbed Methane in British Columbia**

**An Integral Component of the  
Heartlands Economic Strategy**

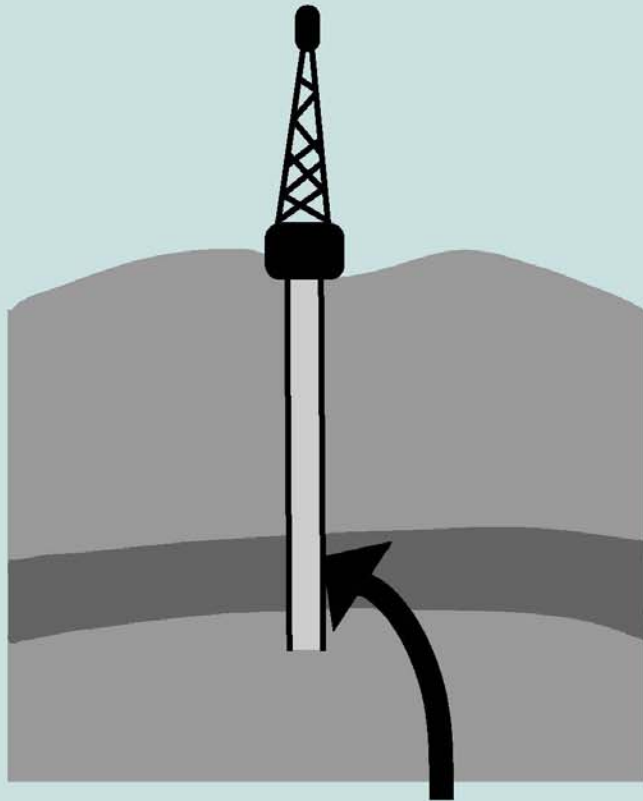
**Open Cabinet  
March 14, 2003**

# What is Coalbed Methane?

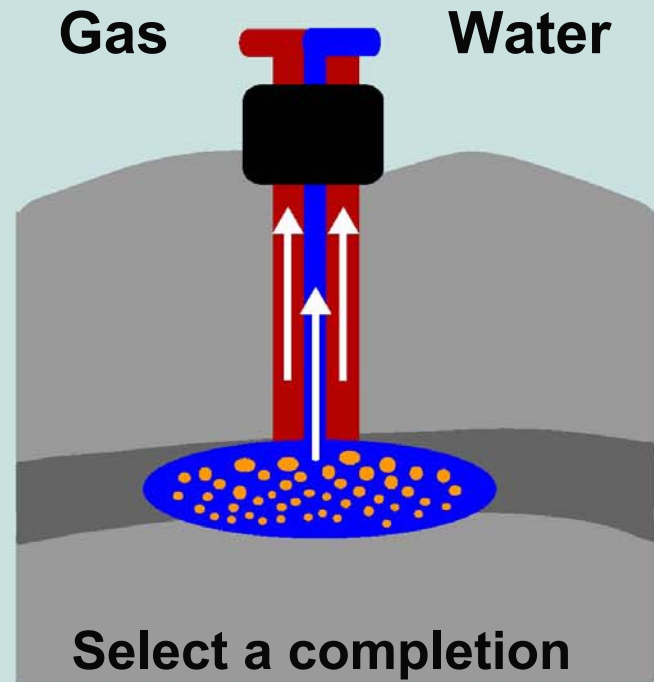
- Natural gas derived from subsurface coal seams (commonly >98% methane)
- Proven commercial source of energy (8% of US natural gas production)
- A new untapped gas supply for British Columbia
- Cleanest burning fossil fuel



# Coalbed Methane Development Process

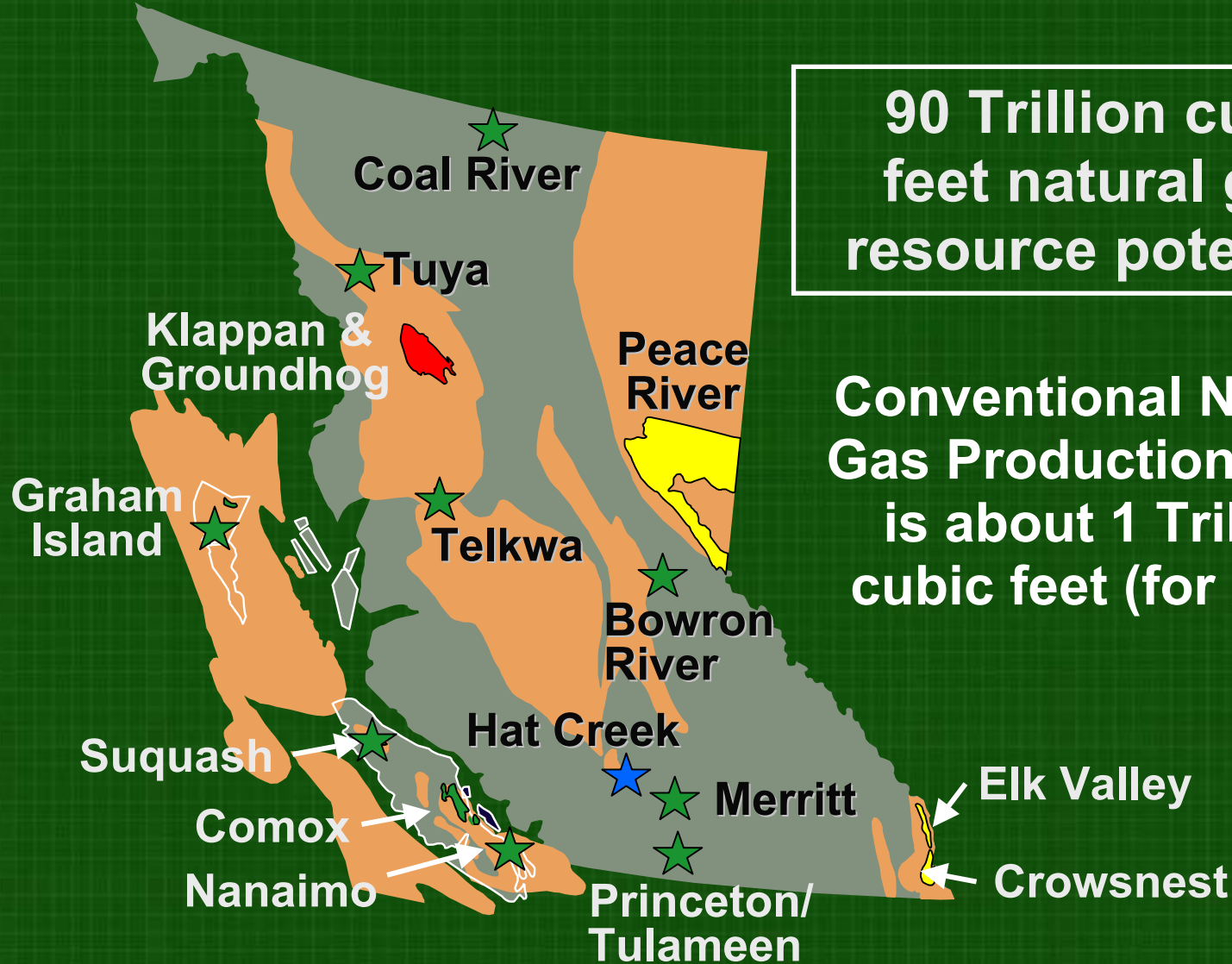


**Drill the coal section**



**Select a completion technique, produce and separate water and gas**

# Coalfields in British Columbia



90 Trillion cubic feet natural gas resource potential

Conventional Natural Gas Production in BC is about 1 Trillion cubic feet (for 2002)

# Working with Communities

- 
- **Communication and education**
  - **Anticipate and understand issues**
  - **Local economic development opportunities**

# Economic Opportunities

- **Job opportunities – direct and indirect**
- **Economic development and diversification**
- **New source of revenue**
- **Strong demand for natural gas**



# **Job Opportunities**

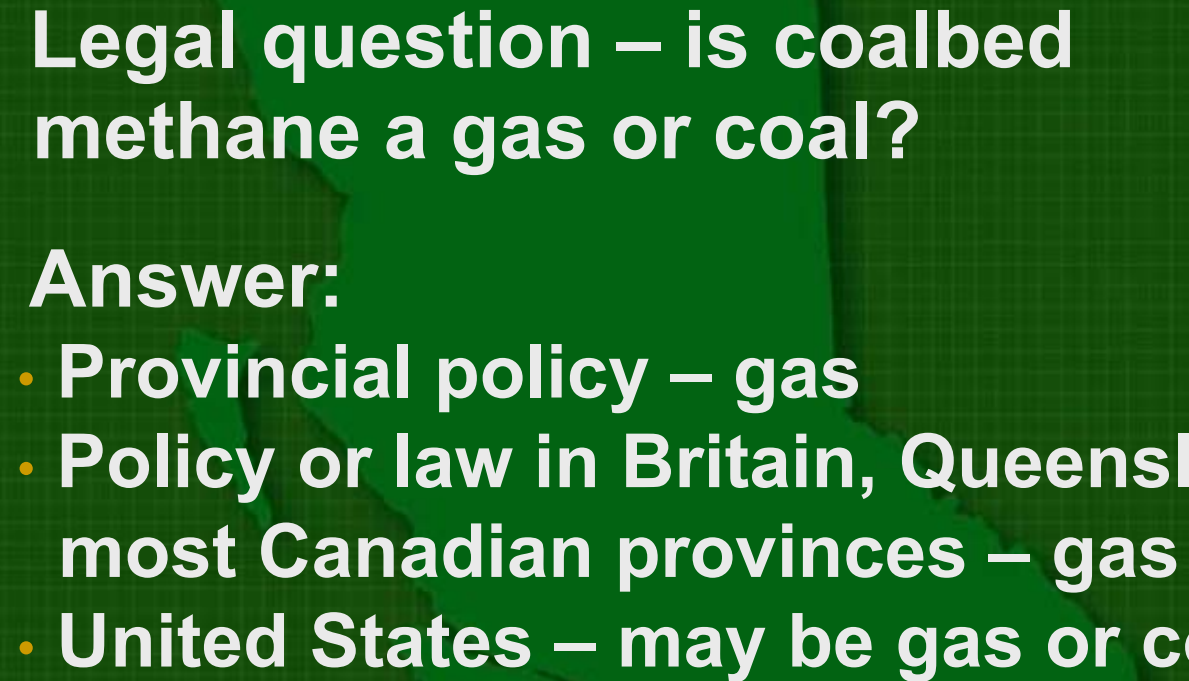


# Status of Ministry's Coalbed Methane Strategy

- New royalty and fiscal regime *completed*
- Comprehensive Regulatory Process *ongoing*
- Produced water “Code of Practice” *refining*
- Community information sessions *ongoing*
- Clarification of ownership *ongoing*



# Coalbed Methane Ownership

- 
- Legal question – is coalbed methane a gas or coal?
  - Answer:
    - Provincial policy – gas
    - Policy or law in Britain, Queensland, most Canadian provinces – gas
    - United States – may be gas or coal

# Conclusion

- **Developing coalbed methane is an integral component of the government's Heartlands Economic Strategy**
- **Coalbed Methane development in British Columbia could generate significant job and economic opportunities**
- **Committed to developing the resource in an environmentally responsible manner to mitigate impacts**
- **Working together with communities is key**



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