

# **A History of CBM**

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1975: Shell Canada and several other companies hire Sproule, a Calgary-based petroleum consulting firm, to assess the coal bed methane (CBM) potential of the Plains coal deposits in Alberta.

1977: Algas Resources Ltd., a subsidiary of NOVA Corporation, begins a five-year pilot program to develop CBM in Canmore. A dozen wells are drilled without commercial success.

1980's: As commercial development of coal bed methane in the United States began taking off, some more CBM tests are conducted in Canada, but still without commercial success.

1991: Alberta government and the province's energy regulator form the Coal Bed Methane Task Group to examine potential problems, monitor the industry and propose regulations.

1992: The Alberta Wilderness Association, who had reservations about the task group from the start, again raises concerns about the potential risks to water and land from CBM. They urge the task group to develop a CBM policy.

Late 1993: At the last official meeting of the task group, the founder of the industry's coal bed methane association tells the group he expects CBM development in Alberta to begin in five years.

October 1994: The energy regulator holds its first public hearing on a coal bed methane proposal by Petro-Canada for the Battle Lake area.

September 1995: The regulator decides to disband the task group because it determines there's not enough interest in developing coal bed methane.

2000: A joint venture between two petroleum companies -- PanCanadian Petroleum and MGV Energy Inc. -- begins a large CBM exploration program in Alberta.

Late 2001: PanCanadian and MGV establish first significant commercial CBM production in the Horseshoe Canyon and Belly River coals.

2002: Thanks to a rise in natural gas prices, coal bed methane begins to take off in the Horseshoe Canyon formation, with the bulk of the drilling between Calgary and Red Deer.

November 2003: Alberta Energy creates the Multi-stakeholder Advisory Committee (MAC) to evaluate potential impacts of CBM and develop practices, guidelines and, if necessary, regulations to manage the growth.

July 2005: MAC releases its preliminary findings. Many of its recommendations focus on groundwater concerns related to coal bed methane.

- By the end of 2005, Alberta has 7,764 CBM wells, about 96 per cent in the Horseshoe Canyon. However, only 5,419 of those wells are producing.

April 2006: Objections from landowners in the Torrington area prompt the energy regulator to hold the first CBM hearing in a dozen years. EnCana Corp.'s proposed wells are approved in November, but with conditions.

- May: The final MAC report is released. The Alberta government asserts it will act on all of the recommendations except those involving royalty breaks.

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