

CPAWS won't wait for government to develop coalbed methane regulations

By Graeme McElherran
News Reporter

At least two companies are interested in exploring for coalbed methane in the Yukon.

Cash Minerals Inc., a Vancouver-based mining company, owns the rights to the massive Division Mountain coal deposit near Braeburn and has asked the Yukon government for rights to methane gas that might be locked inside.

And Promithian Inc., also out of Vancouver, holds exploration leases for coalbed and coal-mine methane in the Bonnet Plume Basin in North Yukon.

Promithian's leases were granted by the federal government before control of the Yukon's coalbed methane devolved to the territory.

If indeed it has.

There are no territorial regulations governing coalbed methane, and the government is ill prepared to receive companies seeking to exploit it.

"There are no regulations in place," said Energy, Mines and Resources minister Archie Lang Thursday during Question Period in the Yukon legislature.

"As far as somebody applying for access to natural gas from coal, we don't have the forms for them to fill out, so we're a long way from managing that resource."

Coalbed methane is not governed under the Yukon Oil and Gas Act.

There is presently a "moratorium" on the Yukon's supply, said Lang.

"Until we have regulations in place and policies, we are not putting out natural gas from coal but a government in the future will have to do it."

However, Lang spoke with Cash Minerals and Promithian, as well as Almaden Minerals Ltd. and Troyman Resources Ltd., about coalbed methane in a letter dated August 18th, 2005.

The contents of that letter are being held confidential under the Yukon's privacy laws, to protect third-party interests.

But the Canadian Parks and Wilderness Society isn't waiting to find out what Lang told the interested mining companies, or for the government to develop coalbed methane regulations.

In the absence of government initiatives, CPAWS-Yukon is bringing environmental experts to the territory to explain the impacts; the industry can have.

For the most part, it isn't pretty.

Coalbed methane is not like conventional natural gas that is tapped from underground basins and pressurized into pipes. First of all, the methane is released through hydraulic fracturing, which involves firing a charge into a coalbed, causing a miniature earthquake.

A chemical slurry is then injected into the coalbed to sustain the fractures. The gas starts to leak, but air or water typically must be injected into the fractures to pressurize it.

The US has about 30 years of experience with this type of methane extraction. In places like Durango, Colorado, the coalbeds are permeated with millions of litres of contaminated water that must be removed and stored.

In order to make coalbed methane economic, a high density of wells must be drilled, and re-drilled, to access new pockets of the gas.

Despite assurances from government and industry, some of the same practices and impacts are appearing in Canada.

"I live right in the middle of coalbed methane development in Alberta," said Jessica Ernst, an oil and gas consultant with 25 years experience in the province.

Ernst toured the Yukon this week, sharing her experience with the coalbed methane industry around her hometown of Rosebud, Alberta, where oil and gas companies drilled 400 holes in 2004 as part of the Horseshoe Canyon coalbed methane play.

Industry's goal is to drill a total of 50,000 holes in Horseshoe Canyon, she said.

"We're starting to find in our area that

some of the common comments from industry and the regulators are, 'What has happened in the States will not happen in Alberta because the coals are dry,'" Ernst said Wednesday.

"The magnitude of development that's around our small community, has involved an incredible number of wells."

"I've worked in the oilpatch for 23 years, going on 24."

"I've worked on a variety of different developments, in agricultural areas as well as Crown land and mountainous areas."

"I have never seen such an industrialization of the landscape."

"The number of wells, the increased number of facilities and tanks, the pipelines, the roads."

Despite assurances from government and industry, coalbed methane is not like conventional natural gas extraction, she said.

"The big difference is the intensity of drilling, the magnitude of developments involved and the repeat entry onto the land."

"A farmer used to have a rig come in and drill one well, perhaps a couple of tanks and then a pipeline would go through."

"Now that well site keeps getting re-entered."

"So they'll come in to re-complete; they'll come back in to re-fracture."

The 80 some residents of Rosebud first noticed the sounds, she said.

Eleven air compressors for gas wells surround the hamlet, and two more are planned, said Ernst.

"Sometimes it sounds like jets taking off, and its 24 hours a day, seven days a week."

And those are just the surface effects. Rosebud residents don't know what's happening to their drinking water.

"The fracturing in our area has involved a lot of experimentation, because they haven't had to get the water out," said Ernst.

"So they couldn't quite get the methane to release from the coal seams."

"So they were fracturing with a variety of chemicals, but they won't disclose to us

what those are.

"We have asked. Because it stands to potentially impact aquifers we think it's important thing for communities to know what the fracturing chemicals are."

"The regulators won't disclose it either."

Coalbed methane exploration and development in Alberta is supposed to be regulated by the Alberta Energy and Utilities Board.

And the regulations are very good—on paper, said Ernst.

"But the regulations are being ignored. And when reports of regulations being ignored are presented to the regulator, the regulator looks the other way."

"Not only are they being ignored, but they're not being enforced when they're being ignored."

Southeast British Columbia has had similar experiences, said Casey Brennan, spokesman for Wildsight, a Kimberley-based environmental lobby firm.

"If you want economic benefit from this type of development, you really need to do a good job of examining where on the landscape you can basically write off," said Brennan, who toured with Ernst to Beaver Creek, Atlin, Haines Junction, Carcross, Whitehorse, Pelly Crossing, Teslin and Watson Lake this week.

Albert Gensler from the First Nation of Na-cho Nyak Dun also took part in the CPAWS-sponsored tour.

"This is part of an ongoing project, a collaboration between the Yukon River Inter-Tribal Watershed Council and CPAWS-Yukon, the purpose of which is to bring communities information about coalbed methane and what it means," said CPAWS spokesman Mac Hislop.

"In (Ernst's) case, industry was already there, just plunking holes in the ground, and nobody knew about it until they were already pumping gas."

"Communities that are better prepared are more likely to make better decisions."

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