

Preliminary Findings: Coal Bed Methane (MAC)
Alberta Energy

**Comments prepared by the Livingstone Landowner's
Group, Pincher Creek, Alberta**

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Water comments

Adequate baseline data on groundwater quality has not yet been collected by the province. CBM activity should be prohibited in any area where this critical baseline data has not been collected.

CBM and other unconventional plays must be prohibited from critical watersheds such as the eastern slopes of the Rocky Mountains. The intensity and density of CBM or tight gas drilling could seriously compromise or destroy the multi-billion dollar water services provided by this landscape.

Given the wholesale looting of groundwater supplies in the United States the province (AENV) must immediately create and maintain a Water Well Registry that monitors the pre and post testing of all wells within a 880 metre radius of a CBM or tight gas well. Where CBM activity results in a lowering of local aquifers, all drilling must cease.

Companies that destroy water wells by accident or bad drilling practices must publically report these incidents and be heavily fined. Non disclosure agreements that hide such incidents should be prohibited.

The MAC reports fails to address the effects of hydraulic fracturing on water wells and aquifers. This practice has destroyed important aquifers in the United States.

Given the over allocation of surface water in most river basins in central and southern Alberta CBM activity involving the production of freshwater must be prohibited.

Surface/Air Comments

Contrary to the MAC report noise is very much a key CBM issue. CBM cannot exist without a proliferation of 1500 compressor stations in central Alberta alone for solely one pool of gas in one formation. Since CBM's arrival in Alberta in the last four years noise complaints related to compressors stations have jumped by nearly 6%.

A compressor station that invades and violates the peace and security of an Alberta citizen has violated trespass laws and fundamental property rights.

Current noise guidelines are inadequate and poorly enforced by the EUB. Members of the EUB have told landowners in the Rosebud area, for example, that they won't enforce noise guidelines because companies like EnCana "are just too powerful." This is unacceptable.

Royalties Comments

Any royalty break for CBM contravenes the discipline of the free market and helps to subsidize an industry currently experiencing record prices for its product.

The current royalty regime, based on gas volumes overtime, needs to be reviewed and updated. CBM produces low volumes of gas at higher community and environmental costs than conventional gas. The industrial wear and tear that CBM places on roads, water resources, rural quiet, and agriculture simply demands a higher royalty regime. A responsible regime would discipline the market place by discouraging marginal projects and encouraging rational ones.

Land Use Planning

Reviewing integrated land management principles is simply a lazy promise. Good land use planning must be mandated. Every CBM project must be vetted through a public process that clearly examines its impact on the local MD; agricultural lands; property values and groundwater. The Bureau of Land Management does good environmental assessment on every CBM project; the AENV should do the same. A cumulative impact study should also clearly show how CBM drilling will affect existing land uses and natural capital over time.

Current regulations do not reflect the glaring reality that every major CBM project comes, like an oil sands project, with a heavy footprint.

CBM should be severely limited on class three soils and prohibited from all environmentally sensitive areas and critical watersheds.

In order to conserve natural capital priority land use zoning must be adopted by the province.

Best Practices

Discretionary best practices manuals are ridiculous. Western US governors put together a good manual but companies refused to follow it. Alberta needs to set high standards for CBM (try those set by Ted Turner on his ranch) and then rigorously enforce them. The EUB currently doesn't have the staff or leadership to enforce compliance for conventional gas let alone CBM.

Specific Issues

A rigorous well-referenced study by La Plata County in Colorado shows that CBM can devalue rural property by an average of 21%. Any CBM policy that does not compensate landowners for property devaluation is a Soviet policy that violates fundamental human rights. How could MAC call this a non-CBM issue?

The report also neglects the important issue of reclamation. The province currently has a \$9-billion backlog in unreclaimed wells which represents a significant liability for taxpayers. We recommend a mandatory reclamation bond of \$10,000 for every CBM well.

Top Ten Recommendations

The report's major recommendations are simply motherhood statements full of "shoulds" instead of "musts" that fail to address key issues such as property values, enforcement or reclamation. Without mandating proper baseline data on groundwater, land use planning, impact statements, reclamation bonds, and priority land use zoning, this report will amount to "business as usual."

The MAC report assumes that the EUB is a functional, independent agency acting in the public interest. Yet most rural Albertans now regard it as a dysfunctional regulator that poorly enforces some of the lowest oil and gas standards in North America.

Without a rigorous appraisal of the full costs of pursuing CBM in the province including a pointed review of its extremely high energy costs and current low royalty returns, the province is poised to destroy much and gain little, and thereby repeat the same mistakes made by the United States.

The LLG strongly recommends a two-year moratorium on further development of CBM projects until the province has done its due diligence and demanded proper baseline studies on water, property values, energy costs, reclamation, royalties and land impacts.

The Livingstone Landowner's Group represents more than 60 landowners and citizens with surface rights to more than 35,000 acres of land in Southern Alberta.

Our Goal: Limit potential risk to groundwater, land, air quality, native vegetation, wildlife, soil, property values, livelihoods, aesthetics, and our community by mineral resource development in this area.

<http://www.livingstone-landowners-group.net>