

Bulletin 2004-21

July 23, 2004

Petroleum Registry of Alberta Changes to Well Statuses for Wells Completed in Coals and Tracking of Coalbed Methane Activity in Alberta

Introduction

Coalbed methane (CBM), also known as natural gas in coal (NGC), is natural gas, and CBM wells are subject to the same reporting requirements that apply to other natural gas wells in Alberta. However, due to the current interest in CBM development, the Alberta Energy and Utilities Board (EUB) requires that wells intended to be completed in coal(s) are identified as CBM wells on the well licence, as stated in [EUB Guide 56: Energy Development Applications](#). This allows wells with a CBM intent to be identified, but it does not allow for the effective tracking of CBM production, which is required for production characterization and proper resource and reserves assessments at this formative stage of CBM development in the province. Public, industry, government and EUB stakeholders have requested that a complete and systematic tracking of CBM activity and production be implemented by the EUB. This requires changes in the Petroleum Registry of Alberta (Registry).

Planned Changes

Two new well statuses for CBM wells are being incorporated into the Registry:

- CBM completed in coal(s) only
 - for production from wells that are completed in coal(s) only
- CBM completed in coal(s) and another lithology
 - for production from wells that are completed in both coal(s) and another lithology (e.g., sandstone)

Licensees must use these well statuses instead of a gas well status for reporting production from coals in the Registry effective October 1, 2004. This will allow the EUB to track CBM production on a go-forward basis.

The EUB requests that licensees having wells with past production from coal(s) but not reporting production at present also update these wells in the Registry, where possible, to the appropriate CBM well status. The EUB will review the state of these Registry updates after the new well statuses have been effective for a number of months and, if necessary, convert unchanged historic CBM wells to the appropriate CBM well status.

The EUB recognizes that the introduction of these new well statuses may initially create a slight reporting complexity in that the completion of a well will need to be considered in selecting the proper CBM well status. However, this is not materially different from certain other reporting

situations currently encountered, and the EUB understands that many licensees identify and track CBM production separately from other gas production at present for their own purposes.

The EUB plans to use the CBM well statuses from the Registry, along with the CBM well licence and other CBM identifiers on its database, to generate and make publicly available updates on CBM activity and production in Alberta during the early stages of CBM development in the province. Further changes and enhancements to EUB reporting requirements to identify CBM activities may be considered in the future, if required. While such reporting should help increase overall public awareness of CBM development in the province, companies are reminded that all development activities related to CBM must continue to be identified as such to affected stakeholders during public involvement and notification.

Further details on the use of the CBM well statuses in the Registry will be available closer to the implementation date. In the interim, questions on this matter can be directed to Tom Byrnes by telephone at (403) 297-8479 or by e-mail at tom.byrnes@gov.ab.ca.

[Original signed by]

Earle Shirley, P.Geol.
Executive Manager
Applications Branch